



# HB ESTATE DEVELOPERS LIMITED

## BOARD OF DIRECTORS

Mr. Lalit Bhasin *Chairman*  
 Mr. C. K. Hazari  
 Mr. Bodhishwar Rai  
 Mr. Davendra Ahuja  
 Mr. Anil Goyal  
 Mr. J. M. L. Suri  
 Mr. Naresh Kumar Mehta *Wholtime Director*

## AUDIT COMMITTEE

Mr. C. K. Hazari *Chairman*  
 Mr. Bodhishwar Rai  
 Mr. J. M. L. Suri

## COMPANY SECRETARY

Mr. V. Shankar

## AUDITORS

### P. Bholusaria & Company

Chartered Accountants,  
 26/11, Shakti Nagar,  
 Delhi - 110 007.

## REGISTERED OFFICE

199, Sector - 7, Urban Estate, Gurgaon - 122 001, Haryana

## CORPORATE OFFICE

H-72, Connaught Circus, New Delhi - 110 001.

## REGISTRAR & SHARE TRANSFER AGENT

**RCMC SHARE REGISTRY PVT. LTD.,**  
 1515, 1st Floor, Bhisham Pitamah Marg,  
 Kotla Mubarakpur, Near South Extension,  
 New Delhi-110 003.

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## NOTICE

NOTICE is hereby given that the 10th Annual General Meeting of the Company will be held as follows:

Day : Tuesday  
 Date : 15th February, 2005  
 Time : 10:00 A.M.  
 Place : GIA House I.D.C. Mehrauli Road,  
 Opp. Sector-14, Gurgaon-122001, Haryana

to transact the following business:

### AS ORDINARY BUSINESS :

- To receive, consider and adopt the Audited Balance Sheet as at 30th September 2004 and the Profit & Loss Account for the year ended on that date together with the Reports of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Bodhishwar Rai who retires by rotation and being eligible offers himself for reappointment.
- To appoint a Director in place of Mr. Anil Goyal who retires by rotation and being eligible offers himself for reappointment.
- To appoint Auditors and to fix their remuneration.

### AS SPECIAL BUSINESS:

- To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Naresh Kumar Mehta, who was appointed as additional director on the Board of the company on 28th April, 2004 be and is hereby appointed as Director of the company liable to retire by rotation."
- To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
 "RESOLVED THAT Mr. Davendra Ahuja, who was appointed as additional director on the Board of the company on 30th July, 2004 be and is hereby appointed as Director of the company liable to retire by rotation."
- 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 Resolution passed by the Board of Directors of the company at their meeting held on 28-April-2004 and to the provisions of Section 269, 198, 309, 314, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the consent and approval to the appointment of Mr. Naresh Kumar Mehta as Whole Time Director of the company for a period of 5 years with effect from 28th April 2004 on the terms and conditions as approved by the Board of Directors at their meeting mentioned hereinabove and as set out in the Explanatory Statement accompanying this Notice, be and is hereby accorded and that during his tenure in the Office as Whole Time Director, he shall not be liable to retire by rotation."  
 "RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to revise the remuneration payable to Mr. Naresh Kumar Mehta at any time during his tenure in the office of Whole Time Director of the Company in accordance with the limits specified in Schedule XIII of the Companies Act, 1956 and also to do any other acts and deeds, (including seeking of any approval, consent, permissions from such other authorities, if any required) as may be necessary and incidental in the matter."
- To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:  
 "RESOLVED THAT pursuant to the provisions of Foreign Exchange Management Act, 1999 and Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and subject to such other approvals, permissions and sanctions, as may be required and subject to the applicable provisions, if any, of the Companies Act, 1956 and subject to such conditions as may be prescribed by any of the authorities, while granting such approvals/permissions/sanctions, which the Board of Directors of the company (herein after referred to as the "Board" which term shall be deemed to include any Committee thereof for the time being exercising powers conferred by the Board) may accept, the consent of the company be and is hereby accorded to the Board to allow Non Resident Indians (hereinafter referred to as "NRIs") and Overseas Corporate Bodies (hereinafter referred to as "OCBs") predominantly owned by NRI's to acquire shares of the company through Stock Exchanges in India under Portfolio Investment Scheme and

in accordance with all permissible modes, subject to the condition that the total purchase by NRIs and/or OCBs both on repatriation and non repatriation basis shall be within the overall ceiling (subject to individual limits as may be applicable/prescribed) of 24% of the paid up Equity Capital of the company or such other higher ceiling as may be allowed by Reserve Bank of India from time to time.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to accept investment by NRIs and/or OCBs in variation of the aforesaid ceilings, as may be permissible from time to time and to do all such acts, deeds and things and to execute such documents or writings, as may be necessary, proper or expedient for the purpose of giving effect to this resolution, connected therewith or incidental thereto."

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

Place : New Delhi  
 Date : 29th November, 2004

**V. SHANKAR  
 COMPANY SECRETARY**

### NOTES :

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
- Explanatory Statement(s) pursuant to Section 173(2) in respect of the Special Businesses herein are annexed hereto and form part of this notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 11.02.2005 to 15.02.2005 (both days inclusive).
- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- Members are requested to:
  - Notify any change in their address to the Company including PINCODE or to the Registrar and Share Transfer Agent of the company namely, RCMC Share Registry Pvt. Ltd., 1515, (1st Floor), Bhisham Pitamah Marg, Kotla Mubarakpur, Near South Extension, New Delhi - 110 003. Phones: 24692346, 24601017. Fax: 24692345. E-mail: rcmc@dimension1.net.
  - Bring their copies of Annual Report with them to the meeting as the same will not be supplied again at the Meeting as a measure of economy.
- Details of Directors seeking appointment/reappointment at the ensuing Annual General Meeting (Pursuant to clause 49 of the Listing Agreement). (**Please see Page No. 9 for Details**)

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

**Item No. 5 :** Mr. Naresh Kumar Mehta was appointed as Additional Director on the Board of Directors on 28th April 2004 under the provisions of Section 260 of the Companies Act, 1956 and he holds office up to the date of the ensuing Annual General Meeting of the company. The Company has received notice under Section 257 of the Companies Act, 1956 from a shareholder together with requisite fee proposing him to be appointed as the Director of the company liable to retire by rotation.

