

27th Annual Report 2013 - 14



HB STOCKHOLDINGS LIMITED

BOARD OF DIRECTORS

Mr. Lalit Bhasin	Chairman
Mr. Pradeep Kumar Mittal	Director
Mr. Gulshan Rai	Director
Mr. Harbans Lal	Director
Mr. Anil Goyal	Director
Mr. Vijay Sood	Managing Director
Mr. J.M.L. Suri	Executive Director

CHIEF FINANCIAL OFFICER

Mr. Mahesh Kumar Gupta

COMPANY SECRETARY

Mr. Anil Kumar Mittal

AUDITORS**M/s. P. Bholusaria & Co.**Chartered Accountants
26/11, Shakti Nagar,
Delhi - 110 007**REGISTERED OFFICE****HB Stockholdings Ltd.**

CIN L65929HR1985PLC033836

Plot No. 31, Echelon Institutional Area,
Sector-32, Gurgaon - 122 001, Haryana
Ph : 0124-4675500, Fax : 0124-4370985
Email: corporate@hbstockholdings.com**WEBSITE**

www.hbstockholdings.com

REGISTRAR & SHARE TRANSFER AGENT**M/s. RCMC Share Registry Pvt. Ltd.**B-25/1, First Floor
Okhla Industrial Area
New Delhi - 110020
Ph : 011-26387320, 26387323
Fax : 011-26387322
E-mail: rcmcdelhi.com
Website: www.rcmcdelhi.com**CONTENTS**

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HB STOCKHOLDINGS LIMITED

NOTICE

(Note: The business of this Meeting may be transacted through electronic voting system).

Notice is hereby given that the 27th Annual General Meeting of members of **HB Stockholdings Limited** will be held as per following schedule:

Day : Tuesday

Date : 23rd September 2014

Time : 11.00 A.M

Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector 14, Gurgaon - 122001
to transact the following business:-

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement (including Consolidated Financial Statement) for the year ending 31st March 2014 and the Reports of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Anil Goyal (DIN: 00001938) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

AS SPECIAL BUSINESS:

4. To approve the Appointment of Mr. Pradeep Kumar Mittal as an Independent Director of the Company and in this regard 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 Section 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Pradeep Kumar Mittal (DIN 0165315), Director of the Company whose term of office is liable to retire by rotation and whose term expires at this Annual General Meeting and who has offered himself for reappointment as an Independent Director, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a non-executive Independent Director of the Company to hold office for a term for Five consecutive years commencing from the date of this Annual General Meeting and he shall not be liable to retire by rotation."

5. To approve the Appointment of Mr. Gulshan Rai as an Independent Director of the Company and in this regard 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 Section 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Gulshan Rai (DIN 00527181), Director of the Company whose term of office is liable to retire by rotation and who has offered himself for reappointment as a non-executive Independent Director, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term for Five consecutive years commencing from the date of this Annual General Meeting and he shall not be liable to retire by rotation."

6. To approve the Appointment of Mr. Harbans Lal as an Independent Director of the Company and in this regard 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 Section 149,150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV to the said Act, Mr. Harbans Lal (DIN 00076405), Director of the Company, whose term of office is liable to retire by rotation and who has offered himself for reappointment as an Independent Director, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director be and is hereby appointed as a non-executive Independent Director of the Company to hold office for a term for Five consecutive years commencing from the date of this Annual General Meeting and he shall not be liable to retire by rotation."

7. To approve the variation in the Terms of Reappointment of Mr. J M L Suri, Executive Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, Mr. J M L Suri (DIN 00002373), who was re-appointed as the Executive Director of the Company with effect from 1st July, 2013 for a further period of Three (3) years and who is a "non-retiring Director" under the existing Articles of Association of the Company, shall now be liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT all other terms and conditions of his re-appointment including remuneration shall remain same as approved by the Shareholders in the 26th Annual General Meeting held on 23rd August, 2013."

8. To approve the adoption of new set of Articles of Association of the Company in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be

and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

9. To approve the authorisation to the Board of Directors of the Company to borrow funds in excess of the aggregate of paid up capital and free reserves and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT in supersession to the earlier resolution passed by the members at the Extra Ordinary General Meeting held on 22nd June 1994 in terms of provisions of Section 293(1) (d) of the Companies act, 1956, consent of the Company be and is hereby accorded under Section 180(1) (c) of the Companies Act, 2013 to the Board of Directors of the Company and subject to such other approvals, as may be necessary and subject to such modifications as may be prescribed while granting such approvals, Company to borrow from time to time such sum(s) of money (whether Indian Rupees or foreign currency including external commercial borrowings) as the Board deem requisite for the purpose of the business of the Company not withstanding that the money(s) to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's banker in the ordinary course of business) will or may exceed the aggregate of the paid up share capital of the company and its free reserves provided that the total amount upto which the money may be borrowed by the Board of Directors and outstanding at any time exclusive of Interest shall not exceed the aggregate sum of Rs. 300 Crores (Rupees Three Hundred Crores).

By the Order of the Board
For HB STOCKHOLDINGS LTD.

Place : Gurgaon
Date : 17.05.2014

ANIL KUMAR MITTAL
COMPANY SECRETARY
M. No. FCS 2360

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ANNEXURE TO THIS NOTICE.

A person can act as a proxy on behalf of members not exceeding Fifty members and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
2. The Register of Members and Share Transfer Books shall remain closed from 15th September, 2014 to 23rd September, 2014 (both days inclusive) for the purpose of Annual General Meeting.
3. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
4. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
5. The members are requested to bring their copy of the Annual Report to the meeting.
6. The members/proxies should fill the Attendance Slip for attending the meeting.
7. (a) The members who hold Share Certificate in physical form may notify the request for Change of Address to the Share Transfer Agent and Registrar of the Company namely **RCMC Share Registry Pvt. Ltd.**
B-25/1, First Floor,
Okhla Industrial Area, Phase-II,
New Delhi - 110 020
Phone: 011 - 26387320, 26387321, 26387323
Fax : 011 - 26387322
E-mail: shares@rcmcldelhi.com.
(b) Members whose shareholding is in electronic mode are requested to direct change of address notifications to their respective Depository participants.
8. Copy of the Annual Report 2014 is being sent to all by electronic mode only to all those members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member who has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report 2014 are being sent by the permitted mode.
9. The Company is implementing the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/ CDSL will be deemed to be your registered email address for serving notices/ documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of Audited Financial Statements, Directors Report, Auditors Report etc. will also be displayed on the



HB STOCKHOLDINGS LIMITED

website www.hbstockholdings.com of the Company and the other requirements of the aforesaid MCA circular will be duly complied with.

Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository 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 7(a) above quoting their folio number(s).

10. E-voting facility is being provided to all members of the Company pursuant to the provisions of Section 108 of The Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement. The Company has engaged the Services of Karvy Computershare Private Limited ("Karvy") for providing e-voting facilities to the members of the Company. The e-voting rights of the Members shall be in proportion to the Paid-Up value of their shares in the Equity Capital of the Company as on the cut-off date (i.e. the record date), being Friday, August 08th, 2014. Detailed instructions for availing the e-voting facility indicating the process and manner of e-voting are given separately in the e-voting Notice sent to the members along with a Copy of the Annual Report.

The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company, www.hbstockholdings.com and on Karvy's website, <https://evoting.karvy.com> within two (2) days of passing of the resolutions and communication of the same to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd (NSE).

11. All documents referred to in the accompanying Notice and Explanatory statement shall be open for inspection at the registered office of the Company on all working days except, Saturdays, Sundays and holidays, between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.
12. Details of Directors Appointment / re-appointment at the AGM, as required under Clause 49 of the Listing Agreement is annexed to the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No.4

Mr. Pradeep Kumar Mittal (61) is a Non-Executive Director of the Company. He joined the Board of Director in March 2001. Mr. Pradeep Kumar Mittal is a member of the Audit Committee, Nomination and Remuneration Committee and Chairman of the Stakeholders Relationship Committee, of the Board of directors of the Company. He does not hold any shares in his name or for any other person on a beneficial basis in the Company.

Mr. Pradeep Kumar Mittal, Director, was liable to retire by rotation at the ensuing AGM under the provisions of erstwhile Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Pradeep Kumar Mittal, being eligible and offer himself for appointment as an Independent Director for a term of five consecutive years upto the conclusion of the 32nd Annual General Meeting of the Company. A Notice has been received from a member u/s 160(1) of the Companies Act, 2013 proposing Mr. Pradeep Kumar Mittal as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Pradeep Kumar Mittal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. A Copy of the draft Letter of Appointment of Mr. Mittal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desire able to continue to avail services of Mr. Pradeep Kumar Mittal as an Independent Director. Accordingly the Board recommends the resolution in relation to appointment of Mr. Pradeep Kumar Mittal as an Independent Director, for the approval of the shareholders of the Company.

Except Mr. Pradeep Kumar Mittal, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item No: 4 of the Notice.

Item No. 5

Mr. Gulshan Rai (80) is a Non-Executive Director of the Company. He joined the Board of Directors in October 2004. Mr. Gulshan Rai is the Chairman of the Audit Committee and also a member of Nomination and Remuneration Committee of the Board of directors of the Company. He does not hold any shares in his name or for any other person on a beneficial basis in the Company.

Mr. Gulshan Rai, Director, was liable to retire by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Gulshan Rai, being eligible and offer himself for appointment as an Independent Director for a term of five consecutive years upto the conclusion of the 32nd Annual General Meeting of the Company. A Notice has been received from a member u/s 160(1) of the Companies Act, 2013 proposing Mr. Gulshan Rai as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Gulshan Rai fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. A Copy of the draft Letter of Appointment of Mr. Gulshan Rai as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

The Board considers that his continued association would be of immense benefit to the Company and it is desire able to continue to avail services of Mr. Gulshan Rai as an Independent Director. Accordingly the Board recommends the resolution in relation to appointment of Mr. Gulshan Rai as an Independent Director, for the approval of the shareholders of the Company.

Except Mr. Gulshan Rai, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item No: 5 of the Notice.

Item No. 6

Mr. Harbans Lal (72) is a Non-Executive Director of the Company. He joined the Board of Directors in January 2006. Mr. Harbans Lal is the Chairman of the Nomination and Remuneration Committee of the Board, Member of Audit Committee and also Member of Stakeholders Relationship Committee. He does not hold any shares in his name or for any other person on a beneficial basis in the Company.

Mr. Harbans Lal, Director, was liable to retire by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Harbans Lal, being eligible and offer himself for appointment as an Independent Director for a term of five consecutive years upto the conclusion of the 32nd Annual General Meeting of the Company. A Notice has been received from a member u/s 160(1) of the Companies Act, 2013 proposing Mr. Harbans Lal as a candidate for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Harbans Lal fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the Management. A Copy of the draft Letter of Appointment of Mr. Harbans Lal as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

The Board considers that his continued association with the Company would be of immense benefit to the Company and it is desire able to continue to avail services of Mr. Harbans Lal as an Independent Director. Accordingly the Board recommends the resolution in relation to appointment of Mr. Harbans Lal as an Independent Director, for the approval of the shareholders of the Company.

Except Mr. Harbans Lal, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolution set out at item No: 6 of the Notice.

