



HB ESTATE DEVELOPERS LTD.

Regd. Office : Plot No .31, Echelon Institutional Area, Sector - 32, Gurgaon -122001 (Haryana)
Ph. : 0124-4675500, Fax : 0124-4370985, E-mail : info@hbestate.com
Website : www.hbestate.com, CIN No. L99999HR1994PLC034146

04th October, 2017

Listing Centre

The Listing Department
Bombay Stock Exchange Limited,
Pheroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400 001

Company Code: 532334

Sub: - Submission of 23rd Annual Report (2016-17)

Dear Sir,

In due compliance of the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed the copy of 23rd Annual Report (2016-17) of the Company for the Financial year ended 31st March, 2017 duly approved and adopted by the Members of the Company as per the provisions of the Companies Act, 2013, in their Annual General meeting held on 29th September, 2017.

The Annual Report has also been uploaded on the Company's website, www.hbestate.com in due compliance of the requirement of the Listing Regulations.

You are requested to take the above information on record.

Kindly take a note of the same.

Thanking You,
Yours faithfully,

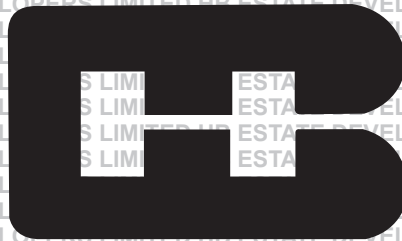
For HB ESTATE DEVELOPERS LIMITED

Radhika

RADHIKA KHURANA
(Company Secretary & Compliance Officer)

Encl: As above

23rd Annual Report 2016 - 17



HB ESTATE DEVELOPERS LIMITED



Company's Hotel Project- **"VIVANTA BY TAJ - GURGAON, NCR"** located at Plot No. 1, Sector 44, Gurugram, Haryana

**BOARD OF DIRECTORS**

Mr. Lalit Bhasin	Chairman
Mrs. Asha Mehra	Director
Mr. Anil Goyal	Director
Mr. J.M.L. Suri	Director
Mr. Rajesh Jain	Director
Mr. Luv Malhotra	Director

COMPANY SECRETARY

Mrs. Radhika Khurana

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, Gurugram - 122 001, Haryana

Ph : 0124-4675500, Fax : 0124-4370985

Email : corporate@hbestate.com

CIN: L99999HR1994PLC034146

WEBSITE

<http://www.hbestate.com>

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.

B-25/1, First Floor,

Okhla Industrial Area, Phase-II, New Delhi – 110 020

Phone : 011 – 26387320, 26387321, 26387323

Fax : 011 - 26387322

E-mail: shares@rcmcdelhi.com

CONTENTS

Notice	1
Directors' Report.....	4
Management Discussion and Analysis.....	16
Report on Corporate Governance	17
Independent Auditors' Report.....	23
Balance Sheet	25
Statement of Profit & Loss; Cash Flow Statement	25
Significant Accounting Policies and Notes to Account	26
Consolidated Financial Statements.....	34



NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF HB ESTATE DEVELOPERS LIMITED WILL BE HELD AS FOLLOWS:

(Note: The Company is providing facility for voting by electronic means and the business of this meeting may be transacted through electronic voting system.)

Day : Friday

Date : 29th September, 2017

Time : 11.00 A.M.

Place : GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram (Haryana) - 122 001.

(Please see route map provided in this Annual Report)

to transact the following business/(s):

AS ORDINARY BUSINESS:

- To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2017, including the Audited Balance Sheet as at 31st March, 2017, the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Anil Goyal (DIN 00001938), who retires by rotation and being eligible offers himself for re-appointment.
- To appoint M/s. G.C. Aggarwal & Associates, Chartered Accountants (Firm Registration No. 017851N) as the Statutory Auditors of the Company and to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013 (the Act), if any, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on the recommendations of the Audit Committee and the Board of Directors, approval of members be and is hereby accorded to the appointment of M/s G.C. Aggarwal & Associates, Chartered Accountants, New Delhi (Firm Registration No: 017851N) as the Statutory Auditors of the Company to hold office from the conclusion of this 23rd Annual General Meeting until the conclusion of the 28th Annual General Meeting of the Company, for a term of 5 years, subject to ratification by the members at every Annual General Meeting and at such remuneration as may be fixed by the Board of Directors of the Company."

AS SPECIAL BUSINESS:

4. Entering into Related Party Transaction with HB Portfolio Limited

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of 188 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 (including any amendment / modifications thereto or re-enactment thereof for the time being in force), Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Company's Policy on Related Party Transactions and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board), consent of the members be and is hereby accorded to the Board of Directors to enter into a contract(s) / arrangement(s) / transaction(s) with HB Portfolio Limited, a related party for selling the property developed and owned by the Company situated at Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram - 122001, Haryana having Plot Area admeasuring 2220 Sq. Mtrs. together with all movable assets attached thereto, furniture, fixtures, fittings and all other assets lying within the premises ('the property') on, as is where is basis, for such consideration as may be determined by an Independent valuer and on such terms and conditions as may be mutually agreed upon by and between the parties.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to sell the said property subject to the condition that the consideration should not be less than Rs. 30 Crores (Rupees Thirty Crores).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

**BY ORDER OF THE BOARD
For HB ESTATE DEVELOPERS LIMITED**

Sd/-

**RADHIKA KHURANA
(Company Secretary)**

Membership No.: ACS-32557

Place : Gurugram

Date : 29.05.2017

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.**

PURSUANT TO SECTION 105 OF THE COMPANIES ACT, 2013, A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A PROXY APPOINTED BY A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS SHALL NOT ACT AS PROXY FOR ANY OTHER MEMBER.

- An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and form part of this Notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from **23rd September, 2017 to 29th September, 2017** (Both days inclusive).
- The Ministry of Corporate Affairs has notified provisions relating to unpaid / unclaimed dividend under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, the amount of Dividend remaining Unpaid or Unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred **₹ 10,48,611/- (Rupees Ten Lacs Forty Eight Thousand Six Hundred Eleven Only) to IEPF on 27th September, 2016** being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31st March, 2009.

The new IEPF Rules mandate the companies to transfer the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to the demat account of IEPF Authority. However, the Shareholders are entitled to claim their Shares from the IEPF Authority by following the Refund Procedure as detailed on the website of IEPF Authority <http://iepf.gov.in/IEPFA/refund.html>.

In accordance with the aforesaid IEPF Rules, the Company has already sent notice to all the Shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement. The Company is required to transfer all unclaimed shares to the demat account of the IEPF Authority in accordance with the IEPF Rules.

The detail of Unpaid / Unclaimed Dividend lying with the Company as on the date of the last Annual General Meeting in respect of the financial years from 2009 to 2015 is available on the website of the IEPF viz. www.iepf.gov.in and on the website of the Company; www.hbestate.com

- The 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 dividends 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, RCMC Share Registry Pvt. Ltd. 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 on the Book Closure date(s), the data of which will be received through Depositories will be used by the Company for printing on 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 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.

- The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding Shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company's Registrar and Share Transfer Agent namely, RCMC Share Registry Pvt. Ltd.
- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Corporate Members intending to send their authorised representative to attend the Annual General Meeting, Pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly Certified Copy of the Board Resolution authorizing him to attend and vote on their behalf at the Meeting.
- Shareholders seeking any information with regard to Financial Statements are requested to write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.


10. Members are requested to:

- (a) Notify any change in their address to the Company including PIN CODE to the Registrar and Share Transfer Agent of the Company namely,

RCMC Share Registry Pvt. Ltd.
B-25/1, First Floor,
Okhla Industrial Area, Phase-II,
New Delhi – 110 020
Phone: 011 – 26387320, 26387321, 26387323
Fax: 011 - 26387322
E-mail: shares@rcmcdelhi.com

Members whose Shareholding is in electronic mode are requested to direct change of address notifications and bank particulars for receiving the Dividend, if declared, through electronic credit under ECS, to their respective Depository Participants.

- (b) Bring their copies of Annual Report with them at the meeting as the same will not be supplied again as a measure of economy.

11. The Company is implementing the "Green Initiative" to enable electronic delivery of Notices / Documents and Annual Reports to the 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 136 of the Companies Act, 2013. The Notice of Annual General Meeting and the copies of Audited Financial Statements, Director's Report, Auditors Report etc. will also be displayed on the website of the Company, www.hbestate.com

The Members holding Shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding Shares in physical mode are also requested to update their email addresses by writing to the Registrar and Share Transfer Agent of the Company at the address mentioned in 9(a) above quoting their folio number(s).

Copies of the Annual Report are being sent by electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report including Attendance Slip and Proxy Form are being sent by the permitted mode.

12. Voting through electronic means:

- (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company is pleased to provide the Members with the facility to cast their votes by electronic means on all the resolutions proposed to be considered in this Annual General Meeting from a remote location ("Remote e-voting").
- (ii) The Company has engaged the services of Karvy Computershare Pvt. Ltd. ("Karvy") to provide the facility of Remote e-voting.
- (iii) The facility for voting through Physical Ballot Papers shall be made available at the meeting and members attending the meeting, who have not already cast their vote by Remote e-voting shall be able to exercise their right to vote at the meeting through Ballot Papers.
- (iv) The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 22nd September, 2017**, may cast their vote by remote e-voting / at the meeting.
- (v) Any person who acquires Shares of the Company and becomes member of the Company after dispatch of the Notice and holding Shares as on the **cut-off date i.e. 22nd September, 2017** may obtain the login Id and password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote.
- (vi) **The Remote e-voting period shall commence on Tuesday, 26th September, 2017 (09.00 A.M) and ends on Thursday, 28th September, 2017 (05.00 P.M).** Thereafter, the Remote e-voting module shall be disabled by Karvy for voting.
- (vii) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The Members who have cast their vote by Remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (viii) Mr. Arun Kumar Gupta, Company Secretary in Whole-time Practice (Membership No.: 21227, C.P. No.: 8003) failing him Mr. Kapoor Chand Garg, Company Secretary in Whole-time Practice (Membership No.: 7145, C.P. No.: 7829) have been appointed as the Scrutinizer for conducting the remote e-voting & polling process in a fair and transparent manner.
- (ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.

- (x) The Company shall submit to the Bombay Stock Exchange Limited (BSE), within forty eight hours of the conclusion of the meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, www.hbestate.com and on Karvy's website, <https://evoting.karvy.com> immediately after the declaration of results.

- (xi) In case of any queries pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website, <https://evoting.karvy.com> or call their Toll Free No. 1800-345-4001 for any further clarification.

- (xii) The instructions for availing the Remote e-voting facility indicating the process and manner of e-voting are given as hereunder.

➤ **In case a Member receives notice through e-mail from Karvy [for Members whose email IDs are registered with the Company / Depository Participants]:**

- (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- (b) Enter the login credentials (i.e. User ID and Initial Password provided by Karvy in e-mail). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- (c) After entering these details appropriately, click on "LOGIN".
- (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the E-Voting Event Number for HB Estate Developers Limited.
- (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI. etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: aruncs.gupta@gmail.com with a copy to Karvy at e-mail ID: evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

➤ **In case a Member receives Notice in physical form [for Members whose email IDs are not registered with the Company / Depository Participants]:**

- (a) User ID and Initial Password as given in the e-voting notice sent along with the Annual Report.
- (b) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

13. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.

14. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013; the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.

15. Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] are as under:



PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING
(Refer Item No. 2 of this Notice)

Name of the Director	Mr. Anil Goyal
Directors Identification Number (DIN)	00001938
Date of Birth	22 nd February, 1959
Date of Appointment	20 th September, 1994
Profile/ Expertise in Specific functional Areas.	Mr. Anil Goyal is a fellow member of the Institute of Chartered Accountants of India. He brings with him more than 3 decades of expertise in the fields of finance, taxation, investment, banking, corporate restructuring and strategic planning. He is also a member of the Stakeholder Relationship Committee, of the Board of Directors.
Qualifications	Chartered Accountant
List of Directorship in other Listed entities.(As on 31st March, 2017)	1. HB Portfolio Limited 2. HB Stockholdings Limited 3. HB Leasing and Finance Company Limited 4. RRB Securities Limited
Membership of Committee of the Board in other Listed entities. (As on 31st March, 2017)	Audit Committee 1. HB Stockholdings Limited Stakeholder Relationship Committee 1. RRB Securities Limited 2. HB Portfolio Limited 3. HB Leasing and Finance Company Limited 4. HB Stockholdings Limited Nomination and Remuneration Committee 1. RRB Securities Limited Corporate Social Responsibility Committee 1. HB Portfolio Limited 2. HB Stockholdings Limited
Shares held by the Director	NIL
Relationship with any Director(s) of the Company	NIL

BY ORDER OF THE BOARD
For HB ESTATE DEVELOPERS LIMITED

Sd/-
RADHIKA KHURANA
(Company Secretary)
Membership No.: ACS-32557

Place : Gurugram
Date : 29.05.2017

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM No. 4

HB Portfolio Limited is a Group Company of HB Estate Developers Limited which is primarily engaged in the business of investment of securities and to undertake other financial services.

The approval of the Shareholders is sought for entering into contract(s) / arrangement(s) / transaction(s) with HB Portfolio Limited for selling the property developed and owned by the Company (held as stock in trade) situated at Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram – 122001, Haryana having Plot Area admeasuring 2220 Sq. Mtrs. together with all movable assets attached thereto, furniture, fixtures, fittings and all other assets lying within the premises ('the property') on, as is where is basis. The said Property has one Basement, Stilt, Five Floors and Mumty with total covered area of approx. 3500 Sq. Mtrs. The consideration shall be determined on the basis of valuation to be done by an Independent valuer and on such terms and conditions as may be mutually agreed upon by and between the parties subject to the condition that the consideration should not be less than Rs. 30 crores (Rupees Thirty Crores).

As per the provisions of Sec 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, except with the prior approval of the Company by a resolution, a Company shall not enter into a transaction with respect to selling or otherwise disposing of or buying property of any kind amounting to ten percent or more of net worth of the Company or Rupees One Hundred Crore, whichever is lower. Further, Sec 188 provides that no member of the Company shall vote on such resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

As per the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Company's Policy on Related Party Transactions, a transaction with a related party shall be considered material if the transaction(s) to be entered individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per its last audited financial statements.

The said transaction to be entered into by the Company would fall under the definition of the Material Related Party Transaction. The Listing Regulations requires that all material related party transactions shall require approval of the Shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

Necessary Disclosures required under Sec 188 of the Companies Act, 2013 is given below:

Particulars	Information
Name of the Related Party	HB Portfolio Limited
Name of Director(s) or Key Managerial Personnel who is related and Nature of their relationship	Mr. Lalit Bhasin, Director (Chairman) is also a Director (Chairman) being the Promoter and major Shareholder of HB Portfolio Limited. Mr. Anil Goyal, Director, Mr. JML Suri, Director are also on the Board of HB Portfolio Limited. Mr. Suri is also holding 500 Equity Shares of HB Portfolio Limited.
Nature, Material terms and particulars of the contract or arrangement	To sell the property developed and owned by the Company together with all movable assets attached thereto, furniture, fixtures, fittings and all other assets lying within the premises on, as is where is basis, for such consideration as may be determined by an Independent valuer and on such terms and conditions as may be mutually agreed upon by and between the parties.
Monetary Value	Not less than ₹ 30 Crores (Rupees Thirty Crores).

Mr. Lalit Bhasin, Mr. Anil Goyal, Mr. JML Suri, Directors are deemed interested in the said transaction. None of the other Directors and Key Managerial Personnel or their relatives is concerned or interested, financial or otherwise, in the resolution.

The Board is of the opinion that the aforesaid related party transaction is in the best interests of the Company. The Board recommends the Resolution at Item No. 4 of the Notice for the approval of the Members.

BY ORDER OF THE BOARD
For HB ESTATE DEVELOPERS LIMITED

Sd/-
RADHIKA KHURANA
(Company Secretary)
Membership No.: ACS-32557

Place : Gurugram
Date : 29.05.2017



DIRECTORS' REPORT

To the Members,

Your Directors have the pleasure to present the 23rd Annual Report of your Company along with the Audited Financial Statements for the year ended 31st March, 2017.

FINANCIAL RESULTS

The summarized financial results of the Company during the year under review are as under:-
(₹ In Lacs)

PARTICULARS	Year Ended 31.03.2017	Year Ended 31.03.2016
Total Turnover	7471.96	7014.49
Gross Profit/ (Loss)	1799.67	1747.30
Add/ (Less) : Exceptional Items	9.87	37.90
Less :		
(a) Depreciation	1441.66	1504.66
(b) Finance Cost	3029.68	3050.14
(c) Deferred Tax Charge	237.65	313.35
Net Profit/(Loss)	-2899.45	-3082.95
Appropriations :		
General Reserve	0	0
Proposed Dividend	0	0
Tax on Dividend	0	0
Balance Brought Forward	-13829.95	-10746.99
Addition on Account of Amalgamation	0	0
Accumulated Profits	-16729.40	-13829.94

PERFORMANCE REVIEW & OUTLOOK

The total income for the year under review was ₹ 7471.96 lakhs as against 7014.49 lakhs in the previous year.

The total turnover of the hotel unit of the Company, Vivanta By Taj, Gurgaon-NCR, for the financial year under review was ₹ 6946.66 lakhs as compared to ₹ 6747.45 lakhs during the previous year.

During the financial Year 2016-2017 the Company has reported higher Gross Profit amounting to ₹ 1799.67 lakhs compared to ₹ 1747.30 lakhs in the previous year. However Net Loss (after deduction of exceptional items, depreciation, finance cost and deferred tax charge) amounting to ₹ 2899.45 lakhs compared to ₹ 3082.95 lakhs in the previous year has been reported.

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

TRANSFER OF AMOUNT TO RESERVE

The Company does not propose to transfer any amount to reserves.

DIVIDEND

In view of the brought forward and current year losses, your directors regret their inability to recommend dividend for the year under review.

SCHEME OF ARRANGEMENT

The Board of Directors in their meeting held on 10th February, 2016 had approved a Composite Scheme of Arrangement ('the Scheme') between HB Estate Developers Limited ('the Company'), HB Stockholding Limited and HB Portfolio Limited and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013, subject to various approvals as may be required. The Appointed Date(s) in the Scheme are 01st April, 2015, 02nd April, 2015 and 03rd April, 2015 as particularly defined in the Scheme of Arrangement.

The Company received NIL Observation Letter / No Objection Certificate dated 23rd June, 2016 from the Bombay Stock Exchange (BSE Limited) in terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of the order dated 16th September, 2016 passed by the Hon'ble High Court of Punjab & Haryana at Chandigarh, the Court Convened Meeting (CCM) of the Equity Shareholders, Unsecured Creditors and Secured Creditors of the Company was held on 10th December, 2016. The Equity Shareholders, Unsecured Creditors and Secured Creditors of the Company accorded their necessary approval to the Scheme with the requisite majority. The Company has also received requisite approval to the Scheme from its Public Equity Shareholders by way of Postal Ballot including e-voting, result of which was declared on 12th December, 2016 pursuant to SEBI Circular bearing No. CIR/CFD/CMD/16/2015 dated 30th November, 2015.

The Company Petition has been duly transferred from the Hon'ble High Court of Punjab and Haryana, Chandigarh to the National Company Law Tribunal, Chandigarh Bench at Chandigarh as per the provisions of Sec 230 to 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Companies (Transfer of Pending Proceedings) Rules, 2016 notified by the Ministry of Corporate Affairs vide its Notification Dated 07th December, 2016 which came into force with effect from 15th December, 2016.

The matter came up for hearing on 11th May, 2017 before the National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh. The Hon'ble Bench of NCLT admitted the Second Motion Application filed by the Company and passed an order for issuing Notice along with copy of Petition and Scheme to various authorities. The next date of hearing has been fixed for 20th July, 2017.

The Copy of Scheme of Arrangement along with all other documents are available on the website of the Bombay Stock Exchange (BSE Limited), <http://www.bseindia.com> and also on the Company's website having following web link, http://www.hbestate.com/Scheme_of_Arrangement.html

SHARE CAPITAL

The paid up Share Capital of the Company as on March 31, 2017 was Rs. 96,13,82,870 consisting of 1,61,38,287 Equity shares of Rs. 10 each and 80,00,000 Preference Shares of Rs. 100 each. During the year under review, the Company has not issued shares with differential rights for voting, dividend or otherwise nor granted stock options or sweat equity.

The Shareholding of Directors of the Company (including Promoter Director) is given in the Corporate Governance Report forming part of this report.

Equity Shares of your Company are listed on Bombay Stock Exchange and Preference Shares of your Company are not listed on any Stock Exchange.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes of the Financial Statements.

PUBLIC DEPOSITS

The Company has not accepted any Deposits from the Public under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

SIGNIFICANT AND OTHER MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators or Courts or Tribunal during the year under review which has an impact on the Going Concern status and Company's operations in future.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (3) (c) & (5) of Section 134 of the Companies Act, 2013, it is hereby stated that:

- in the preparation of the Annual Accounts for the year ended 31st March, 2017, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- the accounting policies adopted in the preparation of the annual accounts have been applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2016-2017 and of the profit or loss for that period;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual financial statements for the year ended 31st March, 2017, have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and operating effectively;
- that system to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

(i) Subsidiaries

The Company does not have any Subsidiary and no Company has become or ceased to be Company's Subsidiary during the year under review.

The Board of Directors has approved a Policy for Determining Material Subsidiaries in compliance with the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy has been uploaded on the website of the Company, www.hbestate.com having following web link, www.hbestate.com/Investor-Centre/Corporate-Governance

(ii) Joint Ventures

The Company is not having any Joint Venture business and no Company has become its Joint Venture during the year under review.

(iii) Associate Companies

In terms of Sec 2(6) of the Companies Act, 2013, Parsvnath HB Projects Pvt. Ltd. is the Associate Company. A separate statement containing the salient features of the Financial Statement of the Company's Associates is being provided in **Form AOC-1**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) Appointment / Reappointment / Resignation of Directors and KMP

As per the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Anil Goyal, Director shall retire by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment. The Board of Directors recommends his re-appointment.

The information on the particulars of Director eligible for appointment in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been provided in the notes to the notice convening the Annual General Meeting.

Mr. Rajesh Singh Chahar has resigned from the position of the Company Secretary with effect from 31st January, 2017. In pursuance to the provisions of Section 203 read with Rule 8 of Companies (Appointment and Remuneration) Rules, 2014 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 2013, the Board of Directors in the Board Meeting held on 29th May, 2017 has appointed Mrs. Radhika Khurana as the Company Secretary and Compliance Officer, being designated as Key Managerial Personnel of the Company.

