



Company's Hotel Project- **"TAJ CITY CENTRE - GURUGRAM"** 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

CHIEF FINANCIAL OFFICER (CFO)

Mr. Praveen Gupta

COMPANY SECRETARY

Mrs. Radhika Khurana

STATUTORY AUDITORS

G. C. Aggarwal & Associates

Chartered Accountants
240, Ghalib Appartments
Parwana Road, Pitampura,
Delhi - 110 034

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.

CIN: U67120DL1950PTC601854

B-25/1, First Floor
Okhla Industrial Area Phase-II
New Delhi - 110020
Ph : 011-26387320, 26387323
Fax : 011-26387322
E-mail: investor.services@rcmcdelhi.com
Website: www.rcmcdelhi.com

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 24TH 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 : Tuesday
Date : 25th September, 2018
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(es):

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended 31st March, 2018, including the Audited Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Lalit Bhasin (DIN: 00002114), who retires by rotation and being eligible, had offered himself for re-appointment.

3. To re-appoint M/s. G.C. Agarwal & 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, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of ‘G. C. Agarwal & Associates’, Chartered Accountants, Delhi (FRN 017851N), the Statutory Auditors of the Company, who holds office until the conclusion of 28th Annual General Meeting (AGM) of the Company to be held in the year 2022, be and is hereby ratified for the Financial Year 2018-2019 at such remuneration as may be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. **Issuance of Redeemable Non Cumulative Non Convertible Preference Shares – Series III**

To consider, and if thought fit, to pass the following resolution as a **Special Resolution:**
“RESOLVED THAT pursuant to the provisions of Sections 42,55 and other applicable provisions, if any of the Companies Act, 2013 read with the all applicable Rules made thereunder (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 Articles of Association of the Company, subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments and bodies as may be required and as per the approval of Audit Committee and such terms and conditions, alteration and modifications as may be considered appropriate and agreed 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 Company be and is hereby accorded to Board to offer and issue in one or more tranches, 50,00,000 (Fifty Lakhs) Redeemable Non-Cumulative Non-Convertible Preference Shares – Series III of face value of Rs.100/- each (“Preference Shares”) to various entities/persons including Promoters / Promoter Group & Associates whether or not they are related party / member(s) of the Company on private placement basis, aggregating to ₹ 50,00,00,000/- (Rupees Fifty Crores Only) on the following terms and conditions contained hereinbelow and / or in the Explanatory Statement annexed to the Notice:

- a) The Preference Shareholder(s) shall have priority with respect to payment of dividend or repayment of capital vis-à-vis Equity shares.
- b) The participation of Preference Shareholders in the surplus fund shall be pari-passu with the existing Equity and Preference Shareholders as may be permissible at the relevant point of time.
- c) The said Preference Shares shall in winding up be entitled to rank, as regards repayment of Capital, whether declared or not, upto the commencement of the winding up, in priority to the Equity Shares but shall not be entitled to any further participation in profits or assets.
- d) The Preference Shareholder(s) shall carry a fixed non-cumulative preference dividend of 9% (Nine Percent) on the Capital paid-up thereon.
- e) The Preference Shares are not convertible into Equity Shares.
- f) The voting rights of the persons holding the said Preference Shares shall be in accordance with the provisions of Section 47 of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof for the time being in force).
- g) The Preference Shares shall be redeemable not later than the date and in the manner/ mode as may be determined by the Board of Director(s) at the time of allotment or such other date as may be determined by the Board but not later than a period exceeding twenty (20) years.

RESOLVED FURTHER THAT for the purpose of giving effect to the 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 authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.”

5. **To Consider and approve Alteration of Objects Clause of Memorandum of Association of the Company**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions, if any of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the rules framed thereunder, the approval of members of the Company be and is hereby granted for alteration of Clause III(A) of the Memorandum of Association (MOA) of the Company as follows:

III.A THE OBJECTS TO BE PERSUED BY THE COMPANY ON ITS INCORPORATION ARE:

1. *To carry on, in India or elsewhere, either alone or jointly with one or more persons, companies, government, or other entities and bodies of any kind, the business of hotels of every kind and sort, including hotel rooms, serviced apartments, banquet facilities, conference facilities, meeting rooms, function halls, convention centres, shopping galleries, retail and service shops, offices, libraries, swimming pool, health club, spa, fitness centres, beauty parlors, saloons, restaurants, café, bakery, tavern, pubs, bars, clubs, discotheques, casinos, coach, cab and motor car providers, caterers, housekeeping, laundry, amusement and recreational facilities, parking, back offices, along with all the conveniences, amenities and facilities adjunct thereto and such other facilities as may be provided in hotels of all kinds, and to own, purchase, take over, acquire, erect, construct, build, set up, furnish, adapt, manage, franchise, run, use, maintain, operate or in any other manner and in all its aspects deal in, hotels of every kind and sort, including all land, buildings, premises, conveniences, amenities and facilities adjunct thereto, and to manage hotels of every kind and sort, with all related facilities and necessary adjuncts, whether owned by the Company or otherwise, and to render technical services, managerial services, advisory services thereon, including in relation to construction and / or operations of hotels with all related facilities and necessary adjuncts, to any persons or entities, and also to carry on the business of builders, developers, re-developers, constructors, contractors, designers, architects, consultants, of residences, apartments, dwelling houses, residential complexes, tenements, serviced residences, branded residences, offices, shops, exhibition halls, convention centres, conference centres, auditoriums, discotheques, sports and recreational facilities, and structures or properties of all kinds, tenure or description for commercial or residential purpose with requisite infrastructure and conveniences, and for these purposes to, either alone or jointly with one or more persons, government, or other bodies, purchase, own, take on lease or otherwise acquire and hold any lands or buildings of any tenure or description wherever situated, or rights or interests therein or connected therewith, to prepare building sites, and to construct, reconstruct, pull down, renovate, develop, alter, improve, decorate, furnish, use, manage and maintain such properties, either alone or jointly with one or more persons, and whether under its brand name and/or that of one or more other persons, and to lease, sell, license, rent, deal in or otherwise dispose of the same on ownership basis, installment basis, license, lease or rental or any other basis and transfer such properties or any rights therein to co-operative societies, limited companies, bodies corporate, partnerships, association of persons or individuals or any person or entity, as the case may be, and to promote, operate, maintain, manage, market, enter into brand licensing arrangements, provide consultancy services, technical services, operation and management services, facilities management services, hospitality services, housekeeping services and other services, to any persons or entities, in relation to the residential or commercial projects, immovable properties and other real estate assets and to enter into any arrangements of licensing, brokerage, commission, technical, business or financial collaboration with any other party or concern, in relation thereto.*
2. *To carry on the business of financing, subject to the Banking Regulation Act 1949, by way of advance, deposit, guarantee or lending of money, secured or unsecured, short term of long term for and in respect of acquisition, purchase, owning, development, appropriation, construction or dealing in any manner for commercial and/or non commercial objectives of lands, properties, estates, buildings for commercial and/or residential purposes, business centers, townships, industrial estates and complexes, hotels, resorts, farms and farm-houses, cottages, depots, warehouses, shops, commercial complexes, multistoreyed flats and/or infrastructure facilities relating thereto and also to acquire and hold shares, stocks, debentures, debenture stocks, bonds, obligations, units, secured premium notes, participation certificates and securities of any kind description issued or guaranteed by any company incorporated or carrying on business in India or abroad; any debentures, debenture stocks, bonds, obligations and securities, issued or guaranteed by any government, sovereign ruler, commissioner, public body or authority, supreme, municipal, local or otherwise; to acquire any such shares, stocks, debentures, debenture stocks, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise and to subscribe for the same, either conditionally, or otherwise and to guarantee the subscription thereof and to exercise and enforce all right and powers conferred by or incidental to the ownership thereof.*

RESOLVED FURTHER THAT the Board and/or the Company Secretary be and are hereby jointly or severally authorized to do all such acts, deeds and things and to sign all such forms, returns and other document as may be necessary 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 : 29.05.2018



NOTES:

1. **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.

2. 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.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **20th September, 2018 to 25th September, 2018** (Both days inclusive).
4. **Shareholders of the Company holding shares in physical form are requested to convert their holdings into Demat Form.**
5. **Shareholders of the Company are requested to provide / update their e mail ID with their Depository Participant (DP) / Registrar & Share Transfer Agent (RCMC Share Registry Private Limited) for communication purposes.**

6. 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 **₹ 10,90,082/- (Rupees Ten Lacs Ninety Thousand Eighty Two Only)** to IEPF on 06th October, 2017 being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31st March, 2010.

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 2010 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

7. In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time) ("Rules"), members whose dividend amount has not been paid or claimed for seven consecutive years or more, shares held by them shall be credited to the DEMAT Account of the Investor Education and Protection Fund Authority (IEPFA). During FY 2018, 719916 shares are transferred to the DEMAT Account of IEPFA constituted in accordance with the Rules.

The unclaimed or unpaid dividend which have already been transferred and the shares which are transferred can be claimed back by the Shareholders from IEPFA by following the procedure given on the website of the Company; www.hbestate.com

It may be noted that all the corporate benefits accruing on these shares will also be credited to the said 'Demat Account' and the voting rights on these shares shall remain frozen until the rightful owner has claimed the shares.

8. **The Securities and Exchange Board of India (SEBI) has made it mandatory for all the listed Companies to use the bank account details furnished by the Shareholders for distributing Dividend through Electronic channel such as NEFT/NECS/RTGS, wherever Bank details are available. In the absence of this 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 along with the photocopy of the cancelled 'Name printed Cheque' in original or copy of Bank Passbook / Bank Statement duly attested by the Bank 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 (DP).**
9. 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.
10. Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
11. 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.
12. 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.

13. 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, 26387323
Fax: 011 - 26387322
E-mail: investor.services@rcmcdelhi.com
website: www.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.

14. 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.

15. 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. 18th September, 2018**, 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. 18th September, 2018** 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 (Saturday), 22nd September, 2018 (09.00 A.M) and ends on (Monday), 24th September, 2018 (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) Ms. Jyoti Sharma, Company Secretary in Whole-time Practice (Membership No.: 8843, C.P. No.: 10196) failing him Ms. Purni Singhal, Company Secretary in Whole-time Practice (Membership No.: 40565, C.P. No.: 19493) has 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: legal2015js@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.

- 16. 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.
- 17. 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.
- 18. 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 DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THIS ANNUAL GENERAL MEETING

(Refer Item No. 2 of this Notice)

Name of the Director	Mr. Lalit Bhasin
Directors Identification Number (DIN)	00002114
Date of Birth	14 th August, 1968
Date of Appointment	20 th September, 1994
Profile/ Expertise in Specific functional Areas.	Mr. Lalit Bhasin, Director (Chairman) is a commerce graduate from Shri Ram College of Commerce, Delhi University. He brings with him nearly 3 decades of expertise in the field of Management, Hospitality Business and Investments.
Qualifications	B.Com
List of Directorship in other Listed entities. (As on 31st March, 2018)	1. HB Stockholdings Limited 2. HB Portfolio Limited 3. HB Leasing & Finance Co. Limited 4. Jaypee Infratech Limited 5. CHL Limited
Membership of Committee of the Board in other Listed entities. (As on 31st March, 2018)	Audit Committee 1. HB Leasing & Finance Co. Limited (Member) 2. CHL Limited (Member) Stakeholder Relationship Committee 1. HB Leasing & Finance Co. Limited (Chairman) 2. CHL Limited (Member) Nomination and Remuneration Committee 1. HB Leasing & Finance Co. Limited (Member) 2. CHL Limited (Member) Corporate Social Responsibility Committee 1. HB Stockholdings Limited (Chairman)
Shares held by the Director	9927873
Relationship with any Director(s) of the Company	NO

BY ORDER OF THE BOARD
For HB ESTATE DEVELOPERS LIMITED

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

Place : Gurugram
Date : 29.05.2018



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

ITEM No. 4

The proposed Special Resolution set out at Item No. 4 is for approval of the issue and allotment of 50,00,000 (Fifty Lakhs) Redeemable Non-Cumulative Non-Convertible 9% Preference Shares – Series III of face value of Rs.100/- each to raise capital for general corporate purposes including improvement in the financial condition, restructure the operations and strengthening the long-term resource base of the Company. The said Preference Shares would not be listed.

The Preference Shares may be issued in one or more tranches to various entities / persons which may include the promoters / promoters group and associates, whether or not they are related party / member(s) of the Company on private placement basis. The said enabling resolution empowers the Board to create, offer, issue and allot 50,00,000 (Fifty Lakhs) Redeemable Non-Cumulative Non-Convertible Preference Shares – Series III of face value of Rs.100/- each aggregating to Rs. 50,00,00,000/- (Rupees Fifty Crores Only) and on such terms and conditions, including but not limited as to the rate of dividend, amount of premium, if any, as the Board in its absolute discretion may determine. The Board shall also be authorised to approve any modification, alteration and re-setting of all or any of the terms and conditions of the Preference Shares from time-to-time in consultation and agreement with the subscribers / holders of Preference Shares. The terms and conditions of the Preference Shares shall however be subject to provisions of the Companies Act, 2013 or any modification / re-enactment thereof and the provisions of the Memorandum and Articles of Association of the Company.

The material facts in connection with the aforesaid issue of Preference Shares required under Rule 9(3) of the Companies (Share Capital and Debentures) Rules, 2014 (“Rules”) are as follows:

- a) The size of the issue is Rs. 50,00,00,000/- (Rupees Fifty Crore only). The Company proposes to create, offer, issue and allot 50,00,000 (Fifty Lakhs) Redeemable Non-Cumulative, Non-Participating and Non-Convertible Preference Shares – Series III of the face value of Rs.100/- each aggregating to a nominal value of Rs. 50,00,00,000/- (Rupees Fifty Crore only).
- b) The Preference Shares are Redeemable Non-Cumulative, Non-Participating and Non-Convertible.
- c) The Objective of the issue is to raise resources for general corporate purposes including improvement in the financial condition, restructure the operations and strengthening the long-term resource base of the Company.
- d) The Preference Shares are proposed to be offered through issue of a Private Placement offer letter in accordance with the provisions of Section 42 of the Companies Act, 2013 read with the Rules made thereunder.
- e) The proposed Preference Shares are to be issued & allotted at par, i.e. Rs. 100/- each.
- f) The Board has decided to issue and allot proposed Preference Shares at par value of Rs. 100/- each since it is fixed return based Redeemable Preference Shares.
- g) The Preference Shares shall rank in priority with respect to payment of dividend or repayment of capital vis-a-vis Equity shares. The Preference Shares shall carry a fixed Non-Cumulative preference dividend of 9% (Nine Percent) on the Capital paid-up thereon. The Preference Shares are not convertible into Equity Shares.
- h) The tenure of redemption shall be for a period as the Board may decide. However the tenure shall not exceed twenty (20) years from the date of allotment and would be based on cash flow forecasts of the Company which in turn would be linked to ongoing performance and the growth opportunities.
- i) The Shares shall be redeemed at par out of profit and / or out of fresh issue of capital or otherwise as may be permitted by the extant applicable laws and decided by the Board.
- j) No dilution in the Equity Share Capital is applicable as the Preference Shares proposed to be issued are Redeemable and Non-Convertible and Non-Cumulative Preference Shares.
- k) The Current Shareholding Pattern of the Company is given below:

Sr. No.	Category	No. of Equity Shares held	% of Shareholding	No. of Preference Shares held	% of Shareholding
A. Promoters' Holding					
1.	Indian:				
	Individual	10507501	54.00	-	-
	Bodies Corporate	2438879	12.53	750000	11.54
2.	Foreign:	0	0.00	-	-
	Sub Total (A)	12946380	66.53	750000	11.54
B. Non-Promoters' Holding					
1.	Institutional Investors	11021	0.05	-	-
2.	Non-Institutions				
	Bodies Corporate	742351	3.81	5750000	88.46
	Individuals	4891101	23.49	-	-
	Clearing Members	46504	0.24	-	-
	Non-Residents	156986	0.81	-	-
	NBFC Registered with RBI	85	0.00	-	-
	Trusts	44	0.00	-	-
	IEPF	665475	3.35	-	-
	Sub Total (B)	6513567	33.47	5750000	88.46
	GRAND TOTAL (A) + (B)	19459947	100.00	6500000	100.00

Pursuant to the provisions of Section 42, 55 of the Companies Act, 2013 read with Rule 9(1) of the Companies (Share Capital and Debentures) Rules, 2014 (“Rules”), inter alia, requires the Company to obtain the prior approval of the Members, by way of Special Resolution for issuance of Preference Shares.

Hence, the Directors recommend the Special Resolution under Item No. 4 of the Notice for approval of the Members, in the best interest of the Company.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the proposed Resolution except to the extent of Preference Shares issued / allotted to them or to the companies in which they are director or members.

ITEM No. 5

The Company is primarily engaged in Hospitality Business, Development of Commercial Complexes and other Financial Service activities.

The main Object Clause(s) of the Memorandum of Association of the Company (MoA) cover all the activities currently carried on by the Company. However, in order to foray into allied and / or new business activities which have good potential, it would be prudent to alter the main objects clause of the Memorandum of Association of the Company. Hence, your Directors hereby recommend the resolution stated at Item No. 5 of the Notice for the approval of the members of the Company to enable the company to expand its activities and venture into new areas of business(es).

This will enable the Company to carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the Company. This will also enlarge the area of operations of the Company.

The provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“Rules”) have been amended by the Companies Amendment Act, 2017 effective from 09th February, 2018 which provides that any item of business required to be transacted by means of postal ballot, may be transacted at a general meeting by a Company which is required to provide the facility to members to vote by electronic means.

The Draft of the Memorandum of Association of the Company, after incorporating the proposed changes is available for inspection by the Members at the Registered office of the Company during the business hours on any working day upto the date of the Meeting and will be kept open at the place of the Meeting during the continuation of the Meeting.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested, financial or otherwise in the proposed Resolution.

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

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

**Place : Gurugram
Date : 29.05.2018**



DIRECTORS' REPORT

To the Members,

Your Directors have the pleasure to present the 24th Annual Report of your Company along with the Audited Financial Statements for the year ended 31st March, 2018.

FINANCIAL RESULTS

The summarized financial results of the Company during the year under review are as under:-

(₹ In Lacs)

PARTICULARS	Year Ended 31.03.2018	Year Ended 31.03.2017
Total Revenue	8470.86	7471.96
Gross Profit/ (Loss)	2222.80	1843.40
Add/ (Less) : Exceptional Items	-	-
Less :		
(a) Depreciation	1435.70	1441.66
(b) Finance Cost	2668.61	3101.74
(c) Deferred Tax Charge	(250.88)	(696.14)
Net Profit/(Loss)	-1630.62	-2899.45
Appropriations :		
General Reserve	0	0
Proposed Dividend	0	0
Tax on Dividend	0	0
Other Comprehensive Income	-6.32	-1.25
Total Comprehensive Income	-1624.29	-2005.12
Balance Brought Forward	-3970.28	-1966.41
Accumulated Profits	-2600.91	-3970.28

PERFORMANCE REVIEW & OUTLOOK

The Company posted Total Turnover of ₹ 8470.86 Lacs and Net loss after tax of ₹ 1630.62 lakhs Lacs for the Financial Year ended 31st March, 2018. The financial figures for the current year are not comparable with previous year due to accounting effect given in the Financial Statements from the Appointed Date(s) i.e. 01st April, 2015 & 03rd April, 2015 pursuant to the sanction of the Scheme of Arrangement ('the Scheme') between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956.

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 Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh vide its Order Dated 22nd December, 2017 sanctioned the Scheme of Arrangement between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956.

The Company filed the Certified True Copy of the Order with the Registrar of Companies, Ministry of Corporate Affairs on 30th January, 2018 i.e. the Effective Date for the purpose of the Scheme. Accordingly, the Scheme came into effect on 30th January, 2018 from the Appointed Date(s) i.e. 01st April, 2015 & 03rd April, 2015 in a manner more particularly defined in the Scheme.

Mr. Anil Goyal, Director of the Company, duly authorised by the Board of Directors in their Meeting held on 01st February, 2018 had fixed 14th March, 2018 as the Record date for the purpose of Reduction of Issued Capital, Subscribed and Paid up Equity Share Capital and Reorganisation of its Authorised Share Capital after the Allotment of shares by HBEDL to the shareholders of HBSL and HBPL.

The Board also approved the Issuance of Shares and authorized the Securities Committee for the Allotment of the same. On 17th March, 2018, the Securities Committee allotted 57,10,132 (Fifty Seven Lakhs Ten Thousand One Hundred Thirty Two) Equity Shares of ₹ 10/- (Rupees Ten Only) each fully paid-up in the ratio of 25 (Twenty Five) Equity Shares of ₹ 10/- (Rupees Ten Only) each fully paid up of HBEDL for every 100 (One Hundred) Equity Shares of ₹ 10/- (Rupees Ten Only) each fully paid up of HBSL to the eligible Shareholders of HB Stockholdings Limited (HBSL), whose name was recorded in the Register of Members and the records of the Depositories as members of HBSL on March 12, 2018 ('HBSL Record Date') in consideration of the Demerger of HBSL "Preference Shares Investment Undertaking" from HBSL and transfer and vesting of the same to the Company. As a result of which, the Equity Share capital of the Company increased from ₹ 16,13,82,870/- comprising of 1,61,38,287 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up to ₹ 21,84,84,190/- comprising of 2,18,48,419 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up

Thereafter, the Committee also allotted 1,05,84,826 (One Crore Five Lakhs Eight Four Thousand Eight Hundred Twenty Six) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid-up in the ratio of 24 (Twenty Four) Equity Shares of ₹ 10/- (Rupees Ten Only) each fully paid up of HBEDL for every 100 (One Hundred) Equity Shares of ₹ 10/- (Rupees Ten only) each fully paid up of

HBPL to the eligible Shareholders of HB Portfolio Limited (HBPL), whose name was recorded in the Register of Members and the records of the Depositories as members of HBPL on March 13, 2018 ('HBPL Record Date') including the Shareholders of HBSL who have received Equity Shares of HBPL in Demerger 1, in consideration of the Demerger of HBPL "Preference Shares Investment and Loans & Advances Undertaking" from HBPL and transfer and vesting of the same to the Company. As a result of which, the Equity Share capital of the Company increased from ₹ 21,84,84,190/- comprising of 2,18,48,419 Equity Shares of ₹ 10/- (Rupees Ten only) each fully paid up to ₹ 32,43,32,450/- comprising of 3,24,33,245 Equity Shares of ₹ 10/- (Rupees Ten only) each fully paid up.

Immediately after the said allotment, the Share Capital was reduced from 1 (one) equity share of ₹ 10/- (Rupees Ten only) fully paid up to 1 (one) equity share of ₹ 6/- (Rupees Six only) each fully paid. Then the Equity shares were further consolidated in such a manner that the Shareholders holding 5 (Five) Equity Shares of ₹ 6/- each fully paid up in the Equity Share Capital of HBEDL shall get 3 (Three) Equity Shares of ₹ 10/- (Rupees Ten Only) each fully paid up in the Equity Share Capital of HBEDL. As a result of which, the Equity Share Capital of the Company reduced from ₹ 32,43,32,450/- comprising of 3,24,33,245 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up to ₹ 194599470/- comprising 19459974 Equity Shares of ₹ 10/- (Rupees Ten only) each fully paid up.

The Company had applied on 24th March, 2018 for listing of 1,94,59,947 Equity Shares of ₹ 10/- (Rupees Ten only) each with BSE Limited, where the Equity Shares of the Company are listed and / or are admitted for trading. On receipt of listing approval from BSE Limited, the Company shall take necessary corporate action with NSDL and CDSL for crediting the shares in respective Demat Account of the Shareholders. The Company is also in process of dispatching the new Share Certificates to all those Shareholders who hold shares in physical form.

The Equity Shares held by the Equity Shareholders of the Company as on 14th March, 2018 (HBEDL Record Date), whether in dematerialised form or physical form stood cancelled without any further act, deed or thing.

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>

SHARE CAPITAL

The Authorized Share Capital of the Company

Pursuant to the Scheme of Arrangement, the Authorized Share Capital of the Company is ₹ 1,70,00,00,000/- (Rupees One Hundred Seventy Crore only) divided into 3,50,00,000 (Three Crore Fifty Lac) Equity Shares of ₹ 10/- each (Rupees Ten only) and 1,35,00,000 (One Crore Thirty Five Lac) Redeemable Preference Shares of ₹ 100/- each (Rupees One Hundred only)

Paid up, Issued and Subscribed Capital of the Company

The Paid up Share Capital of the Company as on March 31, 2018 stood at ₹ 84,45,99,470/- consisting of 1,94,59,947 Equity shares of ₹ 10/- each and 65,00,000 Preference Shares of ₹ 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 during the Financial Year 2017-18.

SIGNIFICANT AND OTHER MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

(i) Approval of the Scheme of Arrangement between ('the Scheme') between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956 by the Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh.

There are no other 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 Sections 134(3)(c) and 134(5), the Board of Directors, to the best of their knowledge and ability, confirm that :

- (a) in the preparation of the Annual Accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- (b) 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 2017-2018 and of the profit or loss for that period;



- (c) 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;
- (d) the annual financial statements for the year ended 31st March, 2018, have been prepared on a going concern basis;
- (e) that proper internal financial controls were in place and that the financial controls were adequate and operating effectively;
- (f) 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. Lalit Bhasin, 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.

(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 Four (4) Board Meetings. The details of the number of meetings of the Board held during the financial year 2017-2018 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:

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

Sr. 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 2017-18
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		16%
8.	Mrs. Radhika Khurana*	Company Secretary and Compliance Officer		Nil

Note: No Director received any remuneration other than sitting fee during the financial year 2017-18

*Mrs. Radhika Khurana has been appointed as Company Secretary and Compliance Officer w.e.f. 29th May, 2017.

- (c) The percentage increase in the median remuneration of employees in the financial year:
7.41%
- (d) The number of permanent employees on the rolls of the Company:
19 (Nineteen) employees on the Company rolls and 223 employees on the rolls of the Company's Hotel Unit (Vivanta by Taj, Gurgaon now known as Taj City Centre, Gurugram) operated by The Indian Hotels Company Limited as on 31st March, 2018
- (e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is NIL and its comparison with the percentile increase of 16% in the managerial remuneration of KMP respectively.
- (f) The key parameters for any variable component of remuneration availed by the directors :
Not Applicable
- (g) 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 G.C. Agarwal & Associates, Chartered Accountants confirming compliance with the requirements of Corporate Governance as stipulated in Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECRETARIAL STANDARDS

During the year under review, your Company had complied with all the applicable Secretarial Standards.

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.hbestate.com having following web link, www.hbestate.com/Investor centre/Corporate Governance.



HB ESTATE DEVELOPERS LIMITED

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:

- (a) documents whose preservation shall be permanent in nature;
- (b) 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.hbestate.com/PdfFiles/PDAP.pdf

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.hbestate.com and the web link for the same is www.hbestate.com/Investorcentre/CorporateGovernance.

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 ₹ 3668.28 lakhs. The foreign exchange outgo during the said period was ₹ 5.43 lakhs towards payment of Professional and Technical fees and ₹ 143.18 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 workspace 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 2017-18, 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 provisions 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

Mr. G.C. Agarwal & Associates, Chartered Accountants, New Delhi (Firm Registration No: 017851N), the Statutory Auditors of the Company, hold office till the conclusion of the ensuring Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received a letter from them to the effect that their re-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 re-appointment.

Observations of the Statutory Auditors are explained, wherever necessary, by way of notes to accounts.