Item No. 7

As per Sec 152 of the Companies Act, 2013, unless the articles provides for retirement of all Directors at every Annual General Meeting, not less than two-thirds of the total number of directors of a public company shall retire by rotation. It is also clarified by way of explanation given in Sec 152(6) that "total number of directors" shall not include the Independent Directors for determining the directors liable to be retire by rotation.

Mr. J M L Suri, Executive Director was not liable to retire by rotation as per the Article 140 (e) of the existing Articles of Association of the Company. The Board of Directors on the recommendation made by the Remuneration Committee in their meeting held on 17th May, 2014 discussed and agreed that the period of office of Executive Director shall be liable to determination by retirement of directors by rotation. Accordingly, the terms of employment of Mr. J M L Suri, Executive Director of the Company need to be changed to make him liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013.

Except Mr. J M L Suri, Executive Director, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

The Board recommends the Special Resolution at Item No. 7 of the Notice for the approval of the members.

Item No. 8

The Articles of Association ("AOA") of the Company as presently in force were from when the Company was incorporated, and have been changed from time to time as and when need be by new clauses. The existing AOA were based on the Companies Act, 1956 and several regulations in the existing AOA are no longer in conformity with the present Act.

With the enforcement of the new Companies Act several regulations of the existing 'AOA' of the Company require alteration or deletions. Considering this position, it is thought expedient to wholly replace the existing AOA by a new set of Articles with such other modifications as the need be to give it more clarity in respect of powers and duties of the Board of Directors. The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model Articles of Association for a company limited by shares.

The proposed new draft AOA is being uploaded on the Company's website www.hbstockholdings.com for perusal by the shareholders, the draft of the Articles of Association shall also be available for inspection at the Regd. office of the Company.

The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 8 of the Notice.

Item No. 9

The members of the Company, in the Extra Ordinary General Meeting held on 22nd June, 1994 had accorded by way of an ordinary resolution their approval to the Board of Directors of the Company for borrowing monies on behalf of the Company, from time to time, upto an aggregate amount (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses) not exceeding the paid up share capital of the company and its free reserves by Rs. 300 Crores.

However, after the applicability of the provisions of Section 180(1) (c) of the Companies Act, 2013, a Company can borrow monies exceeding the aggregate of its paid up capital and free reserves (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with the approval of members of the company by way of a Special Resolution.

The Board recommends the Resolution as set out at Item no: 9 of the Notice, for the approval of the members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are anyway, concerned or interested, financially or otherwise, in the special resolution, set out at item no. 9 of the notice.



HB STOCKHOLDINGS LIMITED

DIRECTORS SEEKING APPOINTMENT AND REAPPOINTMENT IN THE ENSUING AGM (Please Refer Items: 2, 4-6 of the Notice of AGM).

Name of the Director	1. Mr. Anil Goyal	3. Mr. Gulshan Rai
DIN:	00001938	00527181
Date of Birth	22-02-1959	01-04-1934
Qualifications	B Com, FCA	B Com(Hons) FCA
Brief Resume & Expertise in specific functional areas	A Fellow member of the Institute of Chartered Accountants of India with expertise in the fields of Finance, taxation, investment banking, corporate restructuring and strategic planning. He has good experience of Corporate and Legal matters including SEBI related Laws.	A practicing Chartered Accountant having over 55 years' experience in the field of Financial Management, Tax Planning, Management Control Systems, Corporate Planning & Business Restructuring. Has vast experience and expertise in International business operations of Indian Companies abroad and vice-versa in planning restructuring and setting up of branches / 100% owned subsidiaries of foreign entities in India and of Indian companies, overseas.
Other Public Ltd Companies in which directorship held as on 31.3.2014	HB Portfolio Limited HB Leasing & Finance Co. Limited HB Estate Developers Limited HB Prima Capital Limited HB Securities Limited Mount Finance Limited HB Corporate Services Limited RRB Securities Limited Bhasin Investments Limited AHL Hotels Limited HB Insurance Advisors Limited	Nil
Chairman / Member of the Committees of the Board of other Companies in which he is a director as on 31.3.2014	Member of Shareholder /Investors Grievances Committee (s) HB Portfolio Limited HB Leasing & Finance Ltd HB Estate Developers Ltd RRB Securities Limited Audit Committee RRB Securities Limited- Chairman	
Shareholding of Director as on 31.03.2014	Nil	Nil
Whether related to any Board Member	No	No

DIRECTORS SEEKING APPOINTMENT AND REAPPOINTMENT IN THE ENSUING AGM

Name of the Director	2. Mr. Pradeep Kumar Mittal	4. Mr. Harbans Lal
DIN:	0165315	00076405
Date of Birth	10-08-1953	28-02-1942
Qualifications	B Com, LLB, FCS	M A (Public Administration), CA, IIB
Brief Resume & Expertise in specific functional areas	A Qualified Company Secretary and a Law graduate. He is a practicing Advocate and has varied experiences in the field of Corporate Laws, Corporate planning and business restructuring. He also has experiences in the area of financial management, management control system and administration.	Joined State Bank of India in the year 1965. While working for SBI, he held the following important assignment(s). – Chief General Manager, Delhi Circle 2000 to 2002. – Chief General Manager(credit) at Central Office Mumbai in 1998-2000 – General Manager (Commercial Banking) Ahmedabad Circle 1995-1998 – Dy General Manager Shillong Zonal office and Pune Zonal office. – Vice President & Manager, SBI (Canada) Vancouver 1984-1988
Other Public Ltd Companies in which directorship held as on 31.3.2014	Raunaq International Limited	Nil
Chairman / Member of the Committees of the Board of other Companies in which he is a director as on 31.3.2014	Nil	Nil
Shareholding of Director as on 31.03.2014	Nil	Nil
Whether related to any Board Member	No	No

By the Order of the Board
For HB STOCKHOLDINGS LTD.

ANIL KUMAR MITTAL
COMPANY SECRETARY
M.No. FCS 2360



HB STOCKHOLDINGS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 27th Annual Report and the Audited Accounts of your Company for the financial year ended 31st March 2014.

FINANCIAL RESULTS

The Financial performance of the Company for the year ended is summarised below.

PARTICULARS	(Rs. in lacs)	
	Current Year Ended	Previous Year Ended
Total Revenue	1469.06	1887.52
Total Expenses	327.39	777.59
Profit for the Year before Tax and exceptional items	1141.67	1109.93
- Tax Expenses (including earlier years)	142.87	110.00
- Exceptional items	00.00	0.00
Profit After tax and Exceptional Items	998.80	999.93
Earning per Equity Shares (Before exceptional items)		
- EPS Basic (Rs.)	4.20	4.20
- EPS Diluted (Rs.)	4.20	4.20
(After Exceptional Items)		
- EPS Basic (Rs.)	4.20	4.20
- EPS Diluted (Rs.)	4.20	4.20

DIVIDEND

In order to conserve resources for the future, Directors' of your company do not recommend any dividend for the year ended 31st March 2014.

PERFORMANCE REVIEW & OUTLOOK

The financial year 2013-2014 was a challenging year in many ways. Economic activity remained subdued, compounded by volatility in currency and interest rate markets in the first half of the year. Gross Domestic Products (GDP) for 2013-14 has been estimated to grow at 4.70%, the second consecutive year of sub5% growth. While financial markets stabilised in the second half of the year, economic activity continued to remain muted.

During the year under review, Income from operation was Rs.1454.28 Lakhs (previous year Rs. 1870.68 Lakhs). Income of the Company comprises of Dividend Income Rs.116.44 Lakhs (previous year Rs. 63.73 Lakhs), Securities Trading Loss was Rs. 11.48 Lakhs (previous year Rs.22.24 Lakhs), Profit booked on Sale of Investments was Rs. 864.27 Lakhs (previous year Rs.1234.49 Lakhs). Provisions for diminution in the value of Investment written back Rs.436.85 Lakhs (previous year Rs. 561.09 Lakhs). Net Profit before Tax and exceptional items for the year was Rs.1141.67 Lakhs (previous year Rs. 1109.93 Lakhs).

With a change of Government at the Centre, positive policy pronouncements and high expectations of fiscal consolidation coupled with demand stimulus and structural de-bottlenecking, economic growth in the current and medium term should improve. This will be positive for the market and society as a whole. First sign of this are being reflected in the upswing in the Equity indices in the current fiscal.

As mentioned in the previous year's Directors' Report, Securities and Exchange Board of India (SEBI) vide its Order dated 9th May 2012 restrained the Company from buying, selling or dealing in the securities market whatsoever or accessing the Securities market, directly or indirectly, for a period of two years from the dated of the Order; and the aforesaid order was stayed by the Hon'ble Securities Appellate Tribunal vide its Order dated 17th May 2012. The Appeal filed by the Company against the aforesaid SEBI Order was allowed. SEBI Order was quashed and set aside by Hon'ble Securities Appellate Tribunal vide its Order / Judgment dated 27th August 2013.

Industry Trends and its future prospects have been summed up in the Management Discussion and Analysis Report which forms part of this report.

STATUTORY STATEMENTS

PUBLIC DEPOSITS:

Your Company has neither invited nor accepted any deposits from the Public / shareholders during the year under review.

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956:

The particulars under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology absorption etc. are not applicable to the company. During the year under review there have been no Earnings or outgo of Foreign Exchange.

PERSONNEL:

A list of employee(s) under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are given in the enclosed statement forming part of this report as Annexure.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, your Directors hereby state that in the preparation of the Annual Accounts for the year under review, the applicable Accounting Standards have been followed and no departures have been made there from. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit of the Company for that period. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and further, that the Directors had prepared the annual accounts for the year under review on a going concern basis.

SUBSIDIARIES OF THE COMPANY

HB Prima Capital Limited ceased to be a subsidiary Company w. e. f 25th June 2013. In terms of the General Circular dated 8th February 2011, of Ministry of Corporate Affairs, under Section 212(8) of the Companies Act, 1956, a copy of the Balance Sheet, Statement of Profit and Loss, Report of Directors and Auditors' of Company's subsidiary namely Mount Finance Ltd. have not being attached with the Balance Sheet of the Company. However the financial data of the subsidiary have been furnished under "Summary of Financial Information of Subsidiary Company" and forms part of this Annual Report in compliance with the said circular. Annual Accounts of the subsidiary company will be made available upon request by any member of the Company and said Annual Accounts will also be kept open for inspection at the registered office of the Company and that of the subsidiary Company.

CORPORATE GOVERNANCE REPORT

Your Company is committed to maintain the applicable Corporate Governance standards and is committed to ensure due compliance of any modifications that may be stipulated by SEBI and communicated through stock exchange(s) from time to time and observe their timely

implementation. Compliances of your Company with the requirements are presented in the enclosed pages. A Report on the Corporate Governance forms part of the Annual Report together with the Certificate from the Statutory Auditor's in respect of compliance(s) of Clause 49 of the Listing Agreement.

STATEMENT PURSUANT TO THE LISTING AGREEMENT

The Equity Shares of the Company are listed at Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd. (NSE) Mumbai.

The Listing fees for the current financial year to both the Stock Exchange(s) have been paid in time.

AUDITORS

M/s. P. Bholusaria & Co., Chartered Accountants, New Delhi having FRN 000468N, the Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible offers themselves for reappointment. The Company has received a Letter from them to this 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 reappointment.

AUDITOR'S REPORT

Auditor's observations in their report have been suitably explained, by way of appropriate notes to accounts wherever necessary.