**(ii) Independent Directors Declaration**

Mr. Rajesh Jain, Mrs. Asha Mehra and Mr. Luv Malhotra are Independent Directors on the Board of the Company. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013, and Regulations 16 & 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(iii) Number of meeting(s) of the Board

During the year under review, there were Five (5) Board Meetings. The details of the number of meetings of the Board held during the Financial Year 2016-2017 forms part of Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

(iv) Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The said Policy is marked as "Annexure - III" which is annexed hereto and forms part of the Director's Report.

(v) Board Diversity

The Board of Directors on the recommendations of the Nomination and Remuneration Committee has adopted a Policy on Diversity of Board of Directors in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual performance evaluation of its own performance and of all the Directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration and other Compliance Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

(vii) Remuneration of the Director / KMP and Particulars of Remuneration

The provisions of Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable, as there are no such employee who were drawing / in receipt of remuneration of prescribed amount during the period under review.

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors / Key Managerial Personnel (KMP) and Employees of the Company is furnished hereunder:

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year, and
- The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:

Sl. No.	Name of the Director/KMP	Designation	Ratio of Remuneration of each Director /to median remuneration of employees	% Increase in remuneration in the financial year 2016-17
1.	Mr. Lalit Bhasin	Director (Non-executive)	N.A.	N.A.
2.	Mr. Anil Goyal	Director (Non-executive)	N.A.	N.A.
3.	Mr. Jag Mohan Lal Suri	Director (Non-executive)	N.A.	N.A.
4.	Mr. Rajesh Jain	Director (Non-executive)	N.A.	N.A.
5.	Mrs. Asha Mehra	Director (Non-executive)	N.A.	N.A.
6.	Mr. Luv Malhotra	Director (Non-executive)	N.A.	N.A.
7.	Mr. Praveen Gupta	Chief Financial Officer		Nil
8.	Mr. Rajesh Singh Chahar*	Company Secretary and Compliance Officer		Nil

Note: No Director received any remuneration other than sitting fee during the financial year 2016-17

*Mr. Rajesh Singh Chahar resigned from the position of Company Secretary and Compliance Officer w.e.f. 31st January, 2017.

- The percentage increase in the median remuneration of employees in the financial year: **Nil**
- The number of permanent employees on the rolls of the Company: **17 (seventeen) employees on the Company rolls and 225 employees on the rolls of Vivanta by Taj, Gurgaon (Hotel Unit of the Company) – operated by The Indian Hotels Company Limited as on 31st March, 2017**
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **NIL**

- The key parameters for any variable component of remuneration availed by the directors : **Not Applicable**

Not Applicable

- It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion & Analysis Report confirming compliance(s) forms an integral part of this report.

CORPORATE GOVERNANCE REPORT

A Separate report of the Board of Directors of the Company on Corporate Governance is included in the Annual Report and the Certificate from P. Bholusaria & Co., Chartered Accountants confirming compliance with the requirements of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

RELATED PARTY TRANSACTIONS

The Related Party Transactions that were entered during the financial year under review were on arm's length basis and were in the ordinary course of business. There were no materially significant Related Party Transactions entered into by the Company during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The Policy on Related Party Transactions, as approved by the Board, has been uploaded on the website of the Company, www.hbstate.com having following web link, [www.hbstate.com/Investor centre/Corporate Governance](http://www.hbstate.com/Investor%20centre/Corporate%20Governance).

PRESERVATION OF DOCUMENTS & ARCHIVAL POLICY

In terms of Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors in their meeting held on 14th February, 2016 has adopted a Policy for Preservation of Documents & Archival thereof, classifying them in two categories as follows:

- documents whose preservation shall be permanent in nature;
- documents with preservation period of not less than eight years after completion of the relevant transactions.

The said Policy is available on the website of the Company having following web link, [www.hbstate.com/Investor centre/Corporate Governance](http://www.hbstate.com/Investor%20centre/Corporate%20Governance).

VIGIL MECHANISM - WHISTLE BLOWER POLICY

In terms of the provisions of Sec 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors has been uploaded on the website of the Company, www.hbstate.com and the web link for the same is [www.hbstate.com/Investor centre/Corporate Governance](http://www.hbstate.com/Investor%20centre/Corporate%20Governance).

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Board of Directors has adopted the Risk Management Policy which sets out the framework for the management of risks faced by the Company in the conduct of its business to ensure that all business risks are identified, managed and monitored. The contents of Risk Management Policy have been included in Management Discussion and Analysis forming part of this report.

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

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rules 8 of the Companies (Accounts) Rules 2014 in respect of conservation of energy and technology absorption are not applicable to your Company.

During the year under review, foreign exchange earnings were ₹ 2637.41 lakhs. The foreign exchange outgo during the said period was ₹ 6.16 lakhs towards payment of Professional and Technical fees and ₹ 78.94 lakhs towards advertisement and other expenses.

DISCLOSURE AS PER THE SEXUAL PREVENTION OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at workplace and matters connected therewith incidental thereto covering all the aspects as contained under "The Sexual Harassment of Women at workplace and matters connected therewith or incidental thereto covering all aspects as contained under "The Sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013".

During the financial year 2016-17, no complaint was received under the policy. The women employees were made aware about the provisions of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under and the provision of Internal Complaint Policy of the Company.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Code of Conduct for regulating, monitoring and reporting of trading by insiders and other connected persons, in compliance with Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct lays down guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company, as well as the consequences of violation. The Code of Conduct has been formulated for prevention of Insider Trading and to maintain the highest standards of dealing in Company Securities.


INTERNAL CONTROL SYSTEMS

The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and corporate policies and procedures. The adequacy of internal financial control systems are reviewed by the Audit Committee of the Board in its periodical meetings.

INTERNAL FINANCIAL CONTROL SYSTEM

The Company has a comprehensive Internal Financial Control system commensurate with the size and scale of its operations. The system ensures the reliability of financial reporting, compliance with policies, procedures, laws and regulations, safeguarding of assets and economical and efficient use of resources.

The policies and procedures adopted by the company ensures the orderly and efficient conduct of its business and adherence to the company's policies, prevention and detection of frauds and errors and timely preparation of reliable financial information.

AUDITORS
(i) Statutory Auditors

The term of M/s. P. Bholusaria & Co., Chartered Accountants, New Delhi (Firm Registration No.: 000468N), existing Statutory Auditors of the Company shall expire at the ensuing Annual General Meeting as per the provisions of Section 139 of the Companies Act, 2013.

On the recommendations of the Audit Committee, the Board of Directors in their meeting held on 29th May, 2017 considered and recommended for the appointment of M/s G.C. Agarwal & Associates, Chartered Accountants (FRN: 017851N) as the new Statutory Auditors of the Company for a term of five (5) consecutive years subject to the approval of the Members to hold office from the conclusion of 23rd Annual General Meeting until the conclusion of 28th Annual General Meeting of the Company. The Company has received a letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for appointment.

M/s G.C. Agarwal & Associates, Chartered Accountants, Delhi (FRN 017851N) has been associated with the CA profession since last Thirty Three (33) years. The Firm is engaged in the Audit of Private and Public Limited Companies, Societies and various other entities. These audits include Statutory & Tax Audits, Internal and Management and System Audits, Stock Audits and other Special Assignments. The Firm is holding a Peer Review Certificate issued by The Institute of Chartered Accountants of India, New Delhi.

Observations of the Statutory Auditors are explained, wherever necessary, by way of Notes to the Financial Statements.

(ii) Internal Auditors

M/s. Marv & Associates LLP (Formerly M.K. Choudhary & Co.), Chartered Accountants, New Delhi are the Internal Auditors of the Company and the reports are reviewed by the Audit Committee periodically in its meetings.

(iii) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A.N. Kukreja of M/s. A. N. Kukreja & Co., to conduct the Secretarial Audit of the company for the financial year 2016-2017. The Report of the Secretarial Audit in Form MR-3 is annexed as "**Annexure- I**".

Observation(s) made by the Secretarial Auditor:

- (a) The Company does not have a Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director, as required under Section 203 of the Companies Act, 2013.

Comment: The management is searching for a suitable candidate for the post of Whole Time Director/ Chief Executive Officer of the Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board has constituted a Corporate Social Responsibility Committee pursuant to Section 135 of the Companies Act, 2013. The Company has incurred average net loss for immediately preceding three financial years, hence the Company is not required to spend any amount towards CSR activities during financial year 2016-2017. The CSR Policy has been uploaded on the website of the Company - www.hbestate.com, Web link- [www.hbestate.com/investor-centre/Corporate Governance](http://www.hbestate.com/investor-centre/Corporate-Governance) and is annexed as "**Annexure - II**" and forms part of the Director's Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT-9 as per Section 92(3) of the Companies Act, 2013 and Rule 12 of the companies (Management and Administration) Rules, 2014, is marked as "**Annexure - IV**" which is annexed hereto and forms part of the Director's Report.

ACKNOWLEDGMENTS

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

FOR AND ON BEHALF OF THE BOARD
HB ESTATE DEVELOPERS LIMITED

Place : Gurugram
Date : 29.05.2017

Sd/-
LALIT BHASIN
(Chairman)
(DIN: 00002114)



Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

To,
The Members of
HB Estate Developers Limited.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HB Estate Developers Limited - CIN: L99999HR1994PLC034146** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **HB Estate Developers Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31st March, 2017** complied with statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on **31st March, 2017** according to the provisions of:
 - (i). The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii). The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
 - (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
 - (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;*
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;*
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;*
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;* and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.*
 - (vi). The Other Laws applicable specifically to the Company (including its Project: Vivanta by Taj, Gurgaon) are:
 - (a). The Punjab Shops and Commercial Establishments Act, 1958 as adopted by State of Haryana; approval/Certificate for Fire Safety and NOCs from local bodies.
 - (b). Indian Boilers Act, 1923.
 - (c). Prevention of Food Adulteration Act, 1954.
 - (d). Food Safety and Standards Act, 2006.
 - (e). Legal Metrology Act, 2009 and applicable Rules.
 - (f). The Environment (Protection) Act 1986.
 - (g). Air (Prevention and Control of Pollution) Act, 1981.
 - (h). Water (Prevention and Control of Pollution) Act, 1974.
 - (i). The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

*Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv), SEBI Regulations listed at sub-para (v) Serial Nos. (e), (f), (g), (h) and (i) above are not applicable to the Company for 2016-17 as there were no corporate decisions/actions attracting these regulations.

2. We have also examined the compliances with the applicable Regulations/Standards of the following:
 - (i). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the Bombay Stock Exchange Ltd.; and
 - (ii). Secretarial Standards issued by the Institute of Company Secretaries of India.
3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Standards/Guidelines, etc. mentioned above subject to the following observations:
 - (a) *The Company did not have Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director, as required under Section 203 of the Companies Act, 2013.*
4. We further report that:
 - (a) The Board of Directors of the Company is duly constituted with all Non- Executive Directors, including a Woman Director and Independent Directors except Executive Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - (c) Majority decisions are carried through while dissenting members' views are captured and recorded as part of the minutes.
5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules/regulations.

This report is to be read with our letter of even date which is annexed as Annexure "A" and forms an integral part of this report.

For A.N. Kukreja & Co.
Company Secretaries

Sd/-
A.N. Kukreja
(Proprietor)
FCS 1070; CP 2318

Place : New Delhi
Date : 29.05.2017

Annexure 'A'

To,
The Members of
HB Estate Developers Limited

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case.

For A.N. Kukreja & Co.
Company Secretaries

Sd/-
A.N. Kukreja
(Proprietor)
FCS 1070; CP 2318

Place : New Delhi
Date : 29.05.2017

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. PREAMBLE:

The Board of Directors (the “Board”) of HB Estate Developers Limited (the “Company” or “HBEDL”) in their meeting held on 10th February, 2015 has approved the following Corporate Social Responsibility Policy (CSR Policy) on the recommendation of the Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors as per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time. This Policy is effective from 10th February, 2015.

2. SHORT TITLE & APPLICABILITY:

- 2.1 The CSR Policy of HB Estate Developers Limited (“the Company”) encompasses its philosophy for delineating its responsibility as a Corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.
- 2.2 This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different segments of the Society.

3. THE COMPANY’S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY:

- 3.1 The approach of the Company towards Corporate Social Responsibility would be oriented to identify the activities in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner. The Company will provide financial assistance in the form of grant-in-aid assistance and corpus fund support etc. to support, supplement and improve the quality of life of different segments of the Society.
- 3.2 As a responsible corporate entity, the Company will consistently strive for opportunities to meet the expectation of its stakeholders by pursuing the concept of sustainable development with focus on the social welfare activities.
- 3.3 The Companies Act, 2013 provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to conduct CSR activities in the State of Haryana and such other place(s) in India wherein the Company has/will have its operations.
- 3.4 The Company may also collaborate with other Companies for undertaking CSR activities in such manner as the CSR Committee may decide in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

4. ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY:

The Company would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking one or more of the following activities, which shall be taken up strategically, in a focused manner within India only to the extent possible and allowed as per Section 135 of the Companies Act, 2013 and the applicable rules and regulations as may be prescribed in this regard, including any modification (s) thereof.

- (i) Eradicating hunger, poverty, malnutrition, promoting preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promotion of education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the different abled and livelihood enhancement projects;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) Ensuring environmental sustainability, ecological balance protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historically importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependants;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister’s National Relief Fund or any other fund set up by

the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government;
- (x) Rural development projects;
- (xi) Such other matters as may be prescribed by the Central Government and approved by the Board of Directors / CSR Committee, as the case may be.

5. IMPLEMENTATION MECHANISM

The Company would consider the following broad parameters while identifying/selecting the schemes/projects:

- 5.1 The assistance under CSR activities may be in the form of donation, grant-in-aid assistance and corpus fund support so as to create social impact and visibility.
- 5.2 While implementing the identified activities, time frames and milestones may be predefined.
- 5.3 The CSR projects may be based on fundamentals of sustainable development.
- 5.4 In line with the Companies Act, 2013, donation based assistance/ grants, should not be less than limits as may be prescribed by the Central Government/ Ministry of Corporate Affairs from time to time.
- 5.5 Proper screening, checks and balances shall be ensured while sanctioning the CSR proposals.

6. PLANNING AND COORDINATION

- 6.1 The CSR Committee will prepare an annual plan for CSR activities for each year and will place the same before the Board of Directors for approval, as the case may be.
- 6.2 The focus of benefits will be in line with the activities mentioned in this document and as per programs, projects and schemes approved.

7. MONITORING AND EVALUATION

- 7.1 Regular update on the CSR initiatives undertaken and / or to be undertaken shall be given to the CSR Committee. The Company may also depute one or more employees who shall monitor the CSR initiatives of the Company and report the same to the CSR Committee. The impact of the CSR activities may be quantified to the extent possible. The Chairman of CSR Committee shall draw a time frame from the date of initiation. In case of any delay noticed while monitoring the CSR initiatives, remedial measures shall be taken for timely completion of the activities.
- 7.2 The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) as may be deemed expedient for the purpose of accomplishments of CSR activities.

8. ALLOCATION OF FUNDS

A total allocation of amount as prescribed by the Companies Act, 2013 and approved by the Board will be earmarked every year for implementation of CSR activities.

9. REPORTING

An annual report of the activities undertaken under the CSR initiatives will be prepared as per specified format and the same shall be submitted to the Board of Directors for its inclusion in their Board’s Report and on the website of the Company.

10. GENERAL

- 10.1. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company;
- 10.2 In case of any doubt with regard to any provision of this Policy and also in respect of matters not covered herein, a reference to be made to the CSR Committee.
- 10.3. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Companies Act, 2013, rules and regulations as may be prescribed by the Central Government, from time to time.
- 10.4. The CSR Committee reserves the right to modify, cancel, add, or amend the Policy at any time subject to the approval of the Board of Directors.

NOMINATION AND REMUNERATION POLICY

1. **PREAMBLE:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company, this policy on nomination and remuneration of Directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee (“NRC/Committee”) and approved by the Board of Directors of the Company at their meeting held on 10th February, 2015 in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement (effective from 01st October, 2014).

This Policy has been suitably amended and re-adopted by the Board of Directors in their meeting held on 10th February, 2016 in terms of Regulation 19 read with Part D of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) which came into force w.e.f 01st December, 2015.

2. **OBJECTIVE:**

The Objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP and Senior Management. The Key Objectives of the Committee would be:

- 2.1. To guide the Board in relation to appointment and removal of Directors, KMP and Senior Management.
- 2.2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, KMP and Senior Management.
- 2.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 2.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 2.5. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- 2.6. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 2.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 2.8. To develop a succession plan for the Board and to regularly review the plan.
- 2.9. To assist the Board in fulfilling responsibilities.
- 2.10. To implement and monitor policies and processes regarding principles of corporate governance.

3. **DEFINITIONS:**

“**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“**Board**” means Board of Directors of the Company.

“**Directors**” mean Directors of the Company both executive and non-executive.

“**Key Managerial Personnel (KMP)**” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed.

“**Senior Management**” means Senior Management means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. **APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT:**

A. **Appointment Criteria and Qualifications**

- (I) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (II) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- (III) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

B. **Term / Tenure**

(I) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one (1) year before the expiry of term.

(II) **Independent Director:**

- a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in

the Board's report.

- b) No Independent Director shall hold office for more than two consecutive terms of upto maximum of five (5) years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

C. **Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

D. **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

E. **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

5. **REMUNERATION TO DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / SENIOR MANAGEMENT PERSONNEL:**

The Committee to recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management Personnel of the Company.

- a) The Remuneration / Compensation / Commission etc. to be paid to Managing Director, Whole-time/Executive Director, Non-Executive Director / Independent Directors, KMP shall be governed as per applicable provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- b) The Non-Executive / Independent Director may receive remuneration by way of sitting fee for attending the meeting of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- c) The remuneration payable to Senior Management Personnel shall be governed by the Company's HR Policy.

6. **DUTIES IN RELATION TO NOMINATION MATTERS:**

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation;
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- f) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- g) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- h) Delegating any of its powers to one or more members of the Committee;
- i) Recommend any necessary changes to the Board; and
- j) Considering any other matters, as may be requested by the Board.

7. **DUTIES IN RELATION TO REMUNERATION MATTERS:**

The duties of the Committee in relation to remuneration matters include:

- a) Considering and determining the remuneration based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- b) Approving the remuneration of the Senior Management including KMP of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) Delegating any of its powers to one or more members of the Committee.
- d) Considering any other matters as may be requested by the Board.

8. **REVIEW AND AMENDMENT:**

The Board of Directors on the recommendations of the Nomination and Remuneration Committee shall alter, amend or modify this Policy from time to time in line with the requirement of the SEBI Guidelines, applicable law, rules, regulations etc. which may be amended and applicable from time to time.

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

i.	CIN	L99999HR1994PLC034146
ii.	Registration Date	20th September, 1994
iii.	Name of the Company	HB Estate Developers Limited
iv.	Category/Sub-Category of the Company	Company having Share Capital
v.	Address of the Registered office & contact details	Plot No. 31, Echelon Institutional Area, Sector-32, Gurugram – 122001, Haryana Phone: 0124-4675500, Fax : 0124-4370985 Email : corporate@hbestate.com Website: www.hbestate.com
vi.	Whether listed company	Yes (Listed at BSE)
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	RCMC Share Registry Pvt. Ltd. B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020 Phone: 011-26387320, 21, 23 Fax: 011-26387322 Email: shares@rcmcdelhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name & Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Construction and Hotels	41001 and 55101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sl. No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Parsvnath HB Projects Pvt. Ltd. Address: Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi- 110032.	U45200DL2008PTC175708	Associate	49.00	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of total Equity):**(i) Category-wise Shareholding:**

Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual / HUF	80,87,273	0	80,87,273	50.11	80,87,273	0	80,87,273	50.11	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	39,47,355	0	39,47,355	24.46	39,47,355	0	39,47,355	24.46	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL: (A) (1)	1,20,34,628	0	1,20,34,628	74.57	1,20,34,628	0	1,20,34,628	74.57	0.00
(2) Foreign									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL: (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	1,20,34,628	0	1,20,34,628	74.57	1,20,34,628	0	1,20,34,628	74.57	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	125	1000	1125	0.01	125	1000	1125	0.01	0.00
b) Banks / FI	0	195	195	0.00	50	195	245	0.00	0.00



Category of Shareholders	No. of Equity Shares held at the beginning of the year				No. of Equity Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	125	1195	1320	0.01	175	1195	1370	0.01	0.00
(2) Non Institutions									
a) Bodies Corporate									
i) Indian	4,68,798	18,820	4,87,618	3.02	4,24,443	18,820	4,43,338	2.75	-0.27
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakhs	13,56,319	18,93,552	32,49,871	20.14	13,45,354	18,73,372	32,18,726	19.94	-0.2
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs	2,53,864	0	2,53,864	1.57	3,02,438	0	3,02,438	1.87	-0.3
c) Other (specify)									
i) Clearing Members	5,469	0	5,469	0.03	46,576	0	46,576	0.29	0.26
ii) Non-Residents	44,052	61,465	1,05,517	0.65	31,096	60,115	91,211	0.57	-0.08
SUB TOTAL (B) (2):	21,28,502	19,73,837	41,02,339	25.42	21,49,907	19,52,307	41,02,214	25.42	0.00
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)	21,28,627	19,75,032	41,03,659	25.43	21,51,102	19,53,502	41,03,584	25.43	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	1,41,63,255	19,75,032	1,61,38,287	100.00	1,41,63,255	19,75,032	1,61,38,287	100.00	0.00

(ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1.	Lalit Bhasin	74,14,473	45.94	0.00	74,14,473	45.94	0.00	0.00
2.	HB Portfolio Limited	20,41,587	12.65	0.00	20,41,587	12.65	0.00	0.00
3.	HB Stockholdings Limited	16,15,608	10.01	0.00	16,15,608	10.01	0.00	0.00
4.	Rima Arora	3,32,800	2.06	0.00	3,32,800	2.06	0.00	0.00
5.	RRB Securities Limited	2,56,000	1.59	0.00	2,56,000	1.59	0.00	0.00
6.	Ayush Kapur	75,000	0.46	0.00	75,000	0.46	0.00	0.00
7.	Kanishk Kapur	75,000	0.46	0.00	75,000	0.46	0.00	0.00
8.	Manasvin Arora	75,000	0.46	0.00	75,000	0.46	0.00	0.00
9.	Mehar Arora	75,000	0.46	0.00	75,000	0.46	0.00	0.00
10.	Mamta Kapur	40,000	0.25	0.00	40,000	0.25	0.00	0.00
11.	RRB Master Holdings Limited	34,160	0.21	0.00	34,160	0.21	0.00	0.00
	Total	1,20,34,628	74.57	0.00	1,20,34,628	74.57	0.00	0.00