(ii) Internal Auditors

M/s. Marv & Associates LLP, 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 2017-2018. 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.

Director's 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 2017-2018. The CSR Policy has been uploaded on the website of the Company - www.hbestate.com, Web link- www.hbestate.com/Investorcentre/CSR 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**

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

**Place : Gurugram
Date : 29.05.2018**



**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

(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, 2018** 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, 2018 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):-

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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;

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;*

The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;*

The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;* and

The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.*

*Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv) of para 1 above and SEBI Regulations listed at sub-para (v) Serial Nos. (f), (g), (h) and (i) above are not applicable to the Company for 2017-18 as there were no corporate decisions/actions attracting these regulations.

- (vi). The Other Laws applicable specifically to the Company (including its Unit: Vivanta By Taj, Gurgaon now known as Taj City Centre, Gurugram) 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.

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 were taken except the following:

The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh has approved/sanctioned the Composite Scheme of Arrangement (Demerger & Capital Reduction) amongst HB Stockholdings Ltd. (HBSL), HB Portfolio Ltd. (HBPL) & HB Estate Developers Ltd. (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of Companies Act, 1956 vide its order dated 22.12.2017. The Company has filed the Certified True Copy of the order with the Registrar of Companies, Ministry of Corporate Affairs on 30.01.2018 which shall be deemed to be the Effective Date for the purpose of the Scheme

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 : 29.05.2018**

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 notified 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 : 29.05.2018**

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 stake holders 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 Resour 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, 2018

(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@hbestste.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, 23 Fax: 011-26387322 Email: investor.services@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	1,05,07,501	0	1,05,07,501	54	3.89	
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	24,38,879	0	24,38,879	12.53	-11.93	
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	1,29,46,380	0	1,29,46,380	66.53	-8.22	
(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	1,29,46,380	0	1,29,46,380	66.53	-8.22	
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	1,25	1,000	1,125	0.01	218	2515	2733	0.01	0.00	
b) Banks / FI	50	195	245	0.00	0	147	147	0.00	0.00	
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	



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	
f) Insurance Companies	0	0	0	0.00	8,141	0	8,141	0.04	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):	175	1,89,195	1,370	0.01	8,359	2,662	11,021	0.05	0.04
(2) Non Institutions									
a) Bodies Corporate									
i) Indian	4,68,798	18,820	4,87,618	3.02	7,22,999	1,93,52	7,42,351	3.81	0.79
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakhs	13,56,319	18,93,552	32,49,871	20.14	26,22,508	19,49,220	45,71,728	19.94	-0.2
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakhs	2,53,864	0	2,53,864	1.57	2,75,187	44,186	3,19,373	1.64	0.7
c) Other (specify)									
i) Clearing Members	5,469	0	5,469	0.03	46,504	0	46,504	0.24	0.21
ii) Non-Residents	44,052	61,465	1,05,517	0.65	1,03,717	53,269	1,56,986	0.81	0.16
iii) NBSE Registered with RBI	0	0	0	0.00	85	0	85	0	0.00
iv) Trusts	0	0	0	0.00	44	0	44	0	0.00
d) IEPF	0	0	0	0.00	6,65,475	0	6,65,475	3.42	3.42
SUB TOTAL (B)(2):	21,28,502	19,73,837	41,02,339	25.42	44,36,519	20,66,027	65,02,546	33.46	8.04
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)	21,28,627	19,75,032	41,03,659	25.43	44,44,878	20,68,689	65,13,567	33.47	8.04
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	1,73,76,878	19,75,032	1,94,59,947	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	99,27,873	51.02	0.00	5.08
2.	HB Portfolio Limited	20,41,587	12.65	0.00	21,04,317	10.81	0.00	-1.84
3.	HB Stockholdings Limited	16,15,608	10.01	0.00	1,25,400	0.64	0.00	-9.37
4.	Rima Arora	3,32,800	2.06	0.00	1,99,680	1.03	0.00	-1.03
5.	RRB Securities Limited	2,56,000	1.59	0.00	1,53,600	0.79	0.00	-0.80
6.	Ayush Kapur	75,000	0.46	0.00	88,987	0.46	0.00	0.00
7.	Kanishk Kapur	75,000	0.46	0.00	88,987	0.46	0.00	0.00
8.	Manasvin Arora	75,000	0.46	0.00	88,987	0.46	0.00	0.00
9.	Mehar Arora	75,000	0.46	0.00	88,987	0.46	0.00	0.00
10.	Mamta Kapur	40,000	0.25	0.00	24,000	0.12	0.00	-0.13
11.	RRB Master Holdings Limited	34,160	0.21	0.00	48,473	0.25	0.00	0.04
12.	Merrygold Investments Limited	0	0	0	7089	0.04	0	0.04
	Total	120,34,628	74.57	0.00	129,46,380	66.53	0.00	-8.04

*The Promoters have not acquired / disposed off any shares during the year under review. The Shareholding has changed pursuant to the effect of the Scheme of Arrangement between HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited.

(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 Chares of the Company
1.	At the beginning of the year	120,34,628	74.57	120,34,628	74.57
2.	17/03/2018 (Scheme of Arrangement)	9,11,752	-8.04	129,46,380	66.53
3.	At the end of the year	129,46,380	66.53	129,46,380	66.53

*The Promoters have not acquired / disposed off any shares during the year under review. The Shareholding has changed pursuant to the effect of the Scheme of Arrangement between HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited. Change in Shareholding percentage as on 17/03/2018 has been calculated on the total number of Shares after Capital Reduction.



(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	DELHI IRON & STEEL CO (P) LTD					
	At the beginning of the year	0	0	0	0	
	05/05/2017	Buy	9936	0.06	9936	0.06
	12/05/2017	Buy	6674	0.04	16610	0.1
	19/05/2017	Buy	14410	0.09	31020	0.19
	26/05/2017	Buy	16448	0.1	47468	0.29
	02/06/2017	Buy	25217	0.16	72685	0.45
	09/06/2017	Buy	15353	0.1	88038	0.55
	16/06/2017	Buy	18952	0.12	106990	0.66
	23/06/2017	Buy	200	0	107190	0.66
	07/07/2017	Buy	1000	0.01	108190	0.67
	11/08/2017	Buy	4009	0.02	112199	0.7
	18/08/2017	Buy	3320	0.02	115519	0.72
	13/10/2017	Buy	5969	0.04	121488	0.75
	20/10/2017	Buy	500	0	121988	0.76
	27/10/2017	Buy	2468	0.02	124456	0.77
	03/11/2017	Buy	27968	0.17	152424	0.94
	10/11/2017	Buy	1572	0.01	153996	0.95
	17/11/2017	Buy	605	0	154601	0.96
	24/11/2017	Buy	2000	0.01	156601	0.97
22/12/2017	Buy	7055	0.04	163656	1.01	
29/12/2017	Buy	2000	0.01	165656	1.03	
05/01/2018	Buy	7426	0.05	173082	1.07	
17/03/2018 (Scheme of Arrangement)		-9617	-0.05	163465	0.84	
	At the end of the year			163465	0.84	
2.	CHL LIMITED					
	At the beginning of the year	259984	1.61	259984	1.61	
	17/03/2018 (Scheme of Arrangement)	-103994	-0.53	155990	0.8	
	At the end of the year			155990	0.8	
3.	ASHARI AGENCIES LTD					
	At the beginning of the year	360	0	360	0	
	19/05/2017	Buy	16192	0.1	16552	0.1
	26/05/2017	Buy	20287	0.13	36839	0.23
	23/06/2017	Buy	220	0	37059	0.23
	14/07/2017	Buy	875	0.01	37934	0.24
	21/07/2017	Buy	1752	0.01	39686	0.25
	15/09/2017	Buy	1428	0.01	41114	0.25
	22/09/2017	Buy	320	0	41434	0.26
	06/10/2017	Buy	420	0	41854	0.26
	13/10/2017	Buy	501	0	42355	0.26
	10/11/2017	Buy	482	0	42837	0.27
	17/11/2017	Buy	50	0	42887	0.27
	24/11/2017	Buy	7596	0.05	50483	0.31
	01/12/2017	Buy	4502	0.03	54985	0.34
	08/12/2017	Buy	13001	0.08	67986	0.42
	15/12/2017	Buy	3931	0.02	71917	0.45
	29/12/2017	Buy	32935	0.2	104852	0.65
	05/01/2018	Buy	7149	0.04	112001	0.69
	12/01/2018	Buy	8841	0.05	120842	0.75
	19/01/2018	Buy	4825	0.03	125667	0.78
	26/01/2018	Buy	874	0.01	126541	0.78
	17/03/2018 (Scheme of Arrangement)		18067	0.09	144608	0.74
		At the end of the year			144608	0.74



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	
4.	SUJATA HOLDINGS PVT LTD					
	At the beginning of the year	82033	0.51	82033	0.51	
	17/03/2018 (Scheme of Arrangement)	24838	0.13	106871	0.55	
	At the end of the year			106871	0.55	
5.	PRADEEP JAIN					
	At the beginning of the year	87025	0.54	87025	0.54	
	17/03/2018 (Scheme of Arrangement)	-34810	-0.18	52215	0.27	
	At the end of the year			52215	0.27	
6	DEEPAK JAIN					
	At the beginning of the year	0	0	0	0	
	17/03/2018 (Scheme of Arrangement)	39294	0.2	39294	0.2	
	At the end of the year			39294	0.2	
7	MAHENDRA GIRDHARILAL					
	At the beginning of the year	57192	0.35	57192	0.35	
	07/04/2017	Buy	1712	0.01	58904	0.37
	14/04/2017	Buy	1000	0.01	59904	0.37
	21/04/2017	Buy	2692	0.02	62596	0.39
	28/04/2017	Buy	126	0	62722	0.39
	17/03/2018 (Scheme of Arrangement)		-24627	-0.13	38095	0.2
	At the end of the year			38095	0.2	
8.	KUMAR SWAMY BS					
	At the beginning of the year	0	0	0	0	
	17/03/2018 (Scheme of Arrangement)	29728	0.15	29728	0.15	
	At the end of the year			29728	0.15	
9.	AVANTHA HOLDINGS LIMITED					
	At the beginning of the year	20790	0.13	20790	0.13	
	17/03/2018 (Scheme of Arrangement)	8711	0.04	29501	0.15	
	At the end of the year			29501	0.15	
10.	KAJAL MALHOTRA					
	At the beginning of the year	26684	0.17	26684	0.17	
	17/03/2018 (Scheme of Arrangement)	-10674	-0.05	16010	0.08	
	At the end of the year			16010	0.08	

(v) Shareholding of Directors and Key Managerial Personnel (KMP):

SI. 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	99,27,873	51.02
2.	Mr. Anil Goyal	NIL	N.A	NIL	N.A
3.	Mr. Jagmohan Lal Suri**	500	0.00	709	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.	Mrs. Radhika Khurana, CS (KMP)***	NIL	N.A	NIL	N.A

*The Promoters have not acquired / disposed off any shares during the year under review. The Shareholding has changed pursuant to the effect of the Scheme of Arrangement between HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited

** Jointly held with his wife

***Mrs. Radhika Khurana has been appointed as Company Secretary w.e.f. 29th May, 2018


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	1,78,12,87,334	87,21,65,574	NA	2,65,34,52,908
ii) Interest due but not paid	NIL	NIL	NA	NIL
iii) Interest accrued but not due	1,71,77,397	16,14,001	NA	1,87,91,398
Total (i+ii+iii)	1,79,84,64,731	87,37,79,575	NA	2,67,22,44,306
Changes in Indebtedness during the financial year				
• Addition	5,20,11,149	24,39,00,000	NA	29,59,11,149
• Reduction	2,36,36,051	26,69,53,362	NA	29,05,89,412
Net Change	2,83,75,098	-2,30,53,362	NA	53,21,737
Indebtedness at the end of the financial year				
i) Principal Amount	1,80,96,62,432	84,91,12,212	NA	2,65,87,74,645
ii) Interest due but not paid	NIL	NIL	NA	NIL
iii) Interest accrued but not due	1,44,78,916	4,79,998	NA	1,49,58,914
Total (i+ii+iii)	1,82,41,41,348	84,95,92,210	NA	2,67,37,33,559

**includes the impact of composite Scheme of Arrangement*
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:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors			Total
1.	Independent Directors	Mr. Rajesh Jain	Mrs. Asha Mehra	Mr. Luv Malhotra*	
	• Fee for attending board / committee meetings #	63,500	66,000	30,000	1,59,500
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	-	-	-	-
	Total (1)	63,500	66,000	30,000	1,59,500
2.	Other Non-Executive Directors	Mr. Lalit Bhasin	Mr. Anil Goyal	Mr. Jagmohan Lal Suri	
	• Fee for attending board / committee meetings #	40,000	57,500	50,500	1,48,000
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	-	-	-	-
	Total (2)	40,000	57,500	50,500	1,48,000
	Total Managerial Remuneration				3,07,500
	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:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Praveen Gupta (Chief Financial Officer)	Mrs. Radhika Khurana* (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	19,80,000 17,63,061 NIL	2,67,742 1,75,645 NIL	22,47,742 19,38,706 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	37,43,061	4,43,387	41,86,448

*Mrs. Radhika Khurana has been appointed as Company Secretary with effect from 29th May, 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 Company posted Total Turnover of ₹ 8470.86 Lacs and Net Loss after tax of ₹ 1630.62 lakhs for the Financial Year ended 31st March, 2018. The financial figures for the current year are not comparable with previous year due to accounting effect given in the Financial Statements from the Appointed Date(s) i.e. 01st April, 2015 & 03rd April, 2015 pursuant to the sanction of the Scheme of Arrangement (“the Scheme”) between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

There is much to cheer about tourism’s progress in India. This has found acknowledgement in the World Economic Forum’s travel and tourism competitive index where India is found to have made a smart sprint to become the 40th most coveted destination among the 136 surveyed nations. The Ministry of Tourism in its 2017-18 Annual Report says that foreign tourist arrivals in India during 2017 at 10.18 million shows a healthy growth of 15.6% over 2016. FTAs of 8.8 million when the rise of 8.8% over the previous year. Encouragingly, non resident Indians are visiting the country in ever increasing numbers. The Ministry report also informs that foreign exchange earnings from tourism in 2017 was up by 17% over 2016 when earnings moved up by 14%. India is receiving growing numbers of both business visitors and leisure visitors. Global businesses are looking beyond China into India as the next growth engine. The wonder that is India in terms of mesmerizing destinations and culture was always there. But it is only in recent years that the realization dawned on the government that given a robust infrastructure linked to tourism and a friendly visa regime, including e-visa and visa on arrival would convert curiosity and longings for Indian to foreigners actually discovering India physically. But considering the country’s riches, it has only started realizing the earning potential of tourism. Actually India should soon find itself among the first ten countries in WEF competitive index.

3. OPPORTUNITIES AND THREATS

The most important thing that is encouraging the industry is the government recognition that large number of jobs requiring a great variety of skills will be created across the country as tourism takes wing. Job creation is the biggest challenge for the government. It will therefore, be expected that the government will give greater thrust to strengthening tourism infrastructure. Progress is visible but infrastructure building needs speeding up to make tourism a robust industry. As India remains the fastest growing economy in the world with rising disposable income in the hands of people. All this is acting as a booster travel and tourism. According to the World Travel and Tourism Council, leisure travel spending is expected to grow by 7.6% in 2018 to ₹ 14,127 billion and business travel spending by 6.7% to ₹ 806.40 billion.

4. SEGMENT-WISE PERFORMANCE

The revenue from hotel operations, Real Estate and other income for the Financial Year ended 31st March, 2018, 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

The outlook of the Indian hospitality industry is becoming increasingly promising. Industry reports indicate that the demand for hotel rooms it continue to grow at a steady rate. Such demand is driven both by business activity as well as leisure which has 71% and 29% share respectively. Room demand growth is correlated to GDP growth; consequently with GDP growth picking up, commercial demand is expected to increase.

The leisure demand at 29% of total room demand, has also shown a robust growth led by a number of factors. Higher disposable income has ensured improved affordability, while the multitude of online travel agents it has made easier and convenient to book rooms online.

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 at 31st March, 2018, stood at ₹ 8445.95 lakhs which includes ₹ 6500.00 lakhs on account of ₹ 65,00,000 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 ₹ 21837.37 lakhs as against ₹ 23384.14 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 ₹ 522150.49 lakhs and ₹ 28011.53 lakhs respectively against ₹ 53654.81 lakhs and ₹ 29200.32 lakhs respectively in the last year.
- d) **Current Assets & Current Liabilities:** During the year under review, the Current Assets and Current Liabilities stood at ₹ 4507.13 lakhs and ₹ 4899.91 lakhs respectively against ₹ 4890.26 lakhs and ₹ 3987.24 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. DISCLOSURE OF ACCOUNTING TREATMENT

The Company adopted Indian Accounting Standards (“IndAS”). Financial Statements for the year ended March 31, 2018 have been prepared in accordance with IndAs as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 and other applicable provisions of the Companies Act, 2013.

11. 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 downtrend 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, 2018, the Board comprises of six (6) directors, all being non-executive 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:

Name of the Director	Category	Directorships in other Public Companies as on 31st March, 2018		#Committee Membership held in other Public Companies as on 31st March, 2018		No. of Board Meetings attended during the year	Whether Attended last AGM held on September 29, 2017	No. of Equity Shares held
		Director	Chairman	Member	Chairman			
Mr. Lalit Bhasin	Chairperson (Promoter Non Executive)	7	3	3	1	4	Yes	9927873**
Mr. Anil Goyal	Non-Independent Non Executive	10	NIL	5	NIL	4	Yes	NIL
Mr. J.M.L. Suri	Non-Independent Non Executive	8	NIL	2	2	3	Yes	*709**
Mr. Rajesh Jain	Independent Non-executive	NIL	NIL	NIL	NIL	3	Yes	NIL
Mrs. Asha Mehra	Independent Non-executive	1	NIL	NIL	NIL	4	Yes	NIL
Mr. Luv Malhotra	Independent Non-executive	2	NIL	1	NIL	3	Yes	NIL

* Jointly held with his wife

** Issued as per Scheme of Arrangement

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

Four (4) Meetings of the Board of Directors of the Company were held during the year under review, i.e. on – 29th May, 2017, 08th September, 2017, 12th December, 2017 and 1st February, 2018.

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. Lalit Bhasin, 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, 2018, on 01st February, 2018, inter alia, discussed and evaluated:

- i) the performance of Non-Independent Directors and the Board of Directors as a whole;
- ii) the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- iii) 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/Investor Centre/Corporate Governance.

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

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 01st February, 2018 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 01st February, 2018 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 2017-2018 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:

- 1. 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;
- 2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:



- a) 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)
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)
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 29th May, 2017, 08th September, 2017, 09th December, 2017 and 01st February, 2018.

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	4
Mr. Jagmohan Lal Suri	Member	Non Independent Non Executive	3

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.

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, Two (2) Nomination and Remuneration Committee Meetings were held on 29th May, 2017 and 01st February, 2018 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, 2018 is summarized as under:

Director	Relationship with other Directors	Sitting Fees Paid (₹)	Salary & Perks	Commission if any
Mr. Lalit Bhasin	-	40,000/-	Nil	Nil
Mrs. Asha Mehra	-	66,000/-	Nil	Nil
Mr. Anil Goyal	-	57,500/-	Nil	Nil
Mr. J. M. L. Suri	-	50,500/-	Nil	Nil
Mr. Rajesh Jain	-	63,500/-	Nil	Nil
Mr. Luv Malhotra	-	30,000/-	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, Mr. Anil Goyal, 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:

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

During the year under review Five (5) Stakeholders Relationship Committee Meetings were held on 07th April, 2017, 05th July, 2017, 05th October, 2017, 25th November, 2017 and 06th January, 2018 and the same were attended by all the committee members.

Number of Shareholders Complaints received and redressed during the year 2017-2018:

Nature of Grievance	Received	Cleared
Non Receipt of Dividend	15	15
Non Receipt of Annual Report	1	1
Transfer, Transmission, Issue of Share Certificate etc.	4	4
Complaints Received through SEBI / Stock Change	0	0
TOTAL	20	20

(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:

- 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;
 - recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - 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:

- To analyze all the available options of capital restructuring, merger, demerger etc.
- To analyze available options for restructuring the existing Capital base by inducting more funds.
- 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.
- To appoint Advocates & Legal Counsels for the drafting of Scheme of Amalgamation/Arrangement.
- To appoint valuer for obtaining the valuation report.
- 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:

- 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.
- 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.
- Approving the draft / final offer documents, placement document and filing the same with any other authority or persons as may be required;
- 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;
- To affix the Common Seal of the Company on any agreement(s)/document(s) as may be required to be executed in connection with the above in accordance with the Company's Articles of Association;
- Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of Securities;
- Opening such bank accounts and demat accounts as may be required for the offering;
- To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- Making applications for listing of the Equity Shares of the Company on one or more of the stock exchange(s), within or outside India and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- To appoint consultants and to obtain opinion of professionals dealing in said fields on various options available to the Company and to place the opinion obtained from the said professionals before the Board of Directors of the Company;
- To appoint Advocates, Legal Counsels, Professional Consultants for the drafting of Offer documents/Information memorandum, notices, other legal papers / documents as may be required from time to time;
- To appoint valuer for obtaining the valuation report;
- To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transaction.
- To delegate (to the extent permitted by law) all or any of the powers herein conferred to any committee member or any other officer or officers of the Company as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transaction.
- To settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds as it may in its absolute discretion deem fit.

During the year under review one (1) Securities Committee Meeting was held on 17th March, 2018 and the same was attended by all the committee members.

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
2016-17	AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon - 122 001	29 th September, 2017	11.00 A.M.
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.

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

Sl. No.	Special Resolution(s)	AGM/EGM
1.	Entering into Related Party Transaction with HB Portfolio Limited	AGM 29 th September, 2017
2.	Alteration of Memorandum of Association (MOA) of the Company	AGM 20 th September, 2016
3.	To appoint Mr. Luv Malhotra (DIN 00030477) as an Independent (Non-Executive) Director	AGM 22 nd September, 2015

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.

- Whether Special Resolutions were put through postal ballot last year : **No**
- Whether any Special Resolution is proposed to be conducted through Postal Ballot: **No**



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/Investor_Centre/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/Investor_Centre/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, 2018 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 in 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	25 th September, 2018	11.00 A.M.

- II. **Financial Year** : 1st April 2017 to 31st March 2018
- III. **Date of Book Closure:** 20th September, 2018 to 25th September, 2018
- IV. **Dividend Payment Date** : No dividend is being declared for year under review.
- V. **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 2018-2019 has been paid to BSE.

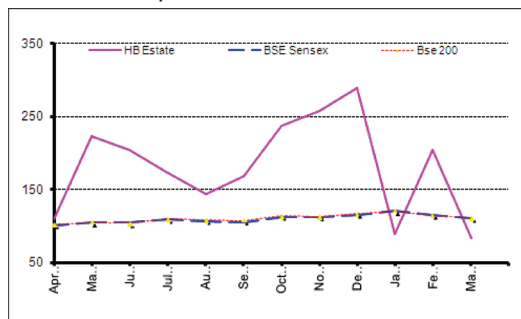
- VI. **Stock Code:**

The Company's scrip code at BSE is 532334.

- VII. **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 2017	7.64	6.28	6.71	32,834
May 2017	9.83	6.70	9.50	32,857
June 2017	9.94	7.54	9.49	12,318
July 2017	10.39	8.30	9.10	15,827
August 2017	11.02	8.00	8.10	37,580
September 2017	9.97	7.33	8.80	33,806
October 2017	11.31	8.00	10.25	29,129
November 2017	11.19	8.10	9.73	14,403
December 2017	13.00	9.15	10.30	68,286
January 2018	11.04	9.91	10.50	17,067
February 2018	11.55	9.03	10.00	20,187
March 2018	11.00	8.56	10.50	20,683

VIII. Performance in comparison to broad based indices



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

	1 year
HB Estate	129.17%
BSE Sensex	10.20%
BSE 200	8.56%

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, 26387323
Fax : 011 - 26387322
E-mail: investor.services@rcmcdelhi.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 2018 is as under:

Shareholding of value of Rs.	Shareholders		Shareholding	
	No. of Shares	% to total	Shares	% to total
Up to 5000	80053	98.93	3700761	19.02
5001-10000	466	0.58	322982	1.66
10001-20000	215	0.27	291829	1.50
20001-30000	72	0.09	173788	0.89
30001-40000	32	0.04	107471	0.55
40001-50000	17	0.02	75075	0.39
50001-100000	29	0.04	200333	1.03
100001 and above	36	0.04	14587708	74.96
TOTAL	80910	100.00	194559947	100.00



The category-wise distribution of Shareholders is as follows:

Category	No of Shares held	% of Shareholding
A. Promoters Holding		
➤ Indian Promoter	1,29,46,380	66.53
➤ Foreign Promoters	0	0.00
B. Public Shareholding (Institutions)		
➤ Mutual Funds and UTI	2,733	0.01
➤ Banks/Financial Institutions	147	0.00
➤ Foreign Institutional Investors	8141	0.04
C. Public Shareholding (Non Institutions)		
➤ Bodies Corporate	7,42,351	3.81
➤ NRIs	1,56,986	0.81
➤ Indian Public	48,91,101	25.13
➤ Clearing Member/ Intermediary	46,504	0.24
➤ NBFC Registered with RBI	85	0.00
➤ Trust	44	0.00
➤ IEPF	6,65,475	3.42
Total	1,94,59,947	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 2018, 1,73,91,258 Equity Shares of the company are held in dematerialised form constituting 85.72% of the Company's Paid up Equity Share Capital of ₹ 19,45,99,470/- comprising of ₹ 1,94,59,947 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.

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, 2018.

For HB Estate Developers Limited

Sd/-
J.M.L. Suri
Director

Place : Gurugram
Date : 29.05.2018

(DIN: 00002373)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
HB Estate Developers Limited
Gurugram

- We have examined the compliance of conditions of Corporate Governance by HB ESTATE DEVELOPERS LIMITED ("the Company"), for the financial year ended on March 31, 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.
- 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.
- 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.
- 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.
- 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 G.C. Agarwal & Associates
Chartered Accountants
Firm Registration No.: 017851N

Place : Gurugram
Date : 29.05.2018

Sd/-
G C Aggarwal
(PARTNER)
Membership No.: 083820

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.	Latest audited Balance Sheet Date	24.05.2018
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.	Description of how there is significant influence	Shareholding of more than 20%
4.	Reason why the associate/joint venture is not consolidated	N.A.
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Nil
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

1. We have audited the accompanying Standalone Financial Statements of **HB Estate Developers Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, including the statement of other Comprehensive income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of the significant Accounting Policies and other explanatory information (hereinafter referred to as " Standalone Financial Statements").

Management's Responsibility for the Standalone Financial Statements

2. 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 of these Standalone Financial Statements to give a true and fair view of the financial position, financial performance including other Comprehensive income, cash flows and the Statement of Changes in Equity of the Company in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Standalone financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

5. We conducted our Audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

Those Standards and pronouncements 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.

6. 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.

7. 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

8. 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, 2018, and its loss including other Comprehensive income, its cash flows and the Statement of Changes in Equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. 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;
- (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 including other Comprehensive Income, the Cash Flow Statement and Statement of changes in equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representation received from the Directors as on 31st March, 2018, taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 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**.
- (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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2018 on its financial position in its financial statements – Refer Note No 51
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2018
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31st March, 2018.

