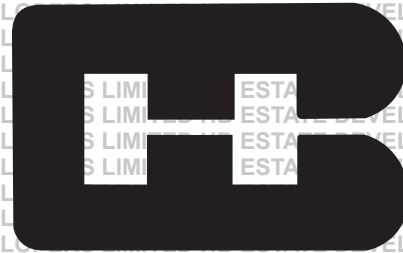


18th
Annual Report
2011 - 12



HB ESTATE DEVELOPERS LIMITED

**BOARD OF DIRECTORS**

Mr. Lalit Bhasin *Chairman*

Mrs. Asha Mehra

Mr. Anil Goyal

Mr. J. M. L. Suri

Mr. Rajesh Jain

AUDIT COMMITTEE

Mrs. Asha Mehra *Chairperson*

Mr. J. M. L. Suri

Mr. Rajesh Jain

CHIEF FINANCIAL OFFICER (CFO)

Mr. Praveen Gupta (w.e.f 1st December 2011)

COMPANY SECRETARY

Ms. Arpita Bisaria (w.e.f. 12th July 2012)

STATUTORY AUDITORS

M/s P. Bholusaria & Co.

Chartered Accountants,

26/11, Shakti Nagar,

Delhi - 110 007

REGISTERED OFFICE

Plot No. 31, Echelon Institutional Area,

Sector-32, Gurgaon - 122 001

Ph : 0124-4675500, Fax : 0124-4370985

WEBSITE

www.hbestate.com

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.

B-106, Sector - 2, Noida - 201 301

Ph : 0120-4015880, Fax : 0120-2444346

Email : shares@rcmcdelhi.com

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NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Company will be held as follows:

Day : Wednesday
 Date : 12th September 2012
 Time : 11.00 A. M.
 Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector-14,
 Gurgaon-122 001, Haryana.

to transact the following business:

AS ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Audited Profit & Loss Account for the year ended on that date, together with the Reports of Directors and Auditors thereon.
- To declare dividend.
- To appoint a Director in place of Mr. Anil Goyal, who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mrs. Asha Mehra, who retires by rotation and being eligible, offers herself for re-appointment.
- To re-appoint Auditors and to fix their remuneration.

**BY ORDER OF THE BOARD
 For HB ESTATE DEVELOPERS LTD.**

Place : Gurgaon
 Date : 25th May 2012

**ANIL GOYAL
 Director**

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 8th September 2012 to 12th September 2012 (both days inclusive).
- Dividend, if declared at the Annual General Meeting, will be paid within 30 days thereof to those members whose names appear on the Register of Members of the Company after giving effect to all valid requests for transfer of shares lodged with the Company on or before the close of business hours on 7th September 2012 or to their mandates. The dividend in respect of Shares held in dematerialised form would be payable to the beneficial owners of Shares recorded with the depositories as of the end of 7th September 2012 as per the details furnished by the Depositories for the purpose.
- Securities and Exchange Board of India (SEBI) has made mandatory for all Companies to use the bank account details furnished by the shareholders for distributing dividend through Electronic Clearing Service (ECS), wherever ECS and Bank Details are available. In the absence of ECS facility being made available for any reason, the Companies are required to print the bank account details on the payment instrument for distribution of dividend to the investors. Accordingly shareholders holding shares in physical form are requested to notify their bank details giving the name of the bank, the branch, the account number to the Company's Registrar and Share Transfer Agent, M/s RCMC Share Registry Private Limited. In case the holdings are in dematerialised form, the said details should

be conveyed to their Depository Participant. Shareholders who wish to avail the ECS facility offered by the Company should in addition to the aforesaid bank details also furnish a photocopy of the cheque leaf to Company's Registrar and Share Transfer Agent in case of holding in physical mode and to the Depository Participant in case of Dematerialised holding.

The bank particulars of the Shareholders recorded with the Depository Participant as of the book closure date, the data of which will be received through Depositories will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For safety and in the interest of the shareholders, it is important that bank account details are correctly provided to the Depository Participants. The bank details (mandate) for shares held in physical form will not be applicable/applied for shares held in dematerialised form and vice versa.

- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- Members are requested to:**
 - notify any change in their address to the Company including PINCODE or to the Registrar and Share Transfer Agent of the company namely :
 RCMC Share Registry Pvt. Ltd.
 B-106, Sector-2, Noida - 201 301
 Phones: 0120-4015880
 Fax: 0120-2444346
 E-mail: shares@rcmcdelhi.com
 Members whose shareholding is in the dematerialised mode are requested to direct change of address notifications to their respective Depository Participant.
 - bring their copies of Annual Report with them to the meeting as the same will not be supplied again at the Meeting as a measure of economy.
- The Company is implementing the "Green Initiative" as per Circular Nos. 17/2011 dated 21st April 2011 and 18/2011 dated 29th April 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/ CDSL will be deemed to be your registered email address for serving notices/ documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of Audited Financial Statements, Directors' Report, Auditors' Report etc. will also be displayed on the website www.hbestate.com of the Company and the other requirements of the aforesaid MCA circular will be duly complied with.**
Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participant.
Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the address mentioned in 7(a) above quoting their folio number(s).
- Details of Directors seeking appointment / re-appointment at the ensuing 18th Annual General Meeting (Pursuant to clause 49 of the Listing Agreement):

PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING (18th) AGM (Refer Note No. 3 and 4 of the Notice for AGM)

Name of the Director	Mr. Anil Goyal	Mrs. Asha Mehra
Date of Birth	22 nd February 1959	8 th August 1940
Date of Appointment	20 th September 1994	12 th August 2009
Expertise in specific functional areas	Fellow member of Institute of Chartered Accountants of India. Expertise in the field of Finance, Taxation, Investment, Banking, Corporate Restructuring and Strategic Planning	Extensive experience in the field of taxation
Qualifications	Chartered Accountant	Post-Graduate
List of Directorships in other Public limited companies(As on 31 st March 2012)	1. HB Stockholdings Limited 2. HB Portfolio Ltd 3. HB Securities Ltd 4. HB Leasing & Finance Co.Ltd. 5. HB Prima Capital Ltd. 6. HB Corporate Services Ltd. 7. RRB Securities Ltd. 8. Mount Finance Ltd. 9. Bhasin Investments Ltd. 10. AHL Hotels Ltd. 11. HB Insurance Advisors Ltd.	NIL
Membership of Committees in other Public Limited Companies(As on 31 st March 2012)	<u>Audit Committee</u> 1. HB Stockholdings Ltd 2. RRB Securities Ltd <u>Shareholder/Investor Grievance Committee</u> 1. HB Portfolio Ltd. 2. HB Leasing & Finance Co. Ltd 3. RRB Securities Ltd	NIL
No. of Shares held	NIL	NIL

**BY ORDER OF THE BOARD
 For HB ESTATE DEVELOPERS LTD.**

Place : Gurgaon
 Date : 25th May 2012

**ANIL GOYAL
 Director**



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 18th Annual Report of the Company, together with the Audited Statements of Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS:

The financial results of the Company during the year under review are summarised hereunder:
(Amount in ₹ lakhs)

PARTICULARS	Year Ended	Year Ended
	31.03.2012	31.03.2011
Total Turnover	1827.96	576.57
Gross Profit/ (Loss)	1288.09	385.64
Add : Exceptional Items	-	183.65
Less :		
(a) Depreciation	15.18	14.29
(b) Finance Cost	395.58	73.88
(c) Provision for Income Tax	168.33	102.40
Net Profit/(Loss)	708.99	378.72
Appropriations :		
General Reserve	100.00	100.00
Proposed Dividend	120.42	120.42
Tax on Dividend	19.53	19.53
Accumulated Profits	2183.39	1714.36

DIVIDEND

In view of the distributable profits of the Company after providing Depreciation and other provisions, your Directors are pleased to recommend a dividend at the rate of 10% on Equity Shares (i.e. ₹ 1.00 per share) for the year under review (previous year ₹ 1.00 per share).

PERFORMANCE REVIEW

The Total income for the year under review was ₹ 1827.96 lakhs as against ₹ 576.57 lakhs in the previous year (including the share of profits from joint venture project at Mohali). The company has also been able to generate net profits of ₹ 708.99 lakhs (₹ 378.72 lakhs during the previous year).

Your directors are pleased to inform that during the year under review, the civil construction work of the hotel project (Vivanta by Taj) at Sector-44, Gurgaon, Haryana, has been completed and the interior works are in progress. The hotel project work is in full swing and is nearing completion and up to 31st March 2012 an amount of ₹ 352.98 crores has been incurred on it.

The construction work of Shopping Mall-cum-Multiplex & Hotel project at Mohali in Joint Venture (in the form of an AOP) with Parsavnath Developers Ltd. is progressing slowly. The business of AOP is proposed to be transferred to a company named Gazala Promoters & Developers Pvt. Ltd. wherein HB Estate Developers Ltd. and Parsavnath Developers Ltd. shall make investment in the equity shares of Gazala Promoters & Developers Pvt. Ltd.

The Industry Trends and outlook are summed up in the Management Discussion and Analysis which forms part of this report.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public during the year.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Since your Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable.

During the year under review there has been no foreign exchange earning. The foreign exchange outgo during the said period was ₹ 16.45 lakhs on account of traveling; ₹ 171.51 lakhs towards payment of Professional and Technical fees and ₹ 1617.62 lakhs towards purchase of Capital goods.

INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable, as there are no employees who were drawing or in receipt of remuneration of prescribed amount during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2012, and of the profit of the Company for the period 1st April 2011 to 31st March 2012;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared 'on a going concern basis'.