(iii) Change in Promoters' Shareholding (Please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	At the beginning of the year	No Change in Promoters Shareholding during the year			
	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease. (e.g. Allotment/transfer/bonus/sweat equity etc.)				
2.	At the end of the year				

There is no change in the Promoter Shareholding



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

SI No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	CHL LIMITED					
	At the beginning of the year		259984	1.61	259984	1.61
	At the end of the year				259984	1.61
2	PRADEEP JAIN					
	At the beginning of the year		87025	0.54	87025	0.54
	At the end of the year				87025	0.54
3	SUJATA HOLDINGS PVT LTD					
	At the beginning of the year		82033	0.51	82033	0.51
	At the end of the year				82033	0.51
4	KAJAL MALHOTRA					
	At the beginning of the year		26684	0.17	26684	0.17
	At the end of the year				26684	0.17
5	SHRI PARASRAM HOLDINGS PVT. LTD.					
	At the beginning of the year		25457	0.16	25457	0.16
	08/04/2016	Transfer	150	0	25607	0.16
	22/04/2016	Transfer	325	0	25932	0.16
	29/04/2016	Transfer	187	0	26119	0.16
	06/05/2016	Transfer	-50	0	26069	0.16
	13/05/2016	Transfer	-190	0	25879	0.16
	20/05/2016	Transfer	-476	0	25403	0.16
	03/06/2016	Transfer	-357	0	25046	0.16
	10/06/2016	Transfer	405	0	25451	0.16
	17/06/2016	Transfer	265	0	25716	0.16
	24/06/2016	Transfer	301	0	26017	0.16
	01/07/2016	Transfer	-7213	-0.04	18804	0.12
	08/07/2016	Transfer	-124	0	18680	0.12
	15/07/2016	Transfer	-390	0	18290	0.11
	22/07/2016	Transfer	67	0	18357	0.11
	29/07/2016	Transfer	975	0.01	19332	0.12
	15/08/2016	Transfer	-1876	-0.01	17456	0.11
	12/08/2016	Transfer	800	0	18256	0.11
	19/08/2016	Transfer	369	0	18625	0.12
	26/08/2016	Transfer	-191	0	18434	0.11
	02/09/2016	Transfer	701	0	19135	0.12
	09/09/2016	Transfer	-255	0	18880	0.12
	16/09/2016	Transfer	436	0	19316	0.12
	23/09/2016	Transfer	-1435	-0.01	17881	0.11
	30/09/2016	Transfer	-59	0	17822	0.11
	14/10/2016	Transfer	573	0	18395	0.11
	21/10/2016	Transfer	-525	0	17870	0.11
	28/10/2016	Transfer	-640	0	17230	0.11
	11/11/2016	Transfer	-47	0	17183	0.11
	18/11/2016	Transfer	-211	0	16972	0.11
	25/11/2016	Transfer	200	0	17172	0.11
	02/12/2016	Transfer	-300	0	16872	0.1
	09/12/2016	Transfer	-212	0	16660	0.1
	16/12/2016	Transfer	-200	0	16460	0.1
	23/12/2016	Transfer	-500	0	15960	0.1
	30/12/2016	Transfer	-25	0	15935	0.1
	06/01/2017	Transfer	158	0	16093	0.1
	13/01/2017	Transfer	-139	0	15954	0.1
	20/01/2017	Transfer	222	0	16176	0.1
	27/01/2017	Transfer	275	0	16451	0.1
	03/02/2017	Transfer	-364	0	16087	0.1
	10/02/2017	Transfer	500	0	16587	0.1
	17/02/2017	Transfer	-500	0	16087	0.1
	24/02/2017	Transfer	200	0	16287	0.1
	17/03/2017	Transfer	-7682	-0.05	8605	0.05
	31/03/2017	Transfer	475	0	9080	0.06
	At the end of the year				9080	0.06
6	AJAY KUMAR GUPTA					
	At the beginning of the year		21429	0.13	21429	0.13
	22/04/2016	Transfer	627	0	22056	0.14
	29/04/2016	Transfer	700	0	22756	0.14



SI No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	05/08/2016	Transfer	1000	0.01	23756	0.15
	16/09/2016	Transfer	300	0	24056	0.15
	30/09/2016	Transfer	2360	0.01	26416	0.16
	07/10/2016	Transfer	500	0	26916	0.17
	14/10/2016	Transfer	924	0.01	27840	0.17
	21/10/2016	Transfer	634	0	28474	0.18
	28/10/2016	Transfer	1000	0.01	29474	0.18
	04/11/2016	Transfer	625	0	30099	0.19
	11/11/2016	Transfer	442	0	30541	0.19
	16/12/2016	Transfer	1315	0.01	31856	0.2
	23/12/2016	Transfer	-1000	-0.01	30856	0.19
	13/01/2017	Transfer	500	0	31356	0.19
	At the end of the year				31356	0.19
7	AVANTHA HOLDINGS LIMITED					
	At the beginning of the year		20790	0.13	20790	0.13
	At the end of the year				20790	0.13
8	LATHA					
	At the beginning of the year		20380	0.13	20380	0.13
	05/08/2016	Transfer	-20377	-0.13	3	0
	12/08/2016	Transfer	49	0	52	0
	19/08/2016	Transfer	-52	0	0	0
	At the end of the year				0	0
9	SWAVIN BUSINESS CONSULTANTS PRIVATE LIMITED					
	At the beginning of the year		20050	0.12	20050	0.12
	29/07/2016	Transfer	1125	0.01	21175	0.13
	At the end of the year				21175	0.13
10	MULTIPLEX CAPITAL LTD					
	At the beginning of the year		16819	0.1	16819	0.1
	At the end of the year				16819	0.1
11	RITU GUPTA					
	At the beginning of the year		10575	0.07	10575	0.07
	22/04/2016	Transfer	2126	0.01	12701	0.08
	29/04/2016	Transfer	1000	0.01	13701	0.08
	23/09/2016	Transfer	53	0	13754	0.09
	30/09/2016	Transfer	1951	0.01	15705	0.1
	14/10/2016	Transfer	275	0	15980	0.1
	28/10/2016	Transfer	200	0	16180	0.1
	04/11/2016	Transfer	50	0	16230	0.1
	18/11/2016	Transfer	298	0	16528	0.1
	16/12/2016	Transfer	396	0	16924	0.1
	At the end of the year				16924	0.1
12	RENU JAIN					
	At the beginning of the year		6900	0.04	6900	0.04
	17/02/2017	Transfer	11000	0.07	17900	0.11
	At the end of the year				17900	0.11
13	MAHENDRA GIRDHARILAL					
	At the beginning of the year		642	0	642	0
	16/12/2016	Transfer	34659	0.21	35301	0.22
	30/12/2016	Transfer	995	0.01	36296	0.22
	06/01/2017	Transfer	512	0	36808	0.23
	13/01/2017	Transfer	1300	0.01	38108	0.24
	20/01/2017	Transfer	2865	0.02	40973	0.25
	27/01/2017	Transfer	3200	0.02	44173	0.27
	03/02/2017	Transfer	1641	0.01	45814	0.28
	10/02/2017	Transfer	312	0	46126	0.29
	24/02/2017	Transfer	125	0	46251	0.29
	03/03/2017	Transfer	117	0	46368	0.29
	10/03/2017	Transfer	318	0	46686	0.29
	17/03/2017	Transfer	6586	0.04	53272	0.33
	24/03/2017	Transfer	2473	0.02	55745	0.35
	31/03/2017	Transfer	1447	0.01	57192	0.35
	At the end of the year				57192	0.35



SI No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
14	CHARLY XAVIER					
	At the beginning of the year		0	0	0	0
	20/05/2016	Transfer	1	0	1	0
	03/06/2016	Transfer	10009	0.06	10010	0.06
	10/06/2016	Transfer	832	0.01	10842	0.07
	17/06/2016	Transfer	200	0	11042	0.07
	01/07/2016	Transfer	136	0	11178	0.07
	08/07/2016	Transfer	2992	0.02	14170	0.09
	15/07/2016	Transfer	1343	0.01	15513	0.1
	22/07/2016	Transfer	286	0	15799	0.1
	29/07/2016	Transfer	120	0	15919	0.1
	05/08/2016	Transfer	24336	0.15	40255	0.25
	12/08/2016	Transfer	1402	0.01	41657	0.26
	26/08/2016	Transfer	724	0	42381	0.26
	09/09/2016	Transfer	599	0	42980	0.27
	16/09/2016	Transfer	1	0	42981	0.27
	23/09/2016	Transfer	1683	0.01	44664	0.28
	07/10/2016	Transfer	80	0	44744	0.28
	14/10/2016	Transfer	350	0	45094	0.28
	21/10/2016	Transfer	151	0	45245	0.28
	04/11/2016	Transfer	-95	0	45150	0.28
	11/11/2016	Transfer	-320	0	44830	0.28
	09/12/2016	Transfer	-19533	-0.12	25297	0.16
	16/12/2016	Transfer	-25296	-0.16	1	0
	At the end of the year				1	0

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Lalit Bhasin	74,14,473	45.94	74,14,473	45.94
2.	Mr. Anil Goyal	NIL	N.A	NIL	N.A
3.	Mr. Jagmohan Lal Suri*	500	0.00	500	0.00
4.	Mr. Rajesh jain	NIL	N.A	NIL	N.A
5.	Mrs. Asha Mehra	NIL	N.A	NIL	N.A
6.	Mr. Luv Malhotra	NIL	N.A	NIL	N.A
7.	Mr. Praveen Gupta, CFO (KMP)	NIL	N.A	NIL	N.A
8.	Mr. Rajesh Singh Chahar, CS (KMP)**	NIL	N.A	NIL	N.A

Note: There is no change in the shareholding of Directors & KMP during the year.

* Jointly held with his wife

**Mr. Rajesh Singh Chahar has resigned from the position of Company Secretary w.e.f. 31st January, 2017

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	1,67,10,25,687	1,54,43,57,348	NA	3,21,53,83,0035
ii) Interest due but not paid	NIL	NIL	NA	NIL
iii) Interest accrued but not due	1,79,71,032	38,49,312	NA	2,18,20,344
Total (i+ii+iii)	1,68,89,96,719	1,54,82,06,660	NA	3,23,72,03,378
Changes in Indebtedness during the Financial Year				
• Addition	1,00,00,00,000	1,58,08,23,288	NA	2,58,08,23,288
• Reduction	98,90,25,687	1,63,73,40,062	NA	2,62,63,65,749
Net Change	1,09,74,313	-5,65,16,774	NA	-4,55,42,461
Indebtedness at the end of the Financial Year				
i) Principal Amount	1,68,20,00,000	1,48,78,40,574	NA	3,16,98,40,574
ii) Interest due but not paid	NIL	NIL	NA	NIL
iii) Interest accrued but not due	1,71,77,397	40,10,713	NA	2,11,88,110
Total (i+ii+iii)	1,69,91,77,397	1,49,18,51,287	NA	3,19,10,18,684

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A) Remuneration to Managing Director, Whole –time Directors and / or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager
		N.A.
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	-
5.	Others, please specify	-
	Total(A)	-
	Ceiling as per the Act	-

B) Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
1.	Independent Directors	Mr. Rajesh Jain	Mrs. Asha Mehra	Mr. Luv Malhotra	
	• Fee for attending Board / Committee Meetings # • Commission • Others, please specify	57,000 NIL -	64,000 NIL -	50,000 NIL -	1,71,000 NIL -
	Total (1)	57,000	64,000	50,000	1,71,000
2.	Other Non-Executive Directors	Mr. Lalit Bhasin	Mr. Anil Goyal	Mr. Jagmohan Lal Suri	
	• Fee for attending Board / Committee Meetings # • Commission • Others, please specify	50,000 NIL -	56,000 NIL -	70,000 NIL -	1,76,000 NIL -
	Total (2)	50,000	56,500	70,000	1,76,000
	Total Managerial Remuneration				3,47,000
	Overall Ceiling as per the Act	Sitting fee paid as per the provisions of the Companies Act, 2013.			

Excluding reimbursement of travel and other expenses incurred for attending the meetings.

C) Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹)
		Mr. Praveen Gupta (Chief Financial Officer)	Mr. Rajesh Singh Chahar* (Company Secretary)	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	17,40,000 12,38,146 NIL	1,60,000 1,32,745 NIL	19,00,000 13,70,891 NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - As % of profit - Others, specify	NIL - -	NIL - -	NIL - -
5.	Others, please specify	-	-	-
	Total	29,78,146	2,92,745	32,70,891

 *Mr. Rajesh Singh Chahar has resigned from the post of Company Secretary with effect from 31st January, 2017.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/NCLT / Court)	Appeal made if any (give details)
A. COMPANY					
Penalty / Punishment / Compounding			None		
B. DIRECTORS					
Penalty / Punishment / Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty / Punishment / compounding			None		



MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Operating Results

The total income earned by the company during the year under review was ₹ 7471.96 lakhs (₹ 7014.49 lakhs in the previous year). During the year under review, the total expenses amounted to ₹ 10143.63 lakhs (₹ 9821.99 lakhs in the previous year).

2. Industry Structure and Developments

Global GDB growth declined in 2016 at 3.1%. However, growth projections are more encouraging in 2017 and 2018. Led by improved trade and manufacturing, as well as the strength of emerging and developing nation's economies, Global GDP is projected to increase by 3.5% in 2017 and 3.6% in 2018. The increase in Global GDP will be positive for the travel and tourism sectors.

In the Indian economy, at the close of 2015-16, the Economic survey of India estimated GDP Growth of 7.6% for the Country. The overall macroeconomic stability was the result of reduction in the fiscal deficit, the current account deficit and inflation.

The Economist Intelligence Unit forecasts a GDP growth of 7.2% in 2017, and an average of 7.5% annually over the next five years.

The year 2016-17 also witnessed a major policy initiative that will positively impact the economy - the Constitutional Amendment leading to the implementation of the Goods & Services Tax (GST) from 1st July 2017. The goal of the GST is to create a common Indian marketplace, improve tax compliance, governance and increase investments and growth.

The taxes applicable to the various stakeholders in travel and tourism have been announced. While it is commendable that GST rates applicable to travel, tours & transportation have been lowered, it is disappointing that a tax rate of up to 28% has been applied to hotels who charge in excess of Rs. 5000 per night. The application of the highest rate of 28% to a significant part of the Hospitality Industry will make the destination more expensive and will adversely affect its capability to generate revenue and employment. We hope that the tax rate of 28% will be reviewed and revised in the interest of the hospitality industry and the nation.

3. Opportunities and Threats

Domestic tourism, driven by India's expanding middle class and increasing disposable incomes, has emerged as a key driver for the growth of travel and tourism. As per the Ministry of Tourism, Domestic Tourist Visits (DTVs) to the States/Union Territories (UTs) grew by 15.5% annually to 1.65 billion during 2016.

Furthermore, Foreign Tourist Arrivals (FTAs) in 2016 grew by 10.7% over the previous year to reach nearly 9 million. The foreign tourist arrivals on e-visas more than doubled to 1 million as the e-visa facility was extended to 161 countries from 113 previously.

India is anticipated to rank among the top five business travel markets globally over the next ten years. Business travel spending in the Country is expected to grow by 5.5% in 2017 to over ₹ 700 billion, and double to over ₹ 1.4 trillion by 2027.

Branded supply of hotel rooms grew at a CAGR of 11.1% over the past five years while demand outpaced supply growth at 13.0% for the same period. As a consequence, hotel occupancies in India exceeded 60% in 2016-17. However, in a number of primary and secondary cities, hotel room inventories increased substantially with new hotel openings. This was not offset with a corresponding increase in demand, putting pressure on both occupancy levels and room rates in these cities. With GDP forecast to grow annually at 7.5% over the next five years and limited hotels under construction, the industry will benefit with improved occupancy levels and higher room rates.

4. Segment-wise Performance

The revenue from hotel operations, Real Estate and other income for the Financial Year ended 31st March, 2017, along with the previous year income is mentioned in the notes to the accounts and forms a part of the Balance Sheet.

5. Future Prospects and Outlook

With the consistently growing middle class and increasing disposable income, the tourism and hospitality sector is witnessing a healthy growth and accounts for 7.5 percent of the Country's GDP. It is expected to grow at 16.1 percent Compound Annual Growth Rate (CAGR) to reach INR 2,796.9 thousand crore in 2022. The sector generated significant amount of direct as well as indirect employment, and is also one of the key foreign exchange earners for the Country.

Tourism and hospitality is included as one of the 25 focus centers under the government's 'Make in India' initiative, which aims to 'transform India into a global design and manufacturing hub'. The Government has allowed 100 percent FDI under the automatic route in the tourism and hospitality sector, including tourism construction projects such as development of hotels, resorts and recreational facilities.

6. Risks and concerns

Your 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. The Company has taken adequate preventive and precautionary measures to overcome all negative factors responsible for low trend to ensure steady growth.

Risk Management Policy

- (i) The Senior Management is responsible for identification of new risks, changes to existing risks and retirement of previously identified risks through a formal decision making process.
- (ii) To ensure key risks are identified and analysed, the Senior Management:
 - (a) defines risks in the context of the Company's strategy;
 - (b) prepares risk profiles including a description of the material risks, the risk level and action plans used to mitigate the risk; and
 - (c) regularly reviews and updates the risk profiles.
- (iii) The Company has implemented a systematic process to assist in the identification, assessment, treatment and monitoring of risks and provides the necessary tools and resources to management and staff to support the effective management of risks.
- (iv) Risks faced by the Company in its business principally arise from Real Estate and Tourism Industry. This includes macroeconomic risks, Investee Company specific risks, market wide liquidity risks and execution risks relating to the company/its intermediaries. The macroeconomic risks, Investee Company specific risks are covered by investment decisions based on third party research and internal assessment. Market wide risks are assessed and managed by investment timing decisions. The execution risk is managed by dealing with reputed intermediaries and through own back office discipline re accounting and follow up of trades.
- (v) The Company assesses the effectiveness of its risk management plan through structured continuous improvement processes to ensure risks and controls are continually monitored and reviewed.

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 and Redeemable Preference Share Capital. The paid-up Share Capital of the Company as on 31st March, 2017, stood at ₹ 9613.83 lakhs which includes ₹ 8000.00 lakhs on account of 80,00,000 Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each.
- b) **Reserves and Surplus:** During the year under review, the reserves and surplus stood at ₹ (2800.56) lakhs as against ₹ 98.90 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 ₹ 41554.91 lakhs and ₹ 33868.00 lakhs respectively against ₹ 43127.50 lakhs and ₹ 32103.65 lakhs respectively in the last year.
- d) **Current Assets & Current Liabilities:** During the year under review, the current assets and current liabilities stood at ₹ 3552.20 lakhs and ₹ 4398.47 lakhs respectively against 3922.98 lakhs and ₹ 5206.73 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 realize his or her potential. The company has adequate human resources to maintain 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.

The company follows sound 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 organization.

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

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

1. CORPORATE GOVERNANCE PHILOSOPHY

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 maximize 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 (SUPERVISORY BOARD)

The Board of Directors has a judicious mix of professionalism, knowledge and experience which provides strategic direction and thrust to the operations of the Company.

Composition of the Board

As on 31st March, 2017, the Board comprises of six (6) Directors, all being Non-Executive

Name of the Director	Category	Directorships in other Public Companies as on 31 st March, 2017		#Committee Membership held in other Public Companies as on 31 st March, 2017		No. of Board Meetings attended during the year	Whether Attended last AGM held on 20 th September, 2016	No. of Equity Shares held
		Director	Chairman	Member	Chairman			
Mr. Lalit Bhasin	Chairperson (Promoter) Non Executive	8	3	4	1	5	Yes	74,14,473
Mr. Anil Goyal	Non-Independent Non Executive	9	NIL	5	NIL	5	Yes	NIL
Mr. J.M.L. Suri	Non-Independent Non Executive	8	NIL	2	2	5	Yes	*500
Mr. Rajesh Jain	Independent Non-executive	NIL	NIL	NIL	NIL	4	Yes	NIL
Mrs. Asha Mehra	Independent Non-executive	1	NIL	NIL	NIL	5	Yes	NIL
Mr. Luv Malhotra	Independent Non-executive	1	NIL	NIL	NIL	5	Yes	NIL

* Jointly held with his wife

Comprises only Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies

The number of Committees (Audit Committee and Stakeholder Relationship Committee) of Public Limited Companies in which a Director is a Member / Chairperson is within the limits provided under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for all the Directors of the Company. The number of Directorships of each Independent Director is also within the limits as prescribed under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are related to each other as defined in Section 2(77) of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company, www.hbestate.com

Board Meetings

Five (5) Meetings of the Board of Directors of the Company were held during the year under review, i.e. on – 26th May, 2016, 27th July, 2016, 10th August, 2016, 12th November, 2016 and 14th February, 2017.

The necessary quorum was present for all the meetings.

Membership Term and Retirement Policy

In terms of the provisions of the existing Articles of Association of the Company, one-third of the Directors of the Company, who are liable to retire by rotation, shall retire at every Annual General Meeting. Accordingly, Mr. Anil Goyal, Director shall retire at the ensuing Annual General Meeting and who being eligible offers himself for re-appointment.

The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice of the ensuing Annual General Meeting.

3. INDEPENDENT DIRECTORS MEETING:

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management Representatives.

The Independent Directors met once during the Financial Year ended 31st March, 2017, on 14th February, 2017, inter alia, discussed and evaluated:

- the performance of Non-Independent Directors and the Board of Directors as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further, the Company gave the presentation to the Independent Directors as a part of the familiarisation programme to make them aware about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such familiarisation programme have been uploaded on the website of the Company, www.hbestate.com having following web link, www.hbestate.com/InvestorCentre/CorporateGovernance.

All the Independent Directors were present at the Meeting.

4. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The performance evaluation exercise has been carried out by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance. The performance of Individual Directors has been evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company, Shareholders etc. The Performance

out of which three are Independent Directors. Mrs. Asha Mehra is the Woman Director on the Board of the Company. 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, Hospitality, administration and management skills. Mr. Lalit Bhasin, Director (Promoter) is the Chairman and Non-Executive Director of the Company. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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:

of Chairperson was being evaluated in terms of leadership qualities, effective management, maintaining cordial relationship with Board, Shareholders, employees, etc.