**FOR G. C. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No.: 017851N**

**Sd/-
(G C AGARWAL)
Proprietor**

**PLACE : Gurugram
DATED : 29/05/2018**

(Membership No. 083820)

ANNEXURE – A TO THE AUDITORS' REPORT

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of HB Estate Developers Limited on the Standalone Financial Statements as of and for the year ended 31st March, 2018

- 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 Rs.1,41,96,182/- (Including interest receivable) and the maximum amount outstanding at any time during the year and year end balance is Rs. 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, Goods & 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, 2018 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, 2018 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.44.(i))
 - (ii) Vacant Land tax demand of ₹ 2,28,616/- which is being contested by Company in Delhi High Court. (refer note no.44.(i))
 - (iii) Ground Rent as explained in note no.44(ii)
 - (iv) VAT/Sales tax demand of ₹ 16,17,09,502/- in note no. 44(i)
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.
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 G. C. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No.: 017851N

Sd/-
(G C AGARWAL)
Proprietor
(Membership No. 083820)

PLACE : Gurugram
DATED : 29/05/2018

ANNEXURE – B TO THE AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of **HB Estate Developers Limited** on the Standalone Financial Statements for the year ended 31st March, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of **HB Estate Developers Limited** ("the Company") as of 31st March, 2018 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

2. 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 Act.

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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.
5. 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

6. 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

7. 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

8. 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 31st March, 2018, 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 G. C. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No.: 017851N

Sd/-
(G C AGARWAL)
Proprietor
(Membership No. 083820)

PLACE : Gurugram
DATED : 29/05/2018


BALANCE SHEET AS AT 31st MARCH, 2018

PARTICULARS	Note No.	As at 31 st March, 2018 (In ₹)	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	5	4604797453	4740768335	4866130904
(b) Other Intangible Assets	6	2953177	6623024	8147190
(c) Financial Assets				
(i) Investments	7	215269435	214593485	214638459
(ii) Other Financial Assets	8	7015949	36860675	49408492
(d) Deferred Tax Assets (Net)	9	388024876	363196522	293526774
(e) Other Non Current Assets	10	3443964	3439670	4380558
		<u>5221504854</u>	<u>5365481711</u>	<u>5436232377</u>
Current Assets				
(a) Inventories	11	172485945	167023317	189233070
(b) Financial Assets				
(i) Trade Receivables	12	32833620	30179899	55138332
(ii) Cash and Cash Equivalents	13	69841161	66722913	52334715
(iii) Other Bank Balances other than (ii) above	14	12288372	6975197	24763607
(iv) Loans	15	39417826	39417826	40417826
(v) Other Financial Assets	16	904188	69104	199999
(c) Current Tax Assets (Net)	17	36972121	26660167	31646413
(d) Other Current Assets	18	85970382	151977329	112051459
		<u>450713615</u>	<u>489025752</u>	<u>505785421</u>
		<u>5672218469</u>	<u>5854507463</u>	<u>5942017798</u>
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a) Equity Share Capital	19	197336908	197336908	197336908
(b) Other Equity	20	2183736918	2338414218	2538926288
		<u>2381073826</u>	<u>2535751126</u>	<u>2736263196</u>
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	2705928949	2821066924	2665546129
(ii) Other Financial Liabilities	22	90494458	93776532	98818607
(b) Provisions	23	4729842	5188820	3703590
		<u>2801153249</u>	<u>2920032276</u>	<u>2768068326</u>
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	151298483	99287334	0
(ii) Trade Payables	25			
-Due to Micro And Small Enterprises		1095533	874844	1977566
-Others		152018029	178861232	154094645
(iii) Other Financial Liabilities	26	150834751	102138379	261936828
(b) Other Current Liabilities	27	33648250	17374831	19529511
(c) Provisions	28	1096348	187441	147726
		<u>489991394</u>	<u>398724061</u>	<u>437686276</u>
		<u>5672218469</u>	<u>5854507463</u>	<u>5942017798</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 53			

The accompanying notes form an integral part of the Financial Statements

As Per our Report attached on even date
FOR G.C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-
G C AGARWAL
(PROPRIETOR)
Membership No. : 083820

Sd/-
J.M.L. SURI
(DIRECTOR)
DIN:00002373

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN:00001938

PLACE : GURUGRAM
DATE : 29.05.2018

Sd/-
PRAVEEN GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RADHIKA KHURANA
(COMPANY SECRETARY)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

PARTICULARS	Note No.	Year Ended 31 st March, 2018 (In ₹)	Year Ended 31 st March, 2017 (In ₹)
Revenue from Operations	29	837787867	734071219
Other Income	30	9298466	18937178
Total Revenue		<u>847086333</u>	<u>753008397</u>
Expenses:			
Food and Beverages Consumed	31	81992017	65916567
Changes in inventories of Finished Goods/ Stock-in-Trade	32	-	16304496
Employee Benefit Expense	33	196905676	175453969
Finance Costs	34	266860892	310174501
Depreciation and Amortization	5 & 6	143569791	144166163
Other Expenses	35	345908335	310993398
Total Expenses		<u>1035236711</u>	<u>1023009094</u>
Profit/(Loss) for the year before tax and exceptional items		<u>(188150378)</u>	<u>(270000697)</u>
Exceptional items		-	-
Profit/(Loss) for the year before tax and after exceptional items		<u>(188150378)</u>	<u>(270000697)</u>
Tax expense:			
Current tax		-	-
Deferred Tax		(25088319)	(69613782)
Total Tax Expense		<u>(25088319)</u>	<u>(69613782)</u>
Profit/(Loss) for the year after tax		<u>(163062059)</u>	<u>(200386915)</u>
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans		892739	(181121)
Income tax effect on above		(259966)	55966
Total Other Comprehensive Income		<u>632773</u>	<u>(125155)</u>
Total Comprehensive Income for the year		<u>(162429286)</u>	<u>(200512070)</u>
Earning per equity share:			
Equity share of Par value ₹ 10/-each	36		
Basic		(8.38)	(10.30)
Diluted		(8.38)	(10.30)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 53		

The accompanying notes form an integral part of the Financial Statements

As Per our Report attached on even date
FOR G.C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-
G C AGARWAL
(PROPRIETOR)
Membership No. : 083820

Sd/-
J.M.L. SURI
(DIRECTOR)
DIN:00002373

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN:00001938

PLACE : GURUGRAM
DATE : 29.05.2018

Sd/-
PRAVEEN GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RADHIKA KHURANA
(COMPANY SECRETARY)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

PARTICULARS	Amount in ₹ Year ended 31st March, 2018	Amount in ₹ Year ended 31st March, 2017
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax, extraordinary items	(188150378)	(270000697)
Adjustment for :		
Depreciation/Amortisation	143569791	144166163
Loss on Sale of Property, Plant and Equipments (Net)	244150	-
Interest Income	(2349679)	(5507146)
Interest Expense	221372777	246236813
Interest Expense on fair valuation of security deposits	6266014	5619725
Interest Expense on Debt Component of Compounded Financial Instruments	28948804	36377502
Gain on Fair Valuation of Investments	(675951)	(562997)
Profit on Sale of Investments (Net)	-	(665122)
Operating Profit before Working Capital Changes	209225528	155664241
Adjustments for :		
Trade receivables	(2653721)	24958433
Loans and Advances and other assets	84990140	(6493265)
Inventories	(5462629)	22209754
Trade Payables & other Liabilities	12777524	(183352509)
Cash generated from operations	298876842	12986654
Direct Tax Paid	(10311954)	4986246
Net Cash from Operating Activities (A)	288564888	17972900
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments	(6276320)	(17279428)
Sale of Property, Plant and Equipments	2103108	-
Sale / (Purchase) of Investments (Net)	-	1273093
Interest Received	7058660	4482549
Net Cash received in Investing Activities (B)	2885448	(11523786)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(225205262)	(246869046)
Proceeds / (Repayment) from / of Long term Borrowings (Net)	(115137975)	155520796
Proceeds / (Repayment) from / of Short term Borrowings (Net)	52011149	99287334
Net Cash used in Financing Activities (C)	(288332088)	7939083
Net increase in Cash and Cash equivalents (A+B+C)	3118248	14388198
CASH & CASH EQUIVALENTS		
(OPENING BALANCE)	66722913	52334715
CASH & CASH EQUIVALENTS		
(CLOSING BALANCE)	69841161	66722913
Components of cash and cash equivalents at the end of the year		
Cash on hand	975354	1060716
<u>Balances with scheduled banks :</u>		
- In current and deposit accounts	68865807	65662197
	69841161	66722913

- Note:** 1. Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)
- Cash and cash equivalents consist of cash in hand and balances with banks.
 - Borrowings from banks is net of repayments.
 - Figures in brackets represent outflow of cash.

The accompanying notes form an integral part of the Financial Statements

As Per our Report attached on even date
FOR G.C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration Number : 017851N

Sd/-
G C AGARWAL
(PROPRIETOR)
Membership No. : 083820

PLACE : GURUGRAM
DATE : 29.05.2018

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)



Statement of Changes in Equity for the year ended 31st March 2018

A. Equity Share Capital**

(Amount in ₹)

	Balance as at 1st April, 2016**	Changes in Equity Share Capital during the year 2016-17	Balance as at 31st March, 2017**	Changes in equity share capital during the year 2017-18	Balance as at 31st March, 2018**
	197336908	-	197336908	-	197336908

B. Other Equity

(Amount in ₹)

	Reserves and Surplus									Items of Other Comprehensive Income	Total
	Equity Component of Compound Financial Instruments*	Capital Reserve	Business Reorganization Reserve**	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Retained Earnings	Items that will not be reclassified to Profit and Loss		
									(i) Remeasurement of Defined Benefit Plans		
Balance as at April 1, 2016 (Ind AS)	296021327	23039795	1046662354	20000000	555742116	668199083	125903413	(196641800)	-	2538926288	
Profit/ (Loss) for the year 2016-17	-	-	-	-	-	-	-	(200386915)	-	(200386915)	
Remeasurement of the net defined benefit plans (Net of Taxes)	-	-	-	-	-	-	-	-	(125155)	(125155)	
Balance as at March 31, 2017	296021327	23039795	1046662354	20000000	555742116	668199083	125903413	(397028715)	(125155)	2338414218	
Addition during the year	7751986	-	-	-	-	-	-	-	-	7751986	
Profit/ (Loss) for the year 2017-18	-	-	-	-	-	-	-	(163062059)	-	(163062059)	
Remeasurement of the net defined benefit plans (Net of Taxes)	-	-	-	-	-	-	-	-	632773	632773	
Balance as at March 31, 2018	303773313	23039795	1046662354	20000000	555742116	668199083	125903413	(560090775)	507619	2183736918	

* Refer para 47 (f)

** Pursuant to Composite Scheme of Arrangement

Significant accounting policies and notes to the Financial Statements

The accompanying notes form an integral part of the Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-
G C AGARWAL
(PROPRIETOR)
Membership No. : 083820

PLACE : GURUGRAM
DATE : 29.05.2018

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)



SIGNIFICANT ACCOUNTING POLICIES AND NOTES OF FINANCIAL STATEMENT

1. Corporate and General Information

HB Estate Developers Limited (“HBEDL”) or (“the Company”) is domiciled and incorporated in India. The Company is engaged in the business of owning and managing hotels and real estate properties.

2. Basis of preparation

The Company has adopted IND AS for the financial year beginning on April 1, 2017 with April 1, 2016 as the date of transition. These are the Company’s first Annual Financial Statements prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The Financial Statements comply with IND AS notified by Ministry of Company Affairs (“MCA”). The Company has consistently applied the Accounting policies used in the preparation of its opening IND AS Balance Sheet at April 1, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 “First-time adoption of Indian Accounting Standards”. The transition was carried out from accounting principles generally accepted in India (“Indian GAAP”) which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as of April 1, 2016 and March 31, 2017 and on the net profit and cash flows for the year ended March 31, 2017 is disclosed in Note no.47 to these Financial Statements.

The Significant Accounting Policies used in preparing the financial statements are set out in Note no.3 of the Notes to the Financial Statements.

The preparation of the Financial Statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no.4 on critical accounting estimates, assumptions and judgements).

3 Significant Accounting Policies

3.1 Basis of Measurement

The Financial Statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities carried at amortised cost,
- Defined benefit plans – plan assets measured at fair value,
- Property, plant and equipment on transition to IND AS (refer note no 5 read with exception to Ind-AS note no. 47 to these Financial Statements)

The Standalone Financial Statements are presented in Indian Rupees, which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupees.

3.2 Property, Plant and Equipment

- a) For transition to IND AS, the Company has adopted optional exception under IND AS 101 to measure land under the head “Property, Plant and Equipment” at fair value. (refer note 5 read with exception to Ind-AS note no. 47) Consequently the fair value has been assumed to be deemed cost of Land under “Property, Plant and Equipment” on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing Cost (if any) during the period of construction is added to the cost of eligible tangible assets.
- b) Depreciation is provided on Straight Line Method over the remaining useful life of the assets in the manner prescribed in Schedule II of the Companies Act, 2013.
- c) The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

3.3 Intangible Assets

Identifiable Intangible Assets are recognised:

- a) when the Company controls the asset,
- b) it is probable that future economic benefits attributed to the asset will flow to the Company and
- c) the cost of the asset can be reliably measured.

Computer software’s are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding five years on straight line basis. The assets’ useful lives are reviewed at each financial year end.

3.4 Impairment of Non-Current Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where

applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

3.5 Cash and Cash Equivalents

Cash and cash equivalents includes Cash on hand and at bank and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits.

3.6 Inventories

Inventories (real estate) are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Stock of Food & Beverages and stores and operating supplies are carried at cost or net realizable value whichever is lower.

3.7 Employee Benefits

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Leave encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.
- d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

3.8 Foreign Currency Reinstatement and Translation

- a) Functional and presentation currency
The Financial Statements have been presented in Indian Rupees (₹), which is the Company’s functional and presentation currency.
- b) Transactions and balances
Transactions in foreign currencies are initially recorded by the Company at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

3.9 Financial Instruments – initial recognition, subsequent measurement and impairment

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and liabilities and the assets and liabilities contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.



Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

Investment in equity shares

Investment in equity securities are initially measured at fair value and is recognised through Profit and Loss account.

Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss. However, borrowings, which is likely to be assigned or negotiated are initially measured at fair value through profit and loss account. Other borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective Rate of Interest (EIR). The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

Trade and other payables

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.10 Borrowing Costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

3.11 Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Minimum Alternative Tax (MAT) is applicable to the Company. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an

asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

3.12 Revenue recognition and Other income

- a) Revenue from Hotel operations viz room rent, food & beverages and other allied services is recognised upon rendering of services.
- b) In respect of Real Estate Projects undertaken up to 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 Completion Method.
- c) In the case of projects relating to development and sale of plots and transfer/sale of right, revenue is recognised on execution of transfer documents/possession documents.
- d) Income from services is accounted for on the basis of the bills raised on customers.
- e) 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.

3.13 Recent accounting development

Standards issued but not yet effective:

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts and related appendices.

A new five step process must be applied before revenue could be recognised :

- 1. Identify contracts with customers.
- 2. Identify the separate performance obligations.
- 3. Determine the transaction price of the contract
- 4. Allocate the transaction price to each of the separate performance obligations, and
- 5. Recognise revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after 1 April, 2018 and early application is not permitted. The standard permits either a full retrospective application or a modified retrospective approach for the adoption.

The Company primarily derives its revenue from Hotel operations and dealing with real estate properties. The Company envisage no material impact for adoption of this statement.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of April 1, 2018 and that comparatives will not be restated.

3.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

3.15 Provisions and contingencies

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not



wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.16 Operating Lease

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

3.17 Current /Non-Current Classification

The Company presents assets and liabilities in statement of financial position based on Current/Non-Current classification.

The Company has presented Non-Current Assets and Current Assets before equity, Non-Current Liabilities and Current Liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the financial statement:

- Income taxes**
Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the financial statements.
- Contingencies**
Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.
- Allowance for uncollected accounts receivable and advances**
Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.
Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

5. PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Land	Temporary Structure	Buildings	Plant and Equipments	Furniture and Fixture	Office Equipment	Vehicles	Computer	Total
Gross Block									
As at April 1, 2016	2248040000	-	1773792833	437912490	390379798	884765	2782596	12338421	4866130904
Additions	-	-	9090778	2137418	3682605	68299	-	214800	15193900
Adjustment	-	-	-	-	-	-	-	-	-
As at March 31, 2017	2248040000	-	1782883611	440049908	394062403	953064	2782596	12553221	4881324804
Additions	-	-	1500000	2281674	2365045	-	-	61601	6208320
Adjustment	-	-	8289	880295	1379895	179038	-	37886	2485404
As at March 31, 2018	2248040000	-	1784375322	441451287	395047553	774026	2782596	12576936	4885047720
Accumulated Depreciation									
As at April 1, 2016	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	29533902	34324276	72467418	232016	651900	3346956	140556469
Adjustment	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	-	29533902	34324276	72467418	232016	651900	3346956	140556469
Charge for the year	-	-	29638713	34394593	72574639	174651	651900	3058439	140492935
Adjustment	-	-	125	83858	628373	50789	-	35992	799137
As at March 31, 2018	-	-	59172490	68635011	144413684	355878	1303800	6369403	280250267
Net Carrying Amount									
As at April 1, 2016	2248040000	-	1773792833	437912490	390379798	884765	2782596	12338421	4866130904
As at March 31, 2017	2248040000	-	1753349709	405725631	321594985	721048	2130697	9206265	4740768335
As at March 31, 2018	2248040000	-	1725202831	372816275	250633869	418148	1478796	6207532	4604797453

Note: The Company has elected to measure the items of Property, Plant and Equipment at their fair value on date of transition (Refer Note No. 47)



6. INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Software	Total
Gross Block		
As at April 1, 2016	8147190	8147190
Additions	2085528	2085528
As at March 31, 2017	10232718	10232718
Additions	68000	68000
Adjustment	3558412	3558412
As at March 31, 2018	6742306	6742306

Particulars	Software	Total
Accumulated Depreciation		
As at April 1, 2016	-	-
Charge for the year	3609694	3609694
As at March 31, 2017	3609694	3609694
Charge for the year	3076856	3076856
Adjustment	2897421	2897421
As at March 31, 2018	3789129	3789129
Net Carrying Amount		
As at April 01, 2016	8147190	8147190
As at March 31, 2017	6623024	6623024
As at March 31, 2018	2953177	2953177

7. NON CURRENT INVESTMENTS- Designated at Fair Value Through Profit and Loss Account

Name of the Company	Face Value	As at 31 st March, 2018		As at 31 st March, 2017		As at 31 st March, 2016	
	(₹)	Qty (Nos)	Amount (₹)	Qty (Nos)	Amount (₹)	Qty (Nos)	Amount (₹)
A- Long Term - Trade - Unquoted							
- In Equity Shares of Associates							
Parsvnath HB Projects Pvt. Ltd.*	10	24020	-	24020	-	24020	-
Total-(Trade Unquoted)			-		-		-
Aggregate Amount of Unquoted Instrument (A)			-		-		-
B1- Long Term - Other Than Trade - Quoted							
Royal Orchid Hotels Ltd	10	496	79732	496	44392	496	34919
Bellary Steel and Alloys Ltd.**	1	100000	191000	100000	191000	100000	191000
Hotline Glass Ltd.**	10	10000	6100	10000	6100	10000	6100
Jaiprakash Power Ventures Ltd.	10	1543674	7409635	1543674	7780117	1543674	7224394
Mawana Sugar Ltd **	10	-	-	-	-	23842	607971
Shree Ram Urban Infrastructure Ltd.	10	1000	37000	1000	62550	1000	57450
Total-(Other Than Trade Quoted)			7723467		8084159		8121834
Aggregate Amount of Quoted Instrument (B)			7723467		8084159		8121834
B2-Long Term - Other Than Trade - Unquoted							
CHL (South) Hotels Ltd.	10	100000	10816326	100000	10172000	100000	10172000
QR Properties Pvt Ltd	10	5900	5164058	5900	4775883	5900	4775873
HB Prima Capital Ltd.	10	195000	257763	195000	260309	195000	260309
RRB Securities Ltd.	10	86100	1291500	86100	1291500	86100	1291500
B3-Investments in Mutual Fund							
Fully Paid up-Unquoted							
Taurus Dynamic Income Fund	10	7776	116321	7776	109634	7776	116943
Total-(Other Than Trade UnQuoted)			17645968		16609326		16616625
Aggregate Amount of Un-Quoted Instrument (C)			17645968		16609326		16616625
B4-Investment in Preference Shares - Other Than Trade ***							
Fully Paid-Up Redeemable Preference Shares (Un-Quoted)							
HB Securities Limited (6% Cumulative)	1000	10000	10000000	10000	10000000	10000	10000000
HB Growth Fund Ltd (3% Non-cumulative)	10	50000	500000	50000	500000	50000	500000
HB Telecommunications Ltd (3% Non-cumulative)	10	40000	400000	40000	400000	40000	400000
Gemini Portfolios Pvt Ltd (9% Non Cumulative)	100	600000	60000000	600000	60000000	600000	60000000
Venus Portfolio Pvt Ltd (9% Non Cumulative)	100	1190000	119000000	1190000	119000000	1190000	119000000
Total- Preference Shares (D)			189900000		189900000		189900000
Grand Total - (A+B+C+D)			215269435		214593485		214638459
Aggregate Amount of Quoted Instrument			7723467		8084159		8121834
Aggregate Amount of Un-Quoted Instrument			207545968		206509326		206516625
Aggregate Market Value of Quoted Instrument			7723467		8084159		8121834

* The Company has elected to fair value instruments in associates on date of transition (refer note no. 47)

** Listed but not quoted

*** Pursuant to Composite Scheme of Arrangement



8. OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Unsecured, Considered Good			
Fixed Deposits with bank (with remaining maturity more than 12 months*)	1463736	26761397	39653156
Interest Accrued but not due on fixed deposits	10313	5554378	4398886
Security Deposits	5541900	4544900	5356450
Total	7015949	36860675	49408492

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

9. DEFERRED TAX ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Temporary difference			
A. Deferred Tax Liability			
(i) Difference between book and tax base related to fixed assets	212439313	209005405	184768892
(ii) Unamortised Cost	38670737	26112145	18699102
Total Deferred Tax Liabilities	251110050	235117550	203467994
B. Deferred Tax Assets			
(i) Disallowance under Income Tax Act	2073194	1780924	1281339
(ii) Carried Forward losses	637061732	596533148	495713428
Total Deferred Tax Sssets	639134926	598314072	496994767
Net Deferred Tax Assets	388024876	363196522	293526774

10. OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Capital Advances	3443964	3439670	4380558
Total	3443964	3439670	4380558

11. INVENTORIES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Completed Construction (Real Estate)	119391720	119391720	135696216
Food and Beverages	15539325	8557880	13751445
Stores and Operating Supplies	37554900	39073717	39785409
Total	172485945	167023317	189233070

12. TRADE RECEIVABLES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Unsecured, considered good	32833620	30179899	55138332
Doubtful Debts	1532836	330587	-
	34366456	30510486	55138332
Less: Provision for Doubtful Debts	-1532836	-330587	-
Total	32833620	30179899	55138332

13. CASH AND BANK BALANCES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Cash and Cash Equivalents			
Cash on Hand	975354	1060716	597373
Balances with Banks			
On Current Accounts	68865807	65662197	51737342
Total	69841161	66722913	52334715

14. OTHER BANK BALANCES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
-In Earmarked Dividend Accounts	3154372	4256197	5321967
Fixed Deposits with remaining maturity of less than twelve months and other than considered in cash and cash equivalents *	9134000	2719000	19441640
Total	12288372	6975197	24763607

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

15. LOANS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Unsecured, Considered Good			
Loans and Advances to Related Party-Associate*	14196182	14196182	14196182
Inter Corporate Deposit including accrued interest	25221644	25221644	26221644
Total	39417826	39417826	40417826

* To Parsvnath HB Projects Pvt. Ltd.

16. OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Interest accrued but not due on Bank deposits	904188	69104	199999
Total	904188	69104	199999

17. CURRENT TAX ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Current Tax Assets (Net to provision)	36972121	26660167	31646413
Total	36972121	26660167	31646413

18. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Amount Recoverable from Government*	6037349	4936387	9257007
Advances to contractors/ suppliers/other Recoverables	73999493	91593369	97259036
Receivable from HB Portfolio Limited pursuant to Composite Scheme of Arrangement	5933540	55447573	5535416
Total	85970382	151977329	112051459

* Represents Sales Tax, GST and Cenvat Credit etc.

19. EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
AUTHORIZED			
3,50,00,000 (March 31, 2017-3,50,00,000 and April 01, 2016 - 3,50,00,000) Equity Shares of Rs.10/- each.	350000000	350000000	350000000
1,35,00,000 (March 31, 2017-1,35,00,000 and April 01, 2016 - 1,35,00,000) Redeemable Preference Shares of Rs.100/- each	135000000	135000000	135000000
	1700000000	1700000000	1700000000
ISSUED			
2,02,89,285 (March 31, 2017-2,02,89,285 and April 01, 2016 - 2,02,89,285) Equity Shares of Rs.10/- each.	202892850	202892850	202892850
	202892850	202892850	202892850
SUBSCRIBED & PAID UP			
1,94,59,947 (March 31, 2017- Nil and April 01, 2016 Nil) Equity Shares of Rs.10/- each fully paid up (See Note 19.2)	194599470	-	-
Share Capital Suspense A/c (See Note 19.2)	-	194599470	194599470
(1,94,59,947 equity shares to be allotted pursuant to Composite Scheme of Arrangement, which have been allotted during the current year)			
Add: Forfeited shares- 8,29,338 (March 31, 2017- 8,29,338 and April 01, 2016 - 8,29,338) Equity Shares (Amount originally paid up)	2737438	2737438	2737438
Total	197336908	197336908	197336908
19.1 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date.	Nil	Nil	Nil

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

19.2.1 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. During the financial year 2014-15, 40,95,995 Equity Shares of ₹ 10 each fully paid up were issued and allotted for consideration other than cash pursuant to Scheme of amalgamation of erstwhile Pisces Portfolios Pvt. Ltd. with the Company.

19.2.2 Brief Particulars of change in share capital during the year:

(a) The Company has allotted Equity Shares of Rs.10 (Rupees Ten) each fully paid-up to the Shareholders of HB Stockholdings Limited in the ratio of 24 (Twenty Four) equity shares of Rs. 10/- (Rupees Ten) each fully paid up of the Company for every 100 (One Hundred) equity shares held by them in HB Stockholdings Limited. The Company has also allotted Equity Shares of Rs. 10 (Rupees Ten) each fully paid-up to the Shareholders of HB Portfolio Limited in the ratio of 59 (Twenty Four) equity shares of Rs. 10/- (Rupees Ten) each fully paid up of the company for every 100 (One Hundred) equity shares held by them in HB Portfolio Limited. As a result of which, the equity share capital of the Company increased from ₹ 16,13,82,870 comprising of 1,61,38,287 equity shares of Rs. 10/- (Rupees Ten) each fully paid up to Rs. 32,43,32,450 comprising of 3,24,33,245 equity shares of Rs. 10/- (Rupees Ten) each fully paid up. Thus 1,62,94,958 equity shares of Rs. 10 each fully paid up were issued and allotted pursuant to composite scheme of arrangement.