CORPORATE GOVERNANCE

Your Company is in adherence of good corporate governance as stipulated by the stock exchange and has fully complied with the requirement of the listing agreement. A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors confirming compliances of Corporate Governance norms, in terms of Clause 49 of the Listing Agreement is annexed to the Annual Report.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's Equity shares are listed at Bombay Stock Exchange Limited (BSE), Mumbai. The listing fee for the year under review has been paid to BSE.

TERM LOAN

During the year under review, out of the total sanctioned Term Loan of ₹ 150 crores, a sum of ₹ 40 crores (previous year : ₹ 110 crores) has been disbursed to meet the cost of ongoing Hotel project of the Company.

AUDITORS REPORT

Observations of the Auditors have been explained, wherever necessary, by appropriate notes to accounts.

AUDITORS

M/s P. Bholusaria & Co., Chartered Accountants, the Statutory Auditors, retires at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

DIRECTORS

Mr. Anil Goyal and Mrs. Asha Mehra, Directors being longest in the office, retires by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The brief resume and other details of the above directors, as stipulated under Clause 49(IV)(G) of the Listing Agreement, are provided in the Notice for convening the Annual General Meeting.

During the year under review, Mr. Praveen Gupta was appointed as the CFO (Chief Financial Officer) of the Company w.e.f 1st December 2011.

ACKNOWLEDGEMENTS

Your Directors wish to thank and acknowledge the co-operation, assistance and support extended by the Company's associate in the Hotel Project, Bankers to the Company. Your Directors also wish to thanks for the contribution of the employees at all levels of the organisation and the trust and confidence reposed by the shareholders in the management of the company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Place : Gurgaon
Date : 25th May 2012

LALIT BHASIN
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

1. Operating Results

The total income earned by the company during the year under review (Sales, Rental Income and share of profit from joint venture project) was ₹ 1827.96 lakhs (₹ 576.57 lakhs in the previous year). During the year under review, the total expenses amounted to ₹ 950.63 lakhs (₹ 279.09 lakhs in the previous year).

2. Ongoing Projects

The company has entered into a long-term management agreement with The Indian Hotels Company Ltd. (IHCL) for operating company's upcoming Hotel ("Vivanta by Taj") located at Sector 44, Gurgaon. Under the said Agreement, the Hotel would be operated in the Five Star category under the TAJ portfolio of Hotels. As on date the civil construction of hotel building has been completed and other interior works are in progress. The hotel project work is in full swing and is nearing completion and up to 31st March 2012 an amount of Rs. 352.98 crores has been incurred on it.

The management is optimistic that the investments in the hotel project would generate substantial revenues in mainline operations, once the Hotel goes on stream.

The project for construction of Shopping Mall-cum-Multiplex & Hotel at Mohali, involving approx. 3.33 lakhs square feet of built up area, being implemented in Joint Venture with Parsvnath Developers Ltd., is progressing slowly. Under the project, 3 Screen Multiplex; 120 Rooms Hotel having an area of 89239 square feet; and 187 Mall Units having an approx. area of 1.48 lakh Sq. Ft. (including a Food Court having an approx. area of 12000 Sq. Ft) will be built.

3. Industry Trends and Business Analysis

The Indian real estate sector constitutes an important part of the country's economy as a result of rapid economic growth and the increased demand for both commercial and residential space. The commercial real estate sector demand is essentially driven by the performance of the economy, infrastructure development and policies to encourage investments. The demand in this segment deteriorated due to the slowdown in global and domestic economy since recession, with most corporate looking to cut cost and improve efficiencies. It has been seen that the fundamentals of India's real estate sector are improving, as seen by better liquidity and improved demands in the residential segment. It is expected that the real estate sector will show a growth in the coming year in comparison to the previous year especially, in the residential and affordable housing segment.

Conversely, the demand in the commercial segment remains weak, primarily impacted by over-supply and the scale-back of expansion plans by corporates in India. The Information Technology/Information Technology Enabled Services (IT/ITES) sector, where the bulk of the demand for India's commercial office spaces come from, adopted a conservative staffing approach. This has led to demand lagging behind supply; recession had affected the nonchalant behavior of realty market all over the country, it has been able to gradually switch back to the path of progress particularly, in the housing segment.

4. Opportunities and Threats

The Travel and Tourism Industry of which Hotels is a major backbone holds out great opportunity for growth as the capacity addition has not kept pace with the growth in travel and tourism. Gurgaon, the business district of Haryana, which has witnessed unprecedented growth coupled with a fast developing residential district and retail malls has been able to attract many conglomerates and MNCs to set up their offices. As such Gurgaon has great potential to offer growth opportunity for Hotel Industry. The company's project at Sector-44, Gurgaon enjoys locational proximity with the main business districts.

As in any other sector the company would face competitive threat from other players both existing as well as new. However, having entered into a long-term agreement with experienced and leading hotel chain for operation of the Hotel, the competition would be addressed with main emphasis on superior quality of services and amenities.

5. Future Prospects and Outlook

The Travel and Tourism Industry in general and Hospitality Sector in particular has so far enjoyed good growth and is expected to maintain the same despite the fears of rising inflation denting the rate of growth.

The change in demographics with rapid urbanization and the rise in the levels of income may keep up the demand for quality real estate space; however, the higher inflation coupled with hardening of interest rate may dent the demand. As such the outlook for the real estate industry in the long term remains positive though in the short term there may be stagnation/slow down in growth.

6. Risks and concerns

The real estate business is impacted by, inter alia, regulatory and monetary policies and investment outlook. The Company's operations and its ability for future development has to be viewed in light of the above and many other resultant factors such as changes in government regulations, availability of real estate financing, uncertainty on monetary and fiscal policy actions, approval processes, environment laws, actions of government land authorities and legal proceedings.

The undue increase in cost of raw materials such as, cement, steels, etc, and increase in the fuel prices and fluctuations in the market conditions are inherent to this industry. The rising costs and increase in inflation rate in the recent past, have posed concerns on the fate of this industry.

Some of the major recent concerns for hospitality and travel industry is the increase in the oil prices and consequently the increase in the air travel costs which is likely to impact the growth rate in traveling and tourism and the occupancy level at hotels. Besides, higher inflation is likely to induce corporates to initiate cost cutting measures which might affect the business in the travel industry and consequently the occupancy levels.

The lack of uniformity in the regulatory environment concerning the real estate, higher incidence of stamp duty as also the availability of quality manpower, market research models and reliable databases on industry are other major concerns that needs to be addressed.

The Company aims to understand, measure and monitor the various risks to which it is exposed and to ensure that it adheres, as far as reasonably and practically possible, to the policies and procedures established by it to mitigate these risks.

7. Internal control system and their adequacy

The Company has adequate internal controls commensurate with its size to ensure protection of assets against loss from unauthorised use and all the transactions are authorised, recorded and reported correctly. The internal control is also supplemented by internal audit conducted by an external and independent firm of Chartered Accountants on an ongoing basis.

The Internal Audit Reports along with management comments thereon are reviewed by the Audit Committee of the Board. Besides, the Audit Committee reviews the internal controls at periodic intervals in close coordination with the Internal Auditors.

8. Financial performance

a) Share Capital: The Company's issued and subscribed share capital consists of Equity Share capital only. The paid-up share capital of the company as at 31st March 2012 stood at ₹ 1231.60 lakhs which includes ₹ 1204.23 lakhs on account of 1,20,42,292 Equity Shares of ₹ 10/- each and ₹ 27.37 lakhs standing to the credit of shares forfeited account being the amount originally paid up on 8,29,338 partly paid up Equity Shares. The forfeited shares have not been reissued.

b) Reserves and Surplus: During the year under review, the reserves and surplus stood at ₹ 10362.81 lakhs as against ₹ 9793.77 lakhs during the previous year.

c) Non-current assets & Non-current Liabilities: During the year under review, the non-current assets and non-current liabilities stood at ₹ 39273.01 lakhs and ₹ 25820.10 lakhs respectively against ₹ 30233.58 lakhs and ₹ 18635.50 lakhs respectively in the last year.

d) Current Assets & Current Liabilities: During the year under review, the current assets and current liabilities stood at ₹ 3454.52 lakhs and ₹ 5313.01 lakhs respectively against ₹ 3764.08 lakhs and ₹ 4336.77 Lakhs respectively in the last year.

9. Human Resources

The Company considers its employees to be the most valuable asset and is committed to providing a conducive work environment to enable each individual employee to fully realise his or her potential.

The company has adequate human resources to man its various activities as of now. The company reviews its manpower requirement from time to time vis-à-vis current volume of activities and inducts suitable personnel as per requirement.

During the year under review, competent persons at senior and middle management levels with support staff were inducted for overseeing the Hotel Project at Gurgaon.

The company follows a sound man management practices as it recognizes that employees are the foremost assets and partners in its endeavors to achieve excellence in its operations and be a commercially successful organisation.

10. Cautionary Statement

Statements in this management discussion and analysis, describing the Company's objective, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downturn in the industry, significant changes in political and economic environment, tax laws, litigation, interests cost. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in the case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable. The company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time on behalf of the company.



REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Corporate Governance

Corporate Governance refers to a set of policies, principles, laws, rules, regulations and procedures that enable the company to attract best financial & human resources and to perform efficiently to maximise the long term value for the shareholders. Your company is committed to uphold good governance values and has been practicing the same over the years.

2. BOARD OF DIRECTORS

The Board of Directors provides strategic direction and thrust to the operations of the Company.

Composition of Board :

The Board of Directors of your company presently comprises of five (5) directors all being

non-executive out of which four (4) are independent directors. All non-executive directors are proficient in their respective fields and bring with them decades of rich and varied experience, in Finance, Income tax Laws, Money market operations, administration and management skill. Mr. Lalit Bhasin is the non-executive Chairman of the Company and the Promoter. The composition of the Board is in conformity with Clause 49 of the Listing Agreement.