The Independent Directors in their meeting held on 14th February, 2017 have done necessary performance evaluation of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors. All the Independent Directors expressed their satisfaction with the performance of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company.

Mr. Lalit Bhasin, Chairman of the Company had discussion with all individual Directors in order to review the performance of the Independent Directors of the Company. The performance of the Independent Directors also found to be satisfactory during the period under review.

The Nomination and Remuneration Committee and the Board of Directors in their meeting held on 14th February, 2017 expressed their satisfaction with the performance evaluation of all individual Directors being the Independent Directors, Non-Independent Directors, Chairperson, Board as a whole and its Committees in terms of the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

5. BOARD COMMITTEES:

The terms of reference of the Board Committee(s), their composition and attendance of the respective members at the various Committee Meeting(s) held during the year 2016-2017 are set out below:

(A) Audit Committee

The Primary objective of the Audit Committee is to monitor and to provide effective supervision of the Management's financial reporting process with the view to ensuring accurate and timely disclosure, with the high level of transparency and quality reporting of financial reporting.

Composition & Terms of Reference of Audit Committee

The powers, role and terms of reference of the Audit Committee cover the areas under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The present Audit Committee comprises of Mrs. Asha Mehra, Chairperson (Independent Director), Mr. Rajesh Jain (Independent Director) and Mr. Jagmohan Lal Suri. All the members are financially literate and possess experience in finance to look into the internal controls and financial procedures.

The Audit Committee has been empowered, *inter-alia*, to carry out the following functions:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.

- b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee shall mandatorily review the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses; and
 - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
 - f) Statement of deviations
 - (i) Quarterly statement of deviation(s) including Report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
21. The Audit Committee shall also have powers, which should include the following:
 - a) To investigate any activity within its terms of reference.
 - b) To seek information from any employee.
 - c) To obtain outside legal or other professional advice.
 - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
 - e) To consider and act on any matters as included under SEBI (Listing Obligations and Disclosure Requirements) 2015 and/or as may be so included from time to time, whether provided here in above or not.
 - f) 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.

Meetings of the Audit Committee and attendance of members during the year

During the year under review, four Audit Committee Meetings were held on 26th May 2016, 10th August, 2016, 12th November, 2016 and 14th February, 2017.

Name of the Director	Designation	Category of Director	No of Meeting attended
Mrs. Asha Mehra	Chairperson	Independent (Non Executive)	4
Mr. Rajesh Jain	Member	Independent (Non Executive)	3
Mr. Jagmohan Lal Suri	Member	Non Independent (Non Executive)	4

In addition to the members of the Audit Committee, these meeting were attended by Chief Financial Officer, Internal Auditor and Statutory Auditors of the Company to provide inputs to the committee.

The Company Secretary acts as Secretary of the Committee.

(B) Nomination and Remuneration Committee

The Committee has been entrusted with the responsibilities to review the increments and modify the terms and conditions of appointment/reappointment including remuneration, commission etc payable within the overall ceiling of the remuneration.

Composition & Terms of Reference of Committee

The powers, role and terms of reference of Nomination and Remuneration Committee cover the areas under Regulation 19 of their SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The present Nomination and Remuneration Committee consists of three non executive directors as members, out of which two are independent directors that are Mrs. Asha Mehra, Chairperson (Independent Director), Mr. Rajesh Jain (Independent Director) and Mr. Jagmohan Lal Suri (Non Independent Director).

The Company Secretary acting as Secretary to the Committee.

The said Committee shall be empowered, *inter-alia*, to carry out the following functions:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for performance evaluation of Independent Directors and the Board;
- c. Devising a policy on Board diversity;
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- e. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

During the year under review One (1) Nomination and Remuneration Committee Meeting was held on 14th February, 2017 and the same was attended by all the committee members.

Nomination and Remuneration Policy forms a part of the Directors Report as per Section 178(4) of the Companies Act, 2013.

Remuneration paid to Non-executive Directors during the year ended 31st March 2017 is summarized 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	-	64,000/-	Nil	Nil
Mr. Anil Goyal	-	56,000/-	Nil	Nil
Mr. J. M. L. Suri	-	70,000/-	Nil	Nil
Mr. Rajesh Jain	-	57,000/-	Nil	Nil
Mr. Luv Malhotra	-	50,000/-	Nil	Nil

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board and no other remuneration is being paid to any of the Directors. The sitting fee for each meeting of Board of Directors and the Committee of Directors is fixed by the Board of Directors within the overall ceiling laid down under the Companies Act.

(C) Stakeholders Relationship Committee

The Committee looks after the share transfer work besides redressal of shareholders complaints.

Composition & Terms of Reference of Committee

The present Stakeholder Relationship Committee comprises of three members viz. Mr. J.M.L. Suri, Chairman (Non Independent Director), Mr. Anil Goyal (Non Independent Director), Mr. Rajesh Jain (Independent Director).

The Company Secretary acting as Secretary to the Committee who has also been designated as Compliance Officer of the Company.

Stakeholders Relationship Committee has been empowered, *inter-alia*, to carry out the following functions:

1. To consider and approve the transfer, transmission and issue of fresh/duplicate share certificates.
2. To review the status of dematerialization of Company's shares and matters incidental thereto.
3. 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.
4. To consider, review and look into the redressal of grievances of shareholders, debenture holders and other security holders.
5. To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

6. To consider and finalize the Report on Corporate Governance to be annexed with the Annual Report of the Company.
7. To deal with any other matters related and/or incidental to the shareholders.

During the year under review Five (5) Stakeholders Relationship Committee Meetings were held on 4th April, 2016, 26th May, 2016, 7th July, 2016, 22nd October, 2016, 25th Feb, 2017 and the same were attended by all the committee members.

Number of Shareholders Complaints received and redressed during the year 2016-2017:

Nature of Grievance	Received	Cleared
Non Receipt of Dividend	3	3
Non Receipt of Annual Report	1	1
Transfer, Transmission, Issue of Share Certificate etc.	1	1
TOTAL	5	5

(D) Corporate Social Responsibility Committee

Brief Outline of the Company CSR Policy

The Board of Directors in its meeting held on 24th May, 2014, constituted a Corporate Social Responsibility Committee. This Committee discharges the role of Corporate Social Responsibility Committee under Section 135 of the Companies Act, 2013 which includes formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company as per Schedule VII to the Companies Act, 2013; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company. The Committee comprises of Mrs. Asha Mehra, Chairperson of the Committee, Mr. Anil Goyal and Mr. Rajesh Jain as other members of the Committee and the Company Secretary of the Company as the Secretary to the Committee.

CSR Committee has been empowered, *inter-alia*, to carry out the following functions:

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
 - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - (c) monitor the Corporate Social Responsibility Policy of the company from time to time.
- The Company does not come under the ambit of Corporate Social Responsibility hence no Committee meeting was required to be held during the year under review.

(E) Business Restructuring Committee:

The Business Restructuring Committee comprises three members, headed by Mrs. Asha Mehra as Chairperson, Mr. Anil Goyal and Mr. Rajesh Jain as its two Members, all being Non-Executive Directors.

The committee has been empowered, *inter-alia*, to carry out the following functions:

1. To analyze all the available options of capital restructuring, merger, demerger etc.
2. To analyze available options for restructuring the existing Capital base by inducting more funds.
3. To appoint consultants and to obtain opinion of professionals dealing in said fields on various options available for re-organization of the business of group companies and to place the opinion obtained from the said professionals before the Board of Directors of the Company.
4. To appoint Advocates & Legal Counsels for the drafting of Scheme of Amalgamation/ Arrangement.
5. To appoint valuer for obtaining the valuation report.
6. To place the Draft Scheme of Amalgamation/ Arrangement and valuation report before the Board of Directors of the Company.

During the year under review no meeting(s) of the Committee were held.

(F) Securities Committee

The Securities Committee comprises three (3) members, headed by Mrs. Asha Mehra as Chairperson; Mr. Anil Goyal and Mr. Rajesh Jain as its two Members, all being non-executive Directors.

The Committee has been empowered, *inter-alia*, to carry out the following functions:

- a) To raise capital through further issuance and allotment of Securities including but not limited to Equity Shares and/or Convertible Preference Shares and/ or Fully Convertible Debentures ("FCDs") and/or Non Convertible Debentures ("NCDs") with warrants, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Foreign Currency Convertible Bonds ("FCCBs") and/or any other financial instruments convertible into or linked to Equity Shares through public issue(s), private placement(s) or a combination thereof, including issuance of Securities through a qualified institutional placement under Chapter VIII of the SEBI ICDR Regulations for an aggregate amount to Rs. 250 Crores.
 - b) To expedite the process of preparation and approval of offer documents/information memorandum, fixing of terms and conditions including pricing, engaging of intermediaries etc. for various kinds of securities, at opportune times.
 - c) Approving the draft / final offer documents, placement document and filing the same with any other authority or persons as may be required;
 - d) Approving the issue price, payment terms, timings of the issue(s), the number of Securities to be issued, the basis of allocation and allotments of Securities;
- During the year under review no meeting(s) of the committee were held.

6. GENERAL BODY MEETINGS

Details of Annual General Meetings:

(i) Location and time where the last 3 AGM's were held:

Year	Type	Location	Date	Time
2015-16	AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001	20 th September, 2016	11.00 A.M.
2014-15	AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001	22 nd September 2015	11.00 A.M.
2013-14	AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001	29 th October 2014	11.00 A.M.

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

S. No.	Special Resolution(s)	AGM/EGM
1	Alteration of Memorandum of Association (MOA) of the Company	AGM 20 th September, 2016
2	To appoint Mr. Luv Malhotra (DIN 00030477) as an Independent (Non-Executive) Director	AGM 22 nd September, 2015
3	To consider and approve adoption of new set of Articles of Association of the Company	AGM 29 th October 2014
4	To consider and approve passing of fresh resolution for borrowing monies under section 180(1)(c) of the Companies Act, 2013.	AGM 29 th October 2014

E-voting facility was provided to all the members pursuant to the provisions of Section 108 of the Companies Act, 2013, rules made there under and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(iii) Whether Special Resolutions were put through postal ballot last year : Yes

S. No.	Special Resolution(s)	Postal Ballot
1	Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of loan/borrowings.	12 th December, 2016
2	To Empower the Board to Convert Loan/Borrowings into Equity:	12 th December, 2016
3	Approval for the Composite Scheme of Arrangement amongst HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited.	12 th December, 2016

(iv) Whether any Special Resolution is proposed to be conducted through Postal Ballot: No

(v) Court Convened Meeting (CCM):

By Order dated September 16, 2016 in Company Petition No. 165 of 2016, passed by the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh, a meeting of the Equity Shareholders, Unsecured Creditors and Secured Creditors of the Company ("Court Convened Meeting") was held on Monday, 10th December, 2016 at GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram - 122 001 (Haryana), India, in the matter of "Approval to the Composite Scheme of Arrangement between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013". The resolution was duly approved with requisite majority of the Equity Shareholders of the Company.

7. DISCLOSURES

- I. In line with the requirements of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, on the recommendation of the Audit Committee, has formulated a Policy on Related Party Transactions which is also available on Company's website viz. www.hbestate.com having following web link, www.hbestate.com/InvestorCentre/CorporateGovernance. All Related Party Transactions are placed before the Audit Committee for review and approval. None of the Directors has any pecuniary relationships or transactions with the Company during the year under review.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. There were no materially significant Related Party Transactions entered into by the Company during the year under review.

- II. No penalty has been imposed nor 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. The Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors has been uploaded on the website of the Company. No personnel have been denied access to the Audit Committee.

- IV. In line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have formulated a Policy to Determine Material Subsidiary which is also available on Company's website viz. www.hbestate.com having following web link, www.hbestate.com/InvestorCentre/CorporateGovernance. As of now Company has no subsidiaries and there is no immediate applicability of the said policy.
- V. All the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) 2015, related to Corporate Governance are being adhered to / complied with.
- VI. The Director and Chief Financial Officer of the Company, have given the Compliance Certificate on the review of Financial Statements, including Cash Flow Statement for the Financial Year ended 31st March, 2016 to the Board of Directors as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VII. 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 website of the Company www.hbestate.com. For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of said code.
- VIII. The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ADOPTION OF DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

- I. The Internal Auditor directly reports to the Audit Committee.

8. MEANS OF COMMUNICATION

- I. **Quarterly Results:** Dissemination through Stock Exchange, Company's Website and through publication in newspaper as required under SEBI (Listing Obligations and Disclosure) Regulations, 2015.
- II. **Newspaper wherein results normally published:** Business Standard (English) All India editions and Business Standard (Hindi) Delhi Edition.
- III. **Website where displayed:** www.hbestate.com
- IV. The website also displays official news releases and important communications made to Stock Exchange. As and when any presentation is 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:**

Location	Date	Time
GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram (Haryana) – 122 001	29 th September, 2017	11.00 A.M.

- I. **Financial Year** : 1st April 2016 to 31st March 2017
- II. **Date of Book Closure** : 23rd September, 2017 to 29th September, 2017
- III. **Dividend Payment Date** : No dividend is being declared for year under review.
- IV. **Listing on Stock Exchanges:**

The Company's Equity Shares are listed at Bombay Stock Exchange Limited (BSE), Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Annual Listing Fee for the financial year 2017-2018 has been paid to BSE Limited.

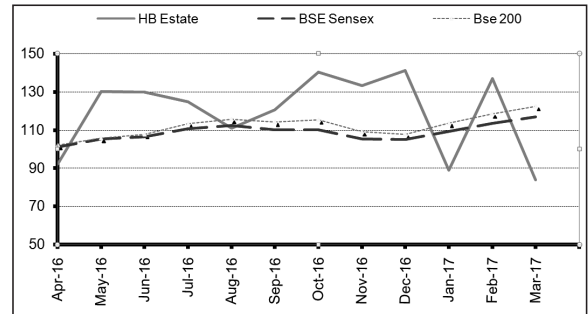
- V. **Stock Code:**

The Company's scrip code at BSE is 532334.

- VI. **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, 2016	7.64	6.28	6.71	32,834
May, 2016	9.83	6.70	9.50	32,857
June, 2016	9.94	7.54	9.49	12,318
July, 2016	10.39	8.30	9.10	15,827
August, 2016	11.02	8.00	8.10	37,580
September, 2016	9.97	7.33	8.80	33,806
October, 2016	11.31	8.00	10.25	29,129
November, 2016	11.19	8.10	9.73	14,403
December, 2016	13.00	9.15	10.30	68,286
January, 2017	11.04	9.91	10.50	17,067
February, 2017	11.55	9.03	10.00	20,187
March, 2017	11.00	8.56	10.50	20,683

VII. Performance in comparison to broad based indices



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

1 year

HB Estate	56.48%
BSE Sensex	15.68%
BSE 200	20.18%

IX. Registrar and Transfer Agents:

RCMC Share Registry Pvt. Ltd.

B-25/1, First Floor,
Okhla Industrial Area, Phase-II,
New Delhi – 110 020
Phone: 011 – 26387320, 26387321, 26387323
Fax : 011 - 26387322
E-mail: shares@rcmdlhi.com

X. Share Transfer System

Share Transfers are registered and returned within a period of thirty (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 the Director for transfer of shares up to a fixed number beyond which the matters are placed before the Shareholders Committee, which meets as and when required. As reported by Company's RTA all valid requests for transfer during the year under review were transferred within stipulated time limit.

XI. The distribution of shareholdings of the Company as on 31st March 2017 is as under:

Shareholding of value of Rs.	Shareholders		Shareholding	
	No. of Shares	% to total	No. of Shares	% to total
Up to 5000	69531	99.51	2861159	17.73
5001-10000	175	0.25	126330	0.78
10001-20000	60	0.09	86986	0.54
20001-30000	31	0.05	78374	0.49
30001-40000	15	0.02	51572	0.32
40001-50000	11	0.02	51914	0.32
50001-100000	15	0.02	119469	0.74
100001 and above	30	0.04	12762483	79.08
TOTAL	68868	100.00	16138287	100.00

The category-wise distribution of Shareholders is as follows:

Category	No of Shares held	% of Shareholding
A. Promoters Holding		
➤ Indian Promoter	1,20,34,628	74.57
➤ Foreign Promoters	0	0.00
B. Public Shareholding (Institutions)		
➤ Mutual Funds and UTI	1,125	0.01
➤ Banks/Financial Institutions	245	0.00
➤ Foreign Institutional Investors	0	0.00
C. Public Shareholding (Non Institutions)		
➤ Bodies Corporate	4,43,338	2.75
➤ NRIs	91,211	0.57
➤ Indian Public	35,21,164	21.81
➤ Clearing Member/ Intermediary	46,576	0.29
Total	1,61,38,287	100.00

XII. Dematerialization of Share and Liquidity:

Company's Shares are tradable compulsorily in the electronic form. 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 2017, 1,41,84,710 Equity Shares of the Company are held in dematerialised form constituting 87.89% of the Company's Paid up Equity Share Capital of ₹16,13,82,870/- comprising of 1,61,38,287 Equity shares of ₹ 10/- each.

As stipulated by SEBI, a qualified Practising Company Secretary carries out Audit of Reconciliation of Share Capital to reconcile the Total Admitted, Issued and Listed Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the Bombay Stock Exchange (BSE).

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

XIV. Compliance Officer: Company Secretary of the Company acts as the Compliance Officer.

XV. Address for Correspondence:

HB Estate Developers Limited
HB House, 31, Echelon Institutional Area,
Sector-32, Gurugram – 122 001.

DIRECTOR'S DECLARATION ON CODE OF CONDUCT

The Members of
HB Estate Developers Limited.
Gurugram

I, J.M.L. Suri, Director of the Company declare that all the members of the Board of Directors; and Senior Management of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2017.

For HB Estate Developers Limited

Sd/-
J.M.L. Suri
Director
(DIN: 00002373)

Place : Gurugram
Date : 29.05.2017

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
HB Estate Developers Limited
Gurugram

1. We have examined the compliance of conditions of Corporate Governance by **HB ESTATE DEVELOPERS LIMITED** ("the Company"), for the Financial Year ended on 31st March, 2017, as stipulated in Regulations 17 to 27, clause (b) to (i) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement entered into by the Company with the Stock Exchange.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and 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 the above mentioned Listing Regulations.
5. We state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR P. BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.: 000468N

Sd/-
AMIT GOEL
(PARTNER)
Membership No.: 092648

Place : Gurugram
Date : 29.05.2017

Form AOC-1

Statement containing salient features of the financial statements of subsidiaries/ associate companies/ joint ventures.

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries: Not Applicable

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Associate Company	Parsvnath HB Projects Pvt. Ltd
1.	1. Latest audited Balance Sheet Date	29.05.2017
2.	2. Shares of Associate/Joint Ventures held by the company on the year end	
	No.	24,020
	Amount of Investment in Associates/Joint Venture	₹ 2,40,200/-
	Extend of Holding%	49%
3.	3. Description of how there is significant influence	Shareholding of more than 20%
4.	4. Reason why the associate/joint venture is not consolidated	N.A.
5.	5. Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
6.	6. Profit/Loss for the year	
	i. Considered in Consolidation	Yes
	ii. Not Considered in Consolidation	N.A.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HB ESTATE DEVELOPERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **HB ESTATE DEVELOPERS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance and Cash Flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate Accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the Accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our Audit.

We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit report under the provisions of the Act and the Rules made there under.

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Control relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the Accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India of the state of affairs of the Company as at 31st March 2017 and its Loss and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.
 - (b) in our opinion proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those Books;
 - (c) the Balance sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
 - (d) in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the Directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its Financial Position in its Financial Statements – Refer Note 29.9 to the Financial Statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its Standalone Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the Books of Accounts maintained by the Company (Refer Note 29.12 to the Standalone Financial Statements.)

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

(AMIT GOEL)
PARTNER
(Membership No. 92648)

PLACE : Gurugram
DATE : 29.05.2017

ANNEXURE – A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended on 31st March, 2017, We Report that:

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 management during the year has physically verified the fixed assets 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. The title deeds of immovable property are held in the name of the Company and the same are lying with the bank in connection with the borrowings made by the Company.
2. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. a. The Company has not granted during the year any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ("the Act"). However, in respect of one Company, the outstanding recoverable as at the beginning of the year was ₹ 1,41,96,182/- (Including interest receivable) and the maximum amount outstanding at any time during the year and year end balance is ₹ 1,41,96,182/- including interest receivable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Act, as applicable to it, with respect to the loans and investment made, to the extent applicable to the Company. As per the information and explanation given to us, the Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.
5. The Company has not accepted any deposits from the public.
6. The nature of the Company's business/activities is such that maintenance of Cost Records under Section 148(1) of the Act is not applicable to the Company.
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty, Value added tax, Cess and other statutory dues to the extent and as applicable to the Company have been generally regularly deposited by the Company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2017 for a period of more than six months from the date of becoming payable.
- 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, 2017 are as under:-
 - (i) property tax demand of ₹ 68,02,674/- 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.29.1(a))
 - (ii) Vacant Land tax demand of ₹ 2,28,616/- which is being contested by Company in Delhi High Court. (refer note no.29.1(b))
 - (iii) Income tax demand of ₹ 9,50,096/- for which the Company has filed rectification application before the Assessing officer;
 - (iv) Ground Rent as explained in note no.29.1(d)
8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans/borrowings from bank/ financial institution. There are no loans or borrowings taken by the Company from government or debenture holders during the year.



HB ESTATE DEVELOPERS LIMITED

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans were applied for the purpose for which those were raised.
10. In our opinion and according to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our Audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not paid any managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

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

PLACE : Gurugram
DATE : 29.05.2017

(AMIT GOEL)
PARTNER
(Membership No. 92648)

ANNEXURE – B TO THE AUDITORS' REPORT

Report on the Internal Financial Control under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HB Estate Developers Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(AMIT GOEL)
PARTNER
(Membership No. 92648)

PLACE : Gurugram
DATE : 29.05.2017

BALANCE SHEET AS AT 31st MARCH, 2017

Particulars	Note	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	964120308	964120308
Reserves and Surplus	3	280055540	9889772
		684064768	974010080
Non-Current Liabilities			
Long-Term Borrowings	4	3077268574	2919957348
Deferred Tax Liabilities (Net)	5	207461597	183696292
Other Long Term Liabilities	6	97260594	103388338
Long Term Provisions	7	4808701	3323471
		3386799466	3210365449
Current Liabilities			
Short-Term Borrowings	8	189287334	90000000
Trade Payables	9	179736076	156072211
Other Current Liabilities	10	70636393	274452782
Short Term Provisions	11	187441	147726
		439847244	520672719
		4510711478	4705048248
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	4045765757	4171128326
Intangible Assets		6623024	8147190
Non-current investments	13	60072623	60358677
Long term loans and advances	14	8081120	9837008
Other Non Current Assets	15	34948711	63278931
		4155491235	4312750132
Current Assets			
Inventories	16	167023317	189233070
Trade receivables	17	30179899	55138332
Cash and Bank Balances	18	70979110	57656682
Short-Term Loans and Advances	19	86982749	89955281
Other Current Assets	20	55168	314751
		355220243	392298116
		4510711478	4705048248

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 29

The accompanying notes form an integral part of the financial statements

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.

CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/-
AMIT GOEL
(Partner)
Membership No. : 092648

Sd/-
J.M.L. Suri
(Director)
DIN:00002373

Sd/-
Anil Goyal
(Director)
DIN:00001938

PLACE : GURUGRAM
DATE : 29.05.2017

Sd/-
Praveen Gupta
(Chief Financial Officer)

Sd/-
Radhika Khurana
(Company Secretary)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

PARTICULARS	AMOUNT IN ₹ YEAR ENDED 31ST MARCH, 2017	AMOUNT IN ₹ YEAR ENDED 31ST MARCH, 2016
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax,extraordinary items	(266180007)	(276960514)
Adjustment for :		
Depreciation / Amortisation	144166163	150466320
Loss/(Profit) on Sale of Fixed Assets	0	4059
Interest / Dividend Received	(5507146)	(9983889)
Interest Paid	302967705	305014438
Provision no longer required written back	0	0
Profit/Loss on Sale of Long term / Non Current Investments	(987038)	(3790317)
Provision for Employees Benefit	1524945	(44602)
Operating Profit before Working Capital changes	175984622	164705495
Adjustments for :		
Trade & Other receivables/Assets	24700407	(25153652)
Inventories	22209754	(6208828)
Trade Payables & Other Liabilities	16573419	50279405
Cash generated from operations	239468202	183622420
Direct Tax Paid	4555909	(11034134)
Net Cash from Operating Activities (A)	244024111	172588286
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Work in progress / Purchase of Fixed Assets	(17279427)	(20116526)
Sale of Fixed Assets	0	38960
Purchase of Investments	0	0
Sale/decrease of Investments	1273093	21656238
Change in other Non-Current Assets	28330220	23564860
Change in Loans and Advances / Other Assets	1755887	(2607520)
Change in Loans and Advances / Other Liabilities	0	(866425)
Interest Received	5507146	9983889
Dividend Received	0	0
Net Cash received in Investing Activities (B)	19586918	31653476

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particulars	Note	Year Ended 31 st March, 2017 (₹)	Year Ended 31 st March, 2016 (₹)
Revenue from Operations	21	734071219	680018265
Other Income	22	13124746	21430289
Total Revenue		747195965	701448554
Expenses:			
Food and Beverages Consumed	23	65916566	70415350
Changes in inventories of Finished Goods/ Stock-in-Trade	24	16304496	0
Employee Benefit Expense	25	174345138	162096799
Finance Costs	26	302967705	305014438
Depreciation and Amortization	12	144166163	150466320
Other Expenses	27	310662942	294206478
Total Expenses		1014363011	982199386
Profit/(Loss) for the year before tax and exceptional items		(267167045)	(280750831)
Exceptional items			
Profit/(Loss) on sale of Long Term/Non Current Investments		987038	3790317
Profit/(Loss) for the year before tax and after exceptional items		(266180007)	(276960515)
Tax expense:			
Current tax		0	0
Deferred Tax Charge		23765305	31334788
Profit/(Loss) for the year		(289945312)	(308295303)
Earning per equity share:			
Equity share of Par value ₹ 10/-each (Before Exceptional item) in ₹	28		
Basic		(18.03)	(19.34)
Diluted		(18.03)	(19.34)
(After Exceptional item) in ₹			
Basic		(17.97)	(19.10)
Diluted		(17.97)	(19.10)
Number of equity shares used in computing earning per share			
Basic		16138287	16138287
Diluted		16138287	16138287

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 29

The accompanying notes form an integral part of the financial statements

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.

CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/-
AMIT GOEL
(Partner)
Membership No. : 092648

Sd/-
J.M.L. Suri
(Director)
DIN:00002373

Sd/-
Anil Goyal
(Director)
DIN:00001938

PLACE : GURUGRAM
DATE : 29.05.2017

Sd/-
Praveen Gupta
(Chief Financial Officer)

Sd/-
Radhika Khurana
(Company Secretary)

PARTICULARS	AMOUNT IN ₹ YEAR ENDED 31ST MARCH, 2017	AMOUNT IN ₹ YEAR ENDED 31ST MARCH, 2016
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Payment) from / of fractional shares	0	0
Proceeds from issue of Preference Share Capital	0	0
Proceeds from Borrowings (Net)	53744873	107705662
Interest paid	(302967705)	(305014438)
Net Cash used in Financing Activities (C)	(249222832)	(197308776)
Net increase in Cash and Cash equivalents (A+B+C)	14388197	6932986
Increase/(Decrease) in Cash & Cash equivalents on Amalgamation		
CASH & CASH EQUIVALENTS (OPENING BALANCE)	52334715	45401729
CASH & CASH EQUIVALENTS (CLOSING BALANCE)	66722912	52334715
Components of cash and cash equivalents at the end of the year		
Cash in hand	1060715	597373
Balances with Scheduled Banks :		
-In current and deposit accounts	65662197	51737342
	66722912	52334715

The accompanying notes form an integral part of the financial statements

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.

CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/-
AMIT GOEL
(Partner)
Membership No. : 092648

Sd/-
J.M.L. Suri
(Director)
DIN:00002373

Sd/-
Anil Goyal
(Director)
DIN:00001938

PLACE : GURUGRAM
DATE : 29.05.2017

Sd/-
Praveen Gupta
(Chief Financial Officer)

Sd/-
Radhika Khurana
(Company Secretary)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017
1 SIGNIFICANT ACCOUNTING POLICIES
1.1 BASIS OF ACCOUNTING

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

- Revenue from Hotel operations viz room rent, food & beverages and other allied services is recognised upon rendering of services.
- In respect of Real Estate Projects undertaken upto 31.03.2005, the company continues to follow the complete project method of accounting for projects. In respect of Real Estate Projects undertaken w.e.f. 1st April, 2005, the revenue is recognised on Percentage of Completion Method.
- 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.
 - Income from services is accounted for on the basis of the bills raised on customers.
 - 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/amortisation and impairment losses, if any. Borrowing cost during the period of construction is added to the cost of eligible tangible assets.

1.5 DEPRECIATION/AMORTISATION

- Tangible Assets**
Depreciation is provided on Straight Line Method over the useful life of assets in the manner prescribed in Schedule II to the Companies Act, 2013.
- Intangible Assets**
Intangible Assets (Software) are amortised over a period of five years.

1.6 INVENTORIES

- Inventories (real estate) are valued at lower of cost or fair market value/ net realisable value.
- Stock of Food & Beverages and stores and operating supplies are carried at cost or net realizable value whichever is lower.

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 partly 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.

2. SHARE CAPITAL

Particulars	As At 31 st March, 2017 (In ₹)	As At 31 st March, 2016 (In ₹)
AUTHORIZED		
3,50,00,000 (3,50,00,000) Equity Shares of ₹ 10/- each.	350000000	350000000
80,00,000 (80,00,000) Redeemable Preference Shares of ₹ 100/- each	800000000	800000000
	1150000000	1150000000
ISSUED		
1,69,67,625 (1,69,67,625) Equity Shares of ₹ 10/- each.	169676250	169676250
30,00,000 (30,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each	300000000	300000000
50,00,000 (50,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II of ₹ 100/- each	500000000	500000000
	969676250	969676250
SUBSCRIBED & PAID UP		
1,61,38,287 (1,61,38,287) Equity Shares of ₹ 10/- each fully paid up (See Note 2.1)	161382870	161382870
Add: Forfeited shares- 8,29,338 (8,29,338) Equity Shares (Amount originally paid up)	2737438	2737438
30,00,000 (30,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each fully paid up (See Note 2.2)	300000000	300000000
50,00,000 (50,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II of ₹ 100/- each fully paid up (See Note 2.3)	500000000	500000000
Total (in ₹)	964120308	964120308

-- Issued Share Capital of the Company has following classes of shares referred to as under:



2.1 Equity Shares is having par value of ₹ 10/- each. Holder of Equity Shares is entitled to One vote per share. The Dividend proposed, if any, by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. 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. Equity Shares include 40,95,995 Equity Shares of ₹ 10/- each fully paid up, issued and allotted for consideration other than cash pursuant to Scheme of Amalgamation of erstwhile Pisces Portfolios Pvt. Ltd. with the Company during Financial Year 2014-15

-- Reconciliation of the number of Equity Shares outstanding and Amount of Equity Share Capital as on 31st March, 2017 & 31st March, 2016 is as under:

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	16138287	161382870	16138287	161382870
Add: Issued and allotted pursuant to Scheme of Amalgamation	-	-	-	-
Number of shares at the end	16138287	161382870	16138287	161382870

-- Particulars of Shareholders holding more than 5% shares (Equity Shares) :

Name of Shareholders	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Lalit Bhasin	7414473	45.94	7414473	45.94
HB Stockholdings Ltd.	1615608	10.01	1615608	10.01
HB Portfolio Ltd	2041587	12.65	2041587	12.65

2.2 Preference Shares having par value of ₹ 100/- were allotted on 29th March, 2013. The Preference Shares carries 9% coupon rate of dividend (Non-Cumulative). The holders of Preference Shares shall not be entitled to receive notice of or to attend and vote at General meetings of the Equity Shareholders of the Company. The holders of Preference Shares shall be entitled to attend meetings and vote (one vote per share) only on the Resolutions directly affecting their rights. Also the Preference Shareholders shall not be entitled to any bonus or right issue etc. of Equity Shares or other Securities of the Company. The Preference Shares shall carry a preferential right over the Equity Shares of the Company as regards to payment of Dividend and as regards to repayment of the Capital in the event of winding up of the Company. The tenure of the Preference Shares will be 10 years from the date of allotment. The Preference Shares will be redeemed at par in two equal installments i.e. 50% at the end of 9th year from the date of allotment and remaining 50 % at the end of 10th year from the date of allotment.

-- Reconciliation of the number of Preference Shares outstanding and Amount of Preference Share Capital as on 31st March, 2017 & 31st March, 2016 is as under:

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	3000000	300000000	3000000	300000000
Number of shares issued during the year	0	0	0	0
Number of shares at the end	3000000	300000000	3000000	300000000

-- Particulars of Shareholders holding more than 5% shares (Preference Shares) :

Name of Shareholders	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
HB Stockholdings Ltd.	750000	25.00	750000	25.00
Aquarius Portfolios Pvt. Ltd.	300000	10.00	450000	15.00
Gemini Portfolios Pvt. Ltd	350000	11.67	300000	10.00
HB Portfolio Ltd.	750000	25.00	750000	25.00
Merrygold Investments Ltd.	750000	25.00	750000	25.00

2.3 Preference Shares having par value of ₹ 100/- were allotted in March 2015. The Preference Shares carries 9% coupon rate of Dividend (Non-Cumulative). The holders of Preference Shares shall not be entitled to receive notice of or to attend and vote at General meetings of the Equity Shareholders of the Company. The holders of Preference Shares shall be entitled to attend meetings and vote (one vote per share) only on the Resolutions directly affecting their rights. Also the Preference Shareholders shall not be entitled to any bonus or right issue etc. of Equity Shares or other Securities of the Company. The Preference Shares shall carry a preferential right over the Equity Shares of the Company as regards to payment of Dividend and as regards to repayment of the Capital in the event of winding up of the Company. The tenure of the Preference Shares will be 10th years from the date of allotment. The Preference Shares will be redeemed at par at the end of 10th year from the date of allotment.

-- Reconciliation of the number of Preference Shares Series-II outstanding and Amount of Preference Share Capital as on 31st March 2017 & 31st March, 2016 is as under:

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	5000000	500000000	5000000	500000000
Number of shares issued during the year	0	0	0	0
Number of shares at the end	5000000	500000000	5000000	500000000

-- Particulars of Shareholders holding more than 5% shares (Preference Shares Series-II)

Name of Shareholders	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Gemini Portfolios Pvt. Ltd	2000000	40.00	2000000	40.00
Aquarius Portfolios Pvt. Ltd.	1000000	20.00	1000000	20.00
Venus Portfolios Pvt. Ltd	2000000	40.00	2000000	40.00

3. RESERVES AND SURPLUS

Particulars	As At 31 st March, 2017 (In ₹)	As At 31 st March, 2016 (In ₹)
Capital Reserve - Opening Balance	23039795	23039795
Capital Redemption Reserve - Opening Balance	23039795	23039795
	20000000	20000000
Securities Premium Reserve - Opening Balance	555742116	555742116
	555742116	555742116
General Reserve - Opening Balance	668199083	668199083
	668199083	668199083
*Statutory Reserve - Opening Balance	125903413	125903413
	125903413	125903413
Surplus -Opening Balance	-1382994636	-1074699333
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	-289945312	-308295302
Surplus-Closing balance	-1672939947	-1382994636
Total (in ₹)	-280055540	9889772

* Created in earlier years under section 45IC of Reserve Bank of India (Amendment) Act, 1997 by way of transfer of specified percentage of Profits by erstwhile Company, Pisces Portfolios Pvt. Ltd. which was amalgamated with the Company in the earlier year.

4. LONG TERM BORROWINGS

Particulars	As At 31 st March, 2017 (₹)		As At 31 st March, 2016 (₹)	
	Non-Current	Current	Non-Current	Current
(A) SECURED LOANS:				
Term Loans From Bank				
- Vehicle Loan from HDFC Bank (1)	0	0	0	73069
- Vehicle Loan from ICICI Bank (2)	0	0	0	32618
- Term Loan from Yes Bank- (I) (3)	0	0	685600000	189320000
- Term Loan from Yes Bank- (II) (3)	682000000	0	780000000	16000000
- Term Loan from Yes Bank- (III) (3)	1000000000	0	0	0
Total-A	1682000000	0	1465600000	205425687
(B) UNSECURED LOANS				
- Overdraft from State Bank of India (4)	146843574	2572000	149632348	0
- Term Loan from Religare Finvest Limited (5)	144000000	0	144000000	0
- Intercompany Loans & Advances (6)	1008925000	0	1060725000	0
- Loan from Director (7)	95500000	0	100000000	0
Total-B	1395268574	2572000	1454357348	0
Total (A+B)	3077268574	2572000	2919957348	205425687



- Maturity Profile of Secured Term Loan from banks are as under:				
Particulars	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Vehicle Loan from HDFC Bank	Nil	Nil	Nil	Nil
- Vehicle Loan from ICICI Bank	Nil	Nil	Nil	Nil
- Term Loan from Yes Bank (II) (₹ 80 Crore)	0	18000000	64000000	600000000
- Term Loan from Yes Bank (III) (₹ 100 Crore)	4000000	19000000	37500000	939500000
- Maturity Profile of Unsecured Loans are as under:				
	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Overdraft from State Bank of India	8600000	17100000	25700000	95443574
- Term Loan from Religare Finvest Limited	25926756	26726642	26726642	64619960

(1) Vehicle Loan From HDFC Bank

Secured by way of hypothecation of Vehicle Financed. The Rate of Interest is 10% P.A. repayable in 36 monthly installments. Last installment paid in May, 2016.

(2) Vehicle Loan From ICICI Bank

Secured by way of hypothecation of Vehicle Financed. The Rate of Interest is 9.75% P.A. repayable in 36 monthly installments. Last installment paid in April, 2016.

(3) Term Loans From Yes Bank

Secured by way of exclusive charge on Company's hotel land and hotel building situated in Sector 44, Gurgaon, exclusive charge on all present and future moveable Fixed Assets and Current Assets of the Project (Taj Vivanta Hotel), personal guarantee of Director Mr. Lalit Bhasin, Non Disposal Undertaking (NDU) of entire Shareholding of the Company held by Mr. Lalit Bhasin, negative lien on his entire Shareholding in the Company for entire tenor of loan facility.

The Term Loan - I disbursed was of ₹ 100 Crore repayable in 56 monthly installments starting from October, 2015. The loan was repaid during the year. Rate of Interest was 12.50%.

The Term Loan - II disbursed was of ₹ 80 Crore repayable in 44 Quarterly installments starting from February, 2016. Last installment due in November, 2026. The Rate of Interest is 12.50%.

The Term Loan - III disbursed during the year is of ₹ 100 Crore repayable in 44 Quarterly installments starting from November, 2018. Last installment due in August, 2029. The Rate of Interest is 2.25% over and above Bank's One Year MCLR.

(4) Overdraft Facility from State Bank of India

Secured by way of equitable mortgage of Residential Property bearing no. C-2/7, Safdarjung Development Area, New Delhi belonging to Sh. Lalit Bhasin - Director of the Company and also his personal guarantee. The Rate of Interest is 11.80% P.A. The total loan tenure is of 7 years 10 months. The loan is repayable in 27 quarterly unequal installments starting from 1st quarter of 2017-18 and last installment due in 3rd quarter of 2023-24.

(5) Term Loan from Religare Finvest Limited

Secured by way of mortgage of Property at Plot No. BP-8, Feroze Gandhi Road Lajpat Nagar-III, New Delhi belonging to Sh. Lalit Bhasin - Director of the Company. The Rate of Interest is 13.45% P.A. The loan is repayable in 6 annual unequal installments starting from 1st March 2019 and last installment due on 1st March 2024.

(6) Intercompany Loans and Advances are interest free and are repayable beyond 3 years.

(7) Interest free Loan from Director, Sh. Lalit Bhasin is repayable beyond 3 years.

5. DEFERRED TAX LIABILITY

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Liability		
Fixed Assets	209005405	184768892
Less: Assets		
Leave Encashment/Gratuity	1543808	1072600
Net Deferred Tax Liability	207461597	183696292

6. OTHER LONG TERM LIABILITIES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Security Deposits*	97260594	103388338
Total (in ₹)	97260594	103388338

* Include due to related parties ₹ 7,49,15,763/- (previous year ₹ 8,06,65,763/-) (refer note no.29.3)

7. LONG TERM PROVISIONS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Provisions For Employees Benefit		
Leave Encashment	1902036	1192261
Gratuity (net)	2906665	2131210
Total (in ₹)	4808701	3323471

8. SHORT TERM BORROWINGS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Secured Loan		
Overdraft Facility from YES Bank Limited *	99287334	0
Unsecured		
From Related Party (Refer Note No.29.3)		
Intercompany Loans	90000000	90000000
Total (in ₹)	189287334	90000000

* Secured by way of exclusive charge as specified in Note no. 3 in respect of term loan facilities from Yes Bank Ltd.

9. TRADE PAYABLES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Due to Micro, Small & Medium Enterprises (Refer Footnote (i) & (ii))	874844	1977566
Others	178861232	154094645
Total in ₹	179736076	156072211

(i) The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties had been identified on the basis of information available with the Company in this regard.

(ii) The disclosure relating to Micro, Small & Medium enterprises is as under:

Particulars	Current Year	Previous Year
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year.	874844	1977566
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	Nil	Nil

10. OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Current Maturities of Long term Debts (Refer Note No.4)	2572000	205425687
Interest Accrued but not due on borrowings	21188110	21820344
Unclaimed Dividend *	4256198	5321967
Expenses Payable	26389018	22837947
Security Deposits	1373045	720919
Advances from Customers	3457698	7175927
Statutory Dues	11400324	11149991
Total in ₹	70636393	274452782

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

11. SHORT TERM PROVISIONS

Particulars	As at 31 st March, 2017 (₹)	As at 31 st March, 2016 (₹)
Provisions For Employees Benefit		
Leave Encashment	187441	147726
Total in ₹	187441	147726


12. FIXED ASSETS

(Amount in ₹)

S. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
		AS AT 01.04.2016	ADDITIONS DURING THE YEAR	ADJUSTMENT DURING THE YEAR	AS AT 31.03.2017	AS AT 01.04.2016	FOR THE YEAR	ADJUSTMENT DURING THE YEAR	UPTO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
A.	Tangible Assets										
1	FREEHOLD LAND	1553037422	0	0	1553037422	0	0		0	1553037422	1553037422
2	BUILDING	1865634447	9090778	0	1874725225	91841613	29533902	0	121375515	1753349710	1773792834
3	PLANT & EQUIPMENTS	531789775	2137418	0	533927193	93877285	34324276	0	128201561	405725632	437912490
4	FURNITURE & FIXTURES	594924858	3682605	0	598607463	204545059	72467418	0	277012478	321594985	390379798
5	VEHICLES	5096466	0	0	5096466	2313870	651900	0	2965770	2130696	2782596
6	OFFICE EQUIPMENTS	2979432	68299	0	3047731	2094666	232016	0	2326682	721048	884765
7	COMPUTERS	41178712	214800		41393512	28840291	3346956	0	32187247	9206264	12338421
	Total Tangible Asset(s)	4594641110	15193899	0	4609835010	423512784	140556469	0	564069253	4045765757	4171128327
	Previous Year	4576253786	18436674	49350	4594641110	276372226	147146889	6331	423512784	4171128326	4299881560
B.	Intangible Assets										
1	SOFTWARES	17485867	2085528	0	19571395	9338677	3609694	0	12948371	6623024	8147190
	Total Intangible Assets (B)	17485867	2085528	0	19571395	9338677	3609694	0	12948371	6623024	8147190
	Previous Year	15806015	1679852	0	17485867	6019246	3319431	0	9338677	8147190	9786769
	Total (A+B)	4612126978	17279427	0	4629406405	432851461	144166163	0	577017624	4052388781	4179275517
	Previous Year	4592059802	20116526	49350	4612126978	282391472	150466320	6331	432851461	4179275516	4309668330

13. NON CURRENT INVESTMENTS

NAME OF THE COMPANY	Face Value	As at 31.03.2017		As at 31.03.2016	
	(₹)	Qty. (Nos)	Amount (₹)	Qty. (Nos)	Amount (₹)
- Long Term Investments (At Cost)					
A. TRADE					
A. 1 Investments in Equity Instruments					
- Fully Paid up Equity Shares in Associate Company(Unquoted)					
Parsvnath HB Projects Pvt. Ltd.	10	24020	240200	24020	240200
Total-A (Trade)		24020	240200	24020	240200
B. OTHER THAN TRADE					
B.1 Investments in Equity Instruments					
- Fully Paid up Equity Shares					
<u>Quoted</u>					
Royal Orchid Hotels Ltd	10	496	81840	496	81840
RRB Securities Ltd. *	10	86100	8610000	86100	8610000
Bellary Steel and Alloys Ltd.*	1	100000	458443	100000	458443
Hotline Glass Ltd.*	10	10000	34318	10000	34318
Jaiprakash Power Ventures Ltd.	10	1543674	48944935	1543674	48944935
Mawana Sugar Ltd	10			23842	286055
Shree Ram Urban Infrastructure Ltd.	10	1000	261136	1000	261136
<u>Unquoted</u>					
CHL (South) Hotels Ltd.	10	100000	1000000	100000	1000000
QR Properties Pvt Ltd	10	5900	59000	5900	59000
HB Prima Capital Ltd.	10	195000	282750	195000	282750
B.2 Investments in Mutual Fund					
- Unquoted Fully Paid up Units					
Taurus Dynamic Income Fund	10	7776	100000	7776	100000
Total-(B) (Other Than Trade) (B1+B2)		2049946	59832423	2073788	60118477
Grand Total - (A+B)		2073966	60072623	2097808	60358677

Aggregate amount of Quoted Investments ₹ 5,83,90,672/- (Previous year ₹ 5,86,76,728/-) and Market Value thereof ₹ 93,75,659/- (Previous year ₹ 94,13,334/-)

Aggregate amount of unquoted Investment in shares ₹ 16,81,950/- (Previous year ₹ 16,81,950/-)

In the opinion of management, no provision is required to be made for diminution amounting to ₹ 4,90,15,013/- (Previous Year ₹ 4,95,85,310/-) in the value of the long term Investments as the same is considered to be temporary.