- (b) After the allotment of equity shares by the Company to the Shareholders of HB Stockholdings Limited and HB Portfolio Limited the equity share capital of the Company has been reduced by reducing the face value of the equity shares from 1 (One) equity share of Rs. 10/- (Rupees Ten) fully paid up to 1 (One) equity shares of Rs. 6/- (Rupees Six) each fully paid up.
- (c) The equity share capital of the Company so reduced has been further consolidated in such a manner that the Shareholders holding 5 (Five) equity share of Rs. 6/- (Rupees Six) each fully paid up were allotted 3 (Three) equity share of Rs. 10/- (Rupees Ten) each fully paid up in the equity share capital of the Company. As a result of which, the equity share capital reduced from Rs. 32,43,32,450 comprising of 3,24,33,245 equity shares of Rs. 10/- (Rupees Ten) each to Rs. 19,45,99,470 comprising of 1,94,59,947 equity shares of Rs. 10/- (Rupees Ten) each.

19.3 Reconciliation of the number of Equity Shares and Share Capital:

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning*	19459947	194599470	19459947	194599470	19459947	194599470
Addition during the Year	-	-	-	-	-	-
Number of shares at the end*	19459947	194599470	19459947	194599470	19459947	194599470

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

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding	Number of shares held	% of holding
Lalit Bhasin*	9927873	51.02	9927873	51.02	9927873	51.02
HB Portfolio Ltd*	2104317	10.81	2104317	10.81	2104317	10.81

* As on 31st March 2017 and as on 1st April 2016, represents Equity Share Capital Suspense representing shares to be allotted pursuant to Composite Scheme of Arrangement. Shares allotted during the year 2017-18.

20. OTHER EQUITY

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Capital Reserve	23039795	23039795	23039795
	23039795	23039795	23039795
Business Reorganization Reserve*	1046662354	1046662354	1046662354
	1046662354	1046662354	1046662354
Capital Redemption Reserve	20000000	20000000	20000000
	20000000	20000000	20000000
Securities Premium Reserve	555742116	555742116	555742116
	555742116	555742116	555742116
General Reserve	668199083	668199083	668199083
	668199083	668199083	668199083
Statutory Reserve	125903413	125903413	125903413
	125903413	125903413	125903413
Equity Component of Compound financial instruments**	296021327	296021327	296021327
Addition during the year	7751986	-	-
	303773313	296021327	296021327
Retained Earnings	(397028715)	(196641800)	(196641800)
Profit/ (Loss) for the year	(163062059)	(200386915)	-
	(560090775)	(397028715)	(196641800)
Items of Other Comprehensive Income	(125155)	-	-
Items that will not be reclassified to Profit and Loss			
Remeasurement of Defined Benefit Plans	632773	(125155)	-
	507619	(125155)	-
Total	2183736918	2338414218	2538926288

* Pursuant to Composite Scheme of Arrangement (refer note no. 37)

** Refer note number 47 (f).



Retained Earnings represent the undistributed profits of the Company.

Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to profit and loss (ii) Items that will be reclassified to profit and loss.

Capital Redemption reserve represents the statutory reserve created when capital is redeemed.

The Statutory reserve represents reserve specifically created u/s 45 IC of Reserve Bank of India (Amendment) Act, 1997

General Reserve represents the statutory reserve, in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend. However, under Companies Act, 2013 transfer of any amount to General Reserve is at the discretion of the Company.

Securities Premium Reserve represents the amount received in excess of par value of Securities (Equity Shares, Preference Shares and Debentures). Premium on redemption of Securities is accounted in Security Premium available. Where Security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of the Companies Act 2013 specify restriction and utilisation of security premium.

21. NON CURRENT BORROWINGS

Particulars	As at 31st March, 2018 (In ₹)		As at 31st March, 2017 (In ₹)		As at 1st April, 2016 (In ₹)	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
(A) SECURED LOANS FROM BANK						
(i) Vehicle Loan from HDFC Bank	-	-	-	-	-	73069
(ii) Vehicle Loan from ICICI Bank	-	-	-	-	-	32618
(iii) Term Loan from Yes Bank						
a) Facility 1	-	-	-	-	671036824	189320000
b) Facility 2	610550322	-	642473521	-	735141116	160000000
c) Facility 3	911929526	4000000	956147953	-	-	-
Total-A	1522479848	4000000	1598621474	-	1406177940	205425687
(B) UNSECURED						
(i) Overdraft from State Bank of India	136765077	8600000	145716777	2572000	148539516	-
(ii) Term Loan from Religare Finvest Limited	45207336	2376040	144000000	-	144000000	-
(iii) Debt Component of Compounded Financial Instruments						
(a) Intercompany Loans & Advances	318117369	-	236565561	-	266165561	-
(b) Loan from Director	33359318	-	46163112	-	50663112	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares	150000000	-	150000000	-	150000000	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II	500000000	-	500000000	-	500000000	-
Total-B	1183449100	10976040	1222445450	2572000	1259368189	-
Total (A+B)	2705928948	14976040	2821066924	2572000	2665546129	205425687

- Maturity Profile of Secured Term Loan from banks are as under:

	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Term Loan from Yes Bank (II) (Rs. 80 Crore)	18000000	64000000	96000000	489862103
- Term Loan from Yes Bank (III) (Rs. 100 Crore)	19000000	37500000	40000000	890001846

- 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	17200000	25700000	34300000	60478836
- Term Loan from Religare Finvest Limited	2376040	2376040	2778700	37676556

The term loans from Yes Bank at Sr. No. A (iii) and overdraft from State Bank of India at Sr No. B (i) above are net of transaction cost.

Secured

(i) **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.

(ii) **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.

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

Secured by way of exclusive charge on Company's hotel land and hotel building situated in Sector 44, Gurugram, exclusive charge on all present and future movable fixed assets and current assets of the project (Taj City Centre), 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 tenure of loan facility.

a) The Term Loan - I disbursed was of Rs. 100 Crore repayable in 56 monthly installments starting from October 2015. The loan was repaid during the year 2016-17. Rate of Interest was 12.50%.

b) The Term Loan - II disbursed was of Rs. 80 Crore repayable in 44 Quarterly installments starting from February 2016. Last installment due in November 2026. The Rate of Interest is 1.45% over and above Bank's one year MCLR.

c) The Term Loan - III disbursed during the year is of Rs. 100 Crore repayable in 44 Quarterly installments starting from November 2018. Last installment due in August 2029. The Rate of Interest is 1.45% over and above Bank's one year MCLR.

Unsecured

(i) **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 3.05% over and above Bank's one year MCLR. 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.

(ii) **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 installments starting from 1st March 2019, and last installment due on 1st March 2024.

(iii) **Debt Component of Compounded Financial Instruments**

The Loans are repayable after 6 years starting from date of agreement i.e. 01.04.2016 and carries interest @ 12% p.a.

22. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Security Deposits*	76154103	81494162	87621906
Interest Accrued but not due on fair valuation of security deposits	11885739	5619725	-
Other Liabilities	2454616	6662645	11196701
Total	90494458	93776532	98818607

* Include due to related parties ₹ 69215763 (March 31, 2017 ₹ 74915763 and April 01, 2016 ₹ 80665763)

23. NON CURRENT PROVISIONS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Provisions For Employees Benefit			
Leave Encashment	2039339	1941136	1231361
Gratuity	2690503	3247684	2472229
Total	4729842	5188820	3703590

24. CURRENT BORROWINGS (SECURED)

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
From Banks			
Overdraft Facility from YES Bank Limited *	151298483	99287334	-
Total	151298483	99287334	-

* Secured by way of exclusive charge as specified in Note no. 21 in respect of term loan facilities from Yes Bank Ltd.


25. TRADE PAYABLES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Due to Micro and Small Enterprises *	1095533	874844	1977566
Others	152018029	178861232	154094645
Total	153113562	179736076	156072211

* Principal amount outstanding as at the year end, there is no overdue amount of principal and interest due to Micro and Small enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties has been identified on the basis of information available with the Company.

26. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Current Maturities of Long term borrowings (Refer Note No.21)	14976040	2572000	205425687
Interest Accrued but not due on borrowings	14958913	18791398	19423632
Unclaimed Dividend *	3154372	4256197	5321967
Expenses Payable	47463589	34234181	26474892
Security Deposits	747502	1373045	720919
Interest Accrued but not due on fair valuation of loan	65326306	36377502	-
Other Liabilities	4208029	4534056	4569731
Total	150834751	102138379	261936828

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

27. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Advances from Customers	18554703	3457698	7175927
Statutory Dues Payable	10879098	11400325	11149991
Payable to HB Stockholdings Limited Pursuant to Composite Scheme of Arrangement	4214449	2516808	1203593
Total	33648250	17374831	19529511

28. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Provisions For Employees Benefit			
Leave Encashment	1096348	187441	147726
Total	1096348	187441	147726

29. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Hotel		
Rooms	450008713	397055372
Food & Beverages, Restaurant and Banquet Income	332505651	262626979
Others	50102779	34983485
Real Estate		
Sales	-	33887500
Other Operating Income*	5170724	5517883
Total	837787867	734071219

* Includes Rental Income, Facility Charges and Other Claims

30. OTHER INCOME

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Interest On Fixed Deposits with banks	2349679	4062499
Interest On Income Tax Refund	-	1444647
Gain on sale of investments	-	665122
Gain on fair valuation of investments	675951	562997
Other Income	1539658	284814
Rental Income on fair valuation of security deposit	4534056	4569731
Provisions No Longer Required written back	199122	7347368
Total	9298466	18937178

31. FOOD AND BEVERAGES CONSUMED

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Opening Stock	8557880	13751445
Add : Purchases	88973462	60723002
Less : Closing Stock	15539325	8557880
Total	81992017	65916567

32. INCREASE/DECREASE IN STOCK-COMPLETED CONSTRUCTION

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Opening Stock	119391720	135696216
Less : Closing Stock	119391720	119391720
Total	-	16304496

33. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Salaries and Benefits	107798998	88925767
Payment to Contractors	29581171	31083438
Reimbursement of expenses on personnel deputed to the Company	27749802	26978336
Contribution to Provident fund and other fund	5646462	5495401
Staff welfare	26129243	22971027
Total	196905676	175453969

34. FINANCE COSTS

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Interest	221372777	246236813
Loan Processing Fees	-	2400392
Loan Processing fee amortized during the year	10273297	19540069
Interest expense on fair valuation of Security deposit	6266014	5619725
Interest expense on debt component of compound instruments	28948804	36377502
Total	266860892	310174501


35. OTHER EXPENSES

Particulars	For the Year ended	
	31st March, 2018 (In ₹)	31st March, 2017 (In ₹)
Linen, Room, Catering and Other Supplies/ Services	47601768	29875273
Facility Management Services	14100187	15136684
Legal and Professional	9826908	12500676
Payment to Orchestra Staff, Artists and Others	2952655	2165767
Communication	7326094	7751041
Commission to Travel Agents and Others	20673572	12915240
Advertisements	6106445	6746787
Printing and Stationery	4710102	6006504
Conveyance and Travelling	20021152	17430187
Repair and Maintenance :		
To Building	14474521	14114475
To Machinery	11461538	9472849
To others	16470420	16945015
Fuel, Power and Light	67114022	69943694
Listing Fees	287500	458000
Insurance	2090447	2246566
Subscription Fees	3414122	2602524
Sitting Fees	314400	400008
Miscellaneous Expenses	11413628	5208972
Provision for Doubtful Debts	1202329	330507
Licence Fees	5893160	5038176
Operating Fees	61800319	62704179
Loss on sale of Fixed Assets	244150	-
Exchange rate Fluctuation (Net)	66827	14582
Auditors' Remuneration		
- Audit Fees	300000	345000
- Tax Audit Fees	-	57500
- Tax Matters	-	8626
- Limited Review Report	35000	51750
- Certification and Others	33750	76375
Rates and Taxes	7825286	3413954
Discount to Collecting Agents	8148033	7032487
Total	345908335	310993398

36. EARNING PER SHARE (IN ₹) :

Particulars	Current Year (In ₹)	Previous Year (In ₹)
Net Profit/(Loss) as Per Statement of Profit and Loss After Tax	(163062059)	(200386915)
Weighted Average Nos. of Equity Share Outstanding	19459947	19459947
Earning Per Share (face value of ₹10 each)		
Basic and diluted Earning per share (₹)		
- Basic	(8.38)	(10.30)
- Diluted	(8.38)	(10.30)

37. COMPOSITE SCHEME OF ARRANGEMENT

The Company has entered into a Composite Scheme of Arrangement with HB Stockholdings Ltd. and HB Portfolio Ltd.. The said scheme of arrangement has been sanctioned / approved by Hon'ble National Company Law Tribunal, Chandigarh bench, Chandigarh (hereinafter referred to as the Hon'ble NCLT) vide its order dated 22-12-2017. Pursuant to said scheme of arrangement, the long term preference undertaking of the HB Stockholding Ltd. stands transferred and vested in the company with all the rights, titles, interests, duties and liabilities pertaining to the undertaking with effect from the appointed date of April 2, 2015.

Pursuant to Composite Scheme of Arrangement, the long term Preference Share Investment and Loans & Advances Undertaking of HB Portfolio Ltd. stands transferred and vested in the company with all the rights, titles, interests, duties and liabilities pertaining to the undertaking with effect from the appointed date of April 3, 2015. Certified copies of the order of the Hon'ble NCLT have been filed with the Registrar of Companies, Delhi and Haryana and the scheme has become effective from 30.01.2018.

- a) Particulars of Assets and Liabilities of the HB Stockholdings Ltd. transferred and vested in the Company:-

Assets	Amount (in ₹)
Investments	36,04,00,000
Total	36,04,00,000
Liabilities	
Other Liabilities	4,17,067
Total	4,17,067
Difference of assets over liabilities	35,99,82,933

In accordance with Composite Scheme of Arrangement, the shareholders of the HB Stockholdings Ltd. will get 24 (Twenty Four) Equity Shares of ₹ 10/- each fully paid up of the Company for every 100 Equity Shares held by them in HB Stockholdings Limited.

- b) Particulars of Assets and Liabilities of the HB Portfolio Limited transferred to and vested in the Company:-

Assets	Amount (in ₹)
Investments	35,40,00,000
Loan & Advances	36,62,50,000
Total	72,02,50,000
Liabilities	
Other Liabilities	3,53,979
Total	3,53,979
Difference of assets over liabilities	71,98,96,021

In accordance with Composite Scheme of Arrangement, the shareholders of the HB Portfolio Limited will get 59 (Fifty Nine) Equity Shares of ₹ 10/- each fully paid up of the Company for every 100 Equity Shares held by them in HB Portfolio Limited.

- c) Pursuant to the scheme, the difference of assets over liabilities over the consideration for new allotment of equity share capital is accounted for in Business Reorganisation Reserve.
- d) The effects of the scheme has been given in the financial results/ accounts. In terms of IND-AS-103, the effect of the Composite Scheme of Arrangement has been given retrospective effect. Accordingly the accounting effect in terms of IND-AS-103 has also been given on IND-AS transition date i.e 01.04.2016. Consequently, the equity share capital has also been given treatment accordingly.
- e) The net effect of increase in capital after taking effect of reduction in equity share capital has been shown in Equity Share Capital Suspense account (refer note 19)

38. FINANCIAL RISK MANAGEMENT
Financial risk factors

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has short term trade receivable and bank deposits which are under lien with banks for availing credit facilities. The Company's activities expose it to a variety of financial risks:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2017 and March 31, 2018.

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. However, such effect is not material.

(a) Foreign Exchange Risk and Sensitivity

The Company transacts business primarily in Indian Rupee. However, the Company has transactions in USD, Euro, GBP and others. The Company has



negligible foreign currency trade payables and is therefore, foreign exchange risk, is not material. There are no other foreign currency monetary items, so the company does not face any foreign exchange risk.

Summary of exchange difference accounted in Statement of Profit and Loss:

Amount (in ₹)		
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net Foreign Exchange Loss Shown as Other Expenses	66827	14582

(b) Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at floating rate. Borrowing issued at variable rate expose the company to cash flow interest rate risk. Weighted average cost of borrowing is 10.80% for the year ended 31st March, 2018 (11.57% for the year ended 31st March, 2017). With all other variable held constants the following table demonstrate the impact of borrowing cost on floating rate portion of loans and borrowing:

Interest Rate Sensitivity

Amount (in ₹)		
Interest rate sensitivity	Increase/Decrease in basis points	Effect on profit before tax
For the year ended March 31, 2018		
INR borrowings	+50	97,79,706
	-50	-97,79,706
For the year ended March 31, 2017		
INR borrowings	+50	96,53,515
	-50	-96,53,515

Credit risk

The Company is not significantly exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks which are under lien with banks for availing credit facilities.

- Trade Receivables

The Company extends credit to corporate customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. However, average credit period to customers is approximately fourteen days. The company does not allow any credit period in respect of Walk-in Customers and is therefore not exposed to at any credit risk.

Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements.. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall , promoters envisage to infuse capital and loans.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Amount (in ₹)					
Particulars	Ageing as on 31st March 2018				
	Carrying Amount	Upto 1 Year	1 -3 Year	More Than 3 Years	Total
Borrowings	3005001332	166274523	186152080	2652574729	3005001332
Trade Payable	153113562	153113562	-	-	153113562
Other Liabilities	226353169	135858711	90494458	-	226353169
Total	3384468063	455246796	276646538	2652574729	3384468063
Particulars	Ageing as on 31st March 2017				
	Carrying Amount	Upto 1 Year	1 -3 Year	More Than 3 Years	Total
Borrowings	3007431581	101859334	119353398	2786218849	3007431581
Trade Payable	179736076	179736076	-	-	179736076
Other Liabilities	193342911	99566379	93776532	-	193342911
Total	3380510568	381161789	213129930	2786218849	3380510568

Particulars	Ageing as on 1st April 2016				
	Carrying Amount	Upto 1 Year	1 -3 Year	More Than 3 Years	Total
Borrowings	2931486708	205425687	525766756	2200294265	2931486708
Trade Payable	156072211	156072211	-	-	156072211
Other Liabilities	155329748	56511141	11196701	87621906	155329748
Total	3242888667	418009039	536963457	2287916171	3242888667

Unused Line of Credit (Excluding non fund based facilities)

Amount (in ₹)			
Particulars	As on March 31, 2018	As on March 31, 2017	As on April 01, 2016
Secured	98701517	712666	100000000
Unsecured	-	-	-
Total	98701517	712666	100000000

Interest Rate & Currency of Borrowings

The below table demonstrate the borrowing of fixed and floating rate of interest

Amount (in ₹)				
Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted Average Rate of Borrowing (%)
INR	3005001332	1955941269	1049060063	10.80
Total as at March 31, 2018	3005001332	1955941269	1049060063	
INR	3007431581	1930702908	1076728673	11.57
Total as at March 31, 2017	3007431581	1930702908	1076728673	
INR	2931486708	1820552348	1110934360	12.13
Total as at April 01, 2016	2931486708	1820552348	1110934360	

Capital Risk Management

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company's primary objective when managing capital is to ensure the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2017-18 and 2016-17 is an under:

Amount (in ₹)		
Particulars	As of March 31, 2018	As of March 31, 2017
Loans and borrowings	2872203472	2922926258
Less: cash and cash equivalents	69841161	66722913
Net debt	2802362311	2856203345
Equity	2381073826	2535751126
Total capital	5183436137	5391954471
Gearing ratio	54.06%	52.97%

However, the company envisages to reduce its gearing ratio.

39. Fair value of Financial Assets and Liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are recognised in the financial statements.



Amount (in ₹)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost						
Fixed deposits with banks	10597736	10597736	29480397	29480397	59094796	59094796
Cash and Bank Balances	69841161	69841161	66722913	66722913	52334715	52334715
Investment	215269435	215269435	214593485	214593485	214638459	214638459
Trade receivables	32833620	32833620	30179899	30179899	55138332	55138332
Other Financial Assets	49028598	49028598	53842405	53842405	55695127	55695127
	377570550	377570550	394819099	394819099	436901429	436901429
Financial Liabilities designated at amortised cost						
Borrowings- fixed rate	1049060063	1049060063	1076728673	1076728673	1110934360	1110934360
Borrowings- floating rate	1823143409	1823143409	1846197585	1846197585	1760037455	1760037455
Trade payable	153113562	153113562	179736076	179736076	156072211	156072211
Other Financial Liabilities	226353169	226353169	193342911	193342911	155329748	155329748
	3251670203	3251670203	3296005245	3296005245	3182373774	3182373774

Fair Value hierarchy

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices/NAV for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 2 as described below:

Assets measured at fair value through Profit and loss (accounted)

Amount (in ₹)

Particulars	As on March 31, 2018		
	Level 1	Level 2	Level 3
Financial Assets			
Non current Investments			
--Mutual Funds	116321	-	-
--Quoted Investment	7723467	-	-
--Un-Quoted Investment	-	17529647	-
Total	7839788	17529647	-

Amount (in ₹)

Particulars	As on March 31, 2017		
	Level 1	Level 2	Level 3
Financial Assets			
Non current Investments			
--Mutual Funds	109634	-	-
--Quoted Investment	8084159	-	-
--Un-Quoted Investment	-	16499692	-
Total	8193793	16499692	-

Amount (in ₹)

Particulars	As on April 01, 2016		
	Level 1	Level 2	Level 3
Financial Assets			
Non current Investments			
--Mutual Funds	116943	-	-
--Quoted Investment	8121834	-	-
--Un-Quoted Investment	-	16499682	-
Total	8238777	16499682	-

Assets/ Liabilities for which fair value is disclosed

Amount (in ₹)

Particulars	As on March 31, 2018		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowing - Fixed Rate	-	351476687	-
Other Financial Liabilities	-	226353169	-
Total	-	577829856	-

Amount (in ₹)

Particulars	As on March 31, 2017		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowing - Fixed Rate	-	282728673	-
Other Financial Liabilities	-	193342911	-
Total	-	476071584	-

Amount (in ₹)

Particulars	As on April 01, 2016		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowing - Fixed Rate	-	316828673	-
Other Financial Liabilities	-	155329748	-
Total	-	472158421	-

40. Segment information
Information about primary segment

The Company operates in a Single Primary Segment (Business Segment) i.e. Hotel Operations.

Information about Geographical Segment – Secondary

The Company's operations are located in India. The Management has not identified any geographical segment.

41. Deferred Income Tax

The Company has accounted for deferred tax on the various adjustments between Indian GAAP and IND AS at the tax rate at which they are expected to be reversed. The Company has also recognised deferred tax asset on carried forward losses under Ind-AS based on reasonable certainty.

The analysis of deferred tax assets and liabilities provided for in profit and loss account is as under:

Deferred Income Tax

Amount (in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Book base and tax base of Fixed Assets	3433908	24236513
Disallowance/ Allowance (net) under Income Tax	12006358	6969425
Carries forward losses	(40528585)	(100819720)
Total	(25088319)	(69613782)



Component of tax accounted in OCI and Equity		Amount (in ₹)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
Component of OCI			
Deferred Tax (Gain)/ Loss on defined benefit plans	259966	(55966)	
Total	259966	(55966)	

42. Retirement benefit obligations

(a) Expense recognised for Defined Contribution plan Amount (in ₹)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Company's Contribution to Provident Fund	4238644	3738589
Company's Contribution to ESI	1143370	479672
Total	5382014	4218261

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2017 and March 31, 2018, being the respective measurement dates:

(b) Movement in Obligation Amount (in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of Obligation-April 1, 2016	2208811	1339987
Gratuity Liability Trfd on Scheme of Arrangement	341019	39100
Current Service Cost	1042967	975169
Interest Cost	172433	100499
Benefits Paid	(186550)	(549177)
Remeasurement - actuarial loss/ (gain)	181121	222999
Present value of Obligation - March 31, 2017	3759801	2128577
Present value of Obligation-April 1, 2017	3759801	2128577
Current Service Cost	593508	1705148
Interest Cost	252758	151335
Benefits Paid	(129001)	(606892)
Provision non longer required w/off	(341019)	(39100)
Remeasurement - Actuarial Loss/ (Gain)	(903489)	(203381)
Present value of Obligation - March 31, 2018	3232558	3135687

(c) Movement in Plan Assets – Gratuity Amount (in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Fair Value of Plan assets as beginning of year	512117	77591
Expected return on plan assets	39689	19468
Employer Contributions	130000	580635
Benefits Paid	(129001)	(165577)
Actuarial Gain / (Loss)	(10750)	-
Fair Value of Plan Assets at end of Year	542055	512117
Present Value of obligation	3232558	3759801
Present Value of Plan Assets	542055	512117
Net Funded Status of Plan Assets	2690503	3247684

The components of the gratuity & leave encashment cost are as follows:

(d) Recognised in Profit and Loss Amount (in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	1042967	975169
Interest Cost	172433	100499
Expected return on plan assets	(19468)	-
Remeasurement - Actuarial Loss/ (Gain)	181121	222999
For the Year Ended March 31, 2017	1377053	1298667
Current Service Cost	593508	1705148
Interest Cost	252758	151335
Expected return on plan assets	(39689)	-
Remeasurement - Actuarial Loss/ (Gain)	(892739)	(203381)
For the Year Ended March 31, 2018	(86162)	1653102

(e) Recognised in other Comprehensive Income Amount (in ₹)

Particulars	Gratuity (Funded)
Remeasurement - Actuarial Gain/ (Loss)	
For the Year Ended March 31, 2017	(181121)
Remeasurement - Actuarial Gain/ (Loss)	
For the Year Ended March 31, 2018	892739

(f) The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Weighted average actuarial assumptions	As At March 31, 2018	As At March 31, 2017
Discount Rate	7.00%	7.50%
Expected Rate of Increase in Salary	6.00%	6.00%
Expected Rate of Return on Plan Assets	0	0
Mortality Rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of Employees (Years)	28.6	29.2

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2015-16 as considered in previous GAAP on transition to IND AS.

(g) Sensitivity analysis:

For the Year Ended March 31, 2017 Amount (in ₹)

Particulars	Change in Assumption	Effect on Gratuity Obligation	Change in Assumption	Effect on Leave Encashment obligation
Discount Rate	+ 1%	3068749	+ 1%	1831424
	- 1%	3848497	- 1%	2410816
Salary Growth Rate	+ 1%	3850090	+ 1%	2413036
	- 1%	3061683	- 1%	1825510
Attrition Rate	+ 1%	3433208	+ 1%	2143595
	- 1%	3392677	- 1%	2026091

For the Year Ended March 31, 2018 Amount (in ₹)

Particulars	Change in Assumption	Effect on Gratuity Obligation	Change in Assumption	Effect on Leave Encashment obligation
Discount Rate	+ 1%	3016635	+ 1%	2980210
	- 1%	3488659	- 1%	3317745
Salary Growth Rate	+ 1%	3488036	+ 1%	3317371
	- 1%	3013263	- 1%	2977659
Attrition Rate	+ 1%	3224544	+ 1%	3145720
	- 1%	3238666	- 1%	3124029

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

(h) Estimate of Expected Benefit Payments (In absolute terms i.e. undiscounted) Amount (in ₹)

Particulars	Gratuity (Funded)
01 April 2018 to 31 March 2019	564253
01 April 2019 to 31 March 2020	879144
01 April 2020 to 31 March 2021	1131875
01 April 2021 to 31 March 2022	1365235
01 April 2022 to 31 March 2023	2063668
01 April 2023 Onwards	1144101


(i) Statement of Employee Benefit Provision Amount (in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Gratuity	2690503	3247684
Leave Encashment	3135687	2128577
Total	5826190	5376261

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

(j) Current and Non-Current pProvision for Gratuity and Leave Encashment For the Year Ended March 31, 2017 Amount (in ₹)

Particulars	Gratuity	Leave Encashment
Current Provision	-	187441
Non Current Provision	3247684	1941136
Total Provision	3247684	2128577

For the Year Ended March 31, 2018 Amount (in ₹)

Particulars	Gratuity	Leave Encashment
Current Provision	-	1096348
Non Current Provision	2690503	2039339
Total Provision	2690503	3135687

(k) Employee Benefit Expenses Amount (in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries and Wages	165129971	146987541
Cost-defined contribution plan	5646462	5495401
Welfare Expenses	26129243	22971027
Total	196905676	175453969

(Figures in No.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Average No. of People Employed	242	234

Other Comprehensive Income presentation of defined benefit plan

- Gratuity is defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under Other Comprehensive Income as Items that will not be reclassified to profit or loss and also the income tax effect on the same.
- Leave Encashment Cost is in the nature of short term employee benefits.