Board Meetings :

Five (5) Meetings of the Board of Directors of the Company were held during the year under review, i.e. on 19th May 2011, 5th August 2011, 7th September 2011, 8th November 2011 and 28th January 2012.

Composition of the Board of Directors, particulars of director's other directorships and membership in committees of other public limited companies and their attendance in the Board Meetings and in AGM held during the year under review are given hereunder:

Name of the Director & Category	*Directorships in other public companies		*Committee memberships in other public companies		No. of Board Meetings during the Year		Whether attended last AGM	Shares held in the company & % to the paid-up share capital
	Director	Chairman	Member	Chairman	Held	Attended		
Mr. Lalit Bhasin Promoter & Non-Executive	14	4	7	—	5	5	Yes	70,63,350(58.65%)
Mrs. Asha Mehra Independent & Non-Executive	—	—	—	—	5	4	No	Nil
Mr. Anil Goyal Independent & Non-Executive	11	—	5	1	5	5	Yes	Nil
Mr. J.M.L. Suri Independent & Non-Executive	11	—	4	1	5	5	Yes	500#(not significant)
Mr. Rajesh Jain Independent & Non-Executive	—	—	—	—	5	5	Yes	Nil

*as on 31st March 2012

Joint Holding

In terms of the provisions of the Articles of Association of the company, one-third of which of the directors as are liable to retire by rotation shall retire from office at every Annual General Meeting. Accordingly, Mr. Anil Goyal and Mrs. Asha Mehra, both non-executive directors being longest in office retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

3. Board Committees

The Board of Directors of the company in its meeting held on 20th December 2001 constituted two Board committees namely; Shareholders/Investors Grievance Committee in compliance to Clause 49 of the Listing Agreement and Audit Committee in due compliance with Section 292A of the Companies Act, 1956. The Board has also constituted a Remuneration Committee on 21st April 2004 in due compliance of Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement. All of these committees are having their own terms of reference as approved by the Board from time to time.

(A) Audit Committee:

The Company has a duly constituted Audit Committee, the scope of which is quite comprehensive and is in conformity with the Clause 49 of the Listing Agreement and section 292A of the Companies Act, 1956. The Committee comprises Mrs. Asha Mehra (Chairperson), Mr. J.M.L. Suri and Mr. Rajesh Jain. All members are non-executive Independent Directors of the Company and possess sound knowledge of accounts, audit, taxation etc. The Audit Committee has been empowered, inter-alia, to carry out the following functions:

- To lay down, review and revise the accounting policies of the company.
- To review the financial operations and performance of the company.
- To review quarterly, half-yearly and annual financial accounts and other financial reports and statements, before placement thereof before the Board of Directors.
- To consider and constitute sub-committees, wherever necessary for carrying out and/or monitoring the financial operations of the company.
- To appoint whenever deemed expedient, an independent internal auditor to carry out continuous audit of the accounts and systems of the company and also consider and/or review the appointment and removal of auditors of the company.
- To consider and set up adequate internal control systems and review and monitor the same in consultation with the internal auditors and the auditors of the company and ensure compliance of the same.
- To receive, discuss and consider the observations and reports of the internal auditors and auditors of the company time to time.
- To review and investigate on the matter of financial nature, as and when deemed necessary and expedient.
- To give report and/or recommendations to the Board on the matters concerning financial operations of the company.
- To invite and summon any executive of the company and/or appoint experts, wherever necessary and discuss with them the matters relating to finance, audit and internal control system etc.
- To obtain legal and professional advice wherever deemed necessary and expedient.
- To consider and act on any matters as are included under Clause 49 of the Listing Agreement and/or as may be so included from time to time, whether provided here in above or not.

- To deal with any other matters related and or incidental to the above or as may be assigned, in addition to the aforesaid, by the Board from time to time.

During the year under review, Audit Committee of the Board met four (4) times i.e. on 19th May 2011, 5th August 2011, 8th November 2011 and 28th January 2012 and the same were attended by all three committee members.

(B) Shareholders/Investors Grievance Committee:

The Shareholders/Investors Grievance Committee comprises three members, headed by Mr. J.M.L. Suri as Chairman; and Mr. Anil Goyal and Mr. Rajesh Jain as its two Members, all being non-executive Independent Directors. The committee has been empowered, inter-alia, to carry out the following functions:

- To consider and approve the transfer, transmission and issue of fresh/duplicate share certificates.
- To review the status of dematerialisation of company's shares and matters incidental thereto.
- To review and monitor the approval to the transfers and transmissions made by the Executive Director, under executive authority delegated to him from time to time.
- To monitor the matters of litigation related to shareholders and take decisions relating thereto.
- To consider, review and monitor the matters related to the shareholders grievances.
- To consider and finalise the Report on Corporate Governance to be annexed with the Annual Report of the company.
- To deal with any other matters related and/or incidental to the shareholders.

Mr. J.M.L. Suri, Director has been empowered to approve transfer of Equity Shares up to 10,000 shares at a time under one folio received and processed in between the two Share Transfer Committee meetings.

During the year under review eight (8) meetings of the committee were held on 7th April 2011, 19th May 2011, 28th May 2011, 27th June 2011, 21st July 2011, 5th August 2011, 8th November 2011 and 28th January 2012. These Committee meetings were attended by all the committee members.

(C) Remuneration Committee:

The Remuneration Committee of Directors has been constituted to consider, determine, approve and recommend to the Board of Directors the appointment and remuneration payable to Managerial Personnel (Managing/Whole Time Director). The Committee is Chaired by Mrs. Asha Mehra and other member is Mr. Rajesh Jain, both being non-executive Independent Directors.

Remuneration Policy: As per the remuneration policy of the Company, Managing Director / Whole Time Director(s) are to be remunerated by way of salary and perk as per the industry norms and within the limits specified under the Schedule XIII of the Companies Act, 1956. As there is no Managing Director / Whole Time Director / Executive Director, no remuneration has been paid during the year under review. The Non-Executive Directors are paid sitting fees for attending each meeting of the Board and the Committees constituted by the Board in respect of their meeting held from time to time. The sitting fee for meeting of the Board of Directors and the Board Committees are fixed by the Board of Directors within the overall monetary ceiling fixed under the Companies Act, 1956 from time to time.



Remuneration paid to Non-Executive Directors during the year ended 31st March 2012 is summarised as under:

Director	Relationship with other Directors	Sitting Fees Paid (₹)	Salary & Perks	Commission, if any
Mr. Lalit Bhasin	—	50,000/-	Nil	Nil
Mrs. Asha Mehra	—	52,000/-	Nil	Nil
Mr. Anil Goyal	—	62,000/-	Nil	Nil
Mr. J. M. L. Suri	—	74,000/-	Nil	Nil
Mr. Rajesh Jain	—	74,000/-	Nil	Nil

4. Code of Conduct

The company has adopted a Code of Conduct applicable to all Directors and Senior Management personnel of the company and the same has been posted on the company's website and has been amended from time to time as required in consonance to the changing regulations. For the year under review, all directors and senior management personnel associated with the Company have confirmed their adherence to the provisions of said Code of Conduct.

5. Risk Management

Risk assessment and minimization procedures are in existence and are reviewed periodically.

6. General Body Meetings:

(i) The details of the last three (3) Annual General Meetings (AGM) of the Company are as follows:

Year	Type	Location	Date	Time
2010-11	AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001	7 th Sept. 2011	11.00 A.M.
2009-10	AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001	28 th Sept. 2010	11.00 A.M.
2008-09	AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001	12 th August 2009	10.30 A.M.

(ii) List of Special Resolutions passed in the previous 3 AGMs:

S. No.	Subject Matter	AGM Reference and Date of passing
1	Nil	Nil

(iii) No Special Resolutions were put through postal ballot last year

(iv) No Special Resolution is proposed to be conducted through postal ballot

7. Disclosures:

- I. There have been no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31st March 2012 (Refer Note No.26 of Notes to Accounts forming part of the Balance Sheet & Profit & Loss Account). Accordingly the same has not been reproduced here.
- II. No penalty has been imposed or any strictures have been passed by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital markets during the last three years.
- III. Whistle Blower Policy being a non mandatory requirement has not been adopted by the company.
- IV. All the mandatory requirements under Clause 49 (relating to Corporate Governance norms) of the Listing Agreement are being adhered to/ complied.
- V. The non mandatory requirement relating to Remuneration Committee has been adopted by the company.

8. Means of Communication:

- I. Quarterly Results: Dissemination through Stock Exchange, company's website and through publication in newspaper as required under Listing Agreement.
- II. Newspapers wherein results normally published – Business Standard (Both in English & in Hindi).
- III. Website where displayed – www.hbestate.com
- IV. The Website also displays official news releases and important communications made to Stock Exchanges. As and when any presentations are made to institutional investors the same would be simultaneously uploaded on the company's website.

9. General Shareholder Information:

I. Ensuing Annual General Meeting date, time and venue:

Venue	Day & Date	Time
GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon-122 001	Wednesday 12 th September 2012	11.00 A. M.

- II. Financial Year : 31st March 2012
- III. Date of Book Closure : 8th September 2012 to 12th September 2012 (both days inclusive).

IV. Dividend Payment Date:

Subject to the approval of dividend by the shareholders, dividend warrants will be mailed to eligible members/beneficial owners (in respect of shares held in dematerialized form) on or before 11th October 2012.

V. Listing on Stock Exchanges

The Company's Equity Shares are listed at Bombay Stock Exchange Ltd., Mumbai.

VI. Stock Code

The Company's Scrip Code at BSE is 532334

VII. Dematerialisation of Shares and Liquidity

The trading in the Equity Shares of the Company has come under compulsory dematerialisation w.e.f. 27th November 2000 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29th May 2000.