* Listed but not quoted

14. LONG TERM LOANS & ADVANCES

Particulars	As at 31 st March, 2017 (₹)	As At 31 st March, 2016 (₹)
Unsecured, Considered Good		
Capital Advances	3436220	4380558
Security Deposits	4644900	5456450
Total (in ₹)	8081120	9837008

15. OTHER NON CURRENT ASSETS

Particulars	As at 31 st March, 2017 (₹)	As At 31 st March, 2016 (₹)
Deposits with Banks*	34948711	63278931
Total (in ₹)	34948711	63278931

*Pledged/ under lien with banks including for issue of Bank Guarantees/LC

16. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at 31 st March, 2017 (₹)	As At 31 st March, 2016 (₹)
Completed Construction (Real Estate)	119391720	135696216
Food & Beverages	8557880	13751445
Stores and Operating Supplies	39073717	39785409
Total (in ₹)	167023317	189233070

17. TRADE RECEIVABLES

Particulars	As at 31 st March, 2017 (₹)	As At 31 st March, 2016 (₹)
Unsecured, considered good		
Outstanding for a period exceeding Six Months	739127	2320662
Others	29440772	52817670
Total (in ₹)	30179899	55138332

18. CASH & BANK BALANCES

Particulars	As at 31 st March, 2017 (₹)	As At 31 st March, 2016 (₹)
Cash & Cash Equivalents		
Cash-in-Hand	1060715	597373
Balances with Banks		
-In Current and Deposit Accounts	65662197	51737342
Other Bank Balances		
-In Earmarked Dividend Accounts	4256198	5321967
Total (in ₹)	70979110	57656682

19. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 st March, 2017 (₹)	As At 31 st March, 2016 (₹)
Unsecured, Considered Good		
Loans and Advances to Related Party- Associate*	14196182	14196182
Inter Corporate Deposit including accrued interest	25221644	26221644
Prepaid Expenses/Expenses recoverable/ Advances against supplies/Other recoverable	15979514	9075516
Property Tax, Service tax	4936387	9257006
Income Tax and Tax deducted at source	26649023	31204933
Total (in ₹)	86982749	89955282

* To Parsvnath HB Projects Pvt. Ltd.

20. OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2017 (₹)	As At 31 st March, 2016 (₹)
Interest accrued but not due on Bank deposits	55168	314751
Total (in ₹)	55168	314751

21. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31 st March, 2017 (In ₹)	For the Year ended 31 st March, 2016 (In ₹)
Hotel		
Room Income	397055372	352734714
Food & Beverages, Restaurant and Banquet Income	262626980	287867222
Others	34983485	34142568
Real Estate		
Sales	33887500	0
Other Operating Income*	5517883	5273760
Total (in ₹)	734071219	680018265

* Includes Rental Income, Facility Charges and Other Claims

22. OTHER INCOME

Particulars	For the Year ended 31 st March, 2017 (In ₹)	For the Year ended 31 st March, 2016 (In ₹)
Interest on Fixed Deposits with Banks	4062499	6252565
Interest on Income Tax Refund	1444647	0
Interest on Loans and Deposits	0	3731324
Other Income	284814	2039901
Exchange rate Variation	-14582	1533
Provisions No Longer Required written back	7347368	9404966
Total (in ₹)	13124746	21430289

23. FOOD AND BEVERAGES CONSUMED

Particulars	For the Year ended 31 st March, 2017 (In ₹)	For the Year ended 31 st March, 2016 (In ₹)
Opening Stock	13751445	8569167
Add : Purchases	60723001	75597628
Less : Closing Stock	8557880	13751445
Total (in ₹)	65916566	70415350

24. INCREASE/DECREASE IN STOCK-COMPLETED CONSTRUCTION

Particulars	For the Year ended 31 st March, 2017 (In ₹)	For the Year ended 31 st March, 2016 (In ₹)
Opening Stock	135696216	135696216.00
Less : Closing Stock	119391720	135696216.00
Total (in ₹)	16304496	0

25. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31 st March, 2017 (In ₹)	For the Year ended 31 st March, 2016 (In ₹)
Salaries and Benefits	87942187	82965817
Payment to Contractors	31083438	26691110
Reimbursement of expenses on personnel deputed to the Company	26978336	32063234
Contribution to Provident fund and other fund	5370150	4568980
Staff welfare	22971027	15807659
Total (in ₹)	174345138	162096799

26. FINANCE COSTS

Particulars	For the Year ended 31 st March, 2017 (In ₹)	For the Year ended 31 st March, 2016 (In ₹)
Interest Expense	257036813	275852638
Loan Processing Fees	45930892	29161800
Total (in ₹)	302967705	305014438

27. OTHER EXPENSES

Particulars	For the Year ended 31 st March, 2017 (In ₹)	For the Year ended 31 st March, 2016 (In ₹)
Linen, Room, Catering & Other Supplies/ Services	29875273	32821283
Facility Management Services	15136684	11246000
Legal & Professional	12500676	5123521
Payment to Orchestra Staff, Artists & Others	2165768	2104313
Communication	7735919	6604841
Commission to Travel Agents and Others	12915240	4436530
Advertisements	6746787	15745839
Printing & Stationery	6006504	3853291
Conveyance & Travelling	17141435	7929465
Repair & Maintenance :		
To Building	14114475	13351728
To Machinery	9472849	9176958
To others	16945015	15722445
Fuel, Power and Light	69943694	74951367
Listing Fee	458000	224720
Insurance	2246566	1962106
Subscription	2602525	1271086
Sitting Fees	400008	426479
Miscellaneous	5527479	10341557
Licence Fees	5038177	5053112
Operating Fees	62704179	55636253
Auditors' Remuneration		
- Audit Fees	345000	326325
- Tax Audit Fees	57500	57250
- Tax Matters	8626	91675
- Limited Review Report	51750	51375
- Certification & Others	76375	539251
Rates & Taxes	3413954	8367442
Discount to Collecting Agents	7032487	7267843
Total (in ₹)	310662942	294206478

28. EARNING PER SHARE

Particulars	Current Year (In ₹)	Previous Year (In ₹)
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders before exceptional items	-290932350	-312085619
Less: Exceptional Items	987038	3790317
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders after exceptional items	-289945312	-308295303
Weighted Average Nos. of Equity Share Outstanding	16138287	16138287
Earning Per Share (face value of ₹10/- each)		
Basic and Diluted Earning per share (₹)		
- Before Exceptional Items	-18.03	-19.34
- After Exceptional Items	-17.97	-19.10

29. OTHER NOTES

29.1 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 Rs. 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) Vacant Land tax demand raised by MCD ₹ 2,28,616/- (previous year ₹ 2,28,616/-) which is being contested by company in Delhi High Court.
- (c) Income tax demand for which rectification/appeal has been filed with the appropriate authorities- ₹ 9,50,096/- (previous year ₹ 9,43,640/-).
- (d) The company had received a show cause notice dated 17.11.2006 from Delhi Development Authority (DDA) demanding a sum of ₹ 258.68 Lacs (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.
- The matter is pending for final disposal by the Hon'ble Court. The liability will be determined 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.
- (e) Claim against the company not acknowledged as debt ₹2,77,55,293/- (Previous Year ₹2,77,55,293/-)
- (f) Letter of Credit/Bank guarantee issued by bank ₹ 63,03,000/- (previous year ₹ 3,24,56,440/-).

29.2 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:-

29.2 (a) List of Related parties with whom transactions have taken place and relationship

(a) Key Managerial Personnel

- (i) Mr. Praveen Gupta -CFO
(ii) Mr. Rajesh Singh Chahar, Company Secretary (resigned on 31.01.2017)

(b) Person having significant influence/control/major Shareholders

- (i) 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 and Finance Co Ltd.
(v) RRB Securities Ltd.
(vi) RRB Masterholdings Ltd. (Subsidiary of RRB Securities Ltd.)

(e) Enterprises under Joint ventures/Associate Company

- (i) Parsvnath HB Projects Pvt. Ltd.-Associate

29.2 (b) Transactions during the year with related party. (Amount in ₹)

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	3302006 (3371685)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Sitting Fee	Nil (Nil)	50000 (50000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Rent Received	Nil (Nil)	Nil (Nil)	863052 (766622)	1985600 (2153040)	Nil (Nil)
Sale of Investment through them	Nil (Nil)	Nil (Nil)	1273093 (Nil)	Nil (Nil)	Nil (Nil)
DP Charges paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	1306 (1838)	Nil (Nil)
Interest paid on Loan	Nil (Nil)	Nil (Nil)	Nil (Nil)	10800000 (10800000)	Nil (Nil)
Security Deposit received during the year	Nil (Nil)	Nil (Nil)	Nil (73278)	Nil (Nil)	Nil (Nil)
Security Deposit refund during the year	Nil (Nil)	Nil (Nil)	Nil (Nil)	5750000 (5750000)	Nil (Nil)

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
Interest Income Received	Nil	Nil	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)	(Nil)	(3551324)
Loan Received during the year	Nil	68000000	Nil	Nil	Nil
	(Nil)	(215000000)	(Nil)	(Nil)	(Nil)
Loan Repaid during the year	Nil	72500000	Nil	Nil	Nil
	(Nil)	(115000000)	(Nil)	(Nil)	(Nil)
Outstanding in respect of Loans including interest accrued as on 31.03.2017 (Payable)	Nil	95500000	Nil	92396712	Nil
	(Nil)	(100000000)	(Nil)	(92396712)	(Nil)
Outstanding in respect of Loans and Advances including interest accrued thereon (Receivable)	Nil	Nil	Nil	Nil	14196182
	(Nil)	(Nil)	(Nil)	(Nil)	(14196182)
Outstanding Payable in respect of Security Deposit received	Nil	Nil	215763	74700000	Nil
	(Nil)	(Nil)	(215763)	(80450000)	(Nil)

29.2 (c) Disclosure in respect of material outstanding balance of related party transactions:

- 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/-).
- 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.; ₹ Nil (previous year ₹ 57,50,000/-) from HB Leasing & Finance Co. Ltd.; ₹ 57,00,000/- (previous year ₹ 57,00,000/-) from RRB Securities Ltd. and ₹ 2,15,763/- (previous year ₹ 2,15,763/-) from RRB Master Securities Delhi Ltd.
- Short term Loan and advances includes ₹ 1,41,96,181/- (Previous Year ₹ 1,41,96,181/-) from Parsvnath HB Projects Pvt. Ltd.
- Unsecured Loan from director includes ₹ 9,55,00,000/- (Previous Year ₹ 10,00,00,000) from Mr. Lalit Bhasin.

29.2 (d) The above transactions for the previous year also include transactions of erstwhile Pisces Portfolios Pvt. Ltd. with its related parties which though may not be related parties of the Company.

29.3 (a) C.I.F. Value of Imports

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Stores and Operating Supplies	1225527	730693
Capital Goods	1031730	1581781

(b) Expenditure in Foreign Currency

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Legal & Professional	794438	514936
Advertisement	2782275	3551980
Others	6975982	3199334

(c) Earning in Foreign Currency:

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Sale / Revenue	263741095	239806214

(d) Dividend paid in Foreign Currency - Nil (Previous Year Nil).

29.4 Disclosure pursuant to Accounting Standard - 15

(a) Defined Contribution Plan

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

Particulars	Current Year (In ₹)	Previous Year (In ₹)	Head under which shown in Statement of Profit & Loss
Contribution to Provident Fund	1526001	1898011	Contribution to Provident Fund & other fund.

(b) 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)	2208811	1962095	1339987	1520073
Adjustment for increase (decrease) in opening obligation (B)	Nil	Nil	Nil	Nil
Interest Cost (C)	172433	156968	100499	121606
Current Service Cost (D)	1042967	765714	975169	700004
Benefits paid (E)	-186550	-83787	-549177	-150587
Actuarial Loss/ (Gain) on obligation (F)	181121	-592179	222999	-851109
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	3418782	2208811	2089477	1339987

(c) The amounts recognized in the Balance Sheet and Profit & loss account are as follows :

Particulars	Gratuity (Funded) (In ₹)		Leave (Unfunded) (In ₹)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	3418782	2208811	2089477	1339987
Estimated fair value of plan assets (B)	512117	77591	Nil	Nil
Net Liability (C=A-B)	2906665	2131220	2089477	1339987
Amounts in the Balance Sheet				
Liabilities	2906665	2131220	2089477	1339987
Amount charged to Profit & Loss Account				
Current Service Cost	1042967	765714	975169	700004
Interest Cost	172433	156968	100499	121606
Expected Return on Plan Asset	-19468	-10310	Nil	Nil
Actuarial(Gain)/Loss	181121	-592179	222999	-851109
Adjustment	0	0	0	0
	1377053	320193	1298667	-29499
Head under which shown in the Profit & Loss Account	Contribution to Provident Fund and other Funds		Salary & benefits.	

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

Particulars	Gratuity	
	Current Year (In ₹)	Previous Year (In ₹)
i) Actual return on plan assets	19468	10310

(e) Following are the Principal Actuarial Assumptions used as at the Balance Sheet date

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	7.50%	8%
Expected Rate of Return on Plan Assets	9%	9%
Salary Escalation Rate	6%	6%

(f) A Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets:

Particulars	Gratuity	
	Current Year (In ₹)	Previous Year (In ₹)
Opening Fair Value of Plan Assets	77591	59831
Expected Return on Plan Assets	19468	10310
Actuarial Gains / (Losses)	Nil	Nil
Contribution by the Employer	580635	308113
Benefits Paid	165577	300663
Closing Fair Value of Plan Assets	512117	77591

29.5 Foreign Currency Exposures :-

There are no hedged / unhedged Foreign Currency Exposure as at the year end (previous year Nil)

29.6 Disclosure of Loans/Advances in the nature of loans in terms of provision of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- (Amount in ₹)

Particulars	Outstanding Balance as on 31.03.2017	Max. Balance Outstanding during the year	Outstanding Balance as on 31.03.2016	Max. Balance Outstanding during the Previous Year
i. Loans & Advances in the nature of Loans to Subsidiaries:-	Nil	Nil	Nil	Nil
ii. Loans & Advances in the nature of Loans to Associates:- -Parsvnath HB Projects Private Limited	14196182	14196182	14196182	14196182
iii. Loans & Advances in the nature of Loans where there is no repayment schedule, no interest or interest below Section 372A of the Companies Act, 1956	Nil	Nil	Nil	Nil
iv. Loans & Advances in the nature of loans to firms/companies in which directors are interested.	Nil	Nil	Nil	Nil
v. Investments by Loanee in the Shares of Parent Company and Subsidiary Company when the Company has made Loan or Advance in the nature of Loan.	No. of Shares Nil	Amount Nil	No. of Shares Nil	Amount Nil

29.7 Detail of consumption of Imported and Indigenous Items:

Particulars	Current Year		Previous Year	
	Amount (In ₹)	% of Consumption	Amount (In ₹)	% of Consumption
(i) Raw Materials				
Imported	0	0.00	0	0
Indigenous	65916566	100.00	70415350	100
Total	65916566	100.00	70415350	100.00
(ii) Stores and Supplies				
Imported	1074664	3.60	310438	0.95
Indigenous	28800608	96.40	32510845	99.05
Total	29875273	100.00	32821283	100.00

29.8 Disclosure pursuant to Accounting Standard (AS-19) for Leases: -

The Company generally enters into cancellable Operating Lease of Office Premises and Residence of the Employees normally renewable on expiry. Lease payments amounting to ₹ 62,01,350/- (Previous Year ₹ 61,08,180/-) made under Operating Lease have been recognized as an Expense.

29.9 Pending Litigations:

The Contingent liability in respect of pending litigations is disclosed in note no. 29.1 (a),(b),(c),(d) and (e). In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that the above legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the Company's results of Operations or Financial Statements.

29.10 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

29.11 The Company had filed a Composite Scheme of Arrangement ('the Scheme') amongst HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956 before the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh. The matter now stands transferred to National Company Law Tribunal (NCLT), Chandigarh as per the provisions of Sections 230 to 233 of the Companies Act, 2013. The Appointed Date for the Scheme is opening of business hours as on April 2, 2015 & April 3, 2015 as defined in Part A of the Scheme. The effect of the Scheme on the Financial Statements of the Company from the said Appointed Date shall be given upon sanction of Scheme by the NCLT and receipt of various other requisite approvals.

29.12 Disclosure on Specified Bank Notes (SBNs)

In terms of MCA notification G.S.R 308(E) dated March 30th, 2017, the details/disclosure on Specified Bank Notes (SBN) held and transacted during the period from November 8th, 2016 to December 30th, 2016, is as under:

Particulars	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	527500	152354	679854
(+) Permitted receipts	0	2164638	2164638
(-) Permitted payments	0	399001	399001
(-) Amount deposited in Banks	527500	1002223	1529723
Closing cash in hand as on 30.12.2016	0	915768	915768

29.13 Previous year figures have been regrouped/reclassified wherever necessary to confirm the current year presentation

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

Firm Registration Number :000468N

Sd/-
AMIT GOEL
(Partner)
Membership No. : 092648

Sd/-
J.M.L. Suri
(Director)
DIN:00002373

Sd/-
Anil Goyal
(Director)
DIN:00001938

PLACE : GURUGRAM
DATE : 29.05.2017

Sd/-
Praveen Gupta
(Chief Financial Officer)

Sd/-
Radhika Khurana
(Company Secretary)



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members
Of HB ESTATE DEVELOPERS LIMITED

1. Report on the Consolidated Financial Statements.

We have audited the accompanying Consolidated Financial Statements of **HB ESTATE DEVELOPERS LIMITED** (hereinafter referred to as "the Holding Company") and its Associate, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information (herein after referred to as "the Consolidated Financial Statements").

2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated Financial position, Consolidated Financial Performance and Consolidated Cash Flows of the Group including its Associate in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Companies included in the Group and of its Associate are responsible for maintenance of adequate Accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the Accounting Records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

3. Auditor's Responsibility

Our responsibility is to express an opinion on the Consolidated Financial Statements based on our Audit. While conducting the Audit, we have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our Audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design Audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the Audit evidence obtained by us and the Audit evidence obtained by the other Auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our Audit opinion on the Consolidated Financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India of the Consolidated State of Affairs of the Group and its Associate as at 31st March, 2017, and their Consolidated Loss and their Consolidated Cash Flows for the year ended on that date.

5. Other matters

- (a) The Consolidated Financial Statements include the Group's share of net loss of Rs. Nil/- for the year ended 31st March, 2017, as considered in the Consolidated Financial Statements, in respect of one Associate, whose Financial Statements / Financial Information have not been audited by us. These Financial Statements / Financial Information are unaudited and have been furnished to us by the Management and our opinion on /the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such Unaudited Financial Statements / Financial Information. (Also refer note no.29.1).

Our opinion on the Consolidated Financial Statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with regard to our reliance on the Financial Statements / Financial Information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper Books of Account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those Books and the reports of the other Auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant Books of Account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and certificate from management of Associate Company where the Financial Statements are Audited, none of the directors of the Group companies and its Associate Company is disqualified as on 31st March, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclosed the impact of pending litigations on the Consolidated Financial Position of the Group and its Associate. – Refer Note 29.10 to the Consolidated Financial Statements;
 - ii. The Group and its Associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in its Consolidated Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the Books of Accounts maintained by the Company (Refer Note 29.14 to the Consolidated Financial Statements.)