Mr. Naresh Kumar Mehta is an MBA and has over 22 years of experience in all aspects of marketing and sales besides having acquired expertise in retail networking and management and corporate planning. The Board commends the resolution for his appointment as Director for consideration of the members.

None of the directors except Mr. Naresh Kumar Mehta are in any way concerned or interested in the above resolution.

**Item No. 6 :** Mr. Davendra Ahuja was appointed as Additional Director on the Board of Directors on 30th July 2004 and under the provisions of Section 260 of the Companies Act, 1956 he holds office up to the date of the ensuing Annual General Meeting of the company. The Company has received notice under Section 257 of the Companies Act, 1956 from a shareholder together with requisite fee proposing him to be appointed as the Director of the company liable to retire by rotation.

Mr. Davendra Ahuja had done his MBA and Post Graduation in Economics from US. He was with Citibank for more than 10 years and held senior positions before promoting 20th Century Group. He brings with him decades of rich and varied experience in corporate restructuring,







constituted a Remuneration Committee inter alia to consider, determine and approve and recommend to the Board of Directors the appointment and remuneration payable to Managerial Personnel (Managing/Whole Time Director) comprising the directors - Mr. C.K. Hazari as Chairman of the Committee and Mr. J.M.L. Suri and Mr. Anil Goyal as members. The Committee was reconstituted on 29.11.2004 and the same comprises of directors - Mr. C.K. Hazari as Chairman of the Committee and Mr. Bodhishwar Rai and Mr. Davendra Ahuja as members.

The Committee met on 27-04-2004 to consider the appointment of Mr. Naresh Kumar Mehta as Whole Time Director and the remuneration payable to him and the Committee unanimously recommended the same for the approval of the Board of Directors.

The Directors' Remuneration paid during the financial year ended 30th September 2004 is as under:

Director	Relationship with other Director(s)	Sitting Fees Paid (Rs.)	Salary & Perks	Commission, if any
Mr. H. C. Bhasin*	F/o Mr. Lalit Bhasin	13,000/-	Nil	Nil
Mr. Lalit Bhasin	S/o Mr. H. C. Bhasin	15,000/-	Nil	Nil
Mr. Anil Goyal	—	29,000/-	Nil	Nil
Mr. J. M. L. Suri	—	35,000/-	Nil	Nil
Mr. Bodhishwar Rai	—	6,000/-	Nil	Nil
Mr. C.K. Hazari	—	33,000/-	Nil	Nil
Mr. Davendra Ahuja	—	Nil	Nil	Nil
Mr. Naresh K. Mehta	—	Nil	346584/-	Nil

\* Resigned w.e.f. 30-07-2004

**Shareholders' Information**

(A) Details of Annual General Meetings:

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

Year	Type	Location	Date	Time
2002-03	AGM	GIA House, I.D.C., Mehrauli Road, Opp. : Sector 14, Gurgaon-122 001.	03.03.2004	10:00 A.M.
2001-02	AGM	GIA House, I.D.C., Mehrauli Road, Opp. : Sector 14, Gurgaon-122 001.	25.03.2003	10:00 A.M.
2000-01	AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon-122 001.	22.03.2002	10:00 A.M.

(ii) Whether Special Resolutions were put through postal ballot last year No  
 (iii) Are polls proposed to be conducted through postal ballot this year No

(B) No dividend has been paid by the company since the vesting of real estate division of HB Stockholdings Ltd. to it pursuant to a trifurcation under a Scheme of Arrangement sanctioned by Delhi High Court.

(C) The Register of Members and Share Transfer Books of the Company shall remain closed from 11-02-2005 to 15-02-2005 (both days inclusive). The previous Book Closure remained w.e.f. 28-02-2004 to 03-03-2004 (both days inclusive).

(D) The transactions with the related parties have been annexed to the Notes to Accounts and hence not reproduced here. No penalty has been imposed by the Stock Exchanges or SEBI or any other Statutory Authority nor any strictures have been passed by them during the last three years.

(E) Means of Communication :

- Half yearly reports sent to each household of shareholder No
- Quarterly Results Sent to each shareholder No
- In which newspaper the results are normally published in : Financial Express & Jansatta SEBI EDIFAR
- Any Website, where results are displayed
- Whether MD&A are part of Annual Report Yes
- Whether shareholders information system is part of AR Yes

(F) Your company is contemplating to place all shareholders information on its proposed Website, for which efforts are being made.

(G) Registrar and Share Transfer Agent of the company: RCMC Share Registry Pvt. Ltd., 1515, (1st Floor), Bhisam Pitamah Marg, Kotla Mubarakpur, Near South Extension, New Delhi - 110003. Phones : 24692346, 24601017. Fax : 24692345. E-mail : rcmc@dimensioni.net

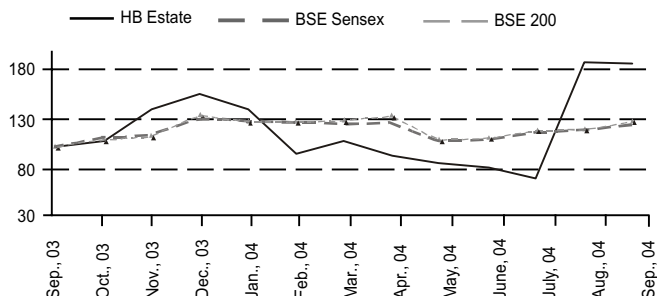
(H) The trading in the Equity Shares of the Company has come under compulsory dematerialisation w.e.f. 27th November 2000 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29th May 2000.