DIRECTORS

As per the provisions of existing Articles of Association of the Company, the period of office of all the Directors of the Company except Mr. Vijay Sood Managing Director and Mr. J M L Suri, Executive Director shall be liable to determination by retirement of Directors by rotation. As per Article 140 (e) Mr. Vijay Sood, Managing Director and Mr. J M L Suri Executive Director shall not be liable to retire by rotation as long as they hold the office of Managing Director or Whole Time Director respectively.

The Companies Act, 2013 provides for appointment of Independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 (effective April 1, 2014) provides that Independent directors shall hold office for a term of up to five consecutive years on the Board of a company. Mr. Gulshan Rai, Mr. Pradeep Kumar Mittal and Mr. Harbans Lal fulfill the criteria of Independent Director as specified in Sec 149(6) of the Companies Act, 2013 and the Rules made thereunder. The Company has received requisite Notices in writing from a member proposing their appointment as Independent Directors. The Company has also received declarations from them confirming that they meet with the criteria of independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange. The Board of Directors recommends appointment of Mr. Gulshan Rai, Mr. Pradeep Kumar Mittal and Mr. Harbans Lal as Independent Directors of the Company for a term of five years and they shall not be liable to retire by rotation.

The Board of Directors on the recommendation made by the Remuneration Committee in their meeting held on 17th May, 2014 discussed and agreed that the period of office of Executive Director shall be liable to determination by retirement of Directors by rotation. Accordingly, the terms of reappointment of Mr. J M L Suri, Executive Director of the Company need to be changed to make him liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013.

After the proposed variation in the terms of reappointment of Mr. J M L Suri, Executive Director of the Company, the period of office of Directors viz. Mr. Lalit Bhasin, Mr. Anil Goyal, Directors and Mr. J M L Suri, Executive Director shall be liable to determination by retirement of Directors by rotation.

As per the relevant provisions of the existing Article of Association of the Company and the provisions of the erstwhile Companies Act, 1956, Mr. Anil Goyal, Director and Mr. Pradeep Kumar Mittal, Independent Director of the Company were supposed to retire by rotation at the ensuing Annual General Meeting. However, as per the provisions Section 149(13) of the Companies Act, 2013, the provisions of Section 152 in respect of retirement of Directors by rotation shall not be applicable to Independent Directors. Accordingly, Mr. Pradeep Kumar Mittal, Independent Director shall not retire by rotation at the ensuing Annual General Meeting. Mr. Anil Goyal shall retire at the ensuing Annual General Meeting and who being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

ACKNOWLEDGEMENT

Your Directors would like to express their appreciations for the assistance and cooperation received from banks, customers, members and other stake holders during the year under review. Your Directors also wish to acknowledge the valuable services rendered by the executive and staff of the Company at all levels.

For and on Behalf of The Board of Directors

Place : Gurgaon
Dated : 17th May, 2014

Lalit Bhasin
Chairman
DIN : 00002114

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Amount in Rs.

Name of the Subsidiary Company	Mount Finance Ltd. 31-03-2014
Financial Year of the subsidiary ended on	
No of Equity Shares held by the Holding Company as on date (face value-Rs. 10/-)	8,30,006
Extent of Holding (%)	100%
The Net aggregate of the Profit / (Loss) of the Subsidiary so far as they concern the members Of the Company for the year ended 31-03-14	
(i) for the financial year of the Subsidiary	(3,42,091)
(ii) for the previous financial period of the Sub.	(2,08,526)
The Net aggregate of the Profit / (Loss) of the Subsidiary as they concern the members of the company and which are not dealt with the accounts of the Company for the year 31 st March 2014	
(i) for the financial year of the subsidiary	Nil
(ii) for the previous financial periods of the subsidiary	Nil



HB STOCKHOLDINGS LIMITED

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March 2014.

Name of Employee/ Age (Years)	Date of Employment	Qualifications	Designation/ Nature of job	Gross Remuneration (Rs.) during the year ended 31st March 2014	Particulars of previous Employment (Designation & Name of the Employer)	Experience (No. of years)	Whether relative of any Director or Manager of the Company
Mr. Vijay Sood 56 Yrs.	30-04-2007	AICWA, MBA from IIM Ahmedabad. Advance Management Programme from Wharton Business School, USA	Managing Director	₹ 104,59,235/-	Group CFO, Renaissance Services SAOG, Oman	35	No

Note: Remuneration includes salary, Cost of leased accommodation, Company's contribution to Provident Fund, wherever applicable and other sums & allowances actually received by the employee during the financial year and the Perquisites are valued in accordance with the Income Tax Act, 1961 and Rules made there under. The appointment is contractual.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

1. Operating Results

The Total Revenue earned by the Company during the year was Rs.1469.06 Lakhs as compared to Rs. 1887.52 Lakhs in the previous year. Administrative expenses, Depreciation and amortization including provisions for sub-standard & doubtful assets and provision against standard assets and Loans & Advances were Rs. 327.39 Lakhs as compared to Rs. 777.59 Lakhs during the previous year. Interest and financial charges were Nil during the current and previous year.

2. Business Analysis during 2013-2014

The Financial year 2013-14 was a challenging one in many ways. Economic activity stayed subdued. During the year, the stock market also remained volatile in the first half of the year when the index moved in the range of 17,449 to 20,740. In the period from September 2013 onwards, index started moving up and reached at a high of 22,467 during the month of March 2014. Indian economy continued to experience high food inflation and weak industrial growth. Reserve Bank of India kept interest rates at elevated levels to combat inflation although supply bottlenecks rather than excessive aggregate demand was the cause of the inflationary pressures.

Equity/ capital market is influenced by underlying corporate performance, flows from domestic investors, satisfactory growth potential of domestic economy and its attractiveness to foreign investors. In the first half of the year there was an outflow on account of FII's of USD 7.1 Billion compared to an inflow of 12 Billion in the second half. This was largely on account of tapering related announcements from the US in the summer of 2013. Both Debt and Equity market suffered in this period. In spite of the impending end of the term of the Central Government, markets rallied in the second half due to policy action by the RBI to stabilize the Rupee, curb gold imports and control interest rates. FDI flows for the year were USD 30.8 Bn.

During the year under review, Revenue from Operations was Rs.1454.28 Lakhs (Rs. 1870.68 Lakhs in previous year) and Net Profit after exceptional items was Rs. 998.80 Lakhs (Rs.999.93 Lakhs in the previous year). Securities Trading including Equity derivative trading resulted in a Loss of Rs. 11.48 Lakhs (previous year Loss Rs. 22.24 Lakhs). Profit booked on Sale of Investments during the year was Rs. 864.27 Lakhs (previous year's profit of Rs. 1234.49) Provision for diminution in the value of investment written back was Rs. 436.85 Lakhs during the year under review (previous year Rs. 561.09 Lakhs).

3. Future Prospects and Outlook

While 2013-14 turned out to be a good year for Indian and other emerging markets, the problems of the global economy after its meltdown in previous years have not been resolved. China's economy has shown some signs of slowing down especially in the manufacturing and infrastructure sectors. The problems of Eurozone are making the nascent global recovery look weak. Asia ex Japan continues to see growth revival its composition varies across the region depending upon exposure to the export sector in different countries. Indian economy is expected to see higher growth potentials with the policy announcements made by the new government though many hurdles remain in implementation. However there is no denying the fact that there is optimism amongst foreign and local business men which will be good for the economy and therefore the Company.

4. Risks and concerns

The Company is mainly exposed to market risk (including liquidity risk), interest risk and credit risk. However prudent business and risk

management practices followed by a company over the years helps it to manage the normal industry risk factors, which inter-alia includes economic / business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk.

The Company is confident of managing these risks by observing a conservative financial profile in investment and trading of securities business.

5. Internal control systems and their adequacy

The Company has an adequate and effective system of internal controls for its various business processes, with regard to operations, financial reporting, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibility for all managerial positions gives strength to the internal control system of the organisation. Internal audits are done at regular intervals to ensure that responsibilities are executed effectively. Audit Committee of the Board of Directors on quarterly basis reviews the adequacy and effectiveness of internal control systems and suggests measures for improvement of the existing control system and strengthen the control in view of changing business needs and safe guarding the assets of the Company against significant misuse or Loss from time to time.

6. Financial performance

- Share Capital:** The Company's issued and subscribed share capital consists of Equity Share Capital only. The Paid-up Share Capital of the company as at 31st March 2014 stood at Rs. 2433.54 lakhs (including Rs. 54.32 Lakhs towards the original amount paid up on equity share forfeited.) comprised of 2,37,92,218 Equity Shares of Rs.10/- each.
- Reserves and Surplus:** During the year under review, the balance is Rs. 10583.38 Lakhs (previous year Rs. 9584.58 lakhs)
- Fixed Assets stood at Rs. 53.96 Lakhs (Rs. 62.91 Lakhs in the previous year.)
- Non Current Investments stood at Rs. 8970.82 Lakhs (previous year Rs. 8518.93 Lakhs)
- Current Assets stood at Rs. 5046.40 Lakhs (previous year Rs. 5148.48 Lakhs)

7. Human Resources

Success of every business depends on proper human resource planning. The Company has adequate and experienced professionals having varied experience related to the Industry to carry out its business operations. Efforts are made to develop leadership capability in the team members which reflects in the decision making process.

8. Cautionary Statement

Statements in this "Management' Discussion and Analysis Report" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include interest rates and changes in the Government regulations, direct tax regimes, credit appraisal and monitoring system, Notifications and guidelines issued by Reserve Bank of India, economic developments and other factors such as litigation etc.



HB STOCKHOLDINGS LIMITED

REPORT ON CORPORATE GOVERNANCE

Corporate Governance philosophy

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Corporate Governance deals with conducting the affairs of the company in such a manner as to ensure that there is fairness to all the stakeholders and action benefits to the greatest number of stakeholders. The accountability of the personal and corporate funds in a company in a more transparent and equitable manner and the essence of Corporate Governance which ensures investor protection and maximization of shareholders wealth. The Corporate Governance is a continuing exercise and the company would constantly endeavor to improve on these aspects.

Composition of the Board

The Board of Directors of your Company presently comprises of 7 Directors, out of whom 5 are Non-Executive Directors and 4 are Independent Directors. Mr. Lalit Bhasin, Promoter of the Company is the Non-Executive Chairman of the Board since 30th June 2004. The strength of the Independent Directors is more than half of the total strength of the Board. All the Non-Executive Directors are proficient in their respective fields and bring with them tremendous experience in

the areas of Banking, finance, Taxation, Legal expertise, Securities market operations, Corporate Affairs and management. Mr. Vijay Sood Managing Director and Mr. J.M.L. Suri, Executive Director, the working Director(s) have to their credit over three and four decades of corporate experiences respectively in Foreign Banks, Indian and Foreign Companies including Multinational Companies. These two working Director(s) among themselves share the overall responsibility of all the day to day business affairs of the company and implement Board's policies and plans. Board Composition at present is in conformity of the Clause 49 of the Listing Agreement as amended from time to time.

Number of Board Meetings

During the year under review (1-04-2013 to 31-03-2014), the Board of Directors of the Company meet Five (5) times respectively on 17th May 2013; 07th August 2013; 23rd August, 2013; 12th November 2013; and on 14th February, 2014. The time gap between two Board Meetings did not exceed 120 days.