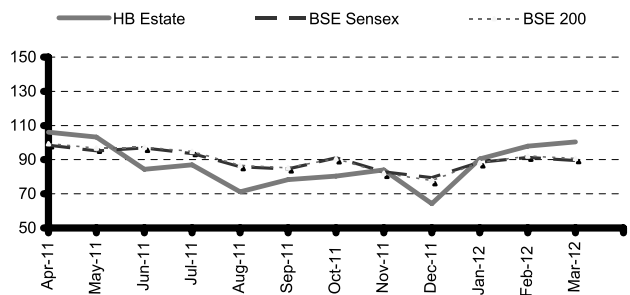
The company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN No. allotted to Equity Shares of the Company is INE640B01013.

As at 31st March 2012, 99,41,298 Equity Shares of the company are held in dematerialised form constituting 82.55% of the Company's Paid up Equity Share capital of ₹ 12,04,22,920/- comprising of 1,20,42,292 Equity shares of ₹ 10/- each.

VIII. Market Price Data: The monthly High, Low and Close price during each month in the last financial year at BSE along with volume of shares traded during the months are as under:

Month	High	Low	Close	Volume
April 2011	34.00	28.00	29.80	25,499
May 2011	31.95	26.50	29.00	11,722
June 2011	30.45	23.00	23.70	11,518
July 2011	26.00	23.05	24.45	9,781
August 2011	25.40	18.70	20.00	9,725
September 2011	26.00	19.75	22.00	15,171
October 2011	25.00	20.20	22.60	11,368
November 2011	25.50	21.40	23.60	15,707
December 2011	24.35	17.40	18.05	8,385
January 2012	26.05	17.30	25.40	11,811
February 2012	28.35	22.55	27.50	32,220
March 2012	33.00	27.00	28.20	3,70,463

IX. Performance in comparison to broad based indices



X. Stock Performance-Absolute returns vis-à-vis broad based indices

	1 year
HB Estate	(-) 5.37%
BSE Sensex	(-)9.05%
BSE 200	(-)8.71%



XI. Distribution of Shareholding and Shareholding Pattern as at 31st March 2012 are as under:

Distribution of Shareholding

No of Shares	Shareholders		Shareholding	
	Nos.	% to total	Shares	% to total
1-5000	74150	99.57	3133873	26.02
5001-10000	179	0.24	128457	1.07
10001-20000	61	0.08	87562	0.73
20001-30000	20	0.03	48328	0.40
30001-40000	13	0.02	44509	0.37
40001-50000	10	0.01	46705	0.39
50001-100000	16	0.02	126421	1.05
100001 and above	20	0.03	8426437	69.97
TOTAL	74469	100.00	1,20,42,292	100.00

Shareholding Pattern

Category	No of Shares held	% of Shareholding
A. Promoters Holding		
- Individuals	77,54,473	64.39
- Bodies Corporate	1,84,160	1.53
B. Public Shareholding (Institutions)		
- Mutual Funds and UTI	1,125	0.00
- Banks/Financial Institutions	195	0.00
- Foreign Institutional Investors	-	-
C. Public Shareholding (Non Institutions)		
- Bodies Corporate	4,94,408	4.11
- NRIs	1,10,425	0.92
- Indian Public	34,90,609	28.99
- Clearing Member/Intermediary	6,897	0.06
TOTAL	1,20,42,292	100.00

XII. The Company has no outstanding GDRs/ADRs/Warrants or any other instruments convertible into Equity.

XIII. Share Transfer System

Share Transfers are registered and returned within a period of 30 days from the date of receipt if the documents are clear in all respects. The authority for transfer of shares has been delegated to a Director for transfer of shares up to a fixed number beyond which the matters are placed before the Shareholders/Investors Grievance Committee, which meets as and when, required. As reported by Company's RTA all valid requests for transfers during the year under review were transferred within the stipulated time limit.

XIV. The status of **Investor's Grievance Redressal** during 1st April 2011 to 31st March 2012 is as under:

Nature of Grievance	Received	Cleared
Non receipt of Dividend	21	21
Non receipt of Share Certificates after transfer	15	15
Non receipt of Annual Reports	-	-
Dematerialisation of Shares	2	2
Total	38	38

XV. Compliance Officer: Company Secretary of the Company act as the Compliance Officer.

XVI. Registrar and Transfer Agents
RCMC Share Registry Pvt. Ltd.,
 B-106, Sector-2, NOIDA - 201 301
 Phones: 0120-4015880; Fax: 0120-2444346;
 E-mail: shares@rcmcdelhi.com

XVII. Address for Correspondence
 The Company Secretary
 HB Estate Developers Limited,
 Plot No.-31, Echelon Institutional Area,
 Sector-32, Gurgaon-122001 (Haryana)

DECLARATION

I, J. M. L. Suri, Director of HB Estate Developers Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, for the year ended 31st March 2012.

For HB ESTATE DEVELOPERS LTD.

Sd/-
J. M. L. SURI
 Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The company has obtained a Certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchange.

CERTIFICATE

To the Members of
HB Estate Developers Ltd.
 Gurgaon

We have examined the compliance of conditions of Corporate Governance by HB Estate Developers Ltd. for the year ended on 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR P. BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS
FRN 000468N

Place : Gurgaon
 Date : 25th May 2012

AMIT GOEL
PARTNER
 (Membership No. 092648)



AUDITOR'S REPORT

THE MEMBERS OF

HB ESTATE DEVELOPERS LIMITED

We have audited the attached Balance Sheet of M/s. **HB ESTATE DEVELOPERS LIMITED** as at 31st March 2012, Statement of Profit and Loss and Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management .Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that-
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the company so far, as appears from our examination of the said books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement comply with the accounting Standards referred to in Sub Section (3C) of section 211 of the Companies Act, 1956;
 - e) As informed and explained to us, none of the directors of the company is disqualified as on 31st March, 2012 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon (Particularly Note No.24(d) and Note No.29(d)) give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - a) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2012 and
 - b) In the case of the Statement of Profit & Loss of the Profit for the year ended on that date and
 - c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration No. 000468N**

**AMIT GOEL
PARTNER
(Membership No. 092648)**

Place : Gurgaon
Date : 25.05.2012

Annexure to Auditors' Report

Re: HB Estate Developers Ltd.

Referred to in Paragraph 1 of our report of even date

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year that would affect going concern status of the Company.
2. a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. In respect of the loans, secured or unsecured, granted/taken by the company to/from companies, firms or other parties covered in the Register maintained u/s 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - (i) The company has not granted any loans, secured or unsecured during the year to the companies, firm or other parties covered in the register mentioned u/s 301 of the Companies Act 1956.
 - (ii) (a) The Company had taken loan aggregating to ₹ 9,00,00,000/- in earlier years from one Company covered in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount involved during the year and the year end balances of the loan taken from such company was ₹ 9,00,00,000/-.
 - (b) The rate of interest and other terms and conditions of such loans are, in our

opinion, prima facie not prejudicial to the interests of the company.

- (c) The payment of principal amounts and interest in respect of such loans are regular/ as per stipulations.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and sale of goods & services. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
5. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into in the register required to be maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the market price prevailing at the relevant time..
6. The Company has not accepted any deposits from the public.
7. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
8. The nature of the company's business/activities is such that Clause 4(viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of Cost Records is not applicable to the company.
9. a. According to the records of the Company and according to the information and explanation given to us, undisputed statutory dues including Provident Fund, Income Tax, Wealth Tax, Service Tax, Excise duty, Custom duty, Cess and other material statutory dues as applicable have been generally regularly deposited by the company during the period with the appropriate authorities except for non deposit of instalments of advance tax. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2012 for a period of more than six months from the date of becoming payable except for non deposit of advance tax instalments of ₹ 67,00,000/-for June & September, 2011 quarters.
- b. According to the records of the company, the disputed statutory dues that have not been deposited on account of the matters pending before appropriate authorities as on 31st March,2012 are as under:-
 - (i) property tax demand of ₹ 67,36,724/- against which the company had filed Writ Petition before Hon'ble Delhi High Court and the company had been granted stay by the Hon'ble Court from the payment of said amount and the hon'ble court has directed the MCD to recompute the tax (refer note no.24(a))
 - (ii) Income tax demand of ₹ 94,816 for A.Y.2006-07, ₹ 8,55,290/- for A.Y.2007-08, ₹ 5,69,528/- for A.Y.2008-09 and ₹ 3,18,90,234/- for A.Y.2009-10 for which the company is in Appeal before Commissioner of Income Tax (Appeal);
 - (iii) Ground Rent as explained in note no.24(d)
10. The company has no accumulated losses at the end of financial year and it has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
14. The Company is neither dealing nor trading in shares, securities, debentures and other investments therefore clause 4(xiv) of the Companies (Auditor's Report) order 2003 is not applicable to the company. In respect of Investments in shares the company has maintained proper records of transactions and contracts in respect thereto and timely entries have been made therein. All shares and securities have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. On the basis of review of utilisation of funds pertaining to term loans on and overall basis and related information and explanation made available to us, the term loans taken by the company have been utilised for the purpose for which they were taken.
17. According to the information and explanations given to us, we are of the opinion that loans amounting to ₹ 25,99,49,066/- in the nature of overdraft facility have prima facie been used for long term investment purposes. i.e. for deployment for capital work in progress.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. No debentures have been issued by the company and hence the question of creating securities or charge in respect thereof does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud or by the Company has been noticed or reported during the year.