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

(J) The Stock Market Data and Performance Indicators of HB Estate Developers Ltd. at BSE is summarised as under:

Date	High	Low	Close	Volume
Oct-03	2.69	1.41	1.90	38263
Nov-03	3.17	1.90	2.52	39764
Dec-03	3.90	1.90	2.81	58235
Jan-04	5.73	2.01	2.50	111083
Feb-04	2.50	1.55	1.65	22630
Mar-04	2.70	1.40	1.90	308324
Apr-04	1.80	1.22	1.60	15733
May-04	1.85	1.40	1.47	12470
Jun-04	1.70	1.02	1.40	5225
Jul-04	1.98	0.95	1.18	9513
Aug-04	5.00	1.15	3.42	47096
Sep-04	4.50	2.41	3.39	37196

(K) Relative performance vis-à-vis major indices



(L) Stock Performance-Absolute returns

	1 year
HB Estate	88%
BSE Sensex	25%
BSE 200	28%

(M) The Company's Scrip Codes at Various Stock Exchanges are as under:

Stock Exchange	HB Estate Developers Ltd. Scrip Code
BSE, Mumbai	532334
MSE, Chennai	HBESTATE
CSE, Kolkata	18355
ASE, Ahmedabad	HBESTATE

(N) As at 30-09-2004 72,16,642 Equity Shares of the company are held in dematerialised form constituting 56.07% of the Company's subscribed share capital. The company's shares are regularly traded on the Stock Exchange, Mumbai as is indicated in the Table containing market information.

(O) Mr. V. Shankar, Company Secretary is the compliance officer of the company.

(P) The distribution of shareholdings of the company as on 30th September, 2004 is as under:

No of Shares	Shareholders		Shareholding	
	Nos.	% to total	Shares	% to total
1-500	1,42,780	99.75	60,96,239	47.36
501-1000	211	0.15	1,43,534	1.12
1001-2000	75	0.05	1,04,504	0.81
2001-3000	12	0.01	28,867	0.22
3001-4000	9	0.01	31,042	0.24
4001-5000	9	0.01	40,007	0.31
5001-10000	9	0.01	61,191	0.48
10001 and above	29	0.02	63,66,246	49.46
<b>TOTAL</b>	<b>1,43,134</b>	<b>100.00</b>	<b>1,28,71,630</b>	<b>100.00</b>

(Q) The category-wise distribution of Shareholders as on 30th September 2004 is as follows:

Category	No of Shares held	% of Shareholding
A. Promoters Holding		
- Promoters	54,47,657	42.32
- Persons acting in concert	3,71,825	2.89
B. Others		
- Mutual Funds and UTI	1,150	0.01
- Banks/Financial Institutions	4,12,525	3.21
- Foreign Institutional Investors	—	—
- Private Corporate Bodies	1,56,163	1.21
- NRIs/OCB	1,39,051	1.08
- Indian Public	63,43,259	49.28
<b>TOTAL</b>	<b>1,28,71,630</b>	<b>100.00</b>

(S) Share Transfers are registered and returned within a period of 30 days from the date of receipt if the documents are clear in all respects. The authority for transfer of shares has been delegated to a Director for transfer of shares up to a fixed number beyond which the matters are placed before the shareholders/investors grievance Committee, which meets as and when, required. The statistics of share transfers during the year including request for demat of shares are as under:

Transfer Period	No of Holders	No of Shares	% to Shares
1-20 days	8506	436359	100
20-30 days	—	—	—
31 days & Above	—	—	—

(S) The status of Investor's Grievance Redressal during 1-10-2003 to 30-09-2004 is as under:

Nature of Grievance	Received	Cleared
Non Receipt of Annual Report	2	2
Demat/Remat of securities	2	2
Non Receipt of Dividend	2	2
Others	1	1

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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

**CERTIFICATE**

To the Members of  
**HB Estate Developers Limited**  
New Delhi

We have examined the compliance of conditions of Corporate Governance by **HB ESTATE DEVELOPERS LIMITED** for the period ended on 30th September 2004, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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 with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

As required by the guidance notes issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agent of the Company has maintained records to show Investors' Grievance against the Company and have certified that as on 30th September, 2004 there were no Investors' Grievances remaining unattended / pending for a period exceeding one month.

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

**FOR P. BHOLUSARIA & CO.**  
**CHARTERED ACCOUNTANTS**

**AMIT GOEL**  
**PARTNER**

**Place : New Delhi**  
**Date : 29th November, 2004**

**AUDITOR'S REPORT**

**THE MEMBERS OF  
HB ESTATE DEVELOPERS LIMITED**

We have audited the attached Balance Sheet of M/s. HB ESTATE DEVELOPERS LIMITED as at 30th September, 2004 and also the Profit and Loss Account and Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

1. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :-
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the company so far, as appears from our examination of the said books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the accounting Standards referred to in Sub Section (3C) of section 211 of the Companies Act, 1956.
  - e) As informed and explained to us, none of the directors of the company is disqualified as on 30th September, 2004 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
    - a) In the case of the Balance Sheet of the State of Affairs of the Company as at 30th September, 2004 and
    - b) In the case of the Profit & Loss account of the Loss for the year ended on that date and
    - c) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

**FOR P. BHOLUSARIA & CO.**  
**CHARTERED ACCOUNTANTS**

**AMIT GOEL**  
**PARTNER**  
**M. NO. : 92648**

**Place: New Delhi**  
**Date : 29th November, 2004**

**ANNEXURE TO AUDITORS' REPORT**

**Referred to in Paragraph 1 of our report of even date**

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year that would affect going concern status of the Company.
2. a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us, no

material discrepancies have been noticed on physical verification of inventory as compared to the book records.