Presentation in Statement of Profit and Loss and Balance Sheet

Expense for service cost, Net Interest on Net Defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

43. Other Disclosures
(a) Details of loans given, investment made and Guarantees given, covered u/s 186(4) of the Companies Act, 2013.

- Investment made and loan given is disclosed under the Investment Schedule and loan schedule of balance sheet (refer note 7 & 15 read with note no. 45). The Company has not given any guarantee.

44. Contingent liabilities
i) Duties and Taxes Amount (in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income Tax	-	950096	943640
Disputed Sales Tax	161709502	-	-
Property Tax*	7821151	7821151	7821151
Vacant Land Tax (Under Appeal in Delhi High Court)	228616	228616	228616
Total	169759269	8999863	8993407

* 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 stay has been granted for the balance amount. 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 and Advances.

(ii) Other Contingent Liabilities

Particulars	Amount (in ₹)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claim against the Company not acknowledged as Debt	27755293	27755293	27755293
Letter of Credit/ Bank Guarantee issued by Bank	3944000	6303000	32456440
Ground Rent*	-	-	-
Total	31699293	34058293	60211733

* 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.

45. Related party Transactions

In accordance with the requirements of IND AS 24, on Related Party Disclosures, name of the related party, Related Party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

Related Party Name and Relationship
(a) Person having Significant influence/control/major shareholders

(i) Mr. Lalit Bhasin

(b) Key Managerial Personnel

(i) Mr. Praveen Gupta-CFO

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

(iii) Ms. Radhika Khurana, Company Secretary (joined on 10.05.2017)

(c) Enterprises over which significant influence/control exist of the relatives of persons mentioned in (a) above

(i) RRB Master Securities Delhi Ltd.

(d) Enterprises under direct or indirect common control/significant influence of Key Managerial Person/ Relative of Key Managerial Person

(i) HB Stockholdings Ltd.

(ii) HB Portfolio Ltd.

(iii) HB Securities Ltd. (Subsidiary of HB Portfolio Ltd.)

(iv) HB Leasing & Finance Co Ltd.

(v) RRB Securities Ltd.

(e) Enterprises under Joint ventures/Associate Company

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


Related Party Transactions: Amount (in ₹)

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2018	For the year ended 31.03.2017
Enterprises under direct or indirect common control/significant influence of key managerial person/ relative of Key Managerial person				
i	RRB Master Securities Delhi Ltd.	Rent Received	863052	863052
		Sale of Investment through them	-	1273093
ii	HB Stockholdings Limited	Rent Received	861240	861240
iii	HB Portfolio Limited	Rent Received	861240	861240
iv	RRB Securities Limited	Rent Received	131560	143520
		Security Deposit Repaid	5700000	-
v	HB Leasing & Finance Co Ltd	Rent Received	-	119600
		Security Deposit Repaid	-	5750000
vi	HB Securites Limited	DP Charges Paid	1150	1306
Key Managerial Person/ persons having significant influence/ control/ major Shareholder				
vii	Lalit Bhasin	Sitting Fees paid	40000	50000
		Loans Received	-	68000000
		Loans Repaid	41500000	72500000
viii	Praveen Gupta	Remuneration & other services	3743061	2978146
ix	Rajesh Singh Chahar	Remuneration & other services	-	323860
x	Radhika Khurana	Remuneration & other services	487313	-

Related Party Balances: Amount (in ₹)

Particulars	Nature of Balance	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Key Managerial Person/ persons having significant influence/ control/ major Shareholder				
Lalit Bhasin	Loan including accrued Interest	54000000	95500000	100000000
Enterprises under direct or indirect common control/significant influence of Key Managerial Person/ relative of Key Managerial Person				
RRB Master Securities Delhi Ltd.	Security Deposit	215763	215763	215763
HB Stockholdings Limited	Security Deposit	34500000	34500000	34500000
HB Portfolio Limited	Security Deposit	34500000	34500000	34500000
RRB Securities Limited	Security Deposit	-	5700000	5700000
HB Leasing & Finance Co Ltd	Security Deposit	-	-	5750000
Parsvnath HB Projects Pvt Ltd	Loan including accrued Interest	14196182	14196182	14196182

46. Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required

47. Disclosures Required As Per Indian Accounting Standard (IND AS) 101- First Time Adoption Of Indian Accounting Standard
TRANSITION TO IND AS
Basis of preparation

For all period up to and including the year ended March 31, 2017, the Company has prepared its Financial Statements in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). These Financial Statements for the year ended March 31, 2018, are the Company's first annual IND AS Financial Statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared Financial Statements which comply with IND AS applicable for periods beginning on or after April 1, 2017, as described in the Accounting Policies. In preparing these Financial Statements, the Company's opening Balance Sheet was prepared as of April 1, 2016, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as of April 1, 2017 and its previously published Indian GAAP Financial Statements for the year ended March 31, 2017.

Exemptions Applied

IND AS 101 First-time adoption of Indian Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2016 opening Balance Sheet.

I. Exemptions availed

- a. The Company has elected to measure one class of item i.e. land under Property, Plant and Equipment (PPE) at the date of transition to IND AS at its fair value. The impact i.e. net increase on fair valuation of Land on transition from previous GAAP is Rupees 69,50,02,578/- and the deemed cost considered on transition for land is Rs. 2,24,80,40,000/-. For other class of items in property, plant and equipment, carrying value is considered as deemed cost. The Company has not re valued fair value of any items of PPE subsequent to the year ended 31st March 2016.
- b. Investments in Associates
The Company has elected to measure Investments in associates at fair value under optional exemption under Ind-AS 101.
Other investments are accounted for at fair value.
- c. The Company has decided to disclose prospectively from the date of transition the following as required by IND AS 19
 - i. The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and
 - ii. The experience adjustments arising on;
 - a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and
 - b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

Under previous GAAP the Company was considering leave encashment as defined benefit plan as there was not difference in previous GAAP for accounting of experience adjustments and impact of change in actuarial assumption. On transition to IND AS, the Company has considered leave encashment as short term benefit and consequently experience adjustments and impact of change in actuarial assumption is accounted in profit and loss account.

OTHER ACCOUNTING DIFFERENCES

- d. Fair value of Financial Assets and Liabilities
The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.
- e. Security Deposit
Under Previous IGAAP, the Security Deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and



discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent income under 'other income'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest expense under 'finance cost'.

- f. Compound Financial Instrument
- (i) Under Indian GAAP, interest free loan from corporate and directors are accounted as unsecured loans and advances. Under IND AS, the same is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a prevailing market rate. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss.
- (ii) Under Indian GAAP, 9 % Non Convertible Non Cumulative Redeemable preference shares are accounted for as share capital. Under IND-AS , the same is analysed as liability.
- g. Re measurement of Defined Benefit Plan i.e. gratuity is accounted for in other comprehensive income.
- h. Borrowing designated and carried at amortized cost are accounted on EIR method. The upfront fee on cost of borrowing incurred is deferred and accounted on EIR. Borrowing are shown as net of unamortized amount of upfront fee incurred on transaction.
- i. Deferred Tax
- Under previous GAAP, deferred tax asset is prepared on virtual certainty supported by conclusive evidence. Under Ind-AS the same is prepared on reasonable certainty. The company has, therefore, created deferred tax on carried forward losses on the date of transition i.e. 01.04.2016. Deferred tax asset/ liability is also created on various Ind-AS adjustments.

Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's Total Equity Shareholders' Funds and Profit and Loss for the Financial Period for the periods previously reported under Indian GAAP following the date of transition to IND AS

Reconciliation of Balance sheet as at April 1, 2016 Amount (in ₹)

Particulars	Note No.	As per IGAAP	Adjustments	As per IND-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	47 (a)	4171128326	695002578	4866130904
(b) Other Intangible Assets		8147190	-	8147190
(c) Financial Assets				
(i) Investments	47 (b)	250258678	-35620219	214638459
(ii) Other Financial Assets		49408492	-	49408492
(d) Deferred Tax Assets/ (Liabilities)	47 (i)	-183696293	477223067	293526774
(e) Other Non Current Assets		4380558	-	4380558
		4299626951	1136605426	5436232377

Reconciliation of other equity as at April 1, 2016

	Equity Component of Compound financial instruments	Capital Reserve	Business Reorganization Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Retained Earnings	Total
Balance as at April 1, 2016(I. Gaap) (A)	-	2,30,39,795	1,04,66,62,354	2,00,00,000	55,57,42,116	66,81,99,083	12,59,03,413	(1,37,37,62,118)	1,06,57,84,643
Adjustments									
Add: Equity component of Borrowings under IND-AS	29,60,21,327								29,60,21,327
Add: Fair value of Land under Property, Plant and Equipment as exception under Ind AS 101 on the date of transition								69,50,02,578	69,50,02,578
Less: Fair Valuation of Quoted and Un-quoted investments and other financial assets								(5,56,20,219)	(5,56,20,219)
Add: Fair Value of borrowings carried at amortized cost								6,05,14,892	6,05,14,892
Add: Recognised of Deferred Tax on Brought forward Losses and after IND-AS Adjustments								47,72,23,067	47,72,23,067
Total IND AS Adjustments (B)	29,60,21,327	-	-	-	-	-	-	1,17,71,20,318	1,47,31,41,645
Balance as at April 1, 2016(Ind AS)	29,60,21,327	2,30,39,795	1,04,66,62,354	2,00,00,000	55,57,42,116	66,81,99,083	12,59,03,413	(19,66,41,800)	2,53,89,26,288

Particulars	Note No.	As per IGAAP	Adjustments	As per IND-AS
Current Assets				
(a) Inventories		189233070	-	189233070
(b) Financial Assets				
(i) Trade receivables		55138332	-	55138332
(ii) Cash and cash equivalents		52334715	-	52334715
(iii) Other Bank Balances		24763607		24763607
(iv) Loans		40417826	-	40417826
(v) Other Financial assets		199999	-	199999
(c) Current Tax Assets		31646413	-	31646413
(d) Other Current Assets	47 (d)	132051459	-20000000	112051459
		525785421	-20000000	505785421
		4825412372	1116605426	5942017798
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a) Share Capital/Equity Share Capital	47 (f)	847336908	-650000000	197336908
(b) Other Equity		1065784643	1473141645	2538926288
		1913121551	823141645	2736263196
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	47 (f) & (h)	2372082348	293463781	2665546129
(ii) Other Financial Liabilities	47 (e)	103388338	-4569731	98818607
(b) Provisions		3703590	-	3703590
		2479174276	288894050	2768068326
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables				
-Due to Micro, Small & Medium Enterprises		1977566	-	1977566
-Others		154094645	-	154094645
(ii) Other Financial Liabilities	47 (e)	257367097	4569731	261936828
(b) Other Current Liabilities		19529511	-	19529511
(c) Provisions		147726	-	147726
		433116545	4569731	437686276
		4825412372	1116605426	5942017798


Principal differences between IND AS and Indian GAAP
Measurement and recognition difference for year ended March 31, 2017
a. Asset carried at Deemed cost in IND AS

The Company has elected to measure one class of item i.e. and under Property, Plant and Equipment (PPE) at the date of transition to IND AS at its fair value. The impact i.e. net increase on fair valuation of Land on transition from previous GAAP is Rupees 69,50,02,578/- and the deemed cost considered on transition for land is Rs. 224,80,40,000/-. For other class of items in property, plant and equipment, carrying value is considered as deemed cost. The Company has not re valued fair value of any items of PPE subsequent to the year ended 31st March 2016.

b. Investments in Associates

The Company has elected to measure Investments in Associates at fair value under optional exemption under Ind-AS 101. Other investments are accounted for at fair value.

c. The impact of change in actuarial assumption and experience adjustments for Defined Benefit Obligation towards Gratuity Liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same.

d. Security Deposit

Under Previous IGAAP, the Security Deposits for leases are accounted at an undiscounted value. Under Ind AS, the Security Deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent income under 'other income'. The discounted value of the Security Deposits is increased over the period of lease term by recognising the notional interest expense under 'finance cost'.

e. Compound Financial Instrument

(i) Under Indian GAAP, interest free loan from corporate and directors are accounted as unsecured loans and advances. Under IND AS, the same is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a prevailing market rate. The residual amount is recognised in Equity. The Finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss.

(ii) Under Indian GAAP, 9 % Non Convertible Non Cumulative Redeemable Preference Shares are accounted for as share capital. Under IND-AS, the same is analysed as liability.

OTHER ACCOUNTING DIFFERENCES
f. Fair value of Financial Assets and Liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

g. Statement of Cash Flows

The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet, Statement of Profit & Loss and difference in the definition of cash and cash equivalents and these two GAAP's.

h. The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same.

i. Borrowing designated and carried at amortized cost are accounted on Effective Interest Rate (EIR) method. The upfront fee on cost of borrowing incurred is deferred and accounted on EIR. Borrowing are shown as net of unamortized amount of upfront fee incurred on transaction.

j. Deferred Tax

Under previous GAAP, deferred tax asset is prepared on virtual certainty supported by conclusive evidence. Under Ind-AS the same is prepared on reasonable certainty. The company has therefore created deferred tax on carried forward losses on the date of transition i.e. 01.04.2016. Deferred tax asset/ liability is also created on various Ind-AS adjustments so carried.

Subsequent reconciliations post transition on 31st March 2017
Reconciliation of other equity

(Amounts in Rs.)

Particulars	Equity Component of Compound financial instruments	Business Reorganization Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Retained Earnings	OCI	Total
Balance as at March 31, 2017(I.GAAP) (A)	-	1,04,66,62,354	2,30,39,795	2,00,00,000	55,57,42,116	66,81,99,083	12,59,03,413	(1,65,45,13,256)	-	78,50,33,505
Adjustments										
Difference in other equity on transition on 01.04.2016	29,60,21,327							1,17,71,20,318		1,47,31,41,645
Add: Difference in profit and loss for 2016-17								8,03,64,223	(1,25,155)	8,02,39,068
Total IND AS Adjustments (B)	29,60,21,327	-	-	-	-	-	-	1,25,74,84,541	(1,25,155)	1,55,33,80,713
Balance as at March 31, 2017(Ind AS)	29,60,21,327	1,04,66,62,354	2,30,39,795	2,00,00,000	55,57,42,116	66,81,99,083	12,59,03,413	(39,70,28,715)	(1,25,155)	2,33,84,14,218


Reconciliation of Balance sheet as at March 31, 2017

Amount (in ₹)

Particulars	Note No.	As per IGAAP	Adjustments	As per IND-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	47 (a)	4045765757	695002578	4740768335
(b) Other Intangible Assets		6623024	-	6623024
(c) Financial Assets				
(i) Investments	47 (b)	249972623	-35379138	214593485
(ii) Other Financial Assets		36860675	-	36860675
(d) Deferred Tax Assets (Net)	47 (j)	-207461598	570658120	363196522
(e) Other Non Current Assets		3439670	-	3439670
		4135200151	1230281560	5365481711
Current Assets				
(a) Inventories		167023317	-	167023317
(b) Financial Assets				
(i) Trade receivables		30179899	-	30179899
(ii) Cash and cash equivalents		66722913	-	66722913
(iii) Other Bank Balances		6975197	-	6975197
(iv) Loans		39417826	-	39417826
(v) Other Financial assets		69104	-	69104
(c) Current Tax Assets		26660167	-	26660167
(d) Other Current Assets	47 (f)	171977329	-20000000	151977329
		509025752	-20000000	489025752
		4644225903	1210281560	5854507463
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a) Share Capital/ Equity Share Capital	47 (e)	847336908	-650000000	197336908
(b) Other Equity		785033504	1553380714	2338414218
		1632370412	903380714	2535751126
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	47 (e) & (h)	2551593574	269473350	2821066924
(ii) Other Financial Liabilities	47 (d)	97260594	-3484062	93776532
(b) Provisions		5188820	-	5188820
		2654042988	265989288	2920032276
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		99287334	-	99287334
(ii) Trade Payables				
-Due to Micro, Small & Medium Enterprises		874844	-	874844
-Others		178861232	-	178861232
(iii) Other Financial Liabilities	47 (d)	61226821	40911558	102138379
(b) Other Current Liabilities		17374831	-	17374831
(c) Provisions		187441	-	187441
		357812503	40911558	398724061
		4644225903	1210281560	5854507463

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017

Amount (in ₹)

Particulars	As per IGAAP	Adjustments	As per IND-AS
Revenue from Operations	734071219	-	734071219
Other Income	14126367	4810812	18937178
Total Revenue	748197586	4810812	753008397
Expenses:			
Food and Beverages Consumed	65916567	-	65916567
Changes in inventories of Finished Goods/ Stock-in-Trade	16304496	-	16304496

Particulars	As per IGAAP	Adjustments	As per IND-AS
Employee Benefit Expense	175635090	(181121)	175453969
Finance Costs	292167705	18006796	310174501
Depreciation and Amortization	144166163	-	144166163
Other Expenses	310993398	-	310993398
Total Expenses	1005183419	17825675	1023009094
Profit/(Loss) for the year before tax and exceptional items	(256985833)	(13014863)	(270000697)
Exceptional items	-	-	-
Profit/(Loss) for the year before tax and after exceptional items	(256985833)	(13014863)	(270000697)
Tax expense:			
Current tax	-	-	-
Deferred Tax	(23765305)	93379087	69613782
Total Tax Expense	(23765305)	93379087	69613782
Profit/(Loss) for the year after tax	(280751138)	80364223	(200386915)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans	-	(181121)	(181121)
Income tax effect on above	-	55966	55966
Total Other Comprehensive Income	-	(125155)	(125155)
Total Comprehensive Income for the year	(280751138)	80239068	(200512070)

Notes on adjustment of Profit & Loss Account:

- There is an effect of interest expense and rental income on security deposit received.
- Interest free loan and advances has been treated as Compound Financial Instrument which has resulted in adjustment of Finance Cost under Ind AS.
- Fair Value of Borrowings is carried at amortized cost.
- Long Term Investments are carried at fair value.

Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2017

Amount (in ₹)

Particulars	31st March, 2017
Profit after tax as per IGAAP	(28,07,51,138)
Adjustments:	
Recognition of Interest expenses on fair value of security deposit taken	(56,19,725)
Reclassification of actuarial gain and losses on defined benefit plans to Other Comprehensive Income	1,81,121
Recognition of Rental Income on security deposits	45,69,731
Recognition of Interest on fair value of compounded financial instruments	(3,63,77,502)
Decrease of loss on sale of non-current investment due to fair valuation of opening balance	(3,21,916)
Gain on fair valuation of non-current investments sold	5,62,997
Loan processing charges recorded at amortized cost	2,39,90,431
Recognised of Deferred Tax on Brought forward Losses and after IND-AS Adjustments	9,33,79,086
Total Adjustments	8,03,64,223
Profit after tax as per Ind AS	(20,03,86,915)
Other comprehensive income Gain/(Loss)(net of tax)	(1,25,155)
Total comprehensive income as per Ind AS	(20,05,12,070)

48 (a) C.I.F. value of Imports

Amount (in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Stores and Operating Supplies	2629412	1225527
Capital Goods	1242485	1031730



(b) Expenditure in Foreign Currency

Amount (in ₹)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Legal & Professional	543345	794438
Advertisement	1600124	2782275
Others	12718069	6975982

(c) Earning in Foreign Currency:

Amount (in ₹)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale/revenue	366827565	263741095

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

49. Disclosure of Loans/Advances in the nature of loans in terms of provision of Regulation 34 of the SEBI (Listing Obligation and Disclosure requirements) regulations, 2015-

Amount (in ₹)

	Particulars	Outstanding Balance as on 31.03.2018	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2017	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	Amount	No. of Shares	Amount
		Nil	Nil	Nil	Nil

50. Detail of consumption of imported and indigenious items:

Particulars	Current Year		Previous Year	
	Amount	% of consumption	Amount	% of consumption
(i) Raw Materials				
Imported	0	0.00	0	0
Indigenous	81992017	100.00	65916566	100
Total	81992017	100.00	65916566	100.00
(ii) Stores and Supplies				
Imported	1069189	2.25	1074664	3.60
Indigenous	46532579	97.75	28800608	96.40
Total	47601768	100.00	29875273	100.00

51. Pending Litigations:

The Contingent liability in respect of pending litigations is disclosed in note no. 44. 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.

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

53. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

The accompanying notes form an integral part of the Financial Statements

As Per our Report attached on even date
FOR G.C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration Number : 017851N

FOR AND ON BEHALF OF THE BOARD

Sd/-
G C AGARWAL
(PROPRIETOR)
Membership No. : 083820

Sd/-
J.M.L. SURI
(DIRECTOR)
DIN:00002373

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN:00001938

PLACE : GURUGRAM
DATE : 29.05.2018

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**

Report on the Consolidated Financial Statements.

1. We have audited the accompanying Consolidated Financial Statements (the "Consolidated Financial Statements") of **HB ESTATE DEVELOPERS LIMITED** (hereinafter referred to as "the Holding Company") and its associate, hereinafter referred to as the "Group" to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant Accounting Policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance (including Other Comprehensive Income), Consolidated Cash Flow Statement and Consolidated statement of changes in Equity of the group in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 (as amended). The Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group are responsible for the 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 Company, as aforesaid.

Auditor's Responsibility

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

4. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India as specified under section 143(10) of the Act. Those Standards and pronouncements 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.

5. An Audit involves performing procedures to obtain Audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditors' 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

Controls relevant to the Company's preparation and presentation 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 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 Consolidated Financial Statements.

6. We believe that the Audit evidence obtained by us other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 8(a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

7. 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 as at 31st March, 2018, their Consolidated loss (including Other Comprehensive Income), their Consolidated Cash Flows and Consolidated Statement of Changes in Equity for the year ended on that date.

Other matters

8. (a) The Consolidated Financial Statements include the Group's share of net loss of Rs. Nil /-for the year ended 31st March, 2018, as considered in the Consolidated Financial Statements, in respect of one associate, whose Financial Statements / Financial Information have not been audited by us. This 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.

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

9. 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 maintained by the Company, including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and records of the Company.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Cash Flow Statement and Consolidated statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the group including relevant records maintained by the company 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, 2015 (as amended).



- e. On the basis of written representation received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31st March, 2018 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 A.
- 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 disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note No. 51 the Consolidated Financial Statements.
 - ii. The Group did not have any long-term contracts including derivative contracts as at 31st March, 2018
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended on 31st March, 2018

FOR G. C. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No.: 017851N

(G C AGARWAL)
Proprietor

(Membership No. 083820)

PLACE : Gurugram
DATED : 29/05/2018

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the Board of Directors of **HB Estate Developers Limited** on the Consolidated financial statements for the year ended 31st March, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

- 1. We have audited the internal financial controls over financial reporting of **HB Estate Developers Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

- 2. 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 Act.

Auditors' Responsibility

- 3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.