Directors Attendance & their Directorships

Composition of the Board of Directors and Attendance of the Board members with their shareholding in the Company and status of presence in the last AGM are given hereunder:

Name of the Director(s) & Category	Directorships in other public companies		Committee Membership held in Other public companies		No. of Board Meetings during the year		Attended Last AGM	Shares held in the company & % to the subscribed capital
	Director	Chairman	Member	Chairman	Held	Attended		
Mr. Lalit Bhasin Promoter & Non-Executive	14	4	6	Nil	5	5	Yes	1,22,62,307 (51.54%)
Mr. Pradeep Kumar Mittal Independent & Non Executive	1	Nil	Nil	Nil	5	5	Yes	Nil
Mr. Gulshan Rai Independent & Non Executive	Nil	Nil	Nil	Nil	5	5	Yes	Nil
Mr. Harbans Lal Independent & Non Executive	Nil	Nil	Nil	Nil	5	5	Yes	Nil
Mr. Anil Goyal Independent Non Executive	11	Nil	5	1	5	5	Yes	Nil
Mr. J.M.L. Suri Executive Director	13	Nil	4	2	5	5	Yes	1000 (Not Significant)
Mr. Vijay Sood Managing Director	2	Nil	1	1	5	4	Yes	Nil

One-third of the rotational directors of the Company shall retire at every Annual General Meeting in terms of Articles of Association of the Company and Companies Act, 1956. Accordingly, after appointment of 3 Independent Directors on the Board (who shall not be retiring), and Managing Director being not to retire by rotation. In order to comply with the provisions of retirement of at least one third of the Directors, terms of office of Mr. J M L Suri, Executive Director was modified to liable to retire by rotation for rest of his tenure. Accordingly Mr. Anil Goyal Director of the Company being longest in the office as director shall retire by rotation at the ensuing Annual General Meeting to be held in September 2014 and he being eligible offers himself for reappointment. In terms of Clause 49(IV)(D) of the Listing Agreement, a brief Resume of Directors, proposed to be reappointed, nature of their expertise in specific functional areas, their other directorships and committee memberships, their shareholdings and relationships with other Board members are provided in the Notice convening the 27th Annual General Meeting of the Company.

Board Committee(s)

As per Clause 49 of the Listing Agreement as on 31st March 2014, all mandatory Board Committees are in place and their Constitution fully meets the requirements as stipulated in the Listing Agreement and as amended from time to time. The Board of Director's in its meeting held on 7th March, 2001, constituted two Committee(s) namely; the Audit Committee in due compliance with Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement and Shareholders / Investors Grievance Committee. The Committee was renamed as Share Transfer & Investors grievances Committee in the Board Meeting held on 12th November 2013. Further to that, a Remuneration Committee was constituted in the Board Meeting held on October 30, 2004 to meet the requirements of the Listing Agreement and Schedule XIII of the Companies Act, 1956.

(A) Audit Committee:

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting. The Audit Committee of the Board presently comprises of the following members:

1. Mr. Gulshan Rai, Chairman
2. Mr. Pradeep Kumar Mittal, Member
3. Mr. Anil Goyal, Member
4. Mr. Harbans Lal, Member

Mr. Vijay Sood, Managing Director and Mr. J. M. L. Suri, Executive Director, both are the permanent invitees at the Audit Committee Meetings, this is in addition to the Internal Auditors and Statutory Auditors of the Company. The Audit Committee in their meetings shall review the following information: Management discussion and Analysis of financial condition, Results of operations; Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management; Management letter / letters of internal control, weaknesses pointed out by the Statutory Auditors in the existing system of operations; Internal Auditors Reports relating to Internal Control and the appointment, removal and payments of remuneration to the Internal Auditors shall be subject to review by the Audit Committee. The Audit Committee of the Board has been empowered, inter-alia, to carry out the following functions:

- 1) To lay down, review and revise the accounting policies of the company.
- 2) To review the financial operations and performance of the company.
- 3) To review the half-yearly and annual financial accounts and other financial reports and statements, before placement thereof before the Board of Directors.
- 4) To consider and constitute sub-committees, wherever necessary for carrying out and /or monitoring the financial operations of the company.
- 5) To appoint whenever deemed expedient, an independent internal auditor to carry out continuous audit of the accounts and systems of the company, and also consider and /or review the appointment and removal of auditors of the company.
- 6) To consider and set up adequate internal control systems and review and monitor the same in consultation with the internal auditors and the auditors of the company and ensure compliance of the same.
- 7) To receive, discuss and consider the observations and reports of the internal auditors and statutory auditors of the company time to time.
- 8) To review and investigate on the matter of financial nature, as and when deemed necessary and expedient.
- 9) To give report and /or recommendations to the Board on the matters concerning financial operations of the company.
- 10) To consider and act on any matters as are included under Clause 49 of the Listing Agreement and /or as may be so included from time to time.

During the year under review, 4 (Four) Audit Committee Meeting(s) were held respectively on 17-05-2013, 07-08-2013, 12-11-2013 and on 14-02-2014. Audit Committee Meeting(s) were attended by all the members of the Committee(s) as well as Internal and Statutory Auditors of the Company.

(B) Shareholders / Investors Grievance Committee:

The Investors Grievances Committee of the Board presently comprises of three members viz. Mr. P K Mittal (Chairman of the Committee), Mr. Harbans Lal and Mr. J.M.L. Suri as Committee Members. The Company Secretary being the compliance officer and acts as the Secretary to the Committee. The functions of the Committee, inter alia, include approval / rejection of Transfers and transmission of shares, Issue of fresh / duplicate certificates upon split / consolidation / renewal / mutilated / remat / loss or otherwise of equity share Certificate(s), review the status of dematerialisation of company's shares and matters incidental thereto, monitor the matters of litigation related to shareholders and take decisions relating thereto, Consider, review and monitor the Complaints related to the Investors in respect of various grievances.

During the year under review, Shareholders / Investors Grievances Committee meet 4 (Four) times respectively on 17-05-2013, 7-08-2013, 12-11-2013 and on 14-02-2014. All the Committee Meetings were attended by the Committee members.

In order to quickly process the requests of Share Transfers within 14 days of receipt and also to ensure timely dispatch the same to the small Shareholders, Mr. J.M.L. Suri, Executive Director has been empowered by the Board of Directors to approve the Transfer of shares up to 10,000 Equity Shares under one folio at a time when such requests accumulates for processing between the two Committee Meeting(s).

(C) Remuneration Committee:

Existing Remuneration Committee of the Board has been constituted as per the Clause 49 of the Listing Agreement. Committee presently comprises of Three Directors, all of them are non-executive directors and Independent Directors. Mr. Harbans Lal, Chairman, being a Independent Director. Mr. P. K. Mittal and Mr. Gulshan Rai are the other two members of the Committee. Remuneration Committee fully complies requirement the Clause 49 of the Listing Agreement.

The functions of the Committee, inter alia, includes to lay down review and revise the remuneration payable to the managerial personnel, to give recommendations to the Board of Directors on the matters concerning the remuneration structure and composition, to deal with any other matter related or incidental to the above or as may be delegated by the Board of Directors from time to time.

During the year under review, one Remuneration Committee meeting was held, which was attended by all the committee members.

Remuneration to Non Executive Directors

All the Non-Executive Directors of the Company are remunerated by payment of sitting fees for each meeting of the Board and Committees thereof attended by them. During the year 01-04-2013 to 31-03-2014, Non-Executive Directors of the Company were paid remuneration as detailed below:

Director (s)	Relationship with other Director(s)	Sitting Fees (Rs.)	Salary & Perks (Rs.)	Commission, if any
Mr. Lalit Bhasin	---	50,000	Nil	Nil
Mr. Gulshan Rai	---	92,000	Nil	Nil
Mr. P K Mittal	---	1,00,000	Nil	Nil
Mr. Harbans Lal	---	1,00,000	Nil	Nil
Mr. Anil Goyal	---	90,000	Nil	Nil

Payment of Sitting fee for meeting of the Board and the Committee's thereof to the Board of Directors has been fixed by the Board of Directors within the overall ceiling limits laid down under the Companies Act 1956 and revised from time to time.

Remuneration to Whole Time Directors

Salary and perquisites paid for the year ended March 31, 2014, in aggregate value to Mr. Vijay Sood Managing Director and Mr. J.M.L. Suri, Executive Director are as under:

Mr. Vijay Sood Managing Director

Rs. 104,59,235/-

Mr. J M L Suri Executive Director

Rs.18,32,992/-

Besides, the remuneration mentioned herein above, Mr. J M L Suri, the Executive Director is also entitled to Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, and Mr. Vijay Sood Managing Director is entitled to Gratuity and encashment of Leave at the end of tenure, as per the rules of the Company.

SHARE HOLDERS INFORMATION:**General Body Meetings:**

Location and time where the Annual General Meeting(s) were held during the last three years:

Year	Type	Location	Date	Time
2012-13	26 th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	23-08-2013	11.00 A.M.
2011-12	25 th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	29-08-2012	11.00 A.M.
2010-11	24 th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	30-08-2011	11.00 A.M.

Special Resolution(s) passed if any, in the previous 3 AGMs of the Company

S. No.	Subject Matter(s)	Reference and Date of passing at the AGM
1.	(a) Reappointment of Mr. Vijay Sood as MD for a period of three years & (b) Reappointment of Mr. JML Suri as ED for a period of three years	26 th AGM on 23-08-2013
2.	No Special Resolution passed	25 th AGM 29-08-2012
3.	No Special Resolution passed	24 th AGM 30-08-2011

No resolution is proposed to be passed through Postal Ballot during the year and no Special Resolutions were put through Postal Ballot process in the previous years.

Disclosures:

- There were no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31-03-2014 (Refer Notes to Accounts - No.20.1 forming part of the Balance Sheet & Statement of Profit & Loss). Accordingly the same have not been reproduced here.
- No penalty has been imposed or any strictures have been passed by the Stock Exchanges or any other Statutory Authority on any matter related to capital market during the last year. Securities and Exchange Board of India (SEBI) vide its Order dated 9th May 2012 restrained the Company from buying, selling or dealing in the securities market whatsoever or accessing the Securities market, directly or indirectly, for a period of two years from the dated of the Order; and the aforesaid order was stayed by the Hon'ble Securities Appellate Tribunal vide its Order dated 17th May 2012. The Appeal filed by the Company against the aforesaid SEBI Order was allowed. SEBI Order was quashed and set aside by Hon'ble Securities Appellate Tribunal vide its Order / Judgment dated 27th August 2013.

- The company has adopted a Code of Conduct applicable to all the Directors and Senior Management personnel of the company and the same has been posted on the company's website www.hbstockholdings.com. During the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of said Code. A declaration to this effect on behalf of all the directors of the Company has been furnished by the Managing Director of the Company and the same is given at the end of Corporate Governance Report.
- Risk assessment and minimisation procedures are in existence and are reviewed periodically.
- The Subsidiary Company viz., Mount Finance Limited does not falls under 'Material Non Listed Subsidiary' in terms of Clause 49 of the Listing Agreement. However, the financial results and the investments (as and when made) are regularly placed before the members of Audit Committee for their review.
- The Managing Director, the CEO and the CFO have given their Certification on the review of financial statements, including cash flow, for the year ended 31.03.2014 to the Board of Directors for review.
- All the mandatory requirements under Clause 49 (relating to Corporate Governance norms) of the Listing Agreement are being adhered to/complied with and has been adopted by the company.