3. In our opinion and according to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured from Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and sale of goods. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control procedure.
5. In our opinion and according to the information and explanations given to us, there were no transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
8. The nature of the company's business/activities is such that Clause 4(viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of Cost Records is not applicable to the company.
9. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax, Cess and other material statutory dues as applicable 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 30th September, 2004 for a period of more than six months from the date of becoming payable.
- b. According to the records of the company, there was no disputed statutory dues that have not been deposited on account of the matters pending before appropriate authorities as on 30th September, 2004.
10. The accumulated losses of the company at the end of financial year are less than fifty percent of its Net Worth. The company has incurred cash losses during the financial year covered by our audit and in the immediately preceding year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of Investments in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the company has not raised any fund during the year either long term or short term basis.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. No debentures have been issued by the company and hence the question of creating securities in respect thereof does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**FOR P. BHOLUSARIA & CO.**  
**CHARTERED ACCOUNTANTS**

**AMIT GOEL**  
**PARTNER**  
**M. NO. : 92648**

**Place: New Delhi**  
**Date : 29th November, 2004**

# HB ESTATE DEVELOPERS LIMITED



## BALANCE SHEET AS AT 30TH SEPTEMBER, 2004

Descriptions	Schedules	As at 30.09.2004 (Rupees)	As at 30.09.2003 (Rupees)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	123083123	123083123
Reserves & Surplus	2	520220354	548195982
<b>Loan Funds</b>			
Secured Loans	3	28754614	117251223
		<u>672058091</u>	<u>788530328</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	2235998	2176298
Less : Depreciation		1167327	993084
Net Block		1068671	1183214
<b>Investments</b>			
Current Assets, Loans and Advances	5	14110200	14110200
<b>Loans and Advances</b>			
Inventories	6	283503253	348458721
Cash and Bank Balances		33362975	1023058
Loans and Advances		346738341	431297576
		663604569	780779355
<b>Less :</b>			
Current Liabilities and Provisions	7	6528989	7365408
Current Liabilities		123189	204801
Provisions		656952391	773209146
<b>Net Current Assets</b>		<u>656952391</u>	<u>773209146</u>
Deferred Tax Liability (Net)		-119552	-111366
<b>Miscellaneous Expenditure</b>			
(To the extent not written off or adjusted)	8	46381	139134
Preliminary Expenses		59891911	31916283
Debit Balance in Profit & Loss A/c		59891911	31916283
Less : Adjusted against the balance in General Reserve as per contra		-	-
		<u>672058091</u>	<u>788530328</u>
Significant Accounting Policies	12		
Notes on Accounts	13		

The Schedules referred above form an integral part of the accounts.  
As per our report of even date attached herewith

For P. Bholusaria & Co. Chartered Accountants

Amit Goel Partner V. Shankar Company Secretary Naresh Mehta Wholetime Director J M L Suri Director

Place : New Delhi  
Date : 29th November, 2004

### SCHEDULE '1' : SHARE CAPITAL

Particulars	As at 30.09.2004 (Rupees)	As at 30.09.2003 (Rupees)
<b>AUTHORISED</b>		
20000000 Equity Shares of Rs. 10 each	200000000	200000000
10000000 Redeemable Preference Shares of Rs. 10 each	100000000	100000000
	<u>300000000</u>	<u>300000000</u>
<b>ISSUED, SUBSCRIBED AND PAID UP :</b>		
1,28,71,630 Equity Shares of Rs. 10 each	128716300	128716300
Less : Allotment money receivable (Other than Directors)	5633177	5633177
	<u>123083123</u>	<u>123083123</u>

### SCHEDULE '2' : RESERVES AND SURPLUS

Particulars	As at 30.09.2004	As at 30.09.2003
<b>SHARE PREMIUM ACCOUNT</b>		
As per last account	527224343	527224343
Less : Allotment money receivable (Other than Directors)	27790790	27790790
	<u>499433553</u>	<u>499433553</u>

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 2004

Descriptions	Schedules	Year Ended 30.09.2004 (Rupees)	Year Ended 30.09.2003 (Rupees)
<b>INCOME</b>			
Sales		46953750	9996000
Rent Income		5061368	658150
Other Income		1571030	1638735
		<u>53586148</u>	<u>12292885</u>
<b>EXPENDITURE</b>			
Increase(-)/Decrease(+) in stock	9	67053754	17283424
Administrative and other expenses	10	7673060	7461995
Interest and financial charges	11	6591142	16748187
Depreciation		174243	170637
Preliminary Expenses Written Off		92753	92753
		<u>81584952</u>	<u>41756996</u>
<b>Profit/(Loss) for the year before taxation</b>		<u>-27998805</u>	<u>-29464111</u>
<b>Provision for taxation</b>			
- Current Tax		-	-
- Deferred Tax Credit/(Charge)		- 8186	1190
<b>Profit/(Loss) for the year after taxation</b>		<u>-28006991</u>	<u>-29462921</u>
Prior Period Adjustment (Net)		31363	717030
Balance brought forward from last year		-31916283	-3170392
		<u>-59891911</u>	<u>-31916283</u>
Balance carried forward to Balance Sheet			
		<u>-2.17</u>	<u>-2.23</u>
<b>Basic &amp; Diluted Earning per share (in Rs)</b>			
Significant Accounting Policies	12		
Notes on Accounts	13		