- 4. 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.
- 5. 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

- 6. 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

- 7. 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

- 8. 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 31st March, 2018, 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 G. C. AGARWAL & ASSOCIATES
Chartered Accountants
Firm Registration No.: 017851N

(G C AGARWAL)
Proprietor
(Membership No. 083820)

PLACE : Gurugram
DATED : 29/05/2018



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2018

PARTICULARS	Note No.	As at 31 st March, 2018 (In ₹)	As at 31 st March, 2017 (In ₹)	As at 31 st March, 2016 (In ₹)
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	5	4604797453	4740768335	4866130904
(b) Other Intangible Assets	6	2953177	6623024	8147190
(c) Financial Assets				
(i) Investments	7	215269435	214593485	214638459
(ii) Other Financial Assets	8	7015949	36860675	49408492
(d) Deferred Tax Assets (Net)	9	388024876	363196522	293526774
(e) Other Non Current Assets	10	3443964	3439670	4380558
		<u>5221504854</u>	<u>5365481711</u>	<u>5436232377</u>
Current Assets				
(a) Inventories	11	172485945	167023317	189233070
(b) Financial Assets				
(i) Trade Receivables	12	32833620	30179899	55138332
(ii) Cash and Cash Equivalents	13	69841161	66722913	52334715
(iii) Other Bank Balances other than (ii) above	14	12288372	6975197	24763607
(iv) Loans	15	39417826	39417826	40417826
(v) Other Financial Assets	16	904188	69104	199999
(c) Current Tax Assets (Net)	17	36972121	26660167	31646413
(d) Other Current Assets	18	85970382	151977329	112051459
		<u>450713615</u>	<u>489025752</u>	<u>505785421</u>
		<u>5672218469</u>	<u>5854507463</u>	<u>5942017798</u>
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a) Equity Share Capital	19	197336908	197336908	197336908
(b) Other Equity	20	2183736918	2338414218	2538926288
		<u>2381073826</u>	<u>2535751126</u>	<u>2736263196</u>
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	21	2705928949	2821066924	2665546129
(ii) Other Financial Liabilities	22	90494458	93776532	98818607
(b) Provisions	23	4729842	5188820	3703590
		<u>2801153249</u>	<u>2920032276</u>	<u>2768068326</u>
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	151298483	99287334	-
(ii) Trade Payables	25			
-Due to Micro And Small Enterprises		1095533	874844	1977566
-Others		152018029	178861232	154094645
(iii) Other Financial Liabilities	26	150834751	102138379	261936828
(b) Other Current Liabilities	27	33648250	17374831	19529511
(c) Provisions	28	1096348	187441	147726
		<u>489991394</u>	<u>398724061</u>	<u>437686276</u>
		<u>5672218469</u>	<u>5854507463</u>	<u>5942017798</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 55			

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

As Per our Report attached on even date
FOR G.C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration Number : 017851N

Sd/- G C AGARWAL (PROPRIETOR) Membership No. : 083820
Sd/- J.M.L. SURI (DIRECTOR) DIN:00002373
Sd/- ANIL GOYAL (DIRECTOR) DIN:00001938

PLACE : GURUGRAM DATE : 29.05.2018
Sd/- PRAVEEN GUPTA (CHIEF FINANCIAL OFFICER)
Sd/- RADHIKA KHURANA (COMPANY SECRETARY)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

PARTICULARS	Note No.	Year Ended 31 st March, 2018 (In ₹)	Year Ended 31 st March, 2017 (In ₹)
Revenue from Operations	29	837787867	734071219
Other Income	30	9298466	18937178
Total Revenue		<u>847086333</u>	<u>753008397</u>
Expenses:			
Food and Beverages Consumed	31	81992017	65916567
Changes in inventories of Finished Goods/ Stock-in-Trade	32	-	16304496
Employee Benefit Expense	33	196905676	175453969
Finance Costs	34	266860892	310174501
Depreciation and Amortization	5 & 6	143569791	144166163
Other Expenses	35	345908335	310993398
Total Expenses		<u>1035236711</u>	<u>1023009094</u>
Profit/(Loss) for the year before tax and exceptional items		<u>(188150378)</u>	<u>(270000697)</u>
Exceptional items		-	-
Profit/(Loss) for the year before tax and after exceptional items		<u>(188150378)</u>	<u>(270000697)</u>
Tax expense:			
Current tax		-	-
Deferred Tax		(25088319)	(69613782)
Total Tax Expense		<u>(25088319)</u>	<u>(69613782)</u>
Profit/(Loss) for the year after tax		<u>(163062059)</u>	<u>(200386915)</u>
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	(200386915)
Re-measurement gains (losses) on defined benefit plans		892739	
Income tax effect on above		(259966)	
Total Other Comprehensive Income		<u>632773</u>	<u>(181121)</u>
Total Comprehensive Income for the year		<u>(162429286)</u>	<u>55966</u>
Earning per equity share:	36		(125155)
Equity share of Par value ₹ 10/-each			(200512070)
Basic		(8.38)	(10.30)
Diluted		(8.38)	(10.30)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			

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

As Per our Report attached on even date
FOR G.C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration Number : 017851N

Sd/- G C AGARWAL (PROPRIETOR) Membership No. : 083820
Sd/- J.M.L. SURI (DIRECTOR) DIN:00002373
Sd/- ANIL GOYAL (DIRECTOR) DIN:00001938

PLACE : GURUGRAM DATE : 29.05.2018
Sd/- PRAVEEN GUPTA (CHIEF FINANCIAL OFFICER)
Sd/- RADHIKA KHURANA (COMPANY SECRETARY)


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

PARTICULARS	Amount in ₹	Amount in ₹
	Year ended 31st March, 2018	Year ended 31st March, 2017
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax, extraordinary items	(188150378)	(27000697)
Adjustment for :		
Depreciation/Amortisation	143569791	144166163
Loss on Sale of Property, Plant and Equipments (Net)	244150	-
Interest Income	(2349679)	(5507146)
Interest Expense	221372777	246236813
Interest Expense on fair valuation of security deposits	6266014	5619725
Interest Expense on Debt Component of Compounded financial instruments	28948804	36377502
Gain on Fair Valuation of Investments	(675951)	(562997)
Profit on sale of Investments (Net)	-	(665122)
Operating Profit before Working Capital Changes	209225528	155664241
Adjustments for :		
Trade receivables	(2653721)	24958433
Loans and Advances and other assets	84990140	(6493265)
Inventories	(5462629)	22209754
Trade Payables & other Liabilities	12777524	(183352509)
Cash generated from operations	298876842	12986654
Direct Tax Paid	(10311954)	4986246
Net Cash from Operating Activities (A)	288564888	17972900
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments	(6276320)	(17279428)
Sale of Property, Plant and Equipments	2103108	-
Sale / (Purchase) of Investments (Net)	-	1273093
Interest Received	7058660	4482549
Net Cash received in Investing Activities (B)	2885448	(11523786)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(225205262)	(246869046)
Proceeds / (Repayment) from / of Long term Borrowings (Net)	(115137975)	155520796

PARTICULARS	Amount in ₹	Amount in ₹
	Year ended 31st March, 2018	Year ended 31st March, 2017
Proceeds / (Repayment) from / of Short term Borrowings (Net)	52011149	99287334
Net Cash used in Financing Activities (C)	(288332088)	7939083
Net increase in Cash and Cash equivalents (A+B+C)	3118248	14388198
CASH & CASH EQUIVALENTS (OPENING BALANCE)	66722913	52334715
CASH & CASH EQUIVALENTS (CLOSING BALANCE)	69841161	66722913
Components of cash and cash equivalents at the end of the year		
Cash on hand	975354	1060716
Balances with scheduled banks :		
-In current and deposit accounts	68865807	65662197
	69841161	66722913

Note: 1. Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statements)

2. Cash and cash equivalents consist of cash in hand and balances with banks.

3. Borrowings from banks is net of repayments.

4. Figures in brackets represent outflow of cash.

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

As Per our Report attached on even date
FOR G.C. AGARWAL & ASSOCIATES FOR AND ON BEHALF OF THE BOARD
CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/- G C AGARWAL (PROPRIETOR) Membership No. : 083820	Sd/- J.M.L. SURI (DIRECTOR) DIN:00002373	Sd/- ANIL GOYAL (DIRECTOR) DIN:00001938
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PLACE : GURUGRAM DATE : 29.05.2018	Sd/- PRAVEEN GUPTA (CHIEF FINANCIAL OFFICER)	Sd/- RADHIKA KHURANA (COMPANY SECRETARY)
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Statement of Changes in Equity for the year ended 31st March 2018
A. Equity Share Capital**

(Amount in ₹)

	Balance as at 1st April, 2016**	Changes in Equity Share capital during the year 2016-17	Balance as at 31st March, 2017**	Changes in equity share capital during the year 2017-18	Balance as at 31st March, 2018**
	197336908	-	197336908	-	197336908

B. Other Equity

(Amount in ₹)

	Reserves and Surplus									Items of Other Comprehensive Income	Total
	Equity Component of Compound financial instruments*	Capital Reserve	Business Reorganization Reserve**	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Retained Earnings	Items that will not be reclassified to Profit and Loss		
										(i) Remeasurement of Defined Benefit Plans	
Balance as at April 1, 2016(Ind AS)	296021327	23039795	1046662354	20000000	555742116	668199083	125903413	(196641800)	-	-	2538926288
Profit/ (Loss) for the year 2016-17	-	-	-	-	-	-	-	(200386915)	-	-	(200386915)
Remeasurement of the net defined benefit plans (Net of Taxes)	-	-	-	-	-	-	-	-	(125155)	(125155)	
Balance as at March 31, 2017	296021327	23039795	1046662354	20000000	555742116	668199083	125903413	(397028715)	(125155)		2338414218
Addition during the year	7751986	-	-	-	-	-	-	-	-	-	7751986
Profit/ (Loss) for the year 2017-18	-	-	-	-	-	-	-	-	(163062059)	-	(163062059)
Remeasurement of the net defined benefit plans (Net of Taxes)	-	-	-	-	-	-	-	-	632773	632773	
Balance as at March 31, 2018	303773313	23039795	1046662354	20000000	555742116	668199083	125903413	(560090775)		507619	2183736918

* Refer para 47 (f)

** Pursuant to Composite Scheme of Arrangement

Significant accounting policies and notes to the consolidated financial statements

The accompanying notes form an integral part of the Financial Statements

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-
G C AGARWAL
(PROPRIETOR)
Membership No. : 083820

PLACE : GURUGRAM
DATE : 29.05.2018

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)
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SIGNIFICANT ACCOUNTING POLICIES AND NOTES OF FINANCIAL STATEMENT

1. Corporate and General Information

HB Estate Developers Limited (“HBEDL”) or (“the Company”) is domiciled and incorporated in India. The Company is engaged in the business of owning and managing hotels and real estate properties.

The Company has one associate namely Parsvnath HB Projects Private Limited wherein company’s share is 49% and is doing business of real estate.

2. Basis of preparation

The consolidated financial comprise of standalone financial statements along with its one associate and has been prepared under IND AS for the financial year beginning on April 1, 2017 with April 1, 2016 as the date of transition. These are the Company’s first annual financial statements prepared complying in all material respects with the Indian Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2015 (as amended). The Consolidated Financial Statements comply with IND AS notified by Ministry of Company Affairs (“MCA”). The Company and its associate has consistently applied the accounting policies used in the preparation of its opening IND AS Balance Sheet at April 1, 2016 throughout all periods presented, as if these policies had always been in effect and are covered by IND AS 101 “First-time adoption of Indian Accounting Standards”. The transition was carried out from accounting principles generally accepted in India (“Indian GAAP”) which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as of April 1, 2016 and March 31, 2017 and on the net profit and cash flows for the year ended March 31, 2017 is disclosed in Note no.47 to these Consolidated Financial Statements.

The significant Accounting Policies used in preparing the Consolidated Financial Statements are set out in Note no.3 of the Notes to the Consolidated Financial Statements.

The preparation of the Consolidated Financial Statements requires management to make estimates and assumptions. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no.4 on critical accounting estimates, assumptions and judgements).

Basis of Consolidation

The Consolidated Financial Statements related to HB Estate Developers Ltd and its associate company Parsvnath HB Projects Pvt Ltd. The consolidated financial statements have been prepared on the following principles:

Interest in associate is consolidated using equity method as per IND AS 28 – ‘Investment in Associates and Joint Ventures’. Under the equity method, post-acquisition attributable profit/losses are adjusted in the carrying value of investment upto the investment in the associate.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements.

3 Significant Accounting Policies

3.1 Basis of Measurement

The Consolidated Financial Statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Certain financial assets and liabilities carried at amortised cost,
- Defined benefit plans – plan assets measured at fair value,
- Property, plant and equipment on transition to IND AS (refer note no 5 read with exception to Ind-AS note no. 47 to these Consolidated Financial Statements)

The Consolidated Financial Statements are presented in Indian Rupees, which is the Company’s functional and presentation currency and all amounts are rounded to the nearest rupees.

3.2 Property, Plant and Equipment

- a) For transition to IND AS, the Company and its associate has adopted optional exception under IND AS 101 to measure land under the head “Property, Plant and Equipment” at fair value. (refer note 5 read with exception to Ind-AS note no. 47) Consequently the fair value has been assumed to be deemed cost of Land under “Property, Plant and Equipment” on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Borrowing Cost (if any) during the period of construction is added to the cost of eligible tangible assets.
- b) Depreciation is provided on Straight Line Method over the remaining useful life of the assets in the manner prescribed in Schedule II of the Companies Act, 2013.
- c) The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

3.3 Intangible Assets

Identifiable intangible assets are recognised:

- a) when the Company and its associate controls the asset,
- b) it is probable that future economic benefits attributed to the asset will flow to the Company and its associate and
- c) the cost of the asset can be reliably measured.

Computer software’s are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of license, generally not exceeding five years on straight line basis. The assets’ useful lives are reviewed at each financial year end.

3.4 Impairment of Non-Current Assets

An asset is considered as impaired when at the date of Balance Sheet there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs exceeds its recoverable amount (i.e. the higher of the net asset selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss. The impairment loss recognized in the prior accounting period is reversed if there has been a change in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

3.5 Cash and Cash Equivalents

Cash and cash equivalents includes Cash on hand and at bank and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits.

3.6 Inventories

Inventories (real estate) are valued at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Stock of Food & Beverages and stores and operating supplies are carried at cost or net realizable value whichever is lower.

3.7 Employee Benefits

- a) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered.
- b) Leave encashment being a short term benefit is accounted for using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.
- c) Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.
- d) The cost of providing gratuity, a defined benefit plans, is determined using the Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to Other Comprehensive Income in the period in which they arise. Other costs are accounted in statement of profit and loss.

3.8 Foreign Currency Reinstatement and Translation

(a) Functional and presentation currency

The Consolidated Financial Statements have been presented in Indian Rupees (₹), which is the Company and its associate’s functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded by the Company and its associate at rates prevailing at the date of the transaction. Subsequently monetary items are translated at closing exchange rates of balance sheet date and the resulting exchange difference recognised in profit or loss. Differences arising on settlement of monetary items are also recognised in profit or loss.

3.9 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and liabilities and the assets and liabilities contractual cash flow characteristics.



Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

For foreign currency trade receivable, impairment is assessed after reinstatement at closing rates.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

Subsequent recoveries of amounts previously written off are credited to other Income

Investment in equity shares

Investment in equity securities are initially measured at fair value and is recognised through Profit and Loss account.

Financial Liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss. However, borrowings, which is likely to be assigned or negotiated are initially measured at fair value through profit and loss account. Other borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the Effective Rate of Interest (EIR). The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

Trade and other payables

Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

3.10 Borrowing costs

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company and its associate incurs in connection with the borrowing of funds.

For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company and its associate that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period.

All other borrowing costs are expensed in the period in which they occur.

3.11 Taxation

Income tax expense represents the sum of current and deferred tax (including MAT). Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income, such change could be for change in tax rate.

Current tax provision is computed for Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and liabilities are measured

at the applicable tax rates. Deferred tax assets and deferred tax liabilities are off set, and presented as net.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Minimum Alternative Tax (MAT) is applicable to the Company and its associate. Credit of MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company and its associate will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company and its associate reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company and its associate will pay normal income tax during the specified period.

3.12 Revenue recognition and Other income

- a) Revenue from Hotel operations viz room rent, food & beverages and other allied services is recognised upon rendering of services.
- b) In respect of Real Estate Projects undertaken up to 31.03.2005, the company and its associate 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 Completion Method.
- c) In the case of projects relating to development and sale of plots and transfer/sale of right, revenue is recognised on execution of transfer documents/possession documents.
- d) Income from services is accounted for on the basis of the bills raised on customers.
- e) 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.

3.13 Recent accounting development

Standards issued but not yet effective:

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of Consolidated Financial Statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts and related appendices.

A new five step process must be applied before revenue could be recognised :

- 1. Identify contracts with customers.
- 2. Identify the separate performance obligations.
- 3. Determine the transaction price of the contract
- 4. Allocate the transaction price to each of the separate performance obligations, and
- 5. Recognise revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after 1 April, 2018 and early application is not permitted. The standard permits either a full retrospective application or a modified retrospective approach for the adoption.

The Company and its associate primarily derives its revenue from Hotel operations and dealing with real estate properties. The Company and its associate envisage no material impact for adoption of this statement.

The company and its associate intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of April 1st, 2018 and that comparatives will not be restated.

3.14 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

3.15 Provisions and contingencies

Provisions

Provisions are recognised when the Company and its associate has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required



to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company and its associate or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the consolidated Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.16 Operating Lease

An Operating Lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as Operating Leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Payments/receipts under operating lease are recorded in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

3.17 Current /Non-Current Classification

The Company and its associate presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company and its associate has presented Non-Current Assets and Current Assets before equity, Non-Current Liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by MCA.

An Asset is classified as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
- b) Held primarily for the purpose of trading,

- c) Expected to be realised within twelve months after the reporting period, or
- d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) It is expected to be settled in normal operating cycle,
- b) It is held primarily for the purpose of trading,
- c) It is due to be settled within twelve months after the reporting period, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4. Critical accounting estimates, assumptions and judgements

In the process of applying the Company and its associate's accounting policies, management has made the following estimates, assumptions and judgements, which have significant effect on the amounts recognised in the consolidated Financial Statement:

(a) Income taxes

Management judgment is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company and its associate reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

(b) Contingencies

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the Company and its associate as it is not possible to predict the outcome of pending matters with accuracy.

(c) Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not to be collectible.

Impairment is made on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

5. PROPERTY, PLANT AND EQUIPMENT

(Amount in ₹)

Particulars	Land	Temporary Structure	Buildings	Plant and Equipments	Furniture and Fixture	Office Equipment	Vehicles	Computer	Total
Gross Block									
As at April 1, 2016	2248040000	-	1773792833	437912490	390379798	884765	2782596	12338421	4866130904
Additions	-	-	9090778	2137418	3682605	68299	-	214800	15193900
Adjustment	-	-	-	-	-	-	-	-	-
As at March 31, 2017	2248040000	-	1782883611	440049908	394062403	953064	2782596	12553221	4881324804
Additions	-	-	1500000	2281674	2365045	-	-	61601	6208320
Adjustment	-	-	8289	880295	1379895	179038	-	37886	2485404
As at March 31, 2018	2248040000	-	1784375322	441451287	395047553	774026	2782596	12576936	4885047720
Accumulated Depreciation									
As at April 1, 2016	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	29533902	34324276	72467418	232016	651900	3346956	140556469
Adjustment	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	-	29533902	34324276	72467418	232016	651900	3346956	140556469
Charge for the year	-	-	29638713	34394593	72574639	174651	651900	3058439	140492935
Adjustment	-	-	125	83858	628373	50789	-	35992	799137
As at March 31, 2018	-	-	59172490	68635011	144413684	355878	1303800	6369403	280250267
Net Carrying Amount									
As at April 1, 2016	2248040000	-	1773792833	437912490	390379798	884765	2782596	12338421	4866130904
As at March 31, 2017	2248040000	-	1753349709	405725631	321594985	721048	2130697	9206265	4740768335
As at March 31, 2018	2248040000	-	1725202831	372816275	250633869	418148	1478796	6207532	4604797453

Note: The Company has elected to measure the items of Property, Plant and Equipment at their fair value on date of transition (Refer Note No. 47)


6. INTANGIBLE ASSETS

(Amount in ₹)

Particulars	Software	Total
Gross Block		
As at April 1, 2016	8147190	8147190
Additions	2085528	2085528
As at March 31, 2017	10232718	10232718
Additions	68000	68000
Adjustment	3558412	3558412
As at March 31, 2018	6742306	6742306

Particulars	Software	Total
Accumulated Depreciation		
As at April 1, 2016	-	-
Charge for the year	3609694	3609694
As at March 31, 2017	3609694	3609694
Charge for the year	3076856	3076856
Adjustment	2897421	2897421
As at March 31, 2018	3789129	3789129
Net Carrying Amount		
As at April 01, 2016	8147190	8147190
As at March 31, 2017	6623024	6623024
As at March 31, 2018	2953177	2953177

7. NON CURRENT INVESTMENTS- Designated at Fair Value Through Profit and Loss Account

Name of the Company	Face Value	As at 31 st March, 2018		As at 31 st March, 2017		As at 31 st March, 2016	
	(₹)	Qty (Nos)	Amount (₹)	Qty (Nos)	Amount (₹)	Qty (Nos)	Amount (₹)
A- Long Term - Trade - Unquoted							
- In Equity Shares of Associates							
Parsvnath HB Projects Pvt. Ltd.*	10	24020	-	24020	-	24020	-
Total-(Trade Unquoted)			-		-		-
Aggregate Amount of Unquoted Instrument (A)			-		-		-
B1- Long Term - Other Than Trade - Quoted							
Royal Orchid Hotels Ltd	10	496	79732	496	44392	496	34919
Bellary Steel and Alloys Ltd.**	1	100000	191000	100000	191000	100000	191000
Hotline Glass Ltd.**	10	10000	6100	10000	6100	10000	6100
Jaiprakash Power Ventures Ltd.	10	1543674	7409635	1543674	7780117	1543674	7224394
Mawana Sugar Ltd **	10	-	-	-	-	23842	607971
Shree Ram Urban Infrastructure Ltd.	10	1000	37000	1000	62550	1000	57450
Total-(Other Than Trade Quoted)			7723467		8084159		8121834
Aggregate Amount of Quoted Instrument (B)			7723467		8084159		8121834
B2-Long Term - Other Than Trade - Unquoted							
CHL (South) Hotels Ltd.	10	100000	10816326	100000	10172000	100000	10172000
QR Properties Pvt Ltd	10	5900	5164058	5900	4775883	5900	4775873
HB Prima Capital Ltd.	10	195000	257763	195000	260309	195000	260309
RRB Securities Ltd.	10	86100	1291500	86100	1291500	86100	1291500
B3-Investments in Mutual Fund							
Fully Paid up-Unquoted							
Taurus Dynamic Income Fund	10	7776	116321	7776	109634	7776	116943
Total-(Other Than Trade UnQuoted)			17645968		16609326		16616625
Aggregate Amount of Un-Quoted Instrument (C)			17645968		16609326		16616625
B4-Investment in Preference Shares - Other Than Trade ***							
Fully Paid-Up Redeemable Preference Shares (Un-Quoted)							
HB Securities Limited (6% Cumulative)	1000	10000	10000000	10000	10000000	10000	10000000
HB Growth Fund Ltd (3% Non-cumulative)	10	50000	500000	50000	500000	50000	500000
HB Telecommunications Ltd (3% Non-cumulative)	10	40000	400000	40000	400000	40000	400000
Gemini Portfolios Pvt Ltd (9% Non Cumulative)	100	600000	60000000	600000	60000000	600000	60000000
Venus Portfolio Pvt Ltd (9% Non Cumulative)	100	1190000	119000000	1190000	119000000	1190000	119000000
Total- Preference Shares (D)			189900000		189900000		189900000
Grand Total - (A+B+C+D)			215269435		214593485		214638459
Aggregate Amount of Quoted Instrument			7723467		8084159		8121834
Aggregate Amount of Un-Quoted Instrument			207545968		206509326		206516625
Aggregate Market Value of Quoted Instrument			7723467		8084159		8121834

* The Company has elected to fair value instruments in associates on date of transition (refer note no. 47)

** Listed but not quoted

*** Pursuant to Composite Scheme of Arrangement



8. OTHER NON CURRENT FINANCIAL ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Unsecured, Considered Good			
Fixed Deposits with bank (with remaining maturity more than 12 months*)	1463736	26761397	39653156
Interest Accrued but not due on fixed deposits	10313	5554378	4398886
Security Deposits	5541900	4544900	5356450
Total	7015949	36860675	49408492

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

9. DEFERRED TAX ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Temporary difference			
A. Deferred Tax Liability			
(i) Difference between book and tax base related to fixed assets	212439313	209005405	184768892
(ii) Unamortised Cost	38670737	26112145	18699102
Total Deferred Tax Liabilities	251110050	235117550	203467994
B. Deferred Tax Assets			
(i) Disallowance under Income Tax Act	2073194	1780924	1281339
(ii) Carried Forward losses	637061732	596533148	495713428
Total Deferred Tax Sssets	639134926	598314072	496994767
Net Deferred Tax Assets	388024876	363196522	293526774

10. OTHER NON CURRENT ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Capital Advances	3443964	3439670	4380558
Total	3443964	3439670	4380558

11. INVENTORIES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Completed Construction (Real Estate)	119391720	119391720	135696216
Food and Beverages	15539325	8557880	13751445
Stores and Operating Supplies	37554900	39073717	39785409
Total	172485945	167023317	189233070

12. TRADE RECEIVABLES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Unsecured, considered good	32833620	30179899	55138332
Doubtful Debts	1532836	330587	-
	34366456	30510486	55138332
Less: Provision for Doubtful Debts	-1532836	-330587	-
Total	32833620	30179899	55138332

13. CASH AND BANK BALANCES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Cash and Cash Equivalents			
Cash on Hand	975354	1060716	597373
Balances with Banks			
On Current Accounts	68865807	65662197	51737342
Total	69841161	66722913	52334715

14. OTHER BANK BALANCES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
-In Earmarked Dividend Accounts	3154372	4256197	5321967
Fixed Deposits with remaining maturity of less than twelve months and other than considered in cash and cash equivalents *	9134000	2719000	19441640
Total	12288372	6975197	24763607

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

15. LOANS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Unsecured, Considered Good			
Loans and Advances to Related Party-Associate*	14196182	14196182	14196182
Inter Corporate Deposit including accrued interest	25221644	25221644	26221644
Total	39417826	39417826	40417826

* To Parsvnath HB Projects Pvt. Ltd.

16. OTHER FINANCIAL ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Interest accrued but not due on Bank deposits	904188	69104	199999
Total	904188	69104	199999

17. CURRENT TAX ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Current Tax Assets (Net to provision)	36972121	26660167	31646413
Total	36972121	26660167	31646413

18. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April,2016 (In ₹)
Amount Recoverable from Government*	6037349	4936387	9257007
Advances to contractors/ suppliers/other Recoverables	73999493	91593369	97259036
Receivable from HB Portfolio Limited pursuant to Composite Scheme of Arrangement	5933540	55447573	5535416
Total	85970382	151977329	112051459

* Represents Sales Tax, GST and Cenvat Credit etc.



19. EQUITY SHARE CAPITAL

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
AUTHORIZED			
3,50,00,000 (March 31, 2017- 3,50,00,000 and April 01, 2016 - 3,50,00,000) Equity Shares of Rs.10/- each.	350000000	350000000	350000000
1,35,00,000 (March 31, 2017- 1,35,00,000 and April 01, 2016 - 1,35,00,000) Redeemable Preference Shares of Rs.100/- each	135000000	135000000	135000000
	1700000000	1700000000	1700000000
ISSUED			
2,02,89,285 (March 31, 2017- 2,02,89,285 and April 01, 2016 - 2,02,89,285) Equity Shares of Rs.10/- each.	202892850	202892850	202892850
	202892850	202892850	202892850
SUBSCRIBED & PAID UP			
1,94,59,947 (March 31, 2017- Nil and April 01, 2016 Nil) Equity Shares of Rs.10/- each fully paid up (See Note 19.2)	194599470	-	-
Share Capital Suspense A/c (See Note 19.2)	-	194599470	194599470
(1,94,59,947 equity shares to be allotted pursuant to Composite Scheme of Arrangement, which have been allotted during the current year)			
Add: Forfeited shares- 8,29,338 (March 31, 2017- 8,29,338 and April 01, 2016 - 8,29,338) Equity Shares	2737438	2737438	2737438
(Amount originally paid up)			
Total	197336908	197336908	197336908
19.1 Aggregate number of bonus shares issued, shares issued for consideration other than cash and bought back shares during the period of five years immediately preceding the reporting date.	Nil	Nil	Nil

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

19.2.1 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. During the financial year 2014-15, 40,95,995 Equity Shares of ₹ 10 each fully paid up were issued and allotted for consideration other than cash pursuant to Scheme of amalgamation of erstwhile Pisces Portfolios Pvt. Ltd. with the Company.

19.2.2 Brief Particulars of change in share capital during the year:

(a) The Company has allotted Equity Shares of Rs.10 (Rupees Ten) each fully paid-up to the Shareholders of HB Stockholdings Limited in the ratio of 24 (Twenty Four) equity shares of Rs. 10/- (Rupees Ten) each fully paid up of the company for every 100 (One Hundred) equity shares held by them in HB Stockholdings Limited. The Company has also allotted Equity Shares of Rs. 10 (Rupees Ten) each fully paid-up to the Shareholders of HB Portfolio Limited in the ratio of 59 (Twenty Four) equity shares of Rs. 10/- (Rupees Ten) each fully paid up of the company for every 100 (One Hundred) equity shares held by them in HB Portfolio Limited. As a result of which, the equity share capital of the company increased from ₹ 16,13,82,870 comprising of 1,61,38,287 equity shares of Rs. 10/- (Rupees Ten) each fully paid up to Rs. 32,43,32,450 comprising of 3,24,33,245 equity shares of Rs. 10/- (Rupees Ten) each fully paid up. Thus 1,62,94,958 equity shares of Rs. 10 each fully paid up were issued and allotted pursuant to composite scheme of arrangement.

(b) After the allotment of equity shares by the Company to the Shareholders of HB Stockholdings Limited and HB Portfolio Limited the equity share capital of the Company has been reduced by reducing the face value of the equity shares from 1 (One) equity share of Rs. 10/- (Rupees Ten) fully paid up to 1 (One) equity shares of Rs. 6/- (Rupees Six) each fully paid up.

(c) The equity share capital of the Company so reduced has been further consolidated in such a manner that the Shareholders holding 5 (Five) equity share of Rs. 6/- (Rupees Six) each fully paid up were allotted 3 (Three) equity share of Rs. 10/- (Rupees Ten) each fully paid up in the equity share capital of the Company. As a result of which, the equity share capital reduced from Rs. 32,43,32,450 comprising of 3,24,33,245 equity shares of Rs. 10/- (Rupees Ten) each to Rs. 19,45,99,470 comprising of 1,94,59,947 equity shares of Rs. 10/- (Rupees Ten) each.

19.3 Reconciliation of the number of Equity Shares and Share Capital:

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning*	19459947	194599470	19459947	194599470	19459947	194599470
Addition during the Year	-	-	-	-	-	-
Number of shares at the end*	19459947	194599470	19459947	194599470	19459947	194599470

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

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding	Number of shares held	% of holding
Lalit Bhasin*	9927873	51.02	9927873	51.02	9927873	51.02
HB Portfolio Ltd*	2104317	10.81	2104317	10.81	2104317	10.81

* As on 31st March 2017 and as on 1st April 2016, represents Equity Share Capital Suspense representing shares to be allotted pursuant to Composite Scheme of Arrangement. Shares allotted during the year 2017-18.