**For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration No. 000468N**

**AMIT GOEL
PARTNER
(Membership No. 092648)**

Place : Gurgaon
Date : 25.05.2012



BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	NOTE	AS AT	
		31ST MARCH, 2012 (₹)	31ST MARCH, 2011 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	123160358	123160358
Reserves and Surplus	3	1036281002	979377318
		1159441360	1102537676
Non-Current Liabilities			
Long-Term Borrowings	4	2478488066	1763657053
Other Long Term Liabilities	5	103522014	99893389
		2582010080	1863550442
Current Liabilities			
Short-Term Borrowings	6	377496292	319198800
Other Current Liabilities	7	124917904	94689029
Short Term Provisions	8	28886758	19789367
		531300954	433677197
		4272752394	3399765315
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	9	9454765	10936559
Capital Work in Progress	9	3529719247	2624344811
Non-current investments	10	387467698	387626364
Deferred Tax Assets (Net)	11	464817	255708
Long term loans and advances	12	194200	194200
		3927300727	3023357643
Current Assets			
Inventories	13	191575358	223557563
Trade receivables	14	1538685	0
Cash and Cash equivalents	15	141699735	144915947
Short-Term Loans and Advances	16	10637889	7934163
		345451667	376407673
		4272752394	3399765315

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 33

AS PER OUR REPORT ATTACHED ON EVEN DATE

For P BHOLUSARIA & Co.
CHARTERED ACCOUNTANTS
FRN : 000468N

AMIT GOEL
PARTNER (M. No. 092648)

PLACE : GURGAON
DATED : 25.05.2012

FOR AND ON BEHALF OF THE BOARD

JML SURI
Director

ANIL GOYAL
Director

PRAVEEN GUPTA
Chief Financial Officer

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31ST MARCH, 2012**

PARTICULARS	NOTE	YEAR ENDED	
		31st MARCH, 2012 (₹)	31st MARCH, 2011 (₹)
Revenue from Operations	17	172201901	35014396
Other Income	18	10594504	22642690
Total Revenue		182796405	57657086
Expenses:			
Changes in inventories of Finished Goods/ Stock-in-Trade	19	31982205	0
Employee Benefit Expense	20	4635415	2990511
Finance Costs	21	39558347	7387912
Depreciation	9	1518374	1428937
Other Expenses	22	17369155	16102120
Total Expenses		95063496	27909480
Profit for the year before Tax and exceptional items		87732909	29747606
Exceptional Items	30	0	18365127
Profit for the year before tax		87732909	48112733
Tax expense:			
Current Tax		28000000	10500000
Less:MAT Credit Entitlement		-10500000	0
		17500000	10500000
Deferred Tax (Credit)/Charge		-209109	23939
Tax adjustments for earlier years		-457519	-283642
Profit for the year		70899537	37872436
Earning per equity share:			
Equity share of Par value ₹ 10/-each	27		
Before Exceptional Items			
Basic		5.89	1.94
Diluted		5.89	1.94
After Exceptional Items			
Basic		5.89	3.14
Diluted		5.89	3.14
Number of shares used in computing earning per share			
Basic		12042292	12042292
Diluted		12042292	12042292

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 33

AS PER OUR REPORT ATTACHED ON EVEN DATE

For P BHOLUSARIA & Co.
CHARTERED ACCOUNTANTS
FRN : 000468N

AMIT GOEL
PARTNER (M. No. 092648)

PLACE : GURGAON
DATED : 25.05.2012

FOR AND ON BEHALF OF THE BOARD

JML SURI
Director

ANIL GOYAL
Director

PRAVEEN GUPTA
Chief Financial Officer



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	(Amount in ₹) Year Ended 31st March, 2012	(Amount in ₹) Year Ended 31st March, 2011
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before tax, extraordinary items and exceptional items	87732909	29747606
Adjustment for :		
Depreciation	1518374	1428937
Interest/Dividend Received	(10753170)	(10528743)
Interest Paid	39558347	7387912
Gain on Sale of Long Term Investments	158666	(12113947)
Transitional Effect	0	(4059)
Provision for Gratuity & Leave	471868	103737
Operating Profit before Working Capital Changes	118686994	16021443
Adjustments for :		
Trade and other receivables	(2616889)	5732755
Inventories	31982205	0
Current and Non Current Liabilities	33857500	(56772804)
Cash generated from operations	181909810	(35018606)
Interest paid	(39558347)	(7387912)
Cash Flow before extraordinary items	142351463	(42406518)
Exceptional Item	0	18365127
Direct Tax Paid	(10042481)	(16216358)
Net Cash from operating activities (A)	132308982	(40257749)
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Work in progress/Purchase of Fixed Assets	(905411016)	(638013550)
Sale of Fixed Assets	0	0
Purchase of Investments	0	0
Sale/decrease of Investments	0	32876280
Interest Received	10412058	9507831
Dividend Received	341112	1020912
Net Cash received in Investing activities (B)	(894657846)	(594608528)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital and Share Premium	0	0
Proceeds from Borrowings	773128505	378477836
Dividend Paid	(12042292)	(12042292)
Tax on Dividend	(1953561)	(2000075)
Net Cash used in Financing Activities (C)	759132652	364435469
Net increase in Cash and Cash equivalents (A+B+C)	(3216212)	(270430808)
CASH & CASH EQUIVALENTS (OPENING BALANCE)	144915947	415346754
CASH & CASH EQUIVALENTS (CLOSING BALANCE)	141699734	144915946

AS PER OUR REPORT OF EVEN DATE ATTACHED HERE WITH

For P BHOLUSARIA & Co.
CHARTERED ACCOUNTANTS
FRN : 000468N

FOR AND ON BEHALF OF THE BOARD

AMIT GOEL
PARTNER (M. No. 092648)

JML SURI
Director

ANIL GOYAL
Director

PLACE: GURGAON
DATED: 25.05.2012

PRAVEEN GUPTA
Chief Financial Officer



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 SYSTEM OF ACCOUNTING

The Company follows the accrual system of accounting except:

- (a) in case of interest on allotment/call money in arrears on shares and debentures which are accounted as and when received and
- (b) Interest on delayed payment by customers against dues will be accounted for on cash basis owing to practical difficulties and uncertainties.

1.2 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

1.3 REVENUE RECOGNITION

- 1.3 a In respect of Real Estate Projects undertaken upto 31.03.2005, the company continues to follow the complete project method of accounting for projects. Under this method, revenue is recognised only when project is completed or substantially completed, that is only minor work is expected other than warranty work. Cost and progress payments received are accumulated during the course of the project but revenue is not recognised until the project activity is substantially completed. The liquidated damages and other claims by customers are accounted for on final settlement. The construction and development cost relating to the sold units are considered for profit based on technical evaluation of cost for completion.
- 1.3 b In respect of Real Estate Projects undertaken w.e.f. 1st April, 2005, the revenue is recognised on Percentage of Completion Method. The revenue is recognised, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the projects under execution subject to such actual cost being 30% or more of the total estimated cost. The estimates relating to saleable area, sale value and costs are revised periodically by the management.
- 1.3 c In the case of projects relating to development and sale of plots and transfer/sale of right, revenue is recognised on execution of transfer documents/possession documents.
 - (i) Income from services is accounted for on the basis of the bills raised on customers.
 - (ii) The rentals from leased premises are considered as revenue income on accrual basis. In case of sale of leased premises, rental income is accounted for up to the date of flat buyer agreement. The advance rent, if any, received from the lessees pertaining to the period after the date of flat buyer agreement is refundable to the buyer.

1.4 FIXED ASSET

Fixed Assets are stated at cost less depreciation.

1.5 DEPRECIATION

Depreciation is provided on Straight Line Method at the rate and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

1.6 INVENTORIES

Inventories are valued at lower of cost or fair market value/ net realisable value.

1.7 INVESTMENTS

Investments (Long-Term/Non Current) are valued at cost less permanent diminution, if any.

Investments (Current) are valued at lower of cost or fair market value.

1.8 EMPLOYEE BENEFITS

Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under:-

- 1.8.1 Short Term Employee benefits are recognized as expense at the undiscounted amount in the Statement of Profit & Loss of the year in which they are incurred.
- 1.8.2 Employee benefits under defined contribution plans comprise of contribution to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Statement of Profit & Loss.
- 1.8.3 Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with Life Insurance Corporation of India.
- 1.8.4 Termination benefits are recognized as an Expense as and when incurred.
- 1.8.5 The actuarial gains and losses arising during the year are recognized in the Statement of Profit & Loss of the year without resorting to any amortization.

1.9 TAXATION

Tax expenses for the year comprises of current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws are recognised, only if there is a virtual certainty of its realisation. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed at each balance sheet date based on developments during the year, further future expectations and available case laws to reassess realisation/ liabilities.

1.10 IMPAIRMENT OF FIXED ASSETS

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

1.11 CONTINGENCIES

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.12 BORROWING COSTS

Interest and other borrowing costs on specific borrowings attributable to qualifying assets are capitalised. Other borrowing costs are charged to revenue over the tenure of loan.

1.13 FOREIGN CURRENCY TRANSACTION

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Exchange differences on traction of monetary assets and liabilities and realised gain and losses on foreign currency transactions are recognised in the Statement of Profit and Loss.

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31,2012

The Previous year figures have been regrouped/reclassified, wherever necessary to conform to the current period presentation

2. SHARE CAPITAL

Particulars	As at	As at
	31st March, 2012 (In ₹)	31st March, 2011 (In ₹)
AUTHORIZED		
2,00,00,000 (2,00,00,000) Equity Shares of ₹ 10/- each.	200000000	200000000
1,00,00,000 (1,00,00,000) Redeemable Preference Shares of ₹ 10/- each.	100000000	100000000
	300000000	300000000
ISSUED		
1,28,71,630 (1,28,71,630) Equity Shares of ₹ 10/- each.	128716300	128716300
	128716300	128716300
SUBSCRIBED & PAID UP		
1,20,42,292 (1,20,42,292) Equity Shares of ₹ 10/- each fully paid up.	120422920	120422920
Add: Forfeited shares- 8,29,338 (8,29,338) Equity Shares (Amount originally paid up)	2737438	2737438
Total in ₹	123160358	123160358

– Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of ₹ 10/.Each holder of Equity Shares is entitled to One vote per share.

– Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March,2012 & 31st March,2011 is as under:

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Number of shares at the beginning	12042292	120422920	12042292	120422920
Number of shares at the end	12042292	120422920	12042292	120422920

– Particulars of Shares in the company held by each shareholder holding more than 5% shares:

Number of shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
Lalit Bhasin	7063350	58.65	7063350	58.65

– In the event of the Liquidation of the company,the holder of equity shares will be entitled to receive any of the remaining assets of the company,after distribution of all Preferential amounts.The distribution will be in proportion to the number of equity shares held by the shareholders.



3. RESERVES AND SURPLUS

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Securities Premium Reserve-opening balance	499742116	499742116
Add: Addition during the year	0	0
	499742116	499742116
General Reserve-opening balance	308199083	298203142
Add: Transferred from Surplus	10000000	10000000
Add : Transitional effect of AS-15	0	-4059
	318199083	308199083
Surplus -opening balance	171436119	157559536
Add: Net Profit after tax transferred from Statement of Profit & Loss	70899537	37872436
Less: Proposed Dividend on Equity Shares (Dividend per Equity Share ₹ 1/-, Previous Year ₹ 1/-)	12042292	12042292
Less: Tax on Proposed Dividend	1953561	1953561
Less: Transfer to General Reserve	10000000	10000000
Surplus-Closing balance	218339803	171436119
Total in ₹	1036281002	979377318

4. LONG TERM BORROWINGS

Particulars	As at 31st March, 2012 (In ₹)		As at 31st March, 2011 (In ₹)	
	Non-Current	Current	Non-Current	Current
(A) SECURED LOANS:				
Term Loan From Bank-				
- Vehicle Loan from HDFC Bank (1)	262355	591068	853423	540371
- Term Loan from HDFC Bank (2)	32725711	5577919	38303630	6036857
- Term Loan from IDBI Bank (3)	750000000	0	550000000	0
- Term Loan from Punjab National Bank (4)	750000000	0	550000000	0
Total-A	1532988066	6168987	1139157053	6577228
(B) UNSECURED LOANS				
- Intercorporate Loans	945500000	0	624500000	0
Total-B	945500000	0	624500000	0
Total (A+B)	2478488066	6168987	1763657053	6577228
- Maturity Profile of Secured Term Loan from banks are as under:				
	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Vehicle Loan from HDFC Bank	262355	0	0	0
- Term Loan from HDFC Bank	6285338	7082477	7980713	11377183
- Term Loan from IDBI Bank	107142857	107142857	107142857	428571429
- Term Loan from Punjab National Bank	107142857	107142857	107142857	428571429

- Vehicle Loan From HDFC Bank**
Secured by way of hypothecation of Vehicle Financed.The Rate of Interest is 9%P.A.Repayable in 36 monthly installments.Last instalment due in August 2013.
- HDFC Bank -Term Loan**
Secured by way of exclusive charge on rent receivable for part of the premises at Plot No.31, Sector-32, Gurgaon, exclusive charge on equivalent mortgage of property at Plot No.31,Sector-32, Gurgaon;shares of Jaiprakash Associates Ltd. equivalent to loan amount and personal guarantee of Mr. Lalit Bhasin,Director.The Rate of Interest is 12 %P.A.(Variable).Repayable in 92 monthly installments.Last instalment due in June 2017.
- IDBI Bank -Term Loan**
Secured by way of first pari passu charge by way of mortgage by deposit of title deeds on Company's immovable properties situated at Site No 1, Sec 44 Disst. Gurgaon (Haryana) and on all the current assets including all receivables and investments of Hotel Project of the Company,Movable Fixed Assets of the Hotel Project of the Company both present and future and personal guarantee of Mr. Lalit Bhasin, Director.The Rate of Interest is 15 % P.A.(Variable). Repayable in 84 monthly installments starting 1st April 2013.

9. FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2011	Additions during the year	Sales/ Adjustment during the year	As at 31.03.2012	As at 01.04.2011	For the year	Sales/ Adjustment during the year	As at 31.03.2012	As on 31.03.2012	As at 31.03.2011	
Tangible Assets											
Furnitures & Fixtures	11494924	0	0	11494924	4990651	727629		5718280	5776644	6504273	
Office Equipments	1899433	12081	0	1911514	457359	90710		548069	1363445	1442074	
Voltage Stabilizer	50866	0	0	50866	42793	2416		45210	5656	8073	
Vehicles	2591984		0	2591984	293391	246238		539629	2052355	2298593	
Computers	2779229	24500	0	2803729	2095683	451381		2547064	256665	683546	
Total	18816436	36581	0	18853017	7879877	1518374	0	9398251	9454765	10936559	
Capital Work in Progress	2624344811	905374435	0	3529719247	0	0	0	0	3529719247	2624344811	
Total	2643161247	905411016	0	3548572263	7879877	1518374	0	9398251	3539174012	2635281370	
Previous Year	2005147697	638013550	0	2643161247	6450939	1428938	0	7879877	2635281370	1998696758	

(4) Punjab National Bank -Term Loan

Secured by way of first pari passu charge by way of mortgage by deposit of title deeds on Company's immovable properties situated at Site No 1, Sec 44 Disst. Gurgaon (Haryana) and on all the current assets including all receivables and investments of Hotel Project of the Company.Movable Fixed Assets of the Hotel Project of the Company both present and future and personal guarantee of Mr. Lalit Bhasin, Director.The Rate of Interest is 15.75% P.A.(Variable). Repayable in 84 monthly installments starting 1st April 2013.

(5) Intercorporate Loans are repayable beyond 3 years.Rate of Interest 0% to 12% P.A.

5. OTHER LONG TERM LIABILITIES

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Security Deposits*	103522014	99893389
Total in ₹	103522014	99893389

* include due from related parties (refer note no.26)

6. SHORT TERM BORROWINGS

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Unsecured		
From Bank	287496292	229198800
Overdraft Facility *		
From Related Party (Refer Note No.26)	90000000	90000000
Intercorporate Loan		
Total in ₹	377496292	319198800

* Overdraft facility from HDFC Bank is secured against FDR's of third party

7. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Current Maturities of Long term Debts (Refer Note No.4)	6168987	6577228
Interest Accrued but not due on borrowings	12691167	9442416
Unclaimed Dividend *	6380091	5297249
Creditors for Capital Expenditure	7928810	14276957
Expenses Payable	5201607	3703092
Security Deposits	5175852	4932719
Advances from Customers	79425301	49325301
Other Payables (TDS & other statutory dues)	1946089	1134067
Total in ₹	124917904	94689029

*There was no amount outstanding due to be transferred to Investor Education and Protection Fund.

8. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Provisions For Employees Benefit		
Leave Encashment	601798	412310
Gratuity (net)	371761	89381
Others		
Income Tax (net of Income Tax and Tds Rs.35,82,655/- previous year 52,08,177/-) (MAT Credit Rs.1,05,00,000/- previous year Rs. Nil)	13917346	5291823
Proposed Dividend	12042292	12042292
Dividend Tax	1953561	1953561
Total in ₹	28886758	19789367

(Amount In ₹)



10. NON CURRENT INVESTMENTS

Name of the Company	Face Value (₹)	As at 31st March, 2012		As at 31st March, 2011	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
- Long Term Investments (at cost)					
A. TRADE					
A.1 Investments in Equity Instruments Fully Paid up Equity Shares (Quoted) Jai Prakash Associates Ltd	2	850920	22732122	850920	22732122
A.2 Investment in Joint Venture (contribution to Association of Person) Parsvnath Developers (AOP)		-	354043736	-	354202402
Total-A (Trade) (A1+A2)		850920	376775858	850920	376934524
B. OTHER THAN TRADE					
B.1 Investments in Equity Instruments Fully Paid up Equity Shares Quoted					
Royal Orchid Hotels Ltd	10	496	81840	496	81840
RRB Securities Ltd. (*) Unquoted	10	86100	8610000	86100	8610000
Harsai Investments Ltd	10	200000	2000000	200000	2000000
Total-B (Other than trade)		286596	10691840	286596	10691840
Grand Total - (A+B)		1137516	387467698	1137516	387626364

Aggregate amount of Quoted Investments ₹ 3,14,23,962/- (Previous year ₹ 3,14,23,962/-) and Market Value thereof ₹ 7,80,69,227/- (Previous year ₹ 8,73,52,365/-)

Aggregate amount of unquoted Investment in shares ₹ 35,60,43,736/- (Previous year ₹ 35,62,02,402/-)

Investment Costing ₹ 2,03,03,216/- (Previous Year ₹ 1,49,60,264/-) were lying pledged in favour of the bank as at the year end.

(*) Listed but not quoted.

11. DEFERRED TAX ASSETS

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Fixed assets	148946	92935
Leave Encashment/Gratuity	315871	162773
Total in ₹	464817	255708

12. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Unsecured, Considered Good		
Security Deposits	194200	194200
Total in ₹	194200	194200

13. INVENTORIES

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Completed Construction	191575358	223557563
Total in ₹	191575358	223557563

14. TRADE RECEIVABLES

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Unsecured, considered good		
Over Six Months	0	0
Others	1538685	0
Total in ₹	1538685	0

15. CASH & CASH EQUIVALENTS

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Balances with Banks		
- In Current and Deposit Accounts*	134234798	139018994
- In Earmarked Dividend Accounts	6380091	5297249
Cash-on-Hand	1084846	599704
Total in ₹	141699735	144915947

* Includes Fixed deposits with Bank with more than 12 months maturity

* FDR(s) of ₹ 11,74,71,455/- (previous year ₹ 4,11,69,840/-) are pledged with banks.

16. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2012 (In ₹)	As at 31st March, 2011 (In ₹)
Unsecured, Considered Good		
Prepaid Expenses/Expenses recoverable	270544	294006
Interest Accrued on deposits with banks	1160140	322267
Property Tax, Service tax	7159951	6399179
Capital Advances	2047254	918711
Total in ₹	10637889	7934163

17. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2012 (In ₹)	For the Year ended 31st March, 2011 (In ₹)
Sales	77550500	0
Other Operation Income*	94651401	35014396
Total in ₹	172201901	35014396

* Includes Rental Income, Facility Charges and Other Claims.

18. OTHER INCOME

Particulars	For the Year ended 31st March, 2012 (In ₹)	For the Year ended 31st March, 2011 (In ₹)
Share of Profit/(Loss) from AOP(net of taxes)	-158666	-1858695
Interest On Fixed Deposits with banks	10412058	9507831
Dividend Income on Non Current/ Long	341112	1020912
Term Investments		
Gain on Sale on Non Current/Long	0	13972642
Term Investments		
Total in ₹	10594504	22642690

19. INCREASE/DECREASE IN STOCK

Particulars	For the Year ended 31st March, 2012 (In ₹)	For the Year ended 31st March, 2011 (In ₹)
Opening Stock	223557563	223557563
Less : Closing Stock	191575358	223557563
Total in ₹	31982205	0

20. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2012 (In ₹)	For the Year ended 31st March, 2011 (In ₹)
Salaries and Benefits	3929610	2627301
Contribution and Provident fund and other fund	522187	186703
Staff welfare	183618	176507
Total in ₹	4635415	2990511



21. FINANCE COSTS

Particulars	For the Year ended 31st March, 2012 (In ₹)	For the Year ended 31st March, 2011 (In ₹)
	Interest expense	39558347
Total in ₹	39558347	7387912

22. OTHER EXPENSES

Particulars	For the Year ended 31st March, 2012 (In ₹)	For the Year ended 31st March, 2011 (In ₹)
	Facility Management Services	3172004
Legal & Professional Communication	1317900	3056102
Commission/Brokerage	1275846	1378999
Printing & Stationery	1144305	0
Conveyance & Travelling	680681	628789
Repair & Maintenance :	651708	506278
To buildings	454961	456489
To others	3951334	2994574
Electricity and Generator Running	3027832	2546325
Listing Fee	40000	30000
Insurance	26923	30680
Sitting Fees	312000	335500
Miscellaneous	408778	279049
Vehicle Running & Maintenance	487810	380211
Auditors' Remuneration		
- Audit Fees	125000	125000
- Tax Audit Fees	15000	15000
- Tax Matters	45000	30200
- Certification & Others	80500	61500
Property Tax	151573	159346
Total in ₹	17369155	16102120

23 Estimated amount of contracts remaining to be executed on Capital account (net of advances) ₹ 31,97,28,986/- (Previous year ₹ 38,53,47,326/-).

24 Contingent liability in respect of:

- (a) Property Tax - ₹ 78,21,151/- (Previous year ₹ 78,21,151/-).
The total demand raised by MCD was ₹ 83,85,604/- (Previous Year ₹ 83,85,604/-). Against this, the company deposited the admitted liability of ₹ 5,64,453/- (Previous Year ₹ 5,64,453/-). For the balance amount of ₹ 78,21,151/- the company had filed a Writ Petition before the Hon'ble Delhi High Court. The company had also filed a stay petition before the Hon'ble High Court praying for stay for the payment of aforesaid amount of ₹ 78,21,151/-. As per direction of Hon'ble Court the company paid a sum of ₹ 10,18,477/- against the aforesaid demand and for the balance amount the company had been granted stay. The Hon'ble High Court directed MCD to re-compute the tax. In the opinion of management the demand raised by MCD is not sustainable and no further liability will arise and therefore the aforesaid amount of ₹ 10,18,477/- paid by the company is being shown as recoverable in the Balance Sheet under the head Short Term Loans & Advances.
- (b) income tax demand for which rectification/appeal has been filed with the appropriate authorities- ₹ 3,34,09,868/- (previous year ₹ 15,19,634/-).
- (c) Letter of Credit/Bank guarantee issued by bank ₹ 10,07,71,455/- (previous year ₹ 4,11,69,840/-).
- (d) The company had received a show cause notice dated 17.11.2006 from Delhi Development Authority (DDA) demanding a sum of ₹ 25868220/- (Excluding undetermined interest) on account of ground rent in respect of its property at Plot No. A-2, 3 & 4 in District Centre, Wazirpur, Delhi upto the period 14th July, 2006. Aggrieved by show cause notice issued by DDA, the company filed a writ petition in the Hon'ble High Court of Delhi Challenging the aforesaid demand. The Hon'ble High Court, vide its order dated 4th December, 2006 set-aside the matter to DDA for reconsideration. DDA vide Notice dated 12.01.2010 demanded a sum of ₹ 398.46 lacs (excluding interest) towards ground rent upto the period 14.07.2010. Aggrieved by the said demand, the company again filed a writ petition in the Hon'ble High Court of Delhi which vide its order dated 31.05.2010 stayed the operations of the order of DDA subject to company depositing a sum of ₹ 100 Lacs. As per the direction of Hon'ble high court, the company has deposited the said amount of ₹ 100 lacs on 10.06.2010 which as a matter of prudence had been provided for as expense in the Profit & Loss Account in the previous year under the head "Exceptional Items". The matter is pending for final disposal by the Hon'ble Court. The liability that may arise or will be ascertained only after the disposal of matter by the Hon'ble High Court of Delhi and therefore at this stage, in the opinion of management any further provision is neither considered necessary nor ascertainable. The effect of any arrear/excess amount will be taken after the decision of the Hon'ble Court.

25 In the opinion of the management, the company during the year was mainly engaged in the business of real estate developments and all activities of the company revolve around the main business and therefore there are no separate reportable segments as per Accounting Standard "Segment Reporting" (AS-17). The construction work in respect of company's Hotel project at Gurgaon is under progress. There are no revenue during the year (previous year Nil) pertaining to Hotel project. Sum of ₹ 352,97,19,247/- (previous year ₹ 262,43,44,811/-) has been incurred upto the year end for hotel project which is shown in the Balance Sheet under the head Capital Work in Progress.

Capital work in progress consists of :

Descriptions	As on 31.03.2012 (In ₹)	As on 31.03.2011 (In ₹)
	Payment for land to HUDA/Registration & Allied charges	1553850227
Interest & Finance Charges	455330606	233695822
Material & Labour	896405452	557178929
Plant & Machinery and Equipments	392833279	130726169
Professional & Technical Fees	118812173	89892404
Others	112487510	59289675
Total in ₹	3529719247	2624344811

26 Related Party Transactions:

Related party disclosures

As per Accounting Standard (AS-18) on "Related Party Disclosures", the disclosure of transactions with the related party as defined in the Accounting Standard are given below :-

26.1 List of Related parties with whom transactions have taken place and relationship:

- (a) Key Managerial Personnel
Mr. Biren Patra (Left on 01.03.2011)
Mr. Praveen Gupta (Joined on 01.12.2011)
- (b) Person having significant influence/control/major shareholders
(i) Sh. H.C. Bhasin (Expired on 07.12.2010)
(ii) Sh. Lalit Bhasin
- (c) Enterprises over which significant influence/control exist of the relatives of persons mentioned in (b) above
(i) RRB Master Securities Delhi Ltd.
- (d) Enterprises under direct or indirect common control/significant influence
(i) HB Stockholdings Ltd.
(ii) HB Portfolio Ltd.
(iii) HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)
(iv) HB Leasing & Finance Co Ltd.
(v) RRB Securities Ltd.
(vi) RRB Masterholdings Ltd.(Subsidiary of RRB Securities Ltd.)
- (e) Enterprises under control/Joint ventures
(i) Parsvnath Developers (AOP)

26.2 Transactions during the year with related party.

Nature of Transaction	Referred to in (a) above	Referred to in (b) above	Referred to in (c) above	Referred to in (d) above	Referred to in (e) above
Remuneration & other services	944668 (471360)	0	0	0	0
Sitting Fee	0	50000 (50000)	0	0	0
Share of Loss	0	0	0	0	158666 (1858695)
Rent Received	0	0	667011 (665428)	2153040 (2153040)	0
Sale of Investment through them	0	0	Nil (32876280)	0	0
DP Charges paid	0	0	0	2593 (4238)	0
Dividend paid	0	7063350 (6469309)	0	184160 (184160)	0
Dividend received	0	0	0	Nil (86100)	0
Amount recovered on our behalf and remitted to us	0	0	0	Nil (28365127)	0
Interest paid on Loan	0	0	0	10800000 (10800001)	0
Outstanding in respect of Loan including interest accrued as on 31.03.2012	0	0	0	92396712 (92396712)	0
Outstanding payable in respect of security deposit received	0	0	142485 (142485)	862000000 (862000000)	0

26.3 Disclosure in respect of outstanding balance of related party transactions:

- (i) Short Term borrowing includes loan taken from HB Portfolio Ltd. ₹ 9,00,00,000/- (previous year ₹ 9,00,00,000/-); Interest accrued but not due thereon ₹ 23,96,712/- (previous year ₹ 23,96,712/-). (ii) Security Deposits received includes ₹ 3,45,00,000/- (previous year ₹ 3,45,00,000/-) from HB Stockholdings Ltd.; ₹ 3,45,00,000/- (previous year ₹ 3,45,00,000/-) from HB Portfolio Ltd.; ₹ 1,15,00,000/- (previous year ₹ 1,15,00,000/-) from HB Leasing & Finance Co. Ltd.; ₹ 57,00,000/- (previous year ₹ 57,00,000/-) from RRB Securities Ltd. and ₹ 1,42,485/- (previous year ₹ 1,42,485/-) from RRB Master Securities Delhi Ltd.