The Schedules referred above form an integral part of the accounts.  
As per our report of even date attached herewith

For P. Bholusaria & Co. Chartered Accountants

Amit Goel Partner V. Shankar Company Secretary Naresh Mehta Wholetime Director J M L Suri Director

Place : New Delhi  
Date : 29th November, 2004

### SCHEDULE '3' : SECURED LOANS

Particulars	As at 30.09.2004 (Rupees)	As at 30.09.2003 (Rupees)
<b>GENERAL RESERVE</b>		
As per last year	80678712	80678712
Less : Debit balance in Profit & Loss A/c as per contra	- 59891911	- 31916283
	<u>20786801</u>	<u>48762429</u>
	<u>520220354</u>	<u>548195982</u>
<b>SCHEDULE '3' : SECURED LOANS</b>		
TERM LOAN FROM BANKS / FINANCIAL INSTITUTIONS	28511082	115013359
INTEREST ACCRUED AND DUE	243532	2237864
	<u>28754614</u>	<u>117251223</u>

**Note :** The above loan is secured against equitable mortgage of the commercial complex, HB Twin Towers on plot no A-2,3,4, Netaji Subhash Place, Wazirpur Distt Centre, Delhi and HB Tower on plot no 31, sector 32, Echlon Institutional Area, Gurgaon, Haryana. Amount re-payable within one year Rs 2,85,11,082/- (Previous year Rs 8,65,02,277/-)

**SCHEDULE '4' : FIXED ASSETS**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.10.2003	Additions during the year	Sales/ Adjustment during the year	As at 30.09.2004	Upto 30.09.2003	For the year	Sales/Adj. during the year	Upto 30.09.2004	As at 30.09.2004	As at 30.09.2003
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Furniture & Fixtures	1197386	-	-	1197386	613268	75795	-	689063	508324	584119
Office Equipments	199879	-	-	199879	55977	9494	-	65471	134407	143901
Voltage Stabilizer	50866	-	-	50866	24673	2416	-	27089	23777	26193
Vehicles	523167	-	-	523167	199382	49701	-	249083	274084	323785
Computers	205000	59700	-	264700	99784	36837	-	136621	128079	105216
<b>Total</b>	<b>2176298</b>	<b>59700</b>	<b>-</b>	<b>2235998</b>	<b>993084</b>	<b>174243</b>	<b>-</b>	<b>1167327</b>	<b>1068671</b>	<b>1183214</b>
Previous year	2176298	-	-	2176298	822447	170637	-	993084	1183214	1353851

**SCHEDULE '5' : INVESTMENTS**

Name of the company	Face Value (Rs.)	As at 30.09.2004		As at 30.09.2003	
		Qty (Nos)	Amount (Rs.)	Qty (Nos)	Amount (Rs.)
<b>LONG TERM INVESTMENTS</b>					
<b>IN FULLY PAID EQUITY SHARES OF COMPANIES</b>					
<b>QUOTED (NON-TRADE)</b>					
RRB Securities Ltd.	10	86100	8610000	86100	8610000
	(A)	86100	8610000	86100	8610000
<b>UNQUOTED (NON-TRADE)</b>					
Harsai Investments Ltd	10	200000	2000000	200000	2000000
Blox Catalogue.com Technology Ltd	10	350020	3500200	350020	3500200
	(B)	550020	5500200	550020	5500200
	(A + B)	636120	14110200	636120	14110200

NOTE : 1. Market value of Quoted investments Rs. 86,10,000.00 (Previous Year Rs. 86,10,000.00) 2. Market value of Investments Quoted but not listed have been taken at cost.

**SCHEDULE '6' : CURRENT ASSETS, LOANS AND ADVANCES**

Particulars	As at 30.09.2004 (Rupees)	As at 30.09.2003 (Rupees)
<b>A. CURRENT ASSETS</b>		
(i) Inventories (As taken, valued and certified by the management)		
- Completed Construction	283503253	348458721
	283503253	348458721
(ii) Cash & Bank Balances		
- Cash in Hand (As certified by the management)	1060662	726973
- Balance in Current Acct. with Scheduled Banks	32109768	103540
- FDR with Bank	191100	191100
- Interest accrued on FDR	1445	1445
	33362975	1023058
<b>Total - A</b>	<b>316866228</b>	<b>349481779</b>
<b>B. LOANS &amp; ADVANCES</b>		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	344062151	429643721
Security Deposits With Govt Departments & Others	536550	536550
Tax Deducted at Source	2139640	1117305
<b>Total - B</b>	<b>346738341</b>	<b>431297576</b>
<b>Total (A + B)</b>	<b>663604569</b>	<b>780779355</b>

**SCHEDULE '7' : CURRENT LIABILITIES & PROVISIONS**

Particulars	As at 30.09.2004	As at 30.09.2003
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors*	2440793	2642846
Advances from Customers	3994922	4632307
Cheques over issued in Current Account	0	8203
Other Liabilities	93274	82052
<b>Total - A</b>	<b>6528989</b>	<b>7365408</b>
*Include due to SSI Units Nil (Previous year Nil) (refer Note No 13 of Schedule 13)		
<b>B. PROVISIONS</b>		
For Gratuity	44095	119119
For Leave Encashment	79094	85682
<b>Total - B</b>	<b>123189</b>	<b>204801</b>
<b>Total (A + B)</b>	<b>6652178</b>	<b>7570209</b>

**SCHEDULE '8' : MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Particulars	As at 30.09.2004	As at 30.09.2003
<b>A. PRELIMINARY EXPENSES</b>		
Opening Balance	139134	231887
Less : Written off during the year	92753	92753
	46381	139134