6. Means of Communication:

- Quarterly & Annual Results (audited and/or un-audited) Dissemination through Stock Exchange announcements and also through Company's website soon after the conclusion of Board Meeting for Adoption of Audited / Unaudited Financial Results, and through publication of Financial Results in Newspapers as per Clause 41 of the Listing Agreement.
- Newspapers wherein results are normally published - Business Standard, English and Hindi Edition.
- Results (Unaudited & Audited) are promptly uploaded at www.hbstockholdings.com for display and for the information of the members of the company.
- Company's website displays official news releases and also important communications sent to Stock Exchanges. As per the Listing Agreement, any presentations made to institutional investor's etc. shall be communicated to the stock exchange(s) in advance and also to be uploaded on the Company's website.

7. General Shareholder Information:

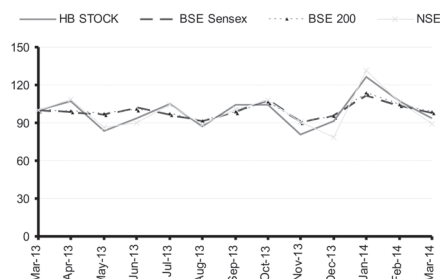
- Ensuing Annual General Meeting Day, Date, time and venue:
Day & Date : Tuesday, the 23rd September, 2014
Time : 11.00 A. M.
Venue : GIA House, I.D.C., Mehrauli Road,
Opp. Sector 14, Gurgaon - 122 001 (Haryana)
- Financial Year : 1st April 2013- 31st March 2014
- Date of Book Closure: 15th September, 2014 to 23rd September, 2014 (both days inclusive)
- Dividend Payment Date: Not Applicable
- Listing on Stock Exchange(s)
 - Bombay Stock Exchange Ltd., Mumbai
 - National Stock Exchange of India Ltd. Mumbai.
- Stock Code
The Company's Scrip Code is as follows:
BSE, Mumbai **532216**
NSE, Mumbai **HBSTOCK**
- Dematerialisation of Share and Liquidity
The trading of the Equity Shares of the Company has come under compulsory dematerialisation w.e.f. 27th November 2000 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29th May 2000.
The Company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
The ISIN No. allotted to Equity Shares of the Company is **INE550B01014**.
As on 31-03-2014; 1,98,15,941 Equity Shares constituting 83.29% of the Company's Subscribed and Paid up Share Capital are held in dematerialised form.
- Market Price Data:** The monthly High, Low and Close price of Company's shares and volume of shares traded during each month in the last financial year at BSE & NSE are as under:

Month(s)	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-13	11.85	8.52	9.00	12023	10.45	8.30	10.45	4148
May-13	12.98	9.00	10.26	38094	11.95	8.50	12.00	778
Jun-13	10.55	8.25	8.66	68190	11.50	10.10	11.50	305
Jul-13	10.32	8.28	8.30	38074	10.95	9.95	9.95	397
Aug-13	8.82	6.75	7.69	27420	8.55	8.55	8.55	01
Sep-13	8.15	6.81	7.25	27153	8.85	7.85	7.85	5369
Oct-13	9.30	7.50	8.30	20196	8.90	7.60	8.40	6534
Nov-13	9.08	7.80	8.35	35077	9.40	8.10	8.10	5844
Dec-13	9.04	8.01	8.95	27431	8.95	7.60	8.95	10202
Jan-14	10.20	8.06	9.18	83490	10.95	8.60	9.15	31535
Feb-14	9.50	7.66	8.00	61939	9.80	7.90	8.00	24629
Mar-14	9.80	7.70	9.48	42276	10.30	7.55	10.30	52854



HB STOCKHOLDINGS LIMITED

IX. Relative performance vis-à-vis major indices



X. Stock Performance-Absolute returns vis-à-vis Major Indices during the year under review

HB Stock	: (-) 5.33%
BSE Sensex	: 14.78%
BSE 200	: 12.24%

XI. The distribution of shareholdings of the company as on 31st March 2014 is as under:

No of Shares	Shareholders		Shareholding	
	Nos.	% to total	Shares	% to total
1-500	71241	98.24	5781447	24.30
501-1000	707	0.98	544791	2.29
1001-2000	279	0.39	405625	1.70
2001-3000	82	0.11	205637	0.86
3001-4000	42	0.06	151063	0.63
4001-5000	24	0.03	108097	0.46
5001-10000	66	0.09	446426	1.88
10001 and above	74	0.10	16149132	67.88
TOTAL	72515	100.00	23792218	100.00

The category-wise distribution of Shareholding as on 31st March, 2014 is as follows:

Category	No. of Shares held	% of Shareholding
A. PROMOTERS HOLDING		
1. Indian Promoters	12661121	53.22
2. Foreign Promoters	0	0.00
B PUBLIC SHAREHOLDING		
1. Institutional	28790	0.12
2. Non-Institutional	11102307	46.66
GRAND TOTAL	23792218	100.00

XII. The Company has no GDR's / ADR's / Warrants or any other instruments outstanding for Conversion into Equity Shares.

XIII. Share Transfer System

Share Transfers are recorded in the Registers and returned to the investors within a period of 15 days from the date of lodgement if the documents are complete in all respects and found to be in order. The authority for transfer of shares has been delegated to the Share Transfer and Investors Grievance Committee, which meets as and when, required. However, when no meetings are in the offing then Executive Director exercises his power for transfer of shares up to a fixed number beyond which the matters are placed before the Committee. The statistics of share transfers during the period under review as well as request for Demat of shares are as under:

Transfer Period	No of cases	No of Shares	% to Shares
1-15	141	15462	100%
16 & Above	0	0	0

Demat Period	No of cases	No of Shares	% to Shares
1-15	557	56993	100%
16 & Above	0	0	0

XIV. The status of Investor's Grievance Redressal during the year 1-04-2013 to 31-03-2014 is as under:

Grievance / Query received from	Received	Disposed off
Investors	08	08
Stock Exchange(s)	03	03
SEBI	05	05
NSDL	01	01
Total	17	17

XV. Sh. Anil K. Mittal- Company Secretary is the Compliance officer.

XVI. Registrar and Share Transfer Agent:

RCMC Share Registry Pvt. Ltd.,

B-25/1, First Floor

Okhla Industrial Area, Phase II

New Delhi 110 020

Phones: -011-26387320, 26387321, 011-26387323

Fax : - 011- 26387322, E-mail:- shares @ rcmdlhi.com

Web site : www.rcmdlhi.com

XVII. Address for Correspondence:

The Company Secretary

HB Stockholdings Ltd.

"HB House"

31, Echelon Institutional Area

Sector-32, Gurgaon- 122 001, (Haryana)

E-mail: corporate@hbstockholding.com

Managing Director's Declaration on Code of Business Conduct

To
The Members of
HB Stockholdings Limited
Gurgaon

I, Vijay Sood, Managing Director of the Company declare that all the members of the Board of Directors; and Senior Management of the Company has affirmed compliance with the Code of Conduct.

For HB Stockholdings Ltd.

Place: Gurgaon

Date: 17th May, 2014

Vijay Sood
Managing Director
DIN : 01473455

Auditors' Certificate on Corporate Governance

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

To the Members of
HB Stockholdings Limited
Gurgaon

We have examined the compliance of conditions of Corporate Governance by **HB STOCKHOLDINGS LIMITED** for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

As required by the guidance notes issued by the Institute of Chartered Accountants of India, we have to state that the Registrar and Share Transfer Agent of the Company has maintained records to show Investors' Grievance against the Company and have certified that as on 31st March, 2014 there were no Investors' Grievances remaining unattended/pending for a period exceeding one month.

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

FOR P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

Place : Gurgaon
Date : 17th May 2014

AMIT GOEL
Partner
(Membership No. 092648)



HB STOCKHOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HB STOCKHOLDINGS LIMITED Report on the Financial Statements

We have audited the accompanying financial statements of **HB STOCKHOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - on the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

(AMIT GOEL)

PARTNER

(Membership No. 092648)

Place : Gurgaon
Dated : 17.05.2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Re: HB Stockholdings Ltd.

Referred to in Paragraph 1 under the heading of "Report on other legal and Regulatory Requirements" of our report of even date for the year ended 31st March, 2014

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - 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
 - In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year that would affect going concern status of the Company.
- As explained to us, inventories (Investments) have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
 - In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories (Investments) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The Company has maintained proper records of inventories. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the accounts.
- The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. However advances in the nature of Loan has been given by company to one wholly owned subsidiary company. The outstanding recoverable as at the beginning of

the year was `11,69,436/, the amount paid during the year is `2,75,000/- and the maximum amount outstanding at any time during the year and year end balance is `14,44,436/. The amount recoverable has been classified as sub-standard and doubtful asset and full provision thereof has been made.

- The aforesaid advance granted by the Company is interest free. In our opinion and according to the information and explanations given to us, other terms and conditions of aforesaid advance are not prima facie prejudicial to the interest of the Company.
 - There are no stipulations in writing as to the repayment of aforesaid advance.
 - In respect of aforesaid advance given by the Company, as explained to us, there are no overdue amount, however full provision in respect of above has been made by the company.
 - The company has not taken any loan during the year from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, the requirements of clause (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.
- In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and sale of goods. During the year there was no sale of services. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
 - In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered into in the register required to be maintained under that section.
 - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the market price prevailing at the relevant time.
 - The Company has not accepted any deposits from the public.
 - In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
 - The nature of the company's business/activities is such that Clause 4(viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of Cost Records is not applicable to the company.
 - According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, 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 except for non-deposit of installments of advance tax. 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, 2014 for a period of more than six months from the date of becoming payable except for non deposit of advance tax installments of `5636000/- for June & September, 2013 quarters.
 - The disputed statutory dues aggregating to `77,92,043/- that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the statute	A.Y.	Nature of the Dues	Forum where Dispute is pending	Amount (₹)
1.	Income Tax Act, 1961	2001-02	Income Tax	Commissioner of Income Tax (Appeal)	38,55,091/-
2.	Income Tax Act, 1961	2005-06	Income Tax	Commissioner of Income Tax (Appeal)	3,01,032/-
3.	Income Tax Act, 1961	2007-08	Income Tax	Commissioner of Income Tax (Appeal)	18,59,100/-
4.	Income Tax Act, 1961	2010-11	Income Tax	Commissioner of Income Tax (Appeal)	10,26,830/-
5.	Income Tax Act, 1961	2011-12	Income Tax	Commissioner of Income Tax (Appeal)	7,49,990/-
				TOTAL	77,92,043/-

- The accumulated losses of the company at the end of financial year are less than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- In our opinion and according to the information and explanation given to us, no loan & advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
- The Company has maintained proper records of transactions and contracts in respect of trading (Investments) in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name except for certain shares that are pledged or given as margin or which are under process of transfer or are pending for rectification of bad deliveries.
- The company has given guarantee in respect of loan taken from bank by one company. In the opinion of management, as explained in note no. 18 (b), the terms and conditions of guarantee given is not prejudicial to the interest of the company. However, we are unable to comment about the same.
- The Company has not raised any term loans during the year.
- According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company and considering the activities of the company, we report that there are no funds raised on short-term basis that have been used for long term investments.
- During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- No debentures have been issued by the company and hence the question of creating securities in respect thereof does not arise.
- The Company has not raised any money by way of public issue during the year.
- In our opinion and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.