For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration Number: 000468N

PLACE : Gurugram
DATE : 29.05.2017

Sd/-
(AMIT GOEL)
PARTNER
(Membership No. 92648)

Annexure – A to the Auditors' Report

Report on the Internal Financial Control under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March, 2017, We have Audited the Internal Financial Controls over financial reporting of HB Estate Developers Limited ("the Holding Company") and its Associate Company which is Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the Accounting Records, and the timely preparation of reliable Financial Information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our Audit. We conducted our Audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the Audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our Audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over financial reporting and their operating effectiveness. Our Audit of Internal Financial Controls over financial reporting included obtaining an understanding of Internal Financial Controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the Company's Internal Financial Controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's Internal Financial Control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the Internal Financial Control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Associate Company, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March 2017, based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration Number: 000468N

PLACE : Gurugram
DATE : 29.05.2017

Sd/-
(AMIT GOEL)
PARTNER
(Membership No. 92648)

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	As at 31 ST MARCH, 2017 (₹)	As at 31 ST MARCH, 2016 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	964120308	964120308
Reserves and Surplus	3	-280295740	9649572
		683824568	973769880
Non-Current Liabilities			
Long-Term Borrowings	4	3077268574	2919957348
Deferred Tax Liabilities (Net)	5	207461597	183696292
Other Long Term Liabilities	6	97260594	103388338
Long Term Provisions	7	4808701	3323471
		3386799466	3210365449
Current Liabilities			
Short-Term Borrowings	8	189287334	90000000
Trade Payables	9	179736076	156072211
Other Current Liabilities	10	70636393	274452782
Short Term Provisions	11	187441	147726
		439847244	520672719
		4510471278	4704808048
ASSETS			
Non-Current Assets			
Fixed Assets	12		
Tangible Assets		4045765757	4171128326
Intangible Assets		6623024	8147190
Non-current investments	13	59832423	60118477
Long term Loans and Advances	14	8081120	9837008
Other Non Current Assets	15	34948711	63278931
		4155251035	4312509932
Current Assets			
Inventories	16	167023317	189233070
Trade receivables	17	30179899	55138332
Cash and Bank Balances	18	70979110	57656682
Short-Term Loans and Advances	19	86982749	89955281
Other Current Assets	20	55168	314751
		355220243	392298116
		4510471278	4704808048
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 29		

The accompanying notes form an integral part of the Consolidated Financial Statements As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/-
AMIT GOEL
(Partner)
Membership No. : 092648

Sd/-
J.M.L. Suri
(Director)
DIN:00002373

Sd/-
Anil Goyal
(Director)
DIN:00001938

PLACE : GURUGRAM
DATE : 29.05.2017

Sd/-
Praveen Gupta
(Chief Financial Officer)

Sd/-
Radhika Khurana
(Company Secretary)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note	AS AT 31 ST MARCH, 2017 (₹)	AS AT 31 ST MARCH, 2016 (₹)
Revenue from Operations	21	734071219	680018265
Other Income	22	13124746	21430289
Total Revenue		747195965	701448554
Expenses:			
Food and Beverages Consumed	23	65916566	70415350
Changes in inventories of Finished Goods/ Stock-in-Trade	24	16304496	0
Employee Benefit Expense	25	174345138	162096799
Finance Costs	26	302967705	305014438
Depreciation and Amortization	12	144166163	150466320
Other Expenses	27	310662942	294206478
Total Expenses		1014363011	982199386
Profit/(Loss) for the year before tax and exceptional items		(267167045)	(280750831)
Exceptional items			
Profit/(Loss) on sale of Long Term/Non Current Investments		987038	3790317
Profit/(Loss) for the year before tax and after exceptional items		(266180007)	(276960515)
Tax expense:			
Current tax		0	0
Deferred Tax Charge		23765305	31334788
Profit/(Loss) for the year after tax before Share of Profit/(Loss) in Associates		(289945312)	(308295303)
Share of Profit/(Loss) in Associates			(240200)
Profit/(Loss) for the year after tax		(289945312)	(308535503)
Earning per equity share:	28		
Equity share of Par value ₹ 10/-each (Before Exceptional item) in ₹			
Basic		(18.03)	(19.35)
Diluted		(18.03)	(19.35)
(After Exceptional item) in ₹			
Basic		(17.97)	(19.12)
Diluted		(17.97)	(19.12)
Number of equity shares used in computing earning per share			
Basic		16138287	16138287
Diluted		16138287	16138287
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 29		

The accompanying notes form an integral part of the Consolidated Financial Statements As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/-
AMIT GOEL
(Partner)
Membership No. : 092648

Sd/-
J.M.L. Suri
(Director)
DIN:00002373

Sd/-
Anil Goyal
(Director)
DIN:00001938

PLACE : GURUGRAM
DATE : 29.05.2017

Sd/-
Praveen Gupta
(Chief Financial Officer)

Sd/-
Radhika Khurana
(Company Secretary)


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	Amount (in ₹) Year ended 31st March, 2017	Amount (in ₹) Year ended 31st March, 2016
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax,extraordinary items	(266180007)	(277200714)
Adjustment for :		
Depreciation/Amortisation	144166163	150466320
Loss/(Profit) on sale of fixed assets	0	4059
Interest/Dividend Received	(5507146)	(9983889)
Interest Paid	302967705	305014438
Provision no longer required written back	0	0
Profit/Loss on sale of long term/non current investments	(987038)	(3790317)
Provision for Employees Benefit	1524945	(44602)
Operating Profit before Working Capital Changes	175984622	164465295
Adjustments for :		
Trade & other receivables/Assets	24700407	(25153652)
Inventories	22209754	(6208828)
Trade Payables & other Liabilities	16573419	50279405
Cash generated from operations	239468202	183382220
Direct Tax Paid	4555910	(11034134)
Net Cash from Operating Activities (A)	244024112	172348086
B) CASH FLOW FROM INVESTING ACTIVITIES		
Capital Work in progress/Purchase of Fixed Assets	(17279427)	(20116526)
Sale of Fixed Assets	0	38960
Purchase of Investments	0	0
Sale/decrease of Investments	1273093	21896438
Change in other non-current assets	28330220	23564860
Change in Loan and advances/other assets	1755887	(2607520)
Change in Loan and advances/other Liabilities	0	(866425)
Interest Received	5507146	9983889
Dividend Received		
Net Cash received in Investing Activities (B)	19586919	31893676
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/(Payment) from/of fractional shares	0	0
Proceeds from issue of Preference Share Capital	0	0
Proceeds from Borrowings (Net)	53744873	107705662
Interest paid	(302967705)	(305014438)
Net Cash used in Financing Activities (C)	(249222832)	(197308776)
Net increase in Cash and Cash equivalents (A+B+C)	14388199	6932986
Increase/(Decrease) in Cash & Cash equivalents on Amalgamation		
CASH & CASH EQUIVALENTS		
(OPENING BALANCE)	52334715	45401729
CASH & CASH EQUIVALENTS		
(CLOSING BALANCE)	66722913	52334715
Components of cash and cash equivalents at the end of the year		
Cash on hand	1060715	597373
<u>Balances with scheduled banks :</u>		
-In current and deposit accounts	65662197	51737342
	66722913	52334715

The accompanying notes form an integral part of the Consolidated Financial Statements

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/-
AMIT GOEL
(Partner)
Membership No. : 092648

PLACE : GURUGRAM
DATE : 29.05.2017

FOR AND ON BEHALF OF THE BOARD

Sd/- J.M.L. Suri (Director) DIN:00002373	Sd/- Anil Goyal (Director) DIN:00001938
Sd/- Praveen Gupta (Chief Financial Officer)	Sd/- Radhika Khurana (Company Secretary)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2017
1 SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS
1.1 PRINCIPLES OF CONSOLIDATION

The consolidated Financial Statements relate to HB Estate Developers Ltd. (the company) and its associate company Parsvnath HB Projects Pvt. Ltd. The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" on the following basis:

- a) As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in the similar circumstances and are presented to, in the same manner as the company's separate financial statements.
- b) In the case of associates, where the company directly or indirectly through subsidiaries holds more than 20% of the equity (except where significant influence does not exist), Investments in Associates are accounted for using equity method in accordance with the Accounting Standard (AS)-23 "Accounting for Investments in Associates in Consolidated Financial Statements".
- c) The company accounts for its shares in the change in net assets of the associates, post acquisition after eliminating unrealized profit & loss resulting from transaction between the company and its associates to the extent of its share, through its profit & loss account to the extent such change in attributable to the associate's profit and loss account and through its reserves for the balance, based on available information.

1.2 INVESTMENTS

Investments other than in associates have been accounted as per Accounting Standard (AS)-13 "Accounting for Investment"

1.3 OTHER SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS
a) BASIS OF ACCOUNTING

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) 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.

1.4 REVENUE RECOGNITION

- 1.4a Revenue from Hotel operations viz room rent, food & beverages and other allied services is recognised upon rendering of services.
- 1.4b In respect of Real Estate Projects undertaken upto 31.03.2005, the company continues to follow the complete project method of accounting for projects. In respect of Real Estate Projects undertaken w.e.f. 1st April, 2005, the revenue is recognised on Percentage of Completion Method.
- 1.4c
 - (i) 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.
 - (ii) Income from services is accounted for on the basis of the bills raised on customers.
 - (iii) 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.

1.5 FIXED ASSET

Fixed Assets are stated at cost less depreciation/amortisation and impairment losses, if any. Borrowing cost during the period of construction is added to the cost of eligible tangible assets.

1.6 DEPRECIATION/AMORTISATION
1.6a Tangible Assets

Depreciation is provided on Straight Line Method over the useful life of assets in the manner prescribed in Schedule II to the Companies Act, 2013.

1.6b Intangible Assets

Intangible Assets (Software) are amortised over a period of five years.

1.7 INVENTORIES

- Inventories (real estate) are valued at lower of cost or fair market value/ net realisable value.
- Stock of Food & Beverages and stores and operating supplies are carried at cost or net realizable value whichever is lower.

1.8 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.

1.9 EMPLOYEE BENEFITS

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

- 1.9.1 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.
- 1.9.2 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.
- 1.9.3 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 partly funded with Life Insurance Corporation of India.
- 1.9.4 Termination benefits are recognized as an Expense as and when incurred.
- 1.9.5 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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 CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31,2017
2. SHARE CAPITAL

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
AUTHORIZED		
3,50,00,000 (3,50,00,000) Equity Shares of ₹ 10/- each.	350000000	350000000
80,00,000 (80,00,000) Redeemable Preference Shares of ₹ 100/- each	800000000	800000000
	1150000000	1150000000
ISSUED		
1,69,67,625 (1,69,67,625) Equity Shares of ₹ 10/- each.	169676250	169676250
30,00,000 (30,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each	300000000	300000000
50,00,000 (50,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II of ₹ 100/- each	500000000	500000000
	969676250	969676250
SUBSCRIBED & PAID UP		
1,61,38,287 (1,61,38,287) Equity Shares of ₹ 10/- each fully paid up (See Note 2.1)	161382870	161382870
Add: Forfeited shares- 8,29,338 (8,29,338) Equity Shares (Amount originally paid up)	2737438	2737438
30,00,000 (50,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares of ₹ 100/- each fully paid up (See Note 2.2)	300000000	300000000
50,00,000 (50,00,000) 9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II of ₹ 100/- each fully paid up (See Note 2.3)	500000000	500000000
Total (in ₹)	964120308	964120308

— Issued Share capital of the Company has following classes of shares referred to as under:

2.1 Equity Shares is having par value of ₹ 10/ each. Holder of Equity Shares is entitled to One vote per share. The dividend Proposed, if any, by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting. 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. Equity Shares include 40,95,995 Equity Shares of ₹ 10 each fully paid up, issued and allotted for consideration other than cash pursuant to Scheme of amalgamation of erstwhile Pisces Portfolios Pvt. Ltd. with the company during financial year 2014-15

— **Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2017 & 31st March, 2016 is as under:**

Particulars	As At 31 st March, 2017		As at 31 st March, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	16138287	161382870	16138287	161382870
Add: Issued and allotted pursuant to Scheme of Amalgamation				
Number of shares at the end	16138287	161382870	16138287	161382870

— **Particulars of Shareholders holding more than 5% shares (Equity Shares) :**

Name of Shareholders	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Lalit Bhasin	7414473	45.94	7414473	45.94
HB Stockholdings Ltd.	1615608	10.01	1615608	10.01
HB Portfolio Ltd	2041587	12.65	2041587	12.65

2.2 Preference Shares having par value of ₹ 100/- were allotted on 29th March 2013. The Preference Shares carries 9% coupon rate of dividend (non-cumulative). The holders of Preference Shares shall not be entitled to receive notice of or to attend and vote at General meetings of the Equity Shareholders of the Company. The holders of Preference Shares shall be entitled to attend meetings and vote (one vote per share) only on the Resolutions directly affecting their rights. Also the Preference Shareholders shall not be entitled to any bonus or right issue etc. of Equity Shares or other securities of the Company. The Preference Shares shall carry a preferential right over the Equity Shares of the Company as regards to payment of dividend and as regards to repayment of the capital in the event of winding up of the Company. The tenure of the Preference Shares will be 10 years from the date of allotment. The Preference Shares will be redeemed at par in two equal installments i.e. 50% at the end of 9th year from the date of allotment and remaining 50 % at the end of 10th year from the date of allotment.

— **Reconciliation of the number of Preference Shares outstanding and Amount of Preference Share Capital as on 31st March 2017 & 31st March, 2016 is as under:**

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	3000000	300000000	3000000	300000000
Number of shares issued during the year	0	0	0	0
Number of shares at the end	3000000	300000000	3000000	300000000

— **Particulars of Shareholders holding more than 5% shares (Preference Shares) :**

Name of shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
HB Stockholdings Ltd.	750000	25.00	750000	25.00
Aquarius Portfolios Pvt. Ltd.	300000	10.00	450000	15.00
Gemini Portfolios Pvt. Ltd	350000	11.67	300000	10.00
HB Portfolio Ltd.	750000	25.00	750000	25.00
Merrygold Investments Ltd.	750000	25.00	750000	25.00

2.3 Preference Shares having par value of ₹ 100/- were allotted in March 2015. The Preference Shares carries 9% coupon rate of dividend (non-cumulative). The holders of Preference Shares shall not be entitled to receive notice of or to attend and vote at General meetings of the Equity Shareholders of the Company. The holders of Preference Shares shall be entitled to attend meetings and vote (one vote per share) only on the Resolutions directly affecting their rights. Also the Preference Shareholders shall not be entitled to any bonus or right issue etc. of Equity Shares or other securities of the Company. The Preference Shares shall carry a preferential right over the Equity Shares of the Company as regards to payment of dividend and as regards to repayment of the capital in the event of winding up of the Company. The tenure of the Preference Shares will be 10 years from the date of allotment. The Preference Shares will be redeemed at par at the end of 10th year from the date of allotment.

— **Reconciliation of the number of Preference Shares Series-II outstanding and Amount of Preference Share Capital as on 31st March 2017 & 31st March, 2016 is as under:**

Particulars	As at 31 st March, 2017		As at 31 st March, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	5000000	500000000	5000000	500000000
Number of shares issued during the year	0	0	0	0
Number of shares at the end	5000000	500000000	5000000	500000000

— **Particulars of Shareholders holding more than 5% shares (Preference Shares Series-II) :**

Name of shareholder	As at 31 st March, 2017		As at 31 st March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Gemini Portfolios Pvt. Ltd	2000000	40.00	2000000	40.00
Aquarius Portfolios Pvt. Ltd.	1000000	20.00	1000000	20.00
Venus Portfolios Pvt. Ltd	2000000	40.00	2000000	40.00

3. RESERVES AND SURPLUS

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Capital Reserve - Opening Balance	23039795	23039795
	23039795	23039795
Capital Redemption Reserve - Opening Balance	20000000	20000000
	20000000	20000000
Securities Premium Reserve - Opening Balance	555742116	555742116
	555742116	555742116
General Reserve - Opening Balance	668199083	668199083
	668199083	668199083
*Statutory Reserve - Opening Balance	125903413	125903413
	125903413	125903413
Surplus -Opening Balance	-1383234836	-1074699333
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	-289945312	-308535502
Surplus-Closing balance	-1673180147	-1383234836
Total (in ₹)	-280295740	9649572

4. LONG TERM BORROWINGS

Particulars	As At 31 st March, 2017 (In ₹)		As At 31 st March, 2016 (In ₹)	
	Non-Current	Current	Non-Current	Current
(A) SECURED LOANS:				
Term Loans From Bank				
- Vehicle Loan from HDFC Bank (1)	0	0	0	73069
- Vehicle Loan from ICICI Bank (2)	0	0	0	32618
- Term Loan from Yes Bank- (I) (3)	0	0	685600000	189320000
- Term Loan from Yes Bank- (II) (3)	682000000	0	780000000	16000000
- Term Loan from Yes Bank- (III) (3)	1000000000	0	0	0
Total-A	1682000000	0	1465600000	205425687
(B) UNSECURED LOANS				
- Overdraft from State Bank of India (4)	146843574	2572000	149632348	0
- Term Loan from Religare Finvest Limited (5)	144000000	0	144000000	0
- Intercompany Loans & Advances (6)	1008925000	0	1060725000	0
- Loan from Director (7)	95500000	0	100000000	0
Total-B	1395268574	2572000	1454357348	0
Total (A+B)	3077268574	2572000	2919957348	205425687
- 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	Nil	Nil	Nil	Nil
- Vehicle Loan from ICICI Bank	Nil	Nil	Nil	Nil
- Term Loan from Yes Bank (II) (₹ 80 Crore)	0	180000000	640000000	600000000
- Term Loan from Yes Bank (III) (₹ 100 Crore)	4000000	190000000	375000000	939500000
- Maturity Profile of Unsecured Loans are as under:				
	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Overdraft from State Bank of India	8600000	17100000	25700000	95443574
- Term Loan from Religare Finvest Limited	25926756	26726642	26726642	64619960

(1) **Vehicle Loan From HDFC Bank**

Secured by way of hypothecation of Vehicle Financed. The Rate of Interest is 10% P.A. repayable in 36 monthly installments. Last installment paid in May, 2016.

(2) **Vehicle Loan From ICICI Bank**

Secured by way of hypothecation of Vehicle Financed. The Rate of Interest is 9.75% P.A. repayable in 36 monthly installments. Last installment paid in April, 2016.

(3) **Term Loans From Yes Bank**

Secured by way of exclusive charge on Company's hotel land and hotel building situated in Sector 44, Gurgaon, exclusive charge on all present and future moveable Fixed Assets and current assets of the Project (Taj Vivanta Hotel), personal guarantee of Director Mr. Lalit Bhasin, Non Disposal Undertaking (NDU) of entire Shareholding of the Company held by Mr. Lalit Bhasin, negative lien on his entire shareholding in the Company for entire tenor of loan facility.

The Term Loan - I disbursed was of ₹ 100 Crore repayable in 56 monthly installments starting from October, 2015. The loan was repaid during the year. Rate of Interest was 12.50%.

The Term Loan - II disbursed was of ₹ 80 Crore repayable in 44 Quarterly installments starting from February, 2016. Last installment due in November, 2026. The Rate of Interest is 12.50%.

The Term Loan - III disbursed during the year is of ₹ 100 Crore repayable in 44 Quarterly installments starting from November, 2018. Last installment due in August, 2029. The Rate of Interest is 2.25% over and above Bank's One Year MCLR.

(4) **Overdraft Facility from State Bank of India**

Secured by way of equitable mortgage of Residential Property bearing no. C-2/7, Safdarjung Development Area, New Delhi belonging to Sh. Lalit Bhasin - Director of the Company and also his personal guarantee. The Rate of Interest is 11.80% P.A. The total loan tenure is of 7 years 10 months. The loan is repayable in 27 quarterly unequal installments starting from 1st quarter of 2017-18 and last installment due in 3rd quarter of 2023-24.

(5) **Term Loan from Religare Finvest Limited**

Secured by way of mortgage of Property at Plot No. BP-8, Feroze Gandhi Road, Lajpat Nagar-III, New Delhi belonging to Sh. Lalit Bhasin - Director of the Company. The Rate of Interest is 13.45% P.A. The loan is repayable in 6 annual unequal installments starting from 1st March, 2019 and last installment due on 1st March, 2024.

(6) **Intercompany Loans and Advances are interest free and are repayable beyond 3 years.**(7) **Interest free Loan from Director, Sh. Lalit Bhasin is repayable beyond 3 years.**

5. DEFERRED TAX LIABILITY

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Liability		
Fixed Assets	209005405	184768892
Less: Assets		
Leave Encashment/Gratuity	1543808	1072600
Net Deferred Tax Liability	207461597	183696292

6. OTHER LONG TERM LIABILITIES

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Security Deposits*	97260594	103388338
Total (in ₹)	97260594	103388338

* include due to related parties ₹ 7,49,15,763/- (previous year ₹ 8,06,65,763/-) (refer note no.29.3)

7. LONG TERM PROVISIONS

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Provisions For Employees Benefit		
Leave Encashment	1902036	1192261
Gratuity (net)	2906665	2131210
Total (in ₹)	4808701	3323471

8. SHORT TERM BORROWINGS

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Secured Loan		
Overdraft Facility from YES Bank Limited *	99287334	0
Unsecured		
From Related Party (Refer Note No.29.3)		
Intercompany Loan	90000000	90000000
Total (in ₹)	189287334	90000000

* Secured by way of exclusive charge as specified in Note no. 3 in respect of term loan facilities from Yes Bank Ltd.

9. TRADE PAYABLES

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Due to Micro, Small & Medium Enterprises (Refer Footnote (i) & (ii))	874844	1977566
Others	178861232	154094645
Total (in ₹)	179736076	156072211

(i) The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties had been identified on the basis of information available with the Company in this regard.