**SCHEDULE '9' : INCREASE (-)/DECREASE(+) IN STOCK**

Particulars	Year Ended 30.09.2004 (Rupees)	Year Ended 30.09.2003 (Rupees)
<b>COMPLETED CONSTRUCTION</b>		
Opening Stock	348458720	365742144
Add : Addition during the year	2098287	0
	350557007	365742144
Less : Closing Stock	283503253	348458720
	67053754	17283424

**SCHEDULE '10' : ADMINISTRATIVE AND OTHER EXPENSES**

Particulars	As at 30.09.2004	As at 30.09.2003
Salaries and Benefits	1043806	1154263
Contribution to Provident and other funds	100108	113813
Remuneration to Wholtime Director	346584	-
Legal & Professional	196331	300764
Postage, Telephone and Telegram	753774	757771
Commission/Brokerage	867487	336272
Share Registrar	411411	367561
Printing & Stationery	198923	180979
Conveyance & Travelling	234098	235041
Staff Welfare	13650	13676
<b>Repair &amp; Maintenance :</b>		
To buildings	1336685	1889945
To others	360578	389186
Processing fees to bank	0	404143
Electricity & Water	712387	671605
Books, periodicals & Journals	29594	40605
Advertisement	483813	44436
Listing Fee	84250	129500
Bank Charges	3010	2778
Insurance	42550	58819
Security Charges	185073	153914
Sitting Fees	131000	98000
Miscellaneous	84179	74554
Auditors' Remuneration	53769	44370
	7673060	7461995

**SCHEDULE '11' : INTEREST AND FINANCIAL CHARGES**

Particulars	As at 30.09.2004	As at 30.09.2003
Interest on term loan	6591142	16747624
Interest on others	0	563
	6591142	16748187



**SCHEDULE '12' : SIGNIFICANT ACCOUNTING POLICIES**

Annexed to and forming part of the Statement of Accounts for the year ended 30th September 2004.

**A. System of Accounting :-**

- (i) The Company follows the accrual system of accounting except :
  - (a) in case of interest on allotment/call money in arrears on shares and debentures which are accounted as and when received and
  - (b) Interest on delayed payment by customers against dues will be accounted for on cash basis owing to practical difficulties and uncertainties.
- (ii) Assets and Liabilities are recorded at historical cost.

**B. Revenue Recognition :-**

- (i) The company follows the complete project method of accounting for projects. Under this method, revenue is recognised only when project is completed or substantially completed, that is only minor work is expected other than warranty work. Cost and progress payments received are accumulated during the course of the project but revenue is not recognised until the project activity is substantially completed. The liquidated damages and other claims by customers are accounted for on final settlement.
- (ii) The construction and development cost relating to the sold units are considered for profit based on technical evaluation of cost for completion.
- (iii) Income from services is accounted for on the basis of the bills raised on customers.
- (iv) The rentals from leased premises are considered as revenue income on accrual basis. In case of sale of leased premises, rent income is accounted for up to the date of flat buyer agreement. The advance rent, if any, for the period after the date of flat buyer agreement is refundable to the concerned buyer.
- (v) All other expenses are accounted for on accrual basis.

**C. Fixed Assets :-**

Fixed Assets are stated at cost less depreciation.

**D. Depreciation :-**

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

**E. Inventories :-**

Inventories are valued at cost.

**F. Investments :-**

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

**G. Miscellaneous Expenditure :-**

Preliminary Expenses have been amortized proportionately over a period of ten years.

**H. Retirement Benefits :-**

Provident fund, Superannuation Fund, Gratuity and Leave Encasement are accounted for on accrual basis. In respect of gratuity, the company has taken policy from LIC of India.

**I. 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.

**SCHEDULE '13' : NOTES ON ACCOUNTS**

Annexed to and forming part of the Statement of Accounts for the year ended 30th September 2004.

1. Contingent liability in respect of property tax - Nil (Previous Year Nil).  
The company had preferred to go in for appeals against the property tax bill raised by MCD and the Honourable Court has set aside the same for its re-determination.
2. Advance recoverable includes a sum of Rs.22,00,000/- paid towards booking of flats in Prem Dohil Sadan, Rajendra Place, New Delhi by HB Stockholdings Limited. On Default by the vendors to hand over Possession on the agreed terms, HB Stockholdings Ltd. initiated legal Proceedings in appropriate court of law for the specific performance of the agreement. The legal proceedings are going on.  
Pursuant to a Scheme of Arrangement of HB Stockholding Ltd. sanctioned by Delhi High Court in 1997, the aforesaid asset/ advance was allocated to the company.  
As per the terms of purchase agreement, on handing over of possession of the booked flats, a further sum of Rs. 12183600/- is payable by the company.
3. (a) Two parties have filed compensation application before MRTI. Further one party has filed application before Distt. Consumer's Depute Redressal Forum u/s 12 of Consumer Protection Act for a claim of Rs. 191100/- and the company is contesting the same before State Consumer Disputes Redressal Commission. Pending the final decision, as per direction of the commission, the Company has made and deposited a FDR of Rs. 191100/- with the Commission.  
(b) Claims against the Company not acknowledged as debt-Rs. 1405228/- (Previous Year Rs.14,05,228/-)
4. Income tax provisions including MAT and deferred tax for the period from 01.04.2004 to 30.09.2004, if any, shall be made in next year after considering the income for whole of the year from 1/4/2004 to 31/3/2005.
5. During the year there was no employee in receipt of remuneration aggregating to Rs. 24,00,000 (Previous Year Rs. 24,00,000/-) or more per annum or Rs. 2,00,000 (Previous Year Rs. 2,00,000/-) or more per month where employed for a part of the year (Previous Year Nil).
6. In the opinion of the management, the company is mainly engaged in the business of real estate developments and all activities of the company revolve around the main business and therefore there are no separate reportable segments as per Accounting Standard "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India.