FOR P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

(AMIT GOEL)

PARTNER

(Membership No. 092648)

Place : Gurgaon
Dated : 17.05.2014



HB STOCKHOLDINGS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note(s)	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	243353823	243353823
Reserves and Surplus	3	1058337981	958458095
		1301691804	1201811918
Non-Current Liabilities			
Long Term Provisions	4	88183189	104866483
		88183189	104866483
Current Liabilities			
Other Current Liabilities	5	4872558	2275491
Short Term Provisions	6	48521536	99954721
		53394094	102230212
		1443269087	1408908613
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	7	5395804	6291023
Non-current investments	8	897082198	851893082
Long term loans and advances	9	36151220	35876220
		938629222	894060325
Current Assets			
Current investments	8	247967448	267498451
Trade Receivables	10	26302755	4290976
Cash and Bank Balances	11	82062436	25289105
Short-Term Loans and Advances	12	148307226	217461908
Other Current Assets	13	0	307848
		504639865	514848288
		1443269087	1408908613

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 30

As per our Report of even date

For P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

AMIT GOEL
Partner
Membership No.: 092648

J.M.L. SURI
Executive Director
DIN:00002373

VIJAY SOOD
Managing Director
DIN:01473455

Place : Gurgaon
Date : 17th May, 2014

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer

For and on behalf of the Board

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note(s)	Year Ended 31st March, 2014 (In `)	Year Ended 31st March, 2013 (In `)
Revenue from operations	14	145427986	187068224
Other Income	15	1478380	1683398
Total Revenue		146906366	188751622
Expenses:			
Employee Benefit Expense	16	15056373	14107797
Depreciation	7	936215	779913
Other Expenses	17	15478964	15090608
Provision for Sub-Standard and Doubtful Assets		1444436	0
Loans & Advances written off		0	48000000
Contingent Provision against Standard Assets		(176828)	(219697)
Total Expenses		32739160	77758621
Profit/(Loss) for the year before Tax		114167206	110993001
Tax expense:			
Current tax		13100000	11000000
Tax adjustments for earlier years		1187320	0
Profit/(Loss) for the year after Tax		99879886	99993001
Earning per equity share:			
Equity share of Par value ` 10/-each Basic and Diluted		4.20	4.20

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 30

As per our Report of even date

For P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

AMIT GOEL
Partner
Membership No.: 092648

J.M.L. SURI
Executive Director
DIN:00002373

VIJAY SOOD
Managing Director
DIN:01473455

Place : Gurgaon
Date : 17th May, 2014

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer

For and on behalf of the Board

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Amount in `) Year Ended 31st March, 2014	(Amount in `) Year Ended 31st March, 2013
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit/ (Loss) before tax and extraordinary items	114167206	110993001
Adjustment for:		
Depreciation	936215	779913
Provisions for Sub Standard and doubtful Assets	1444436	0
Contingent Provision against Standard Assets	(176828)	(219697)
Loss/(Profit) on sale of fixed assets	259665	(29283)
Operating Profit before Working Capital Changes	116630694	111523934
Adjustments for :		
Trade & other Receivables	44764236	82970953
Investments	(69343496)	(169955865)
Current and Non-current Liabilities	2634069	(543927)
Cash Generated from operation	94685503	23995095
Income tax paid	(12187320)	0
Net Cash from Operation Activities	82498184	23995095
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(625661)	(1014060)
Sale of Fixed Assets	325000	200000
Net Cash used in Investing Activities	(300661)	(814060)

Particulars	(Amount in `) Year Ended 31st March, 2014	(Amount in `) Year Ended 31st March, 2013
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(23792218)	0
Tax on dividend	(4043487)	0
Net Cash used in Financing Activities	(27835705)	0
Net Increase in Cash & Cash Equivalents (A+B+C)	54361818	23181035
Cash and Cash Equivalents (Opening Balance)	25289105	2108070
Cash and Cash Equivalents (Closing Balance)	79650923	25289105
Components of cash and cash equivalents at the end of the year		
Balances with Banks		
- In Current and Deposit accounts	79564729	25202900
Cash-in-Hand	86194	86205
	79650923	25289105

As per our Report of even date

For P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

AMIT GOEL
Partner
Membership No.: 092648

J.M.L. SURI
Executive Director
DIN:00002373

VIJAY SOOD
Managing Director
DIN:01473455

Place : Gurgaon
Date : 17th May, 2014

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer

For and on behalf of the Board



HB STOCKHOLDINGS LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:-

The Financial Statements are prepared under the Historical Cost Convention method in accordance with the generally accepted Accounting Principles and the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

1.2 USE OF ESTIMATES

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

1.3 REVENUE RECOGNITION

- 1.3.1 All Income & Expenditure are accounted for on accrual basis.
- 1.3.2 Shares/Securities are capitalised at cost inclusive of brokerage, Service Tax, Education Cess.
- 1.3.3 Provision for loss in respect of Open Equity Derivative Instrument as at the Balance Sheet date is made Index-wise/Scrip-wise. As a matter of prudence, any anticipated profit is ignored.

1.4 FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

1.5 DEPRECIATION

Depreciation is provided on Fixed Assets on Straight Line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

1.6 INVESTMENTS

- 1.6.1 Investments are classified into Current Investments and Non current/ Long Term Investments.
- 1.6.2 Current Investments are valued at lower of cost or fair market value on category wise basis. Non current/Long Term Investments are valued at cost less other than temporary diminution, if any, on scrip wise basis. Provision for reduction/diminution in the value of Investments and reversal of such reduction/ diminution are included in the Profit & Loss Account. For the purpose of disclosure and presentation in the financial statements, and in compliance with the Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007: -
 - (a) on the assets side, investments are shown at cost;
 - (b) the diminution/depreciation is shown correspondingly under the head "Provisions"(Short term/Long term) in the liabilities side in the Balance Sheet without showing it as deduction from the value of Investments.
- 1.6.3 Cost of investments is computed using the Weighted Average Method.

1.7 EMPLOYEE BENEFITS

- 1.7.1 Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under:-
- 1.7.2 Short Term Employee benefits are recognized as expense at the undiscounted amount in the Statement of Profit & Loss of the year in which they are incurred.
- 1.7.3 Employee benefits under defined contribution plans comprise of contribution to Provident Fund and Superannuation. Contributions to Provident Fund are deposited with appropriate authorities and charged to Statement of Profit & Loss. Contribution to Superannuation are funded with Life Insurance Corporation of India.
- 1.7.4 Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with Life Insurance Corporation of India.
- 1.7.5 Termination benefits are recognized as an Expense as and when incurred.
- 1.7.6 The actuarial gains and losses arising during the year are recognized in the Statement of Profit & Loss of the year without resorting to any amortization.

1.8 TAXATION

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

1.9 IMPAIRMENT OF FIXED ASSETS

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

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

1.10 CONTINGENCIES:

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

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2014

The Previous year figures have been regrouped/reclassified, wherever necessary to conform to the Current Year's presentation

2. SHARE CAPITAL

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
AUTHORIZED		
7,00,00,000 (7,00,00,000) Equity Shares of ₹ 10/- each.	700000000	700000000
3,00,00,000 (3,00,00,000) Redeemable Preference Shares of ₹ 10/- each	300000000	300000000
	1000000000	1000000000
ISSUED		
2,54,43,257(2,54,43,257) Equity Shares of ₹ 10/- each.	254432570	254432570
	254432570	254432570
SUBSCRIBED & PAID UP		
2,37,92,218 (2,37,92,218) Equity Shares of ₹ 10/- each fully paid up.	237922180	237922180
	237922180	237922180
Add: Forfeited shares- 16,51,039(16,51,039) Equity Shares (Amount originally paid up)	5431643	5431643
	243353823	243353823

- Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of ₹ 10/. Each holder of Equity Shares is entitled to One vote per share.
- Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2014 & 31st March, 2013 is as under:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amount (`)	No. of Shares	Amount (`)
Number of shares at the beginning	23792218	237922180	23792218	237922180
Number of shares at the end	23792218	237922180	23792218	237922180

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

Name of Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
Lalit Bhasin	12262307	51.54	12262307	51.54

- 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.



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3. RESERVE AND SURPLUS

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Securities Premium Reserve-opening balance	999689069	999689069
Add: Addition during the year	0	0
	999689069	999689069
Statutory Reserve -Opening balance *	127037020	107038420
Add: Transferred from Surplus	19975977	19998600
	147012997	127037020
Surplus -opening balance	(168267994)	(220426690)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	99879886	99993001
	(68388108)	(120433689)
Less:Transferred to Statutory Reserve	19975977	19998600
Less: Proposed Dividend on Equity Shares (Dividend per Equity Share ₹ Nil, Previous Year ₹ 1/-)	0	23792218
Less:Tax on Proposed Dividend	0	4043487
Surplus-Closing balance	(88364085)	(168267994)
	1058337981	958458095

(*) Created by way of transfer of specified percentage of profits as per section 45IC of Reserve Bank of India (Amendment) Act,1997. Appropriation from Reserves shall be for the purposes as may be specified by Reserve Bank of India.

4. LONG TERM PROVISIONS

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Provisions For Employee Benefits		
Leave encashment	994683	964692
Gratuity	111353	117132

4. LONG TERM PROVISIONS (CONTD.)

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Others		
Diminution in value of Long term/Non current Investments	85545950	103694968
Contingent provision against standard Assets	86767	89691
Sub Standard & Doubtful Assets	1444436	0
	88183189	104866483

5. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Unpaid Dividends *	2411513	0
Expenses Payable	1716336	1763624
TDS Payable	744709	511867
	4872558	2275491

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

6. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Provisions For Employee Benefits		
Leave encashment	262725	249936
Others		
Income Tax	13100000	11000000
Sub Standard & Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	24816170	50352535
Contingent Provision against Standard Assets	342641	516545
Proposed Dividend	0	23792218
Dividend Tax	0	4043487
	48521536	99954721

7. FIXED ASSETS

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2013	Addition during the year	Deduction during the year	As at 31.03.2014	As at 01.04.2013	For the year	Deduction/ Adjustments during the year	As at 31.03.2014	As on 31.03.2014	As at 31.03.2013
	Tangible Assets										
1	Furnitures & Fixtures	6590883	0	0	6590883	5485648	228294	0	5713942	876941	1105235
2	Vehicles	6924158	625661	1213542	6336277	2608520	554741	628877	2534384	3801893	4315638
3	Office Equipment	2018260	0	0	2018260	1500539	95867	0	1596406	421854	517721
4	Data Processing Machine	468809	0	0	468809	368728	20096	0	388824	79985	100081
5	Air conditioners	718555	0	0	718555	470257	34131	0	504388	214167	248298
6	Generator Set	64960	0	0	64960	60910	3086	0	63996	964	4050
	Total	16785625	625661	1213542	16197744	10494602	936215	628877	10801940	5395804	6291023
	(Previous Year)	16475256	1014060	703691	16785625	10247663	779913	532974	10494602	6291023	6227593