20. OTHER EQUITY

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Capital Reserve	23039795	23039795	23039795
	23039795	23039795	23039795
Business Reorganization Reserve*	1046662354	1046662354	1046662354
	1046662354	1046662354	1046662354
Capital Redemption Reserve	20000000	20000000	20000000
	20000000	20000000	20000000
Securities Premium Reserve	555742116	555742116	555742116
	555742116	555742116	555742116
General Reserve	668199083	668199083	668199083
	668199083	668199083	668199083
Statutory Reserve	125903413	125903413	125903413
	125903413	125903413	125903413
Equity Component of Compound financial instruments**	296021327	296021327	296021327
Addition during the year	7751986	-	-
	303773313	296021327	296021327
Retained Earnings	(397028715)	(196641800)	(196641800)
Profit/ (Loss) for the year	(163062059)	(200386915)	-
	(560090775)	(397028715)	(196641800)
Items of Other Comprehensive Income	(125155)	-	-
Items that will not be reclassified to Profit and Loss			
Remeasurement of Defined Benefit Plans	632773	(125155)	-
	507619	(125155)	-
Total	2183736918	2338414218	2538926288

* Pursuant to Composite Scheme of Arrangement (refer note no. 37)

** Refer note number 47 (f).



Retained Earnings represent the undistributed profits of the Company.

Other Comprehensive Income Reserve represents the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to profit and loss (ii) Items that will be reclassified to profit and loss.

Capital Redemption reserve represents the statutory reserve created when capital is redeemed.

The Statutory reserve represents reserve specifically created u/s 45 IC of Reserve Bank of India (Amendment) Act, 1997

General Reserve represents the statutory reserve, in accordance with Indian Corporate Law wherein a portion of profit is apportioned to general reserve. Under Companies Act, 1956 it was mandatory to transfer amount before a Company can declare dividend. However, under Companies Act, 2013 transfer of any amount to General Reserve is at the discretion of the Company.

Securities Premium Reserve represents the amount received in excess of par value of Securities (Equity Shares, Preference Shares and Debentures). Premium on redemption of Securities is accounted in Security Premium available. Where Security premium is not available, premium on redemption of securities is accounted in statement of profit and loss. Section 52 of the Companies Act 2013 specify restriction and utilisation of security premium.

21. NON CURRENT BORROWINGS

Particulars	As at 31st March, 2018 (In ₹)		As at 31st March, 2017 (In ₹)		As at 1st April, 2016 (In ₹)	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
(A) SECURED LOANS FROM BANK						
(i) Vehicle Loan from HDFC Bank	-	-	-	-	-	73069
(ii) Vehicle Loan from ICICI Bank	-	-	-	-	-	32618
(iii) Term Loan from Yes Bank						
a) Facility 1	-	-	-	-	671036824	189320000
b) Facility 2	610550322	-	642473521	-	735141116	16000000
c) Facility 3	911929526	4000000	956147953	-	-	-
Total-A	1522479848	4000000	1598621474	-	1406177940	205425687
(B) UNSECURED						
(i) Overdraft from State Bank of India	136765077	8600000	145716777	2572000	148539516	-
(ii) Term Loan from Religare Finvest Limited	45207336	2376040	144000000	-	144000000	-
(iii) Debt Component of Compounded Financial Instruments						
(a) Intercompany Loans & Advances	318117369	-	236565561	-	266165561	-
(b) Loan from Director	33359318	-	46163112	-	50663112	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares	150000000	-	150000000	-	150000000	-
-9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series II	500000000	-	500000000	-	500000000	-
Total-B	1183449100	10976040	1222445450	2572000	1259368189	-
Total (A+B)	2705928948	14976040	2821066924	2572000	2665546129	205425687

- Maturity Profile of Secured Term Loan from banks are as under:

	1-2 years	2-3 years	3-4 years	Beyond 4 year
- Term Loan from Yes Bank (II) (Rs. 80 Crore)	18000000	64000000	96000000	489862103
- Term Loan from Yes Bank (III) (Rs. 100 Crore)	19000000	37500000	40000000	890001846

- 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	17200000	25700000	34300000	60478836
- Term Loan from Religare Finvest Limited	2376040	2376040	2778700	37676556

The term loans from Yes Bank at Sr. No. A (iii) and overdraft from State Bank of India at Sr No. B (i) above are net of transaction cost.

Secured

(i) 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.

(ii) 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.

(iii) Term Loans From Yes Bank

Secured by way of exclusive charge on Company's hotel land and hotel building situated in Sector 44, Gurugram, exclusive charge on all present and future movable fixed assets and current assets of the project (Taj City Centre), 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 tenure of loan facility.

- The Term Loan - I disbursed was of Rs. 100 Crore repayable in 56 monthly installments starting from October 2015. The loan was repaid during the year 2016-17. Rate of Interest was 12.50%.
- The Term Loan - II disbursed was of Rs. 80 Crore repayable in 44 Quarterly installments starting from February 2016. Last installment due in November 2026. The Rate of Interest is 1.45% over and above Bank's one year MCLR.
- The Term Loan - III disbursed during the year is of Rs. 100 Crore repayable in 44 Quarterly installments starting from November 2018. Last installment due in August 2029. The Rate of Interest is 1.45% over and above Bank's one year MCLR.

Unsecured

(i) 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 3.05% over and above Bank's one year MCLR. 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.

(ii) 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 installments starting from 1st March 2019 and last installment due on 1st March 2024.

(iii) Debt Component of compounded financial instruments

The Loans are repayable after 6 years starting from date of agreement i.e. 01.04.2016 and carries interest @ 12% p.a.

22. OTHER NON CURRENT FINANCIAL LIABILITIES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Security Deposits*	76154103	81494162	87621906
Interest Accrued but not due on fair valuation of security deposits	11885739	5619725	-
Other Liabilities	2454616	6662645	11196701
Total	90494458	93776532	98818607

* Include due to related parties ₹ 69215763 (March 31, 2017 ₹ 74915763 and April 01, 2016 ₹ 80665763)

23. NON CURRENT PROVISIONS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Provisions For Employees Benefit			
Leave Encashment	2039339	1941136	1231361
Gratuity	2690503	3247684	2472229
Total	4729842	5188820	3703590

24. CURRENT BORROWINGS (SECURED)

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
From Banks			
Overdraft Facility from YES Bank Limited *	151298483	99287334	-
Total	151298483	99287334	-

* Secured by way of exclusive charge as specified in Note no. 21 in respect of term loan facilities from Yes Bank Ltd.


25. TRADE PAYABLES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Due to Micro and Small Enterprises *	1095533	874844	1977566
Others	152018029	178861232	154094645
Total	153113562	179736076	156072211

* Principal amount outstanding as at the year end, there is no overdue amount of principal and interest due to Micro and Small enterprises. During the year, no interest has been paid to such parties. This information has been determined to the extent such parties has been identified on the basis of information available with the Company.

26. OTHER FINANCIAL LIABILITIES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Current Maturities of Long term borrowings (Refer Note No.21)	14976040	2572000	205425687
Interest Accrued but not due on borrowings	14958913	18791398	19423632
Unclaimed Dividend *	3154372	4256197	5321967
Expenses Payable	47463589	34234181	26474892
Security Deposits	747502	1373045	720919
Interest Accrued but not due on fair valuation of loan	65326306	36377502	-
Other Liabilities	4208029	4534056	4569731
Total	150834751	102138379	261936828

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

27. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Advances from Customers	18554703	3457698	7175927
Statutory Dues Payable	10879098	11400325	11149991
Payable to HB Stockholdings Limited Pursuant to Composite Scheme of Arrangement	4214449	2516808	1203593
Total	33648250	17374831	19529511

28. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2018 (In ₹)	As at 31st March, 2017 (In ₹)	As at 1st April, 2016 (In ₹)
Provisions For Employees Benefit			
Leave Encashment	1096348	187441	147726
Total	1096348	187441	147726

29. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Hotel		
Rooms	450008713	397055372
Food & Beverages, Restaurant and Banquet Income	332505651	262626979
Others	50102779	34983485
Real Estate		
Sales	-	33887500
Other Operating Income*	5170724	5517883
Total	837787867	734071219

* Includes Rental Income, Facility Charges and Other Claims

30. OTHER INCOME

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Interest On Fixed Deposits with banks	2349679	4062499
Interest On Income Tax Refund	-	1444647
Gain on sale of investments	-	665122
Gain on fair valuation of investments	675951	562997
Other Income	1539658	284814
Rental Income on fair valuation of security deposit	4534056	4569731
Provisions No Longer Required written back	199122	7347368
Total	9298466	18937178

31. FOOD AND BEVERAGES CONSUMED

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Opening Stock	8557880	13751445
Add : Purchases	88973462	60723002
Less : Closing Stock	15539325	8557880
Total	81992017	65916567

32. INCREASE/DECREASE IN STOCK-COMPLETED CONSTRUCTION

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Opening Stock	119391720	135696216
Less : Closing Stock	119391720	119391720
Total	-	16304496

33. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Salaries and Benefits	107798998	88925767
Payment to Contractors	29581171	31083438
Reimbursement of expenses on personnel deputed to the Company	27749802	26978336
Contribution to Provident fund and other fund	5646462	5495401
Staff welfare	26129243	22971027
Total	196905676	175453969

34. FINANCE COSTS

Particulars	For the Year ended 31st March, 2018 (In ₹)	For the Year ended 31st March, 2017 (In ₹)
Interest	221372777	246236813
Loan Processing Fees	-	2400392
Loan Processing fee amortized during the year	10273297	19540069
Interest expense on fair valuation of Security deposit	6266014	5619725
Interest expense on debt component of compound instruments	28948804	36377502
Total	266860892	310174501


35. OTHER EXPENSES

Particulars	For the Year ended	
	31st March, 2018 (In ₹)	31st March, 2017 (In ₹)
Linen, Room, Catering and Other Supplies/ Services	47601768	29875273
Facility Management Services	14100187	15136684
Legal and Professional	9826908	12500676
Payment to Orchestra Staff, Artists and Others	2952655	2165767
Communication	7326094	7751041
Commission to Travel Agents and Others	20673572	12915240
Advertisements	6106445	6746787
Printing and Stationery	4710102	6006504
Conveyance and Travelling	20021152	17430187
Repair and Maintenance :		
To Building	14474521	14114475
To Machinery	11461538	9472849
To others	16470420	16945015
Fuel, Power and Light	67114022	69943694
Listing Fees	287500	458000
Insurance	2090447	2246566
Subscription Fees	3414122	2602524
Sitting Fees	314400	400008
Miscellaneous Expenses	11413628	5208972
Provision for Doubtful Debts	1202329	330507
Licence Fees	5893160	5038176
Operating Fees	61800319	62704179
Loss on sale of Fixed Assets	244150	-
Exchange rate Fluctuation (Net)	66827	14582
Auditors' Remuneration		
- Audit Fees	300000	345000
- Tax Audit Fees	-	57500
- Tax Matters	-	8626
- Limited Review Report	35000	51750
- Certification and Others	33750	76375
Rates and Taxes	7825286	3413954
Discount to Collecting Agents	8148033	7032487
Total	345908335	310993398

36. EARNING PER SHARE (IN ₹) :

Particulars	Current Year ₹	Previous Year ₹
Net Profit/(Loss) as Per Statement of Profit and Loss After Tax	(163062059)	(200386915)
Weighted Average Nos. of Equity Share Outstanding	19459947	19459947
Earning Per Share (face value of ₹10 each)		
Basic and diluted Earning per share (₹)		
- Basic	(8.38)	(10.30)
- Diluted	(8.38)	(10.30)

37. COMPOSITE SCHEME OF ARRANGEMENT

The Company has entered into a Composite Scheme of Arrangement with HB Stockholding Ltd. and HB Portfolio Ltd.. The said scheme of arrangement has been sanctioned / approved by Hon'ble National Company Law Tribunal, Chandigarh bench, Chandigarh (hereinafter referred to as the Hon'ble NCLT) vide its order dated 22-12-2017. Pursuant to said scheme of arrangement, the long term preference undertaking of the HB Stockholding Ltd. stands transferred and vested in the company with all the rights, titles, interests, duties and liabilities pertaining to the undertaking with effect from the appointed date of April 2, 2015.

Pursuant to Composite Scheme of Arrangement, the long term Preference Share Investment and Loan & Advances Undertaking of HB Portfolio Ltd. stands transferred and vested in the company with all the rights, titles, interests, duties and liabilities pertaining to the undertaking with effect from the appointed date of April 3, 2015. Certified copies of the order of the Hon'ble NCLT have been filed with the registrar of Companies, Delhi and Haryana and the scheme has become effective from 30.01.2018

- a) Particulars of Assets and Liabilities of the HB Stockholdings Ltd. transferred and vested in the Company:-

Assets	Amount (in ₹)
Investments	36,04,00,000
Total	36,04,00,000
Liabilities	
Other Liabilities	4,17,067
Total	4,17,067
Difference of assets over liabilities	35,99,82,933

In accordance with Composite Scheme of Arrangement, the shareholders of the HB Stockholdings Ltd. will get 24 (Twenty four) equity shares of ₹ 10/- each fully paid up of the Company for every 100 equity shares held by them in HB Stockholdings Limited.

- b) Particulars of Assets and Liabilities of the HB Portfolio Limited transferred to and vested in the Company:

Assets	Amount (in ₹)
Investments	35,40,00,000
Loan & Advances	36,62,50,000
Total	72,02,50,000
Liabilities	
Other Liabilities	3,53,979
Total	3,53,979
Difference of assets over liabilities	71,98,96,021

In accordance with Composite Scheme of Arrangement, the shareholders of the HB Portfolio Limited will get 59 (Fifty Nine) equity shares of ₹ 10/- each fully paid up of the Company for every 100 equity shares held by them in HB Portfolio Limited.

- c) Pursuant to the scheme, the difference of assets over liabilities over the consideration for new allotment of equity share capital is accounted for in Business Reorganisation Reserve.
- d) The effects of the scheme has been given in the financial results/ accounts. In terms of IND-AS-103, the effect of the Composite Scheme of Arrangement has been given retrospective effect. Accordingly the accounting effect in terms of IND-AS-103 has also been given on IND-AS transition date i.e 01.04.2016. Consequently, the equity share capital has also been given treatment accordingly.
- e) The net effect of increase in capital after taking effect of reduction in equity share capital has been shown in Equity Share Capital Suspense account (refer note 19)

38. FINANCIAL RISK MANAGEMENT
Financial risk factors

The Company and its associate's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company and its associate's operations. The Company and its associate has short term trade receivable and bank deposits which are under lien with banks for availing credit facilities. The Company and its associate's activities expose it to a variety of financial risks:

i) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as of March 31, 2017 and March 31, 2018.

ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

iii) Liquidity risk

Liquidity risk is the risk that the Company and its associate may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company and its associate's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company and its associate's financial performance.

Market Risk

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company and its associate's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. However, such effect is not material.

(a) Foreign Exchange Risk and Sensitivity

The Company transacts business primarily in Indian Rupee. However, the Company has transactions in USD, Euro, GBP and others. The Company has negligible foreign currency trade payables and is therefore, foreign exchange risk, is not material. There are no other foreign currency monetary items, so the company does not face any foreign exchange risk.



Summary of exchange difference accounted in Statement of Profit and Loss:

Particulars	Amount (in ₹)	
	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Net Foreign Exchange Loss Shown as Other Expenses	66827	14582

(b) Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. All borrowings are at floating rate. Borrowing issued at variable rate expose the company to cash flow interest rate risk. Weighted average cost of borrowing is 10.80% for the year ended 31st March, 2018 (11.57% for the year ended 31st March, 2017). With all other variable held constants the following table demonstrate the impact of borrowing cost on floating rate portion of loans and borrowing:

There is no interest rate risk sensitivity for the associate which has been dealt for in the financial statements.

Interest rate sensitivity	Amount (in ₹)	
	Increase/Decrease in basis points	Effect on profit before tax
For the year ended March 31, 2018		
INR borrowings	+50	9,779,706
	-50	-9,779,706
For the year ended March 31, 2017		
INR borrowings	+50	9,653,515
	-50	-9,653,515

Credit risk

The Company is not significantly exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks which are under lien with banks for availing credit facilities.

- Trade Receivables

The Company extends credit to corporate customers in normal course of business. The Company and its associate considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company and its associate monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. However, average credit period to customers is approximately fourteen days. The company and its associate does not allow any credit period in respect of Walk-in Customers and is therefore not exposed to at any credit risk.

Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements. In case of temporary short fall in liquidity to repay the bank borrowing/operational short fall, promoters envisage to infuse capital and loans.

The table below provides undiscounted cash flows towards non-derivative financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Trade Payable Ageing and Other Liabilities

Particulars	Amount (in ₹)				
	Ageing as on 31st March 2018				
	Carrying Amount	Upto 1 Year	1 -3 Year	More Than 3 Years	Total
Borrowings	3005001332	166274523	186152080	2652574729	3005001332
Trade Payable	153113562	153113562	-	-	153113562
Other Liabilities	226353169	135858711	90494458	-	226353169
Total	3384468063	455246796	276646538	2652574729	3384468063
Particulars	Ageing as on 31st March 2017				
	Carrying Amount	Upto 1 Year	1 -3 Year	More Than 3 Years	Total
Borrowings	3007431581	101859334	119353398	2786218849	3007431581
Trade Payable	179736076	179736076	-	-	179736076
Other Liabilities	193342911	99566379	93776532	-	193342911
Total	3380510568	381161789	213129930	2786218849	3380510568

Particulars	Ageing as on 1st April 2016				
	Carrying Amount	Upto 1 Year	1 -3 Year	More Than 3 Years	Total
Borrowings	2931486708	205425687	525766756	2200294265	2931486708
Trade Payable	156072211	156072211	-	-	156072211
Other Liabilities	155329748	56511141	11196701	87621906	155329748
Total	3242888667	418009039	536963457	2287916171	3242888667

Unused Line of Credit (Excluding non fund based facilities)

Particulars	Amount (in ₹)		
	As on March 31, 2018	As on March 31, 2017	As on April 01, 2016
Secured	98701517	712666	100000000
Unsecured	-	-	-
Total	98701517	712666	100000000

Interest Rate & Currency of Borrowings

The below table demonstrate the borrowing of fixed and floating rate of interest

Particulars	Amount (in ₹)			
	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted Average Rate of Borrowing (%)
INR	3005001332	1955941269	1049060063	10.80
Total as at March 31, 2018	3005001332	1955941269	1049060063	
INR	3007431581	1930702908	1076728673	11.57
Total as at March 31, 2017	3007431581	1930702908	1076728673	
INR	2931486708	1820552348	1110934360	12.13
Total as at April 01, 2016	2931486708	1820552348	1110934360	

Capital Risk Management

The Company and its associate aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders.

The capital structure of the Company and its associate is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company and its associate's primary objective when managing capital is to ensure the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company and its associate may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company and its associate's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company and its associate will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company and its associate monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is calculated as loans and borrowings less cash and cash equivalents.

The Gearing ratio for FY 2017-18 and 2016-17 is an under:

Particulars	Amount (in ₹)	
	As of March 31, 2018	As of March 31, 2017
Loans and borrowings	2872203472	2922926258
Less: cash and cash equivalents	69841161	66722913
Net debt	2802362311	2856203345
Equity	2381073826	2535751126
Total capital	5183436137	5391954471
Gearing ratio	54.06%	52.97%

However, the company and its associate envisages to reduce its gearing ratio.

39. Fair value of financial assets and liabilities

Set out below is a comparison by class of the carrying amounts and fair value of the Company and its associate's financial instruments that are recognised in the financial statements.



Amount (in ₹)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial assets designated at amortised cost						
Fixed deposits with banks	10597736	10597736	29480397	29480397	59094796	59094796
Cash and bank balances	69841161	69841161	66722913	66722913	52334715	52334715
Investment	215269435	215269435	214593485	214593485	214638459	214638459
Trade receivables	32833620	32833620	30179899	30179899	55138332	55138332
Other financial assets	49028598	49028598	53842405	53842405	55695127	55695127
	377570550	377570550	394819099	394819099	436901429	436901429
Financial liabilities designated at amortised cost						
Borrowings- fixed rate	1049060063	1049060063	1076728673	1076728673	1110934360	1110934360
Borrowings- floating rate	1823143409	1823143409	1846197585	1846197585	1760037455	1760037455
Trade payable	153113562	153113562	179736076	179736076	156072211	156072211
Other financial liabilities	226353169	226353169	193342911	193342911	155329748	155329748
	3251670203	3251670203	3296005245	3296005245	3182373774	3182373774

Fair Value hierarchy

The Company and its associate measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices/NAV for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

When measuring the fair value of an asset or a liability, the Company and its associate uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company and its associate recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table provides the fair value measurement hierarchy of Company and its associate's asset and liabilities, grouped into Level 1 to Level 2 as described below:

Assets measured at fair value through Profit and loss (accounted)

Amount (in ₹)

Particulars	As on March 31, 2018		
	Level 1	Level 2	Level 3
Financial Assets			
Non current Investments			
--Mutual Funds	116321	-	-
--Quoted Investment	7723467	-	-
--Un-Quoted Investment	-	17529647	-
Total	7839788	17529647	-

Amount (in ₹)

Particulars	As on March 31, 2017		
	Level 1	Level 2	Level 3
Financial Assets			
Non current Investments			
--Mutual Funds	109634	-	-
--Quoted Investment	8084159	-	-
--Un-Quoted Investment	-	16499692	-
Total	8193793	16499692	-

Amount (in ₹)

Particulars	As on April 01, 2016		
	Level 1	Level 2	Level 3
Financial Assets			
Non current Investments			
--Mutual Funds	116943	-	-
--Quoted Investment	8121834	-	-
--Un-Quoted Investment	-	16499682	-
Total	8238777	16499682	-

Assets/ Liabilities for which fair value is disclosed

Amount (in ₹)

Particulars	As on March 31, 2018		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowing - Fixed Rate	-	351476687	-
Other Financial Liabilities	-	226353169	-
Total	-	577829856	-

Amount (in ₹)

Particulars	As on March 31, 2017		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowing - Fixed Rate	-	282728673	-
Other Financial Liabilities	-	193342911	-
Total	-	476071584	-

Amount (in ₹)

Particulars	As on April 01, 2016		
	Level 1	Level 2	Level 3
Financial Liabilities			
Borrowing - Fixed Rate	-	316828673	-
Other Financial Liabilities	-	155329748	-
Total	-	472158421	-

40. Segment information
Information about primary segment

The Company operates in a Single Primary Segment (Business Segment) i.e. Hotel Operations.

Information about Geographical Segment – Secondary

The Company operations are located in India. The Management has not identified any geographical segment.

41. Deferred Income Tax

The Company and its associate has accounted for deferred tax on the various adjustments between Indian GAAP and IND AS at the tax rate at which they are expected to be reversed. The Company and its associate has also recognised deferred tax asset on carried forward losses under Ind-AS based on reasonable certainty.

The analysis of deferred tax assets and liabilities provided for in profit and loss account is as under:

Deferred Income Tax

Amount (in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Book base and tax base of Fixed Assets	3433908	24236513
Disallowance/ Allowance (net) under Income Tax	12006358	6969425
Carries forward losses	(40528585)	(100819720)
Total	(25088319)	(69613782)



Component of tax accounted in OCI and Equity		Amount (in ₹)	
Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017	
Component of OCI			
Deferred Tax (Gain)/ Loss on defined benefit plans	259966	(55966)	
Total	259966	(55966)	

42. Retirement benefit obligations

(a) Expense recognised for Defined Contribution plan Amount (in ₹)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Company's Contribution to Provident Fund	4238644	3738589
Company's Contribution to ESI	1143370	479672
Total	5382014	4218261

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2017 and March 31, 2018, being the respective measurement dates:

(b) Movement in Obligation Amount (in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Present value of Obligation-April 1, 2016	2208811	1339987
Gratuity Liability Trfd on Scheme of Arrangement	341019	39100
Current Service Cost	1042967	975169
Interest Cost	172433	100499
Benefits Paid	(186550)	(549177)
Remeasurement - actuarial loss/ (gain)	181121	222999
Present value of Obligation - March 31, 2017	3759801	2128577
Present value of Obligation-April 1, 2017	3759801	2128577
Current Service Cost	593508	1705148
Interest Cost	252758	151335
Benefits Paid	(129001)	(606892)
Provision no longer required w/off	(341019)	(39100)
Remeasurement - Actuarial Loss/ (Gain)	(903489)	(203381)
Present value of Obligation - March 31, 2018	3232558	3135687

(c) Movement in Plan Assets – Gratuity Amount (in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Fair Value of Plan assets as beginning of year	512117	77591
Expected return on plan assets	39689	19468
Employer Contributions	130000	580635
Benefits Paid	(129001)	(165577)
Actuarial Gain / (Loss)	(10750)	-
Fair Value of Plan Assets at end of Year	542055	512117
Present Value of obligation	3232558	3759801
Present Value of Plan Assets	542055	512117
Net Funded Status of Plan Assets	2690503	3247684

The components of the gratuity & leave encashment cost are as follows:

(d) Recognised in Profit and Loss Amount (in ₹)

Particulars	Gratuity (Funded)	Leave Encashment (Unfunded)
Current Service Cost	1042967	975169
Interest Cost	172433	100499
Expected return on plan assets	(19468)	-
Remeasurement - Actuarial Loss/ (Gain)	181121	222999
For the Year Ended March 31, 2017	1377053	1298667
Current Service Cost	593508	1705148
Interest Cost	252758	151335
Expected return on plan assets	(39689)	-
Remeasurement - Actuarial Loss/ (Gain)	(892739)	(203381)
For the Year Ended March 31, 2018	(86162)	1653102

(e) Recognised in other Comprehensive Income Amount (in ₹)

Particulars	Gratuity (Funded)
Remeasurement - Actuarial Gain/ (Loss)	
For the Year Ended March 31, 2017	(181121)
Remeasurement - Actuarial Gain/ (Loss)	
For the Year Ended March 31, 2018	892739

(f) The principal actuarial assumptions used for estimating the Company's defined benefit obligations are set out below:

Weighted average actuarial assumptions	As At March 31, 2018	As At March 31, 2017
Discount Rate	7.00%	7.50%
Expected Rate of Increase in Salary	6.00%	6.00%
Expected Rate of Return on Plan Assets	0	0
Mortality Rate	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Expected Average remaining working lives of Employees (Years)	28.6	29.2

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market. Same assumptions were considered for comparative period i.e. 2015-16 as considered in previous GAAP on transition to IND AS.