(ii) The disclosure relating to Micro, Small & Medium enterprises is as under:

Particulars	Current Year (In ₹)	Previous Year (In ₹)
(i) Principal amount remaining unpaid to any suppliers as at the end of the accounting year.	874844	1977566
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.	Nil	Nil


10. OTHER CURRENT LIABILITIES

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Current Maturities of Long term Debts (Refer Note No.4)	2572000	205425687
Interest Accrued but not due on borrowings	21188110	21820344
Unclaimed Dividend *	4256198	5321967
Expenses Payable	26389018	22837947
Security Deposits	1373045	720919
Advances from Customers	3457698	7175927
Statutory Dues	11400324	11149991
Total (in ₹)	70636393	274452782

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

11. SHORT TERM PROVISIONS

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Provisions For Employees Benefit		
Leave Encashment	187441	147726
Total (in ₹)	187441	147726

12. FIXED ASSETS

S No.	PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
		AS AT 01.04.2016 (₹)	ADDITIONS DURING THE YEAR (₹)	ADJUSTMENT DURING THE YEAR (₹)	AS AT 31.03.2017 (₹)	AS AT 01.04.2016 (₹)	FOR THE YEAR (₹)	ADJUSTMENT DURING THE YEAR (₹)	UPTO 31.03.2017 (₹)	AS AT 31.03.2017 (₹)	AS AT 31.03.2016 (₹)
A.	Tangible Assets										
1	FREEHOLD LAND	1553037422	0	0	1553037422	0	0		0	1553037422	1553037422
2	BUILDING	1865634447	9090778	0	1874725225	91841613	29533902	0	121375515	1753349710	1773792834
3	PLANT & EQUIPMENTS	531789775	2137418	0	533927193	93877285	34324276	0	128201561	405725632	437912490
4	FURNITURE & FIXTURES	594924858	3682605	0	598607463	204545059	72467418	0	277012478	321594985	390379798
5	VEHICLES	5096466	0	0	5096466	2313870	651900	0	2965770	2130696	2782596
6	OFFICE EQUIPMENTS	2979432	68299	0	3047731	2094666	232016	0	2326682	721048	884765
7	COMPUTERS	41178712	214800		41393512	28840291	3346956	0	32187247	9206264	12338421
	Total Tangible Assets (A)	4594641110	15193899	0	4609835010	423512784	140556469	0	564069253	4045765757	4171128327
	Previous Year	4576253786	18436674	49350	4594641110	276372226	147146889	6331	423512784	4171128326	4299881560
B.	Intangible Assets										
1	SOFTWARES	17485867	2085528	0	19571395	9338677	3609694	0	12948371	6623024	8147190
	Total Intangible Assets (B)	17485867	2085528	0	19571395	9338677	3609694	0	12948371	6623024	8147190
	Previous Year	15806015	1679852	0	17485867	6019246	3319431	0	9338677	8147190	9786769
	Total (A+B)	4612126978	17279427	0	4629406405	432851461	144166163	0	577017624	4052388781	4179275517
	Previous Year	4592059802	20116526	49350	4612126978	282391472	150466320	6331	432851461	4179275516	4309668330

13. NON CURRENT INVESTMENTS

Name of the Company	Face Value (₹)	As at 31.03.2017		As at 31.03.2016	
		Qty (Nos)	Amount (₹)	Qty (Nos)	Amount (₹)
- Long Term Investments (At Cost)					
A. TRADE					
A.1 Investments in Equity Instruments					
- Fully Paid up Equity Shares in Associate Company(Unquoted)					
Parsvnath HB Projects Pvt. Ltd.	10	24020	240200	24020	240200
Add/(Less):Group Share of Profit/(Losses) upto 31.03.2017			-240200		-240200
Total-A (Trade)		24020	0	24020	0
B. OTHER THAN TRADE					
B.1 Investments in Equity Instruments					
- Fully Paid up Equity Shares					
<u>Quoted</u>					
Royal Orchid Hotels Ltd	10	496	81840	496	81840
RRB Securities Ltd. *	10	86100	8610000	86100	8610000
Bellary Steel and Alloys Ltd.*	1	100000	458443	100000	458443
Hotline Glass Ltd.*	10	10000	34318	10000	34318
Jaiprakash Power Ventures Ltd.	10	1543674	48944935	1543674	48944935
Mawana Sugar Ltd	10			23842	286055
Shree Ram Urban Infrastructure Ltd.	10	1000	261136	1000	261136
<u>Unquoted</u>					
CHL (South) Hotels Ltd.	10	100000	1000000	100000	1000000
QR Properties Pvt Ltd	10	5900	59000	5900	59000
HB Prima Capital Ltd.	10	195000	282750	195000	282750
B.2 Investments in Mutual Fund					
- Unquoted Fully Paid up Units					
Taurus Dynamic Income Fund	10	7776	100000	7776	100000
Total-(B) (Other Than Trade) (B1+B2)		2049946	59832423	2073788	60118477
Grand Total - (A+B)		2073966	59832423	2097808	60118477

Aggregate amount of Quoted Investments ₹ 5,83,90,672/- (Previous year ₹ 5,86,76,728/-) and Market Value thereof ₹ 93,75,659/- (Previous year ₹ 94,13,334/-)

Aggregate amount of unquoted Investment in shares ₹ 16,81,950/- (Previous year ₹ 16,81,950/-)

In the opinion of management, no provision is required to be made for diminution amounting to ₹ 4,90,15,013/- (Previous Year ₹ 4,95,85,310/-) in the value of the long term Investments as the same is considered to be temporary.

* Listed but not quoted



14. LONG TERM LOANS & ADVANCES

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Unsecured, Considered Good		
Capital Advances	3436220	4380558
Security Deposits	4644900	5456450
Total (in ₹)	8081120	9837008

15. OTHER NON CURRENT ASSETS

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Deposits with Banks*	34948711	63278931
Total (in ₹)	34948711	63278931

*Pledged/ under lien with banks including for issue of Bank Guarantees/LC

16. INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Completed Construction (Real Estate)	119391720	135696216
Food & Beverages	8557880	13751445
Stores and Operating Supplies	39073717	39785409
Total (in ₹)	167023317	189233070

17. TRADE RECEIVABLES

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Unsecured, considered good		
Outstanding for a period exceeding Six Months	739127	2320662
Others	29440772	52817670
Total (in ₹)	30179899	55138332

18. CASH & BANK BALANCES

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Cash & Cash Equivalents		
Cash-in-Hand	1060715	597373
Balances with Banks		
-In Current and Deposit Accounts	65662197	51737342
Other Bank Balances		
-In Earmarked Dividend Accounts	4256198	5321967
Total (in ₹)	70979110	57656682

19. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Unsecured, Considered Good		
Loans and Advances to Related Party- Associate*	14196182	14196182
Inter Corporate Deposit including accrued interest	25221644	26221644
Prepaid Expenses/Expenses recoverable/ Advances against supplies/Other recoverable	15979514	9075516
Property Tax, Service tax	4936387	9257006
Income Tax and Tax deducted at source	26649023	31204933
Total (in ₹)	86982749	89955281

* To Parsvnath HB Projects Pvt. Ltd.

20. OTHER CURRENT ASSETS

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Interest accrued but not due on Bank deposits	55168	314751
Total (in ₹)	55168	314751

21. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31 st March, 2017 (in ₹)	For the Year ended 31 st March, 2016 (in ₹)
Hotel		
Room Income	397055372	352734714
Food & Beverages, Restaurant and Banquet Income	262626980	287867222
Others	34983485	34142568
Real Estate		
Sales	33887500	0
Other Operating Income*	5517883	5273760
Total (in ₹)	734071219	680018265

* Includes Rental Income, Facility Charges and Other Claims

22. OTHER INCOME

Particulars	For the Year ended 31 st March, 2017 (in ₹)	For the Year ended 31 st March, 2016 (in ₹)
Interest On Fixed Deposits with banks	4062499	6252565
Interest On Income Tax Refund	1444647	0
Interest on Loans and Deposits	0	3731324
Other Income	284814	2039901
Exchange rate Variation	-14582	1533
Provisions No Longer Required written back	7347368	9404966
Total (in ₹)	13124746	21430289

23. FOOD AND BEVERAGES CONSUMED

Particulars	For the Year ended 31 st March, 2017 (in ₹)	For the Year ended 31 st March, 2016 (in ₹)
Opening Stock	13751445	8569167
Add : Purchases	60723001	75597628
Less : Closing Stock	8557880	13751445
Total (in ₹)	65916566	70415350

24. INCREASE/DECREASE IN STOCK-COMPLETED CONSTRUCTION

Particulars	For the Year ended 31 st March, 2017 (in ₹)	For the Year ended 31 st March, 2016 (in ₹)
Opening Stock	135696216	135696216.00
Less : Closing Stock	119391720	135696216.00
Total (in ₹)	16304496	0

25. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31 st March, 2017 (in ₹)	For the Year ended 31 st March, 2016 (in ₹)
Salaries and Benefits	87942187	82965817
Payment to Contractors	31083438	26691110
Reimbursement of expenses on personnel deputed to the Company	26978336	32063234
Contribution to Provident fund and other fund	5370150	4568980
Staff welfare	22971027	15807659
Total (in ₹)	174345138	162096799

26. FINANCE COSTS

Particulars	For the Year ended 31 st March, 2017 (in ₹)	For the Year ended 31 st March, 2016 (in ₹)
Interest Expense	257036813	275852638
Loan Processing Fees	45930892	29161800
Total (in ₹)	302967705	305014438

27. OTHER EXPENSES

Particulars	For the Year ended 31 st March, 2017 (in ₹)	For the Year ended 31 st March, 2016 (in ₹)
Linen, Room, Catering & Other Supplies/ Services	29875273	32821283
Facility Management Services	15136684	11246000
Legal & Professional	12500676	5123521
Payment to Orchestra Staff, Artists & Others	2165768	2104313
Communication	7735919	6604841
Commission to Travel Agents and Others	12915240	4436530
Advertisements	6746787	15745839
Printing & Stationery	6006504	3853291
Conveyance & Travelling	17141435	7929465
Repair & Maintenance :		
To Building	14114475	13351728
To Machinery	9472849	9176958
To others	16945015	15722445
Fuel, Power and Light	69943694	74951367
Listing Fee	458000	224720
Insurance	2246566	1962106
Subscription	2602525	1271086
Sitting Fees	400008	426479
Miscellaneous	5527479	10341557
Licence Fees	5038177	5053112
Operating Fees	62704179	55636253
Auditors' Remuneration		
- Audit Fees	345000	326325
- Tax Audit Fees	57500	57250
- Tax Matters	8626	91675
- Limited Review Report	51750	51375
- Certification & Others	76375	539251
Rates & Taxes	3413954	8367442
Discount to Collecting Agents	7032487	7267843
Total (in ₹)	310662942	294206478

28. EARNING PER SHARE (IN ₹):

Particulars	Current Year ₹	Previous Year ₹
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders before exceptional items	-290932350	-312085619
Less: Exceptional Items	987038	3790317
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders after exceptional items	-289945312	-308295303
Weighted Average Nos. of Equity Share Outstanding	16138287	16138287
Earning Per Share (face value of ₹10/- each)		
Basic and Diluted Earning per share (₹)		
- Before Exceptional Items	-18.03	-19.34
- After Exceptional Items	-17.97	-19.10

29. OTHER NOTES

29.1 The accompanying Consolidated Financial Statements consider the following Associates Companies.

S No.	Name of Associates Company	Country of Incorporation	Proportion of ownership interest
(i)	Parsvnath HB Projects Pvt. Ltd.	India	49.00%

29.2 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 Rs.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) Vacant Land tax demand raised by MCD Rs. 2,28,616/- (previous year ₹ 2,28,616/-) which is being contested by company in Delhi High Court.
- (c) Income tax demand for which rectification/appeal has been filed with the appropriate authorities- ₹ 9,50,096/- (previous year ₹ 9,43,640/-).
- (d) The company had received a show cause notice dated 17.11.2006 from Delhi Development Authority (DDA) demanding a sum of ₹ 258.68 Lacs (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.
- The matter is pending for final disposal by the Hon'ble Court. The liability will be determined 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.
- (e) Claim against the company not acknowledged as debt ₹ 2,77,55,293/- (Previous Year ₹ 2,77,55,293/-)
- (f) Letter of Credit/Bank guarantee issued by bank ₹ 63,03,000/- (previous year ₹ 3,24,56,440/-).

29.3 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:-

29.3 (a) List of Related parties with whom transactions have taken place and relationship :

(a) Key Managerial Personnel

(i) Mr. Praveen Gupta -CFO

(ii) Mr. Rajesh Singh Chahar, Company Secretary (resigned on 31.01.2017)

(b) Person having significant influence/control/major Shareholders

(i) 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 and Finance Co Ltd.

(v) RRB Securities Ltd.

(vi) RRB Masterholdings Ltd. (Subsidiary of RRB Securities Ltd.)

(e) Enterprises under Joint ventures/Associate Company

(i) Parsvnath HB Projects Pvt. Ltd.-Associate

29.3(b) Transactions during the year with related party.

(Amount in ₹)

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	3302006 (3371685)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Sitting Fee	Nil (Nil)	50000 (50000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Rent Received	Nil (Nil)	Nil (Nil)	863052 (766622)	1985600 (2153040)	Nil (Nil)
Sale of Investment through them	Nil (Nil)	Nil (Nil)	1273093 (Nil)	Nil (Nil)	Nil (Nil)
DP Charges paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	1306 (1838)	Nil (Nil)
Interest paid on Loan	Nil (Nil)	Nil (Nil)	Nil (Nil)	10800000 (10800000)	Nil (Nil)
Security Deposit received during the year	Nil (Nil)	Nil (Nil)	Nil (73278)	Nil (Nil)	Nil (Nil)
Security Deposit refund during the year	Nil (Nil)	Nil (Nil)	Nil (Nil)	5750000 (5750000)	Nil (Nil)
Interest Income Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (3551324)
Loan received during the year	Nil (Nil)	68000000 (215000000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Loan repaid during the year	Nil (Nil)	72500000 (115000000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Outstanding in respect of Loan including interest accrued as on 31.03.2017 (Payable)	Nil (Nil)	95500000 (100000000)	Nil (Nil)	92396712 (92396712)	Nil (Nil)
Outstanding in respect of Loan and advances including interest accrued thereon (Receivable)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	14196182 (14196182)
Outstanding payable in respect of security deposit received	Nil (Nil)	Nil (Nil)	215763 (215763)	74700000 (80450000)	Nil (Nil)

29.3 (c) Disclosure in respect of material 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.; ₹ Nil (previous year ₹ 57,50,000/-) from HB Leasing & Finance Co. Ltd.; ₹ 57,00,000/- (previous year ₹ 57,00,000/-) from RRB Securities Ltd. and ₹ 2,15,763/- (previous year ₹ 2,15,763/-) from RRB Master Securities Delhi Ltd. (iii) Short term Loan and advances includes ₹ 1,41,96,181/- (Previous Year ₹ 1,41,96,181/-) from Parsvnath HB Projects Pvt. Ltd. (iv) Unsecured Loan from Director includes ₹ 9,55,00,000/- (Previous Year ₹ 10,00,00,000) from Mr. Lalit Bhasin.

- 29.3 (d) The above transactions for the previous year also include transactions of erstwhile Pisces Portfolios Pvt. Ltd. with its related parties which though may not be related parties of the Company.

29.4 (a) C.I.F. Value of Imports

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Stores and Operating Supplies	1225527	730693
Capital Goods	1031730	1581781

(b) Expenditure in Foreign Currency

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Legal & Professional	794438	514936
Advertisement	2782275	3551980
Others	6975982	3199334

(c) Earning in Foreign Currency:

Particulars	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
Sale / Revenue	263741095	239806214

- (d) Dividend paid in foreign currency- Nil (Previous Year Nil).

29.5 Disclosure pursuant to Accounting Standard - 15**(a) Defined Contribution Plan**

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

Particulars	Current Year (In ₹)	Previous Year (In ₹)	Head under which shown in Statement of Profit & Loss
Contribution to Provident Fund	1526001	1898011	Contribution to Provident Fund & other fund.

(b) Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded) (In ₹)		Leave Encashment (Unfunded) (In ₹)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at the beginning of the year (A)	2208811	1962095	1339987	1520073
Adjustment for increase (decrease) in opening obligation (B)	Nil	Nil	Nil	Nil
Interest Cost (C)	172433	156968	100499	121606
Current Service Cost (D)	1042967	765714	975169	700004
Benefits paid (E)	-186550	-83787	-549177	-150587
Actuarial Loss/ (Gain) on obligation (F)	181121	-592179	222999	-851109
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	3418782	2208811	2089477	1339987

(c) The amounts recognized in the Balance Sheet and Profit & loss account are as follows :

Particulars	Gratuity (Funded) (In ₹)		Leave (Unfunded) (In ₹)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	3418782	2208811	2089477	1339987
Estimated fair value of plan assets (B)	512117	77591	Nil	Nil
Net Liability (C=A-B)	2906665	2131220	2089477	1339987
Amounts in the Balance Sheet				
Liabilities	2906665	2131220	2089477	1339987
Amount charged to Profit & Loss Account				
Current Service Cost	1042967	765714	975169	700004
Interest Cost	172433	156968	100499	121606
Expected Return on Plan Asset	-19468	-10310	Nil	Nil
Actuarial (Gain)/Loss	181121	-592179	222999	-851109
Adjustment	0	0	0	0
	1377053	320193	1298667	-29499
Head under which shown in the Profit & Loss Account	Contribution to Provident Fund and other Funds		Salary & benefits.	

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

Sr. Particulars	Gratuity	
	Current Year (In ₹)	Previous Year (In ₹)
i) Actual return on plan assets	19468	10310

(e) Following are the Principal Actuarial Assumptions used as at the Balance Sheet date

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	7.50%	8%
Expected Rate of Return on Plan Assets	9%	9%
Salary Escalation Rate	6%	6%

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

Particulars	Gratuity	
	Current Year (In ₹)	Previous Year (In ₹)
Opening Fair Value of Plan Assets	77591	59831
Expected Return on Plan Assets	19468	10310
Actuarial Gains / (Losses)	Nil	Nil
Contribution by the Employer	580635	308113
Benefits Paid	165577	300663
Closing Fair Value of Plan Assets	512117	77591

29.6 Foreign Currency Exposures :-

There are no hedged / unhedged foreign currency exposure as at the year end (previous year Nil)

29.7 Disclosure of Loans/Advances in the nature of loans in terms of provision of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-

(Amount In ₹)

Particulars	Outstanding Balance as on 31.03.2017	Max. Balance Outstanding during the year	Outstanding Balance as on 31.03.2016	Max. Balance Outstanding during the previous Year
Loans & Advances in the nature of loans to Associates:- -Parsvnath HB Projects Private Limited	14196182	14196182	14196182	14196182
Loans & Advances in the nature of loans where there is no repayment schedule, no interest or interest below Section 372A of the Companies Act, 1956	Nil	Nil	Nil	Nil



Particulars	Outstanding Balance as on 31.03.2017	Max. Balance Outstanding during the year	Outstanding Balance as on 31.03.2016	Max. Balance Outstanding during the previous Year
Loans & Advances in the nature of loans to firms/companies in which directors are interested.	Nil	Nil	Nil	Nil
Investments by Loatee in the Shares of Parent Company and Subsidiary company when the company has made loan or advance in the nature of Loan.	No. of Shares	Amount	No. of Shares	Amount
	Nil	Nil	Nil	Nil

29.8 Detail of consumption of Imported and Indigenous items:

Particulars	Current Year		Previous Year	
	Amount (in ₹)	% of consumption	Amount (in ₹)	% of consumption
(i) Raw Materials				
Imported	0	0.00	0	0
Indigenous	65916566	100.00	70415350	100
Total	65916566	100.00	70415350	100.00
(ii) Stores and Supplies				
Imported	1074664	3.60	310438	0.95
Indigenous	28800608	96.40	32510845	99.05
Total	29875273	100.00	32821283	100.00

29.9 Disclosure pursuant to Accounting Standard (AS-19) for Leases: -

The Company generally enters into cancellable Operating Lease of Office Premises and Residence of the Employees normally renewable on expiry. Lease payments amounting to ₹ 62,01,350/- (Previous Year ₹ 61,08,180/-) made under Operating Lease have been recognized as an Expense.

29.10 Pending Litigations:

The Contingent liability in respect of pending litigations is disclosed in note no. 29.2 (a),(b),(c),(d) and (e). In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that the above legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the Company's results of Operations or Financial Statements.

29.11 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

29.12 The Company had filed a Composite Scheme of Arrangement ('the Scheme') amongst HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956 before the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh. The matter now stands transferred to National Company Law Tribunal (NCLT), Chandigarh as per the provisions of Sections 230 to 233 of the Companies Act, 2013. The Appointed Date for the Scheme is opening of business hours as on April 2, 2015 & April 3, 2015 as defined in Part A of the Scheme. The effect of the Scheme on the Financial Statements of the Company from the said Appointed Date shall be given upon sanction of Scheme by the NCLT and receipt of various other requisite approvals.

29.13 Additional information as per schedule III of the companies act, 2013.

Name of the entity	Current Year			
	Net Assets i.e Total assets minus total Liabilities		Share in Profit/ Loss	
	As % of consolidated net assets	Amount (₹)	As % of consolidated Profit / Loss	Amount (₹)
1	2	3	4	5
Parent				
HB Estate Developers Limited	100.00	683,824,568	100.00	(289,945,312)
	(100.00)	(973,769,880)	(99.92)	(308,295,302)
Associates (Investments as per Equity method)				
Parsvnath HB Projects Pvt. Ltd.	0.00	-	0.00	-
	(0.00)	-	(0.08)	(240,200)
Total	100.00	683,824,568	100.00	(289,945,312)
	(100.00)	(973,769,880)	(100.00)	(308,295,302)

29.14 Disclosure on Specified Bank Notes (SBNs)

In terms of MCA notification G.S.R 308(E) dated March 30th, 2017, the details/disclosure on Specified Bank Notes (SBN) held and transacted during the period from November 8th, 2016 to December 30th, 2016, is as under:

Particulars	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	527500	152354	679854
(+) Permitted receipts	0	2164638	2164638
(-) Permitted payments	0	399001	399001
(-) Amount deposited in Banks	527500	1002223	1529723
Closing cash in hand as on 30.12.2016	0	915768	915768

29.15 Previous year figures have been regrouped/reclassified wherever necessary to confirm the current year presentation

As Per our Report attached on even date

FOR P.BHOLUSARIA & CO.
CHARTERED ACCOUNTANTS

Firm Registration Number :000468N

Sd/-
AMIT GOEL
(Partner)
Membership No. : 092648

PLACE : GURUGRAM
DATE : 29.05.2017

FOR AND ON BEHALF OF THE BOARD

Sd/-
J.M.L. Suri
(Director)
DIN:00002373

Sd/-
Praveen Gupta
(Chief Financial Officer)

Sd/-
Anil Goyal
(Director)
DIN:00001938

Sd/-
Radhika Khurana
(Company Secretary)

**HB ESTATE DEVELOPERS LIMITED****FORM NO. MGT-11****PROXY FORM**

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L99999HR1994PL034146
 Name of the Company : HB Estate Developers Limited
 Registered Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram - 122 001 (Haryana)
 Name of the Member(s) :
 Registered Address :
 Email ID :
 Folio No./Client ID :
 DP ID :

I/We, being the member(s) of Shares of the above named Company, hereby appoint:

1) Name.....Address.....
 Email.....Signature.....or failing him
 2) Name.....Address.....
 Email.....Signature.....or failing him
 1) Name.....Address.....
 Email.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23RD ANNUAL GENERAL MEETING** of the Company to be held on **Friday, 29th September, 2017** at 11:00 A.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurugram – 122001, Haryana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:**Ordinary Business:**

- Adoption of Audited Financial Statements including Consolidated Financial Statements for the Financial Year ended 31st March, 2017 together with the reports of the Directors' and Auditors' thereon.
- Re-appointment of Mr. Anil Goyal (DIN: 00001938), who retires by rotation and being eligible offers himself for re-appointment.
- Appointment of M/s G.C. Agarwal & Associates, Chartered Accountants, Delhi (FRN 017851N) as the Statutory Auditors of the Company and to fix their remuneration

Special Business:

- Entering into Related Party Transaction with HB Portfolio Limited.

Signed this _____ day of _____, 2017

Signature of the Shareholder _____ Signature of Proxyholder(s) _____

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

**HB ESTATE DEVELOPERS LIMITED****ATTENDANCE SLIP****23RD ANNUAL GENERAL MEETING**

Date : 29th day of September, 2017
 Time : 11.00 A.M.
 Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 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 23rd Annual General Meeting held on Friday, 29th day of September, 2017 at 11.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 122 001, Haryana

Folio No. / DP-ID :

Client-ID :

No. of Shares :

Signature(s).....

Members may please note that the GIA House 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.

ROUTE MAP OF GIA HOUSE