8. INVESTMENTS

Name of the Company	Face Value (In `)	As at 31st March, 2014		As at 31st March, 2013	
		Qty.(Nos.)	Amount (In `)	Qty.(Nos.)	Amount (In `)
NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)					
A TRADE INVESTMENTS (QUOTED)					
INVESTMENT IN EQUITY INSTRUMENTS					
-FULLY PAID UP EQUITY SHARES					
CROMPTON GREAVES LIMITED	2	4137	86266	4137	86266
DCM SHRIRAM INDUSTRIES LIMITED	10	4346615	488067462	4346615	488067462
GREAVES COTTON LIMITED	2	30000	2040432	106145	7219387
JAIPRAKASH ASSOCIATES LIMITED	2	5413367	42976703	8748367	69453256
RRB SECURITIES LIMITED	10	100000	10000000	100000	10000000
VENKAT PHARMA LIMITED	10	41790	2124443	41790	2124443
TOTAL (A) (TRADE INVESTMENTS)		9935909	545295305	13347054	576950814



Name of the Company	Face Value (In `)	As at 31st March,2014		As at 31st March,2013	
		Qty.(Nos.)	Amount (In `)	Qty.(Nos.)	Amount (In `)
B. NON TRADE INVESTMENTS (UNQUOTED)					
B.1 INVESTMENT IN EQUITY INSTRUMENTS					
-FULLY PAID UP EQUITY SHARES					
-IN WHOLLY OWNED SUBSIDIARY COMPANIES					
HB PRIMA CAPITAL LIMITED	10	0	0	1000000	25075000
MOUNT FINANCE LIMITED	10	830006	8300060	830006	8300060
-- IN ASSOCIATE COMPANIES					
TAURUS ASSET MANAGEMENT CO LIMITED.	10	3028000	38754750	2525000	18634750
PISCES PORTFOLIOS PVT. LIMITED.	10	2290000	24900000	2290000	24900000
-IN OTHER COMPANIES					
ASSOCIATED INFOTECH LIMITED	10	600000	45000000	600000	45000000
JAIPUR STOCK EXCHANGE LIMITED	10	324500	5841000	324500	5841000
TAURUS INVESTMENT TRUST CO LIMITED	10	15430	155458	15430	155458
HB TELECOMMUNICATION LIMITED	10	100	1000	100	1000
HB INSURANCE ADVISORS LIMITED	10	15000	150000	15000	150000
HARSAI INVESTMENTS LIMITED	10	200000	2000000	200000	2000000
Q R PROPERTIES PVT LIMITED	10	4500	45000	4500	45000
SOVIKA AIRLINE SERVICES LIMITED	10	400000	12000000	400000	12000000
HB PRIMA CAPITAL LIMITED	10	195000	4889625	0	0
(ERSTWHILE SUBSIDIARY COMPANY)					
-EQUITY SHARE APPLICATION					
CORE TELECOM PRIVATE LIMITED	10	850000	8500000	850000	8500000
HB INSURANCE ADVISORS LTD	10	260000	2600000	260000	2600000
FALCON PORTFOLIO PRIVATE LIMITED.	10	75000	750000	75000	750000
PARTLY PAID UP EQUITY SHARES					
-IN ASSOCIATE COMPANY					
TAURUS ASSET MANAGEMENT CO LIMITED.	10	0	0	503000	15090000
TOTAL (B.1)		9087536	153886893	9892536	169042268
B.2 INVESTMENT IN PREFERENCE SHARES					
FULLY PAID-UP REDEEMABLE PREFERENCE SHARE (UN-QUOTED)					
HB ESTATE DEVELOPERS LTD.(9% NON CUMULATIVE)	100	750000	75000000	750000	75000000
HB GROWTH FUND LIMITED (3% NON CUMULATIVE)	10	50000	500000	50000	500000
HB SECURITIES LIMITED (6% CUMULATIVE)	1000	10000	1000000	10000	1000000
HB TELECOMMUNICATION LIMITED (3% NON CUMULATIVE)	10	40000	400000	40000	400000
PREFERENCE SHARES APPLICATION (UN-QUOTED OPTIONAL CONVERTABLE)					
HB GROWTH FUND LTD (9% NON CUMULATIVE)	100	685000	68500000	200000	20000000
NARMADA CAPITAL SERVICES PVT LTD (9% CUMULATIVE)	100	435000	43500000	0	0
TOTAL (B.2)		1970000	197900000	1050000	105900000
TOTAL (B) (NON TRADE INVESTMENTS) (B.1+B.2)		11057536	351786893	10942536	274942268
TOTAL (A+B)-NON CURRENT/LONG TERM INVESTMENTS		20993445	897082198	24289590	851893082
CURRENT INVESTMENTS					
(A) INVESTMENTS IN EQUITY INSTRUMENTS					
a) QUOTED, FULLY PAID UP EQUITY SHARES					
KAUNTAM PAPERS	10	800	11200	800	11200
ABAN OFFSHORE LIMITED	2	-	-	200	522480
AHLUWALIA CONTRACTS (INDIA) LIMITED	2	-	-	539	112288
AMRIT CORPORATION LIMITED	10	400	5600	400	5600
ARVIN LIQUID GASES LIMITED	10	10000	182500	10000	182500
ASHOK LEYLAND LIMITED	1	200	7603	200	7603
BHARAT HOTELS LIMITED	10	300	6752	300	6752
CIBA INDIA LIMITED	10	50	500	50	500
DCM SHRIRAM CONSOLIDATED LIMITED	2	70000	6921364	72845	7202668
DESIGN AUTO SYSTEMS LIMITED	10	671400	3953867	671400	3953867
DIGITAL WORLD INDIA LIMITED	10	162400	3136228	162400	3136228
GULSHAN POLYOLS LTD.	10	1000	113288	1000	113288
GVK POWER & INFRA LTD.	1	250000	3086418	125000	1971942
GSAL (INDIA) LIMITED.	10	8120	4060	8120	4060
HINDUSTAN ENGINEERING & INDS. LTD.	10	108	147220	108	147220
HARYANA PETROCHEMICALS LIMITED	10	9050	212192	9050	212192
HB ESTATE DEVELOPERS LIMITED	10	150000	1500000	150000	1500000
HB LEASING & FINANCE CO LIMITED	10	43200	1186050	43200	1186050
HB PORTFOLIO LIMITED	10	100000	1000000	100000	1000000
HINDUSTAN OIL EXPLORATION COMPANY LIMITED	10	216	25684	216	25684
HOTLINE GLASS LIMITED	10	166382	552770	166382	552770
HOTLINE TELETUBE & COMPONENTS LIMITED	10	344400	9751268	344400	9751268
IDBI BANK	10	25000	2355525	25000	2355525
INDIAN HOTELS COMPANY LTD.	1	50000	3097717	50000	3097717
INDIA BULLS REAL ESTATE LTD.	2	-	-	35000	2009428
IFCI	10	75000	2019390	78040	2101243
ICP SECURITIES LIMITED	10	1800	18000	1800	18000
ICICI BANK LIMITED	10	1000	954334	1000	585963
ISPAT PROFILES INDIA LIMITED	10	10000	235020	10000	235020
JAYPEE INFRA TECH LTD.	10	-	-	700000	30170072
JAIPRAKASH POWER VENTURES LTD.	10	-	-	200000	6153470
JUBILANT INDUSTRIES LTD	10	500	175310	500	175310
KIRAN OVERSEAS EXPORTS LIMITED	10	10000	335000	10000	335000



HB STOCKHOLDINGS LIMITED

Name of the Company	Face Value (In `)	As at 31st March, 2014		As at 31st March, 2013	
		Qty. (Nos.)	Amount (In `)	Qty. (Nos.)	Amount (In `)
LARSEN & TOUBRO LTD.	2	25000	27316082	—	—
LCC INFOTECH LIMITED	2	56300	387984	56300	387984
LUNAR DIAMONDS LIMITED	10	21000	439065	21000	439065
MALWA COTTON SPINNING MILLS LIMITED	10	19300	2284159	19300	2284159
MILKFOOD LIMITED	10	3800	34200	3800	34200
NAHAR POLYFILMS LIMITED	5	444	17643	444	17643
NUCHEM LIMITED	10	64755	168363	64755	168363
ORISSA EXTRUSIONS LIMITED	10	10728	21456	10728	21456
ORINTAL BANK OF COMMERCE	10	100	12745	100	12745
ORKAY INDUSTRIES LIMITED	10	135650	3152053	135650	3152053
PATHREJA FORGINGS LIMITED	10	1000	19326	1000	19326
PHOENIX INTERNATIONAL LIMITED	10	14400	900000	14400	900000
PILANI INVESTMENT & INDUSTRIES CORPORATION LTD	10	249	250002	250	251006
POLYCHEM LIMITED	10	125	501825	125	501825
PRAJ INDUSTRIES LTD.	2	—	—	45000	3877920
PRISM MILLS LIMITED	10	10000	187500	10000	187500
PUNJ LLYOD LTD.	2	—	—	64000	3250991
PUNJAB WIRELESS LIMITED	10	100	6100	100	6100
RAMA VISION LIMITED	10	18300	553061	18300	553061
RASHTRIYA CHEMICAL & FERTILIZERS LTD.	10	—	—	15000	1844075
RELANCE CAPITAL LIMITED	10	4	1910	4	1910
RELANCE COMMUNICATIONS LIMITED	5	—	—	5085	2772215
RELANCE INDUSTRIES LIMITED	10	1000	779732	21105	16456243
RELANCE POWER LTD.	10	4000	364902	4000	364902
SAJJAN UDYOG EXPORTS LIMITED	10	23600	590000	23600	590000
SAVANI FINANCIALS LIMITED	10	7000	140000	7000	140000
SESA STERILITE LTD.	1	16000	3110808	16000	3110808
SHREYANS INDUSTRIES LIMITED	10	5600	96873	5600	96873
SRI VASAVI INDUSTRIES LIMITED	10	10890	584631	10890	584631
GLOBAL STONE INDIA LIMITED	10	2000	34000	2000	34000
SUMMIT SECURITIES LTD.	10	6	1494	6	1494
UFLEX LIMITED	10	—	—	5522	1100502
UNIMERS INDIA LIMITED	10	1732	444464	1732	444464
UNITECH LIMITED	2	—	—	217072	10844776
UNIVERSAL PRIME ALUMINIUM LIMITED	10	23820	868067	23820	868067
U P HOTELS LIMITED	10	1900	136630	1900	136630
TOTAL (a)		2640129	84399937	3803538	134299895
b) UNQUOTED, FULLY PAID UP EQUITY SHARES					
KESORAM TEXTILE LIMITED	10	172	4161	172	4161
TOTAL (b)		172	4161	172	4161
c) UNQUOTED PARTLY PAID UP EQUITY SHARES					
RATHI ALLOYS & STEELS LIMITED	10	46293	694395	46293	694395
TOTAL (c)		46293	694395	46293	694395
TOTAL- A (a+b+c)		2686594	85098493	3850003	134998451
(B) PREFERENCE SHARES APPLICATION					
(UNQUOTED OPTIONAL CONVERTIBLE)					
FALCON PORTFOLIO MANAGEMENT PVT LTD.	100	1125000	112500000	1125000	112500000
(9% NON CUMULATIVE)					
TOTAL (B)		1125000	112500000	1125000	112500000
(C) INVESTMENT IN MUTUAL FUNDS					
UNQUOTED FULLY PAID UP UNITS					
TAURUS LIQUID FUND	10	36932	50368955	—	—
TAURUS BONANZA FUND	10	—	—	496416	20000000
TOTAL (C)		36932	50368955	496416	20000000
TOTAL- CURRENT INVESTMENTS (A+B+C)		3848526	247967448	5471419	267498451