7. Disclosure of related party transaction in accordance with Accounting Standard (AS-18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India is annexed.

<b>8. Earning per share :</b>	<b>Current Year</b>	<b>Previous Year</b>
Net profit/(Loss) for the year as per profit & Loss A/c	(-) 28006991	(-) 2,94,62,921
Add : Prior period adjustments	31363	7,17,030
Net profit/(Loss) available for equity shareholders	(-) 27975628	(-) 2,87,45,891
Weighted average no. of equity shares outstanding	1,28,71,630	1,28,71,630
Basic & Diluted Earning per share	(-) 2.17	(-) 2.23
(Face value of Rs 10/- each)		

9. In the opinion of the management, current assets, loans and advances are approximately of the value stated, if realised, in the ordinary course of the business, Creditors, Advances balances are subject to confirmations.

**10. Deferred Tax Liability (net) consist of following :**

	As on 30/09/2004	As on 30/09/2003
<b>Deferred Tax Liability</b>		
Fixed assets	1,46,483	1,46,487
<b>Deferred Tax Assets</b>		
Expenses allowable on payment basis U/s 43B of Income Tax Act.	26,931	35,121
<b>Net Deferred Tax Liability</b>	<u>1,19,552</u>	<u>1,11,366</u>

**11. Auditors Remuneration consists of :**

	Current Year	Previous Year
- Audit Fees	27,550	27,000
- Tax Audit Fees	16,195	15,750
- Certification & others	10,024	1,620
	<u>53,769</u>	<u>44,370</u>

12. Tax deducted at source on lease rentals including advance lease rentals Rs.13,31,977/- (Previous Year Rs 1,92,149/-).

13. In view of insufficient information from the suppliers regarding their status as SSI units, the amount due to small scale industrial undertaking, if any, can not be ascertained.

14. Prior Period Adjustments (Net) consist of old Dr. balances of Rs.10,555/- (Previous Year Rs. Nil) written off, Rs.41,918/- old Cr Balances written back (Previous Year Rs.7,17,030/-)

15. Other Income includes Rs.11,030/- (Rs.1445/-) interest income on FDR with Bank.

**16. Wholtime Director's remuneration include:-**

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Salary	214200	Nil
House Rent Allowance	85680	Nil
Medical	21000	Nil
Provident Fund	25704	Nil
<b>TOTAL</b>	<u>346584</u>	<u>Nil</u>

**Note :** Provision for Gratuity is not included in above as separate valuation for Wholtime Director is not ascertainable.

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

18. Additional information pursuant to part IV of Schedule VI to the Companies Act, 1956 is annexed.

19. All figures have been rounded off to the nearest rupee.

20. Previous year figures have been re-grouped / re-arranged wherever considered necessary.

21. Schedule 1 to 13 form an integral part of the accounts.

As per our report of even date attached herewith

For P. Bholusaria & Co. Chartered Accountants

For and on behalf of the Board of Directors

Amit Goel Partner	V. Shankar Company Secretary	Naresh Mehta Wholtime Director	J M L Suri Director
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Place : New Delhi  
Date : 29th November, 2004

**ANNEXURE REFERRED TO IN NOTE NO. 7 OF SCHEDULE '13' TO THE ACCOUNTS RELATED PARTY DISCLOSURES (AS IDENTIFIED BY MANAGEMENT AND RELIED UPON BY AUDITORS)**

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

1. List of Related parties with whom transactions have taken place and relationship:
  - (A) **Key Managerial Personnel :-**
    - Sh. Naresh Kumar Mehta (Joined on 08.03.2004 as Chief Executive Officer and appointed as Wholtime Director w.e.f 28.04.2004)
    - Sh. J. M. L. Suri
    - Sh. V. Shankar
  - (B) **Person having significant influence / control :-**
    - Sh. H C Bhasin
    - Sh. Lalit Bhasin
2. Transactions during the year with related parties :-
 

Nature of Expenses	Referred to in (A) above	Referred to in (B) above
Remuneration & other Services	6,80,144	Nil
	(6,17,940)	(Nil)
Sitting Fees	35000	28000
	(26000)	(26000)

**Note :-** Figure in bracket related to previous year.



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART(IV) OF THE COMPANIES ACT, 1956**

<b>1. Registration Details</b>	
Registration No.	34146
State code	05
Balance Sheet Date	30.09.2004
<b>II. Capital raised during the year</b>	<b>(Rs in thousand)</b>
Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
Allocated amount of Share Capital	Nil
<b>III. Position of mobilisation and deployment of funds</b>	<b>(Rs in thousand)</b>
Total Assets	672058
Total Liabilities	672058
<b>Source of funds</b>	
Paid up capital	123083
Reserve & Surplus	520220
Secured Loan	28755
<b>Application of Funds</b>	
Net Fixed Assets	1069
Investments	14110
Net Current Assets	656952
Deferred Tax Liability (Net)	-119
Miscellaneous Expenses	46
<b>IV. Performance of the Company</b>	<b>(Rs in thousand)</b>
Total Turn-over	53586
Total expenditure	81585
Profit/(Loss) before Tax	-27968
Profit/(Loss) after Tax	-27976
Earnings per Share (Rs.)	-2.17
Dividend Rate (%)	Nil
<b>V. Generic names of principal products/service of the company</b>	
Item Code	N. A.
Product Description	Real Estate