(g) Sensitivity analysis:

For the Year Ended March 31, 2017 Amount (in ₹)

Particulars	Change in Assumption	Effect on Gratuity Obligation	Change in Assumption	Effect on Leave Encashment obligation
Discount Rate	+ 1%	3068749	+ 1%	1831424
	- 1%	3848497	- 1%	2410816
Salary Growth Rate	+ 1%	3850090	+ 1%	2413036
	- 1%	3061683	- 1%	1825510
Attrition Rate	+ 1%	3433208	+ 1%	2143595
	- 1%	3392677	- 1%	2026091

For the Year Ended March 31, 2018 Amount (in ₹)

Particulars	Change in Assumption	Effect on Gratuity Obligation	Change in Assumption	Effect on Leave Encashment obligation
Discount Rate	+ 1%	3016635	+ 1%	2980210
	- 1%	3488659	- 1%	3317745
Salary Growth Rate	+ 1%	3488036	+ 1%	3317371
	- 1%	3013263	- 1%	2977659
Attrition Rate	+ 1%	3224544	+ 1%	3145720
	- 1%	3238666	- 1%	3124029

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

(h) Estimate of expected benefit payments (In absolute terms i.e. undiscounted) Amount (in ₹)

Particulars	Gratuity (Funded)
01 April 2018 to 31 March 2019	564253
01 April 2019 to 31 March 2020	879144
01 April 2020 to 31 March 2021	1131875
01 April 2021 to 31 March 2022	1365235
01 April 2022 to 31 March 2023	2063668
01 April 2023 Onwards	1144101


(i) Statement of Employee benefit provision Amount (in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Gratuity	2690503	3247684
Leave Encashment	3135687	2128577
Total	5826190	5376261

The following table sets out the funded status of the plan and the amounts recognised in the Company's balance sheet.

(j) Current and Non-Current pProvision for Gratuity and Leave Encashment For the Year Ended March 31, 2017 Amount (in ₹)

Particulars	Gratuity	Leave Encashment
Current Provision	-	187441
Non Current Provision	3247684	1941136
Total Provision	3247684	2128577

For the Year Ended March 31, 2018 Amount (in ₹)

Particulars	Gratuity	Leave Encashment
Current Provision	-	1096348
Non Current Provision	2690503	2039339
Total Provision	2690503	3135687

(k) Employee Benefit Expenses Amount (in ₹)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries and Wages	165129971	146987541
Cost-defined contribution plan	5646462	5495401
Welfare Expenses	26129243	22971027
Total	196905676	175453969

(Figures in No.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Average No. of People Employed	242	234

Other Comprehensive Income presentation of defined benefit plan

- Gratuity is defined benefit plan, Re-measurement gains/(losses) on defined benefit plans is shown under Other Comprehensive Income as Items that will not be reclassified to profit or loss and also the income tax effect on the same.
- Leave encashment cost is in the nature of short term employee benefits.

Presentation in Statement of Profit and Loss and Balance Sheet

Expense for service cost, net interest on net defined benefit liability (asset) is charged to Statement of Profit & Loss.

IND AS 19 do not require segregation of provision in current and non-current, however net defined liability (Assets) is shown as current and non-current provision in balance sheet as per IND AS 1.

Actuarial liability for short term benefits (leave encashment cost) is shown as current and non-current provision in balance sheet.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The mortality rates used are as published by one of the leading life insurance companies in India.

43. Other Disclosures
(a) Details of loans given, investment made and Guarantees given, covered u/s 186(4) of the Companies Act, 2013.

- Investment made and loan given is disclosed under the Investment Schedule and loan schedule of balance sheet (refer note 7 & 15 read with note no. 45). The company has not given any guarantee.

44. Contingent liabilities
i) Duties and Taxes

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Income Tax	-	950096	943640
Disputed Sales Tax	161709502	-	-
Property Tax*	7821151	7821151	7821151
Vacant Land Tax (Under Appeal in Delhi High Court)	228616	228616	228616
Total	169759269	8999863	8993407

* 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 stay has been granted for the balance amount. 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 and Advances.

(ii) Other contingent liabilities

Particulars	Amount (in ₹)		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Claim against the Company not acknowledged as Debt	27755293	27755293	27755293
Letter of Credit/ Bank Guarantee issued by Bank	3944000	6303000	32456440
Ground Rent*	-	-	-
Total	31699293	34058293	60211733

* 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.

There are no contingent liabilities with respect to associate as at 31st March 2018, for the year ended 31st March 2017 and for the year ended 31st March 2016.

45. Related party Transactions

In accordance with the requirements of IND AS 24, on Related Party Disclosures, name of the related party, Related Party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are:

Related Party Name and Relationship
(a) Person having Significant influence/control/major shareholders

(i) Mr. Lalit Bhasin

(b) Key Managerial Personnel

(i) Mr. Praveen Gupta-CFO

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

(iii) Ms. Radhika Khurana, Company Secretary (joined on 10.05.2017)

(c) Enterprises over which significant influence/control exist of the relatives of persons mentioned in (a) above

(i) RRB Master Securities Delhi Ltd.

(d) Enterprises under direct or indirect common control/significant influence of Key Managerial Person/ Relative of Key Managerial Person

(i) HB Stockholdings Ltd.

(ii) HB Portfolio Ltd.

(iii) HB Securities Ltd. (Subsidiary of HB Portfolio Ltd.)

(iv) HB Leasing & Finance Co Ltd.

(v) RRB Securities Ltd.

(e) Enterprises under Joint ventures/Associate Company

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

Related Party Transactions: Amount (in ₹)

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2018	For the year ended 31.03.2017
Enterprises under direct or indirect common control/significant influence of Key Managerial Person/ relative of Key Managerial Person				
i	RRB Master Securities Delhi Ltd.	Rent Received	863052	863052
		Sale of Investment through them	-	1273093
ii	HB Stockholdings Limited	Rent Received	861240	861240
iii	HB Portfolio Limited	Rent Received	861240	861240
iv	RRB Securities Limited	Rent Received	131560	143520
		Security Deposit Repaid	5700000	-
v	HB Leasing & Finance Co Ltd	Rent Received	-	119600
		Security Deposit Repaid	-	5750000
vi	HB Securities Limited	DP Charges Paid	1150	1306
Key Managerial Person/ persons having significant influence/ control/ major Shareholder				
vii	Lalit Bhasin	Sitting Fees paid	40000	50000
		Loans Received	-	68000000
		Loans Repaid	41500000	72500000
viii	Praveen Gupta	Remuneration & other services	3743061	2978146
ix	Rajesh Singh Chahar	Remuneration & other services	-	323860
x	Radhika Khurana	Remuneration & other services	487313	-

Related Party balances: Amount (in ₹)

Particulars	Nature of Balance	As At March 31, 2018	As At March 31, 2017	As At April 01, 2016
Key Managerial Person/ persons having significant influence/ control/ major Shareholder				
Lalit Bhasin	Loan including accrued Interest	54000000	95500000	100000000
Enterprises under direct or indirect common control/significant influence of Key Managerial Person/ relative of Key Managerial Person				
RRB Master Securities Delhi Ltd.	Security Deposit	215763	215763	215763
HB Stockholdings Limited	Security Deposit	34500000	34500000	34500000
HB Portfolio Limited	Security Deposit	34500000	34500000	34500000
RRB Securities Limited	Security Deposit	-	5700000	5700000
HB Leasing & Finance Co Ltd	Security Deposit	-	-	5750000
Parsvnath HB Projects Pvt Ltd	Loan including accrued Interest	14196182	14196182	14196182

46. Impairment review

Assets are tested for impairment whenever there are any internal or external indicators of impairment.

Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the goodwill or other assets are monitored for internal management purposes, within an operating segment.

The impairment assessment is based on higher of value in use and value from sale calculations.

During the year, the testing did not result in any impairment in the carrying amount of goodwill and other assets.

The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations:

- Operating margins (Earnings before interest and taxes)
- Discount rate
- Growth rates
- Capital expenditures

Operating margins: Operating margins have been estimated based on past experience after considering incremental revenue arising out of adoption of valued added and data services from the existing and new customers, though these benefits are partially offset by decline in tariffs in a hyper competitive scenario. Margins will be positively impacted from the efficiencies and initiatives driven by the Company; at the same time, factors like higher churn, increased cost of operations may impact the margins negatively.

Discount rate: Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the weighted average cost of capital for respective CGU or group of CGUs.

Growth rates: The growth rates used are in line with the long term average growth rates of the respective industry and country in which the Company operates and are consistent with the forecasts included in the industry reports.

Capital expenditures: The cash flow forecasts of capital expenditure are based on past experience coupled with additional capital expenditure required

47. Disclosures Required As Per Indian Accounting Standard (IND AS) 101- First Time Adoption Of Indian Accounting Standard
TRANSITION TO IND AS
Basis of preparation

For all period up to and including the year ended March 31, 2017, the Company has prepared its Financial Statements in accordance with Generally Accepted Accounting Principles in India (Indian GAAP). These Financial Statements for the year ended March 31, 2018, are the Company's first annual IND AS Financial Statements and have been prepared in accordance with IND AS.

Accordingly, the Company has prepared Financial Statements which comply with IND AS applicable for periods beginning on or after April 1, 2017, as described in the Accounting Policies. In preparing these Financial Statements, the Company's opening Balance Sheet was prepared as of April 1, 2016, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as of April 1, 2017 and its previously published Indian GAAP Financial Statements for the year ended March 31, 2017.

Exemptions Applied

IND AS 101 First-time adoption of Indian Accounting Standards allows first time adopters certain exemptions from the retrospective application of certain IND AS, effective for April 1, 2016 opening Balance Sheet.

I. Exemptions availed

- a. The Company and its associate has elected to measure one class of item i.e. land under Property, Plant and Equipment (PPE) at the date of transition to IND AS at its fair value. The impact i.e. net increase on fair valuation of Land on transition from previous GAAP is Rupees 69,50,02,578/- and the deemed cost considered on transition for land is Rs. 224,80,40,000/-. For other class of items in property, plant and equipment, carrying value is considered as deemed cost. The Company has not re valued fair value of any items of PPE subsequent to the year ended 31st March 2016.
- b. Investments in Associates
The Company and its associate has elected to measure investments in associates at fair value under optional exemption under Ind-AS 101.
Other investments are accounted for at fair value.
- c. The Company has decided to disclose prospectively from the date of transition the following as required by IND AS 19
 - i. The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan, and
 - ii. The experience adjustments arising on;
 - a) The plan liabilities expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period; and
 - b) The plan assets expressed as either an amount or a percentage of the plan liabilities at the end of the reporting period.

Under previous GAAP the Company was considering leave encashment as defined benefit plan as there was not difference in previous GAAP for accounting of experience adjustments and impact of change in actuarial assumption. On transition to IND AS, the Company and its associate has considered leave encashment as short term benefit and consequently experience adjustments and impact of change in actuarial assumption is accounted in profit and loss account.

OTHER ACCOUNTING DIFFERENCES
d. Fair Value of Financial Assets and Liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

Security Deposit

Under Previous IGAAP, the Security Deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and



discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent income under 'other income'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest expense under 'Finance Cost'.

e. Compound Financial Instrument

(i) Under Indian GAAP, interest free loan from corporate and directors are accounted as unsecured loans and advances. Under IND AS, the same is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a prevailing market rate. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss.

(ii) Under Indian GAAP, 9 % Non Convertible Non Cumulative Redeemable preference shares are accounted for as share capital. Under IND-As , the same is analysed as liability.

f. Re measurement of defined benefit plan i.e. gratuity is accounted for in other comprehensive income.

g. Borrowing designated and carried at amortized cost are accounted on EIR method. The upfront fee on cost of borrowing incurred is deferred and accounted on EIR. Borrowing are shown as net of unamortized amount of upfront fee incurred on transaction.

h. Deferred Tax

Under previous GAAP, deferred tax asset is prepared on virtual certainty supported by conclusive evidence. Under Ind-AS the same is prepared on reasonable certainty. The company and its associate has, therefore, created deferred tax on carried forward losses on the date of transition i.e. 01.04.2016. Deferred tax asset/ liability is also created on various Ind-AS adjustments.

Impact of transition to IND AS

The following is a summary of the effects of the differences between IND AS and Indian GAAP on the Company's total equity shareholders' funds and profit and loss for the financial period for the periods previously reported under Indian GAAP following the date of transition to IND AS

Reconciliation of Balance sheet as at April 1, 2016 Amount (in ₹)

Particulars	Note No.	As per IGAAP	Adjustments	As per IND-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	47 (a)	4171128326	695002578	4866130904
(b) Other Intangible Assets		8147190	-	8147190
(c) Financial Assets				
(i) Investments	47 (b)	250258678	-35620219	214638459
(ii) Other Financial Assets		49408492	-	49408492
(d) Deferred Tax Assets/ (Liabilities)	47 (i)	-183696293	477223067	293526774
(e) Other Non Current Assets		4380558	-	4380558
		4299626951	1136605426	5436232377

Reconciliation of other equity as at April 1, 2016

	Equity Component of Compound financial instruments	Capital Reserve	Business Reorganization Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Retained Earnings	Total
Balance as at April 1, 2016(I. Gaap) (A)	-	2,30,39,795	1,04,66,62,354	2,00,00,000	55,57,42,116	66,81,99,083	12,59,03,413	(1,37,37,62,118)	1,06,57,84,643
Adjustments									
Add: Equity component of Borrowings under IND-AS	29,60,21,327								29,60,21,327
Add: Fair value of Land under Property, Plant and Equipment as exception under Ind AS 101 on the date of transition								69,50,02,578	69,50,02,578
Less: Fair Valuation of Quoted and Un-quoted investments and other financial assets								(5,56,20,219)	(5,56,20,219)
Add: Fair Value of borrowings carried at amortized cost								6,05,14,892	6,05,14,892
Add: Recognised of Deferred Tax on Brought forward Losses and after IND-AS Adjustments								47,72,23,067	47,72,23,067
Total IND AS Adjustments (B)	29,60,21,327	-	-	-	-	-	-	1,17,71,20,318	1,47,31,41,645
Balance as at April 1, 2016(Ind AS)	29,60,21,327	2,30,39,795	1,04,66,62,354	2,00,00,000	55,57,42,116	66,81,99,083	12,59,03,413	(19,66,41,800)	2,53,89,26,288

Particulars	Note No.	As per IGAAP	Adjustments	As per IND-AS
Current Assets				
(a) Inventories		189233070	-	189233070
(b) Financial Assets				
(i) Trade receivables		55138332	-	55138332
(ii) Cash and cash equivalents		52334715	-	52334715
(iii) Other Bank Balances		24763607		24763607
(iv) Loans		40417826	-	40417826
(v) Other Financial assets		199999	-	199999
(c) Current Tax Assets		31646413	-	31646413
(d) Other Current Assets	47 (d)	132051459	-20000000	112051459
		525785421	-20000000	505785421
		4825412372	1116605426	5942017798
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a) Share Capital/Equity Share Capital	47 (f)	847336908	-650000000	197336908
(b) Other Equity		1065784643	1473141645	2538926288
		1913121551	823141645	2736263196
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	47 (f) & (h)	2372082348	293463781	2665546129
(ii) Other Financial Liabilities	47 (e)	103388338	-4569731	98818607
(b) Provisions		3703590	-	3703590
		2479174276	288894050	2768068326
Current Liabilities				
(a) Financial Liabilities				
(i) Trade Payables				
-Due to Micro, Small & Medium Enterprises		1977566	-	1977566
-Others		154094645	-	154094645
(ii) Other Financial Liabilities	47 (e)	257367097	4569731	261936828
(b) Other Current Liabilities		19529511	-	19529511
(c) Provisions		147726	-	147726
		433116545	4569731	437686276
		4825412372	1116605426	5942017798

Principal differences between IND AS and Indian GAAP
Measurement and recognition difference for year ended March 31, 2017
a. Asset carried at Deemed cost in IND AS

The Company has elected to measure one class of item i.e. land under Property, Plant and Equipment (PPE) at the date of transition to IND AS at its fair value. The impact i.e. net increase on fair valuation of Land on transition from previous GAAP is Rupees 69,50,02,578/- and the deemed cost considered on transition for land is Rs. 224,80,40,000/-. For other class of items in property, plant and equipment, carrying value is considered as deemed cost. The company has not re valued fair value of any items of PPE subsequent to the year ended 31st March 2016.

b. Investments in Associates

The company has elected to measure investments in associates at fair value under optional exemption under Ind-AS 101.

Other investments are accounted for at fair value.

c. The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same.
d. Security Deposit

Under Previous IGAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent income under 'other income'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest expense under 'finance cost'.

e. Compound financial instrument

(i) Under Indian GAAP, interest free loan from corporate and directors are accounted as unsecured loans and advances. Under IND AS, the same is analysed as a compound financial instrument and is separated into a liability and an equity component. The fair value of the liability component is initially measured at amortised cost determined using a prevailing market rate. The residual amount is recognised in equity. The finance cost arising on the liability component is included in finance cost in the Statement of Profit and Loss.

(ii) Under Indian GAAP, 9 % Non Convertible Non Cumulative Redeemable preference shares are accounted for as share capital. Under IND-As, the same is analysed as liability.

OTHER ACCOUNTING DIFFERENCES
f. Fair value of financial assets and liabilities

The Company has financial receivables and payables that are non-derivative financial instruments. Under previous GAAP, these were carried at transactions cost less allowances for impairment, if any. Under IND AS, these are financial assets and liabilities are initially recognised at fair value and subsequently measured at amortised cost, less allowance for impairment, if any. For transactions entered into on or after the date of transition to IND AS, the requirement of initial recognition at fair value is applied prospectively.

g. Statement of Cash Flows

The impact of transition from Indian GAAP to IND AS on the Statement of Cash Flows is due to various reclassification adjustments recorded under IND AS in Balance Sheet, Statement of Profit & Loss and difference in the definition of cash and cash equivalents and these two GAAP's.

h. The impact of change in actuarial assumption and experience adjustments for defined benefit obligation towards gratuity liability is accounted in the Statement of Other Comprehensive Income and corresponding tax impact on the same.
i. Borrowing designated and carried at amortized cost are accounted on Effective Interest Rate (EIR) method. The upfront fee on cost of borrowing incurred is deferred and accounted on EIR. Borrowing are shown as net of unamortized amount of upfront fee incurred on transaction.
j. Deferred Tax

Under previous GAAP, deferred tax asset is prepared on virtual certainty supported by conclusive evidence. Under Ind-AS the same is prepared on reasonable certainty. The company has therefore created deferred tax on carried forward losses on the date of transition i.e. 01.04.2016. Deferred tax asset/ liability is also created on various Ind-AS adjustments so carried.

Subsequent Reconciliations post transition on 31st March 2017
Reconciliation of Other Equity
Amount (in ₹)

Particulars	Equity Component of Compound financial instruments	Business Reorganization Reserve	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Retained Earnings	OCI	Total
Balance as at March 31, 2017(L.Gaap) (A)	-	1,04,66,62,354	2,30,39,795	2,00,00,000	55,57,42,116	66,81,99,083	12,59,03,413	(1,65,45,13,256)	-	78,50,33,505
Adjustments										
Difference in other equity on transition on 01.04.2016	29,60,21,327							1,17,71,20,318		1,47,31,41,645
Add: Difference in profit and loss for 2016-17								8,03,64,223	(1,25,155)	8,02,39,068
Total IND AS Adjustments (B)	29,60,21,327	-	-	-	-	-	-	1,25,74,84,541	(1,25,155)	1,55,33,80,713
Balance as at March 31, 2017(Ind AS)	29,60,21,327	1,04,66,62,354	2,30,39,795	2,00,00,000	55,57,42,116	66,81,99,083	12,59,03,413	(39,70,28,715)	(1,25,155)	2,33,84,14,218


Reconciliation of Balance sheet as at March 31, 2017
Amount (in ₹)

Particulars	Note No.	As per IGAAP	Adjustments	As per IND-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	47 (a)	4045765757	695002578	4740768335
(b) Other Intangible Assets		6623024	-	6623024
(c) Financial Assets				
(i) Investments	47 (b)	249972623	-35379138	214593485
(ii) Other Financial Assets		36860675	-	36860675
(d) Deferred Tax Assets (Net)	47 (j)	-207461598	570658120	363196522
(e) Other Non Current Assets		3439670	-	3439670
		4135200151	1230281560	5365481711
Current Assets				
(a) Inventories		167023317	-	167023317
(b) Financial Assets				
(i) Trade receivables		30179899	-	30179899
(ii) Cash and cash equivalents		66722913	-	66722913
(iii) Other Bank Balances		6975197	-	6975197
(iv) Loans		39417826	-	39417826
(v) Other Financial assets		69104	-	69104
(c) Current Tax Assets		26660167	-	26660167
(d) Other Current Assets	47 (f)	171977329	-20000000	151977329
		509025752	-20000000	489025752
		4644225903	1210281560	5854507463
EQUITY AND LIABILITIES				
Shareholders' Funds				
(a) Share Capital/ Equity Share Capital	47 (e)	847336908	-650000000	197336908
(b) Other Equity		785033504	1553380714	2338414218
		1632370412	903380714	2535751126
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	47 (e) & (h)	2551593574	269473350	2821066924
(ii) Other Financial Liabilities	47 (d)	97260594	-3484062	93776532
(b) Provisions		5188820	-	5188820
		2654042988	265989288	2920032276
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		99287334	-	99287334
(ii) Trade Payables				
-Due to Micro, Small & Medium Enterprises		874844	-	874844
-Others		178861232	-	178861232
(iii) Other Financial Liabilities	47 (d)	61226821	40911558	102138379
(b) Other Current Liabilities		17374831	-	17374831
(c) Provisions		187441	-	187441
		357812503	40911558	398724061
		4644225903	1210281560	5854507463

Reconciliation of Consolidated Statement of Profit and Loss for the year ended March 31, 2017
Amount (in ₹)

Particulars	As per IGAAP	Adjustments	As per IND-AS
Revenue from Operations	734071219	-	734071219
Other Income	14126367	4810812	18937178
Total Revenue	748197586	4810812	753008397
Expenses:			
Food and Beverages Consumed	65916567	-	65916567
Changes in inventories of Finished Goods/ Stock-in-Trade	16304496	-	16304496

Particulars	As per IGAAP	Adjustments	As per IND-AS
Employee Benefit Expense	175635090	(181121)	175453969
Finance Costs	292167705	18006796	310174501
Depreciation and Amortization	144166163	-	144166163
Other Expenses	310993398	-	310993398
Total Expenses	1005183419	17825675	1023009094
Profit/(Loss) for the year before tax and exceptional items	(256985833)	(13014863)	(270000697)
Exceptional items	-	-	-
Profit/(Loss) for the year before tax and after exceptional items	(256985833)	(13014863)	(270000697)
Tax expense:			
Current tax	-	-	-
Deferred Tax	(23765305)	93379087	69613782
Total Tax Expense	(23765305)	93379087	69613782
Profit/(Loss) for the year after tax	(280751138)	80364223	(200386915)
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement gains (losses) on defined benefit plans	-	(181121)	(181121)
Income tax effect on above	-	55966	55966
Total Other Comprehensive Income	-	(125155)	(125155)
Total Comprehensive Income for the year	(280751138)	80239068	(200512070)

Notes on adjustment of Profit & Loss Account:

- There is an effect of interest expense and rental income on security deposit received.
- Interest free loan and advances has been treated as Compound Financial Instrument which has resulted in adjustment of Finance Cost under Ind AS.
- Fair Value of Borrowings is carried at amortized cost.
- Long Term Investments are carried at fair value.

Summary of reconciliation of movement in profit and loss on transition to IND AS for year ended March 31, 2017
Amount (in ₹)

Particulars	31st March, 2017
Profit after tax as per IGAAP	(28,07,51,138)
Adjustments:	
Recognition of Interest expenses on fair value of security deposit taken	(56,19,725)
Reclassification of actuarial gain and losses on defined benefit plans to Other Comprehensive Income	1,81,121
Recognition of Rental Income on security deposits	45,69,731
Recognition of Interest on fair value of compounded financial instruments	(3,63,77,502)
Decrease of loss on sale of non-current investment due to fair valuation of opening balance	(3,21,916)
Gain on fair valuation of non-current investments sold	5,62,997
Loan processing charges recorded at amortized cost	2,39,90,431
Recognised of Deferred Tax on Brought forward Loses and after IND-AS Adjustments	9,33,79,086
Total Adjustments	8,03,64,223
Profit after tax as per Ind AS	(20,03,86,915)
Other comprehensive income Gain/(Loss)(net of tax)	(1,25,155)
Total comprehensive income as per Ind AS	(20,05,12,070)

48 (a) C.I.F. value of Imports
Amount (in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Stores and Operating Supplies	2629412	1225527
Capital Goods	1242485	1031730



(b) Expenditure in foreign currency

Amount (in ₹)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Legal & Professional	543345	794438
Advertisement	1600124	2782275
Others	12718069	6975982

(c) Earning in Foreign Currency:

Amount (in ₹)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale/revenue	366827565	263741095

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

49. Disclosure of Loans/Advances in the nature of loans in terms of provision of regulation 34 of the SEBI (Listing Obligation and Disclosure requirements) regulations, 2015-

(Amount in ₹)

Particulars	Outstanding Balance as on 31.03.2018	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2017	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	Amount	No. of Shares	Amount
	Nil	Nil	Nil	Nil

50. Detail of consumption of imported and indigenous items:

Particulars	Current Year		Previous Year	
	Amount	% of consumption	Amount	% of consumption
(i) Raw Materials				
Imported	0	0.00	0	0
Indigenous	81992017	100.00	65916566	100
Total	81992017	100.00	65916566	100.00
(ii) Stores and Supplies				
Imported	1069189	2.25	1074664	3.60
Indigenous	46532579	97.75	28800608	96.40
Total	47601768	100.00	29875273	100.00

51. Pending Litigations:

The Contingent liability in respect of pending litigations is disclosed in note no. 44. 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.

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

53. 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	2381073826	100.00	162429286
	(100.00)	(2535751126)	(100.00)	(200512070)
Associates (Investments as per Equity method)				
Parsvnath HB Projects Pvt. Ltd.	(0.00)	-	(0.00)	-
	(0.00)	-	(0.00)	-
Total	100.00	2381073826	100.00	162429286
	(100.00)	(2535751126)	(100.00)	(200512070)

54. Interest in Associate

The company has only one associate whose principal activity is to carry on the business of real estate and carrying value of investment is nil.

Summarized financial information of associate is as follow:

Particulars	As at 31 st March 2018	As at 31 st March 2017
Assets		
Non Current Assets	108550	108550
Current Assets	1404360894	1337640566
Liabilities		
Non Current Liabilities	942503372	856365794
Current Liabilities	526096086	532311240
Equity	(64130014)	(50927918)

Summary of statement of Profit and loss of associate is as follow:

Particulars	For the year ended 31-03-2018	For the year ended 31-03-2017
Revenue	-	2391993
Net Loss	(13202096)	(11930811)
Other Comprehensive Income	-	-
Total Comprehensive Income	(13202096)	(11930811)

55. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

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

As Per our Report attached on even date

FOR G.C. AGARWAL & ASSOCIATES

FOR AND ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

Sd/-

G C AGARWAL
(PROPRIETOR)
Membership No. : 083820

Sd/-

J.M.L. SURI
(DIRECTOR)
DIN:00002373

Sd/-

ANIL GOYAL
(DIRECTOR)
DIN:00001938

PLACE : GURUGRAM

DATE : 29.05.2018

PRAVEEN GUPTA

(CHIEF FINANCIAL OFFICER)

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 **24TH ANNUAL GENERAL MEETING** of the Company to be held on **Tuesday, 25th September, 2018** 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, 2018 together with the reports of the Directors' and Auditors' thereon.
- Re-appointment of Mr. Lalit Bhasin (DIN: 00002114), who retires by rotation and being eligible offers himself for re-appointment.
- Re-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:

- Issuance of Redeemable Non Cumulative Non Convertible Preference Shares - Series III.
- To Consider and approve Alteration of Objects Clause of Memorandum of Association of the Company.

Signed this _____ day of _____, 2018

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

24TH ANNUAL GENERAL MEETING

Date : 25th day of September, 2018
 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 24th Annual General Meeting held on Tuesday, 25th day of September, 2018 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.