Notes	Non Current/Long Term Investments		Current Investments	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
8.1 Aggregate Amount of Quoted Investments	545295305	576950814	84399937	134299895
8.2 Market Value of Quoted Investments	522745408	748524303	60282321	84804170
8.3 Aggregate Amount of Unquoted Investments	351786893	274942268	163567512	133198556
8.4 Aggregate Provision for Diminution in Value of Investments	85545950	103694968	24816170	50352535
8.5 Provision for diminution in the value of investments is charged in the statement of Profit & Loss and shown correspondingly under the head "Provisions" in the Balance sheet without showing it as deduction from the value of investments. This is being done in compliance with Non-Banking financial (Non deposit accepting or holding) Companies prudential norms (Reserve Bank) Directions 2007. It has no impact on the Profit for the year and also on the net carried amount of the investments. The Net carrying value of investments are as under-				

	Non Current/Long Term Investments		Current Investments	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Gross Amount of Investments	897082198	851893082	247967448	267498451
Less: Provision for Diminution in the Value of Investments	85545950	103694968	24816170	50352535
Net Carrying Value	811536248	748198114	223151278	217145916



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- 8.6 The Detail of Diminution in the value of Non-Current/Long Term Investments where the net Carrying Amount is other than at Cost (i.e at cost Less Provision for diminution other than temporary diminution) are as under:

Name of Investment	Amount in ` As at March 31, 2014	Amount in ` As at March 31, 2013
Equity Shares		
RRB Securities Limited	8000000	8000000
Venkat Pharma Limited	2056325	2019968
HB Prima Capital Limited	4889625	25075000
Associated Infotech Limited	45000000	45000000
HB Insurance Advisor Limited	150000	150000
Sovika Airline Services Limited	11600000	11600000
Harsai Investments limited	2000000	0
Equity Share Application		
Core Telecom Private Limited	8500000	8500000
HB Insurance Advisor Pvt Ltd	2600000	2600000
Falcon Portfolio Management Private Limited.	750000	750000
Total	85545950	103694968

- 8.7 Shares Costing ` 5,37,53,008 /-(Previous Year ` 16,88,30,543/-) Were Lying Pledged/Given as Security/Margin as at the Year end.
- 8.8 As at the year end, based on the last traded price on the stock exchange, there is diminution amounting to ` 26,11,74,159/- (Previous Year ` 32,18,09,439/-) in the Value of Long term/Non current Investment in DCM Shriram Industries Ltd. However, in the opinion of management the traded price on the exchange does not reflect its fair value in view of very thin trading volume on the exchange. Further in view of various factors such as significant stake, strategic long term investments, breakup/fair value evidenced by the investee company's balance sheet and various other factors, in the opinion of management, no provision is required to be made of the aforesaid amount of diminution calculated solely on the basis of last traded price. In the opinion of management, the valuation of investment at cost is in accordance with the accounting standard (AS-13).
- 8.9 The Company's Investments in DCM Shriram Industries exceeds the exposure norms as Specified in "Non-Banking (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007". The Reserve Bank of India has granted extension of time till March 31, 2015 for compliance with the exposure norms.

9. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
(Unsecured, Considered Good)-Standard		
Security Deposits*	34706784	34706784
Loans and Advances to Subsidiaries:-		
Mount Finance Ltd.-Considered Good	0	1169436
-Considered Doubtful	1444436	0
	36151220	35876220

*Includes Rental Deposits given to related Party namely HB Estate Developers Ltd. ` 3,45,00,000/- (Previous Year ` 3,45,00,000/-)

10. TRADE RECEIVABLES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Unsecured, Considered good		
Outstanding exceeding six months	0	0
Others		
- From Related Parties*	26302755	0
- From Others	0	4290976
	26302755	4290976

* From RRB Master Securities (Delhi) Ltd.

11. CASH AND BANK BALANCES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Cash & Cash equivalents		
Balances with Banks		
- In Current and Deposit Accounts	79564729	25202900
Cash-in-Hand	86194	86205
Other Bank balances		
- In Earmarked Unpaid Dividend Account	2411513	0
	82062436	25289105

12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Unsecured, Considered Good, Unless otherwise stated:		
Advance to related Parties*	7038247	0
Others		
Inter Corporate Loan/Deposit - Standard	100000000	0
Inter Corporate Loan/Deposit - Doubtful	10000000	10000000
Advance against share application Money / securities/Property-Standard	30018000	206618000
Recoverable From Staff	79000	0
Prepaid Expenses	286040	236967
Income Tax/Tax deducted at source	885939	606941
	148307226	217461908

* To RRB Master Securities (Delhi) Ltd.

13. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Interest accrued but not due on Bank deposits	0	12063
Commission Receivable	0	295785
	0	307848

14. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Profit/(Loss) in Securities dealing/Equity derivative trading	(1148187)	(2223677)
Profit/(Loss) on sale of investments (1)	86426902	123449381
Provision for diminution in value of investments written back/(made) (2)	43685383	56109209
Interest on Inter Corporate Loan/Deposit (Tax deducted at Source ` 481972/- (Previous Year ` 120000/-)	4819724	3360000
Dividend Income (Gross) (Tax deduction at source ` NIL, Previous Year ` NIL) (3)	11644164	6373311
	145427986	187068224

The Company, being an Investment and Finance company, the Income from Investment and Finance activities are Operational Income.

- (1) Profit/(Loss) on Sale of Investments includes Loss of ` 3,85,75,909/- (Previous Year Loss ` 4,39,76,180/-) on Current Investments and Gain of ` 12,50,02,811/- (Previous Year ` 16,74,25,561/-) on Non current/Long Term Investments.
- (2) Provision for diminution in value of Investments written back include ` 1,81,49,018/- provision written back (previous year ` 3,15,12,228/- written back) in respect of Non Current/Long Term Investments and ` 2,55,36,365/- provision written back (Previous Year ` 2,45,96,981/- written back) in respect of Current Investments.
- (3) Dividend Income includes ` 98,73,966/- (Previous Year ` 49,60,485/-) on Long Term/Non current Investments and ` 17,70,198/- (Previous year ` 14,12,826/-) on Current Investments.

15. OTHER INCOME

(Amount in `)

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Interest on Fixed Deposits (Tax Deduction at Source ` 2519/- (Previous year ` 15,902/-)	25190	154115
Commission (Tax Deduction at source ` 77678/- Previous Year ` 159270/-)	691325	1500000
Profit on sale of Fixed Asset	0	29283
Liability No Longer Required	161865	0
Incentive from Bank (Tax Deduction at source ` 12000/- Previous Year ` Nil)	600000	0
	1478380	1683398



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16. EMPLOYEE BENEFIT EXPENSES

(Amount in `)

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Salaries and Benefits	14496953	14387288
Contribution to Provident fund and superannuation fund	453630	438848
Gratuity	(5779)	(903027)
Staff welfare	111569	184688
	15056373	14107797

17. OTHER EXPENSES

(Amount in `)

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Rent/Facility Charges	1340292	1340292
Vehicle Running and Maintenance	723083	848645
Insurance	66549	22340
Communication	1058248	590963
Travelling and Conveyance	2913064	2660047
Printing and Stationery	818556	643527
Office Repairs and Maintenance	150326	144676
Depository and custodial	88118	90382
Subscription and Membership	266279	608580
Legal and Professional	6010818	6179302
Advertisement & Publicity	210899	209981
Listing Fees	168540	168540
Business Promotion	405213	509436
Miscellaneous	156051	177445
Auditors Remuneration		
- Audit Fees	168540	168540
- Tax Audit Fees	28090	28090
- Income Tax Matters	75281	140900
- Certification and others	85955	62922
Loss on sale of Fixed Assets	259665	0
Directors Sitting Fees	485397	496000
	15478964	15090608

18. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

CONTINGENT LIABILITIES:

- (a) Income Tax demand disputed ` 77,92,043/- (Previous year ` 72,92,391/-) against which appeals are pending with appropriate authorities and in respect of which the management is confident that appeals will be decided in favour of the company.
- (b) Guarantees given on behalf of Related Parties:- ` 7,00,00,000/- (Previous Year ` 22,00,00,000/-)
- In the Opinion of the Management, the aforesaid guarantees had been given in view of overall long term business involvement/ relation of the company with the aforesaid companies and the giving of aforesaid guarantees will not have any prejudicial impact on the company.

COMMITMENTS:

- (a) ` Nil (Previous Year ` 50,30,000/-) on account of uncalled call money in respect of Partly paid up Shares.

19. QUANTITATIVE DETAILS

Quantitative information in respect of Investments in securities:

A. Non Current/Long Term Investments

Equity Instruments

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (`)	Qty. (Nos.)	Amount (`)
Opening Balance	23239590	745993082	26173696	796089127
Purchases/conversions	0	5030000	571980	15090000
Sales/conversions	4216145	176843695	3506086	232611605
Closing Balance	19023445	699182198	23239590	745993082

Preference Shares

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (`)	Qty. (Nos.)	Amount (`)
Opening Balance	1050000	105900000	100000	10900000
Purchases/conversions	920000	92000000	950000	95000000
Sales/conversions	0	0	0	0
Closing Balance	1970000	197900000	1050000	105900000

B. CURRENT INVESTMENTS

EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (`)	Qty. (Nos.)	Amount (`)
Opening Balance	3850003	134998451	3696752	178555750
Purchases/conversions	321127	44765282	417458	17659450
Sales/conversions	1484536	55722569	264207	17240570
Closing Balance	2686594	85098493	3850003	134998451

PREFERENCE

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (`)	Qty. (Nos.)	Amount (`)
Opening Balance	1125000	112500000	0	0
Purchases/conversions	0	0	1125000	112500000
Sales/conversions	0	0	0	0
Closing Balance	1125000	112500000	1125000	112500000

MUTUAL FUNDS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (`)	Qty. (Nos.)	Amount (`)
Opening Balance	496416	20000000	496416	20000000
Purchases/conversions	73432	100000000	0	0
Sales/conversions	532916	69997806	0	0
Closing Balance	36932	50368956	496416	20000000

20. RELATED PARTY TRANSACTIONS

20.1 List of related parties with whom transactions have taken place and relationship:

- Subsidiaries.
 - HB Prima Capital Limited (up to 24th June, 2013)
 - Mount Finance Limited
- Key Managerial Personnel
 - Shri Vijay Sood, Managing Director
 - Shri J.M.L.Suri, Executive Director
 - Shri Anil Kumar Mittal, Company Secretary
- Person having control/significant influence /major shareholders
 - Shri Lalit Bhasin
- Associate
 - Pisces Portfolios Private Limited
 - Taurus Asset Management Co. Ltd.
- Enterprises over which control/significant influence exist of the relatives of persons mentioned in (c) above :-
 - RRB Master Securities Delhi Ltd.
- Enterprises under direct or indirect common control/significant influence:
 - HB Portfolio Ltd.
 - HB Estate Developers Ltd.
 - HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)
 - RRB Securities Ltd.
 - RRB Masterholdings Ltd. (Subsidiary of RRB Securities Ltd.)

20.2 Transactions during the financial year ended 31.03.2014 with related Parties as under.

Sr. No.	Nature of Transaction	Related Party Referred in (a) above	Related Party Referred in (b) above	Related Party Referred in (c) above	Related Party referred in (d) above	