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER, 2004**

Particulars	Year Ended 30th Sep.,04 (Rs.)	Year Ended 30th Sep.,03 (Rs.)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) before tax and extraordinary items	-27998805	-29464111
Adjustment for :		
Depreciation	174243	170637
Prior Period Adjustment	31363	717030
Interest Paid	6591142	16748187
Preliminary Expenses W/off	92753	92753
Provision for Gratuity & Leave	-81612	1673
	-21190916	-11733832
Operating Adjustments for :		
Trade and other receivables	84559235	51520006
Inventories	64955468	17283424
Trade Payables	-836419	631321
Cash generated from operations	127487367	57700919
Interest paid	-6591142	-16748187
Cash Flow before extraordinary items	120896228	40952732
Extraordinary items	-	-
Net Cash from operating activities (A)	120896228	40952732
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	0	0
Purchase of Fixed Assets	-59700	0
Sale of Investments	0	0
Interest Received	0	0
Dividend Received	0	0
Net Cash received in Investing activities (B)	-59700	0
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Share Capital and Share Premium	-	-
Proceeds from Long Term Borrowings	-88496609	-41555352
Payment for Preliminary Expenses	-	-
Net Cash used in Financing Activities (C)	-88496609	-41555352
Net increase in Cash and Cash equivalents (A+B+C)	32339917	-602620
CASH & CASH EQUIVALENTS AS ON 1.10.2003 (OPENING BALANCE)	1023058	1625678
CASH & CASH EQUIVALENTS AS ON 30.9.2004 (CLOSING BALANCE)	33362975	1023058

For and on behalf of the Board of Directors

Place : New Delhi V. Shankar Naresh Mehta J M L Suri  
Date : 29th November, 2004 Company Secretary Wholtime Director Director

**AUDITOR'S CERTIFICATE**

We have verified the above Cash Flow Statement with the books and records maintained by HB Estate Developers Limited and certify that in our opinion and according to the information and explanations given to us the above statement is in accordance therewith.

For P. BHOLUSARIA & COMPANY  
Chartered Accountants

Place : New Delhi (AMIT GOEL)  
Date : 29th November, 2004 Partner

**Details of Directors seeking appointment/reappointment at the ensuing Annual General Meeting (Refer Note No. 7 of the Notice at Page No. 1)**

Name of Director	Bodhishwar Rai	Anil Goyal	Davendra Ahuja	Naresh Kumar Mehta
<b>Date of Birth</b>	01.12.1934	22.02.1959	24.11.1938	09.03.1957
<b>Date of Appointment</b>	20.12.2001	20.09.1994	30.07.2004	28.04.2004
<b>Expertise in specific functional areas</b>	Finance & Banking	Corporate, Finance & Capital Market	Finance, Banking, Corporate Restructuring	Marketing, Retail Networking, Corporate planning
<b>Qualifications</b>	Post Graduate in Economics	FCA	MBA, Post Graduate in Economics	MBA, PGDCA
<b>Directorships in other public limited companies (As on 30-09-04)</b>	Suven Pharmaceuticals Ltd. Sutlej Industries Ltd. Madhya Bharat Papers Ltd. Oriental Carbon & Chemicals Ltd. Texmaco Ltd. Hindustan Wires Ltd. Magma Leasing Ltd. West Coast Paper Mills Ltd. NRC Limited Jubilant Organosys Ltd. Domino's Pizza India Ltd. Sunil Synchem Limited Dhir & Dhir Asset Reconstruction & Securitization Company Ltd.	HB Securities Limited HB Prima Capital Limited HB Corporate Services Limited RRB Securities Limited Mount Finance Limited Bhasin Investments Limited	TCFC Finance Ltd. Essel Propack Ltd.	Nil
<b>Membership of Committees in other Public Limited Companies (As on 30-09-04)</b>	<b>Audit Committee</b> Suven Pharmaceuticals Ltd. Oriental Carbon & Chemical Ltd. Jubilant Organosys Ltd. Sunil Synchem Ltd. Madhya Bharat Papers Ltd. Hindustan Wires Ltd.  <b>Investor Grievance/Share Transfer Committee</b> Hindustan Wires Ltd. Jubilant Organosys Ltd.	<b>Audit Committee</b> RRB Securities Ltd.  <b>Shareholders/Investor Grievance Committee</b> HB Portfolio Ltd. RRB Securities Ltd. HB Leasing & Fin Co. Ltd.	<b>Audit Committee</b> Essel Propack Ltd. TCFC Finance Ltd.  <b>Remuneration Committee</b> Essel Propack Ltd.	Nil

Folio No. ....

(To be filled in by the Shareholder)

No. of Shares .....



# HB ESTATE DEVELOPERS LIMITED

## PROXY FORM

I/We .....

of .....

being a member(s) of **HB ESTATE DEVELOPERS LIMITED**, hereby appoint.....

.....

of ..... or failing

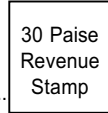
him/her of .....

as my/our proxy to attend and vote for me/us on my/our behalf at the 10th Annual General Meeting of the Company to be held on Tuesday, 15th day of February, 2005 and at any adjournment thereof. As witness my hand/our hands this day ..... of 2005.

DP - Id : .....

Client - Id : .....

Signed by the Said : .....



**NOTE :** The proxy must be deposited at the Registered Office of the Company at 199, Sector - 7, Urban Estate, Gurgaon - 122 001, Haryana or at the Corporate Office at H-72 Connaught Circus, New Delhi - 110 001 not less than 48 hours before the time of holding the Meeting.



# HB ESTATE DEVELOPERS LIMITED

## ATTENDANCE SLIP

### 10TH ANNUAL GENERAL MEETING

Time : 10.00 A.M., Tuesday, 15th day of February, 2005

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

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any.....

Father's/Husband's Name .....

Address in full.....

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

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I/We hereby record my/our presence at the 10th Annual General Meeting held on 15th February, 2005 at 10.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana.

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

Client - Id : .....

Signature(s).....

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