27 Earning per Share (in Rs.):

Particulars	Current Year (in ₹)	Previous Year (in ₹)
Net Profit before exceptional items (after excluding tax effects on exceptional items) as Per Statement of Profit and Loss attributable to Equity Shareholders.	70899536	23334327
Net Profit after exceptional items as Per Statement of Profit and Loss attributable to Equity Shareholders.	70899536	37872436
Weighted Average Nos. of Equity Share Outstanding	12042292	12042292
Earning Per Share (face value of ₹ 10 each)		
Basic and diluted Earning per share (₹) before exceptional item	5.89	1.94
Basic and diluted Earning per share (₹) after exceptional item	5.89	3.14

28 Due to Micro, Small and Medium Enterprises

To the extent information available with the company, Sundry Creditors include Rs nil, (Previous year Nil) due to Small Scale Industrial Undertaking.

The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent information available with the company, the company does not owe any sum including interest required to be disclosed under the said Act.

- 29 a) The Company had entered into an agreement with a party namely M/s Parsvnath Developers Ltd. for undertaking Real Estate development projects. The agreement had been made by way of Association of Persons (AOP) under the name and style of " Parsvnath Developers (AOP)". Under the Agreement, the said AOP has taken up a real estate project at Mohali. The company has to contribute/invest 57.50% as its share of Investments in the Project. Upto the year end, the company has invested/ contributed Rs. 33,07,73,607/- (previous year Rs.33,07,73,607/-) for the project. The Company has 50% share in Profit /Loss of the project.
- b) The company's share of Loss amounting to Rs.1,58,666/- (previous year Loss Rs. 18,58,695/-) from the aforesaid AOP is based on separate audited statement of accounts of AOP. The brief breakup of share of profit/(loss) is as under:-

Particulars	Current Year (₹)	Previous Year (₹)
Turnover	2200573	218228
Expenses	2359239	(2076923)
Profit/(Loss) before tax	(158666)	(1858695)
Provision for tax	Nil	Nil
Profit/(Loss) after tax	(158666)	(1858695)

- (c) Brief Particulars of companies share/interest in Assets and Liabilities of AOP are as under:-

Particulars	Current Year (₹)	Previous Year (₹)
Assets	522192394	493306658
Liabilities	191418787	139104256
Capital Commitment	Nil	Nil
Contingent Liabilities	Nil	Nil

- (d) As per the notes forming part of the audited accounts of AOP, Land was allotted by Punjab Small Industrial & Export Corporation Limited (PSIECL) to Parsvnath Developers Limited (PDL) on free hold basis. Consideration for allotment of land was payable in yearly instalments with last instalment due on 23.12.2010. As on the date of balance sheet, Rs. 25,36,83,349/- are overdue for payment to PSIEC. In terms of the agreement, failure to complete the construction within the stipulated time or non adherence to the payment schedule will entitle PSIECL to cancel the allotment and forfeit part of the amount paid. The cancellation can be made after giving a Show Cause Notice. The Entity is pursuing with PSIEC and is hopeful of getting extension of construction period and payment schedule. In the opinion of management, no prejudice will be caused to the company's investments made in AOP.

30 Exceptional Items consist of:

Particulars	Current Year (₹)	Previous Year (₹)
Compensation/Damages Received	Nil	28365127
Ground Rent Paid	Nil	(10000000)
Amount as per statement of Profit & Loss	Nil	18365127

31 (a) Expenditure in foreign currency:

Particulars	Current Year (₹)	Previous Year (₹)
Travelling	1645098	1765849
Professional & Technical Fees	17151234	12543528
Capital Goods/Expenditure	161762034	80131577

- (b) The company has not remitted any dividend in foreign currency and does not have information as to the extent to which remittance, if, any in foreign currency on account of dividends have been made by/ on behalf of non – resident shareholders. The particulars of dividend paid to non- resident shareholders are as under:-

Particulars	Current Year (₹)	Previous Year (₹)
No. of Non- resident shareholders	663	634
No. of equity Shares held by them	107575	104572
i) Amount of Dividend paid (Gross)	107575	104572
ii) Tax Deducted at Sources	Nil	Nil
iii) Year to which dividend relates	2010-11	2009-10

32 Disclosure pursuant to Accounting Standard - 15

- (a) The company has adjusted Rs.Nil/-(Previous Year Rs.4059/-) -net of deferred tax of Rs.Nil/ -(previous year Rs.1949/-) towards the transitional effect of defined benefit obligation in respect of employee benefits up to the previous year to the opening balance of General Reserve.

(b) Defined Contribution Plan

Amount recognized as expense for defined contribution plans are as under :-

Particulars	Current Year	Previous Year	Head under which shown in the Profit & Loss account
Contribution to Provident Fund	1,63,178/-	1,06,175/-	Contribution to Provident Fund & other fund.

(c) Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at the beginning of the year (A)	505403	405265	412310	395109
Adjustment for increase (decrease) in opening obligation (B)		6008		Nil
Interest Cost (C)	40432	32902	36077	31522
Current service cost (D)	332978	220925	238999	183336
Benefits paid (E)	Nil	18173	122753	122962
Actuarial loss/ (gain) on obligation (F)	28519	-141524	37165	-74695
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	907332	505403	601798	412310

- (d) The amounts recognized in the Balance Sheet and Profit & Loss Account are as follows :

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	907332	505403	601798	412310
Estimated fair value of plan assets (B)	535571	416022	Nil	Nil
Net Liability (C=A-B)	371761	89381	601798	412310
Amounts in the Balance Sheet				
Liabilities	371761	89381	601798	412310
Amount charged to Profit & Loss Account				
Current Service Cost	332978	220925	238999	183336
Interest Cost	40432	32902	36077	31522
Expected Return on Plan Asset	-42920	-31775	Nil	Nil
Actuarial(Gain)/Loss	28519	-141524	37165	-74695
	359009	80528	312241	140163
Head under which shown in the Profit & Loss account	Contribution to Provident Fund and other Funds		Salaries & benefits	



(e) The Actual Return on Plan Assets is as follows:

Particulars	Gratuity	
	Current Year	Previous Year
i) Actual return on plan assets	42920	31775

(f) Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	8%	8%
Expected Rate of Return on Plan Assets	9%	9%
Salary Escalation Rate	6%	6%

(g) A reconciliation of the opening and closing balances of the fair value of plan assets:

Particulars	Gratuity	
	Current Year	Previous Year
Opening Fair Value of Plan Assets	416022	402420
Expected Return on Plan Assets	42920	31775
Actuarial Gains / (Losses)	Nil	Nil
Contribution by the Employer	76629	Nil
Benefits Paid	Nil	18173
Closing Fair Value of Plan Assets	535571	416022

33 The nature of activities of Company is such that quantitative information regarding inventories can not be given.

AS PER OUR REPORT ATTACHED ON EVEN DATE

For P BHOLUSARIA & Co.
 CHARTERED ACCOUNTANTS
 FRN : 000468N

AMIT GOEL
 PARTNER
 (Membership No. 092648)

PLACE : GURGAON
 DATED : 25.05.2012

FOR AND ON BEHALF OF THE BOARD

JML SURI
 Director

ANIL GOYAL
 Director

PRAVEEN GUPTA
 Chief Financial Officer

Folio No.
(To be filled in by the Shareholder)
No. of Shares



HB ESTATE DEVELOPERS LIMITED PROXY FORM

I/We
of.....
being a member(s) of **HB ESTATE DEVELOPERS LIMITED**, hereby appoint.....
.....
of or failing
him/her of
as my/our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Wednesday, 12th day of
September, 2012 and at any adjournment thereof. As witness my hand/our hands this day of 2012.

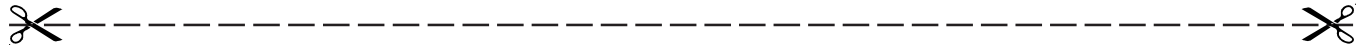
15 Paise
Revenue
Stamp

DP - Id :

Client - Id :

Signed by the Said :

NOTE : The proxy must be deposited at the Registered Office of the Company at Plot No. 31, Echelon Institutional Area, Sector-32, Gurgaon - 122 001 not less than 48 hours before the time of holding the Meeting.



HB ESTATE DEVELOPERS LIMITED ATTENDANCE SLIP

18TH ANNUAL GENERAL MEETING

Time : 11.00 A.M., Wednesday, 12th day of September, 2012
Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any.....

Father's/Husband's Name

Address in full.....

FULL NAME(S) OF THE PERSON ATTENDING THE MEETING AS A PROXY/SHAREHOLDER(S)
.....

I/We hereby record my/our presence at the 18th Annual General Meeting held on 12th September, 2012 at 11.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana.

Folio No./DP - Id : No. of Shares :

Client - Id :

Signature(s).....

Members may please note that the Auditorium Authorities do not permit carrying of bags/articles/snack packets etc. inside the meeting hall. The Company will not make any arrangements for safe keeping of articles etc. outside the Hall. Members may make their own arrangements which shall be solely at their risk and cost and the Company will in no way be responsible for any loss/theft of articles etc.

BOOK POST

If Undelivered please return to :-



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Plot No. 31, Echelon Institutional Area,
Sector-32, Gurgaon - 122 001, Haryana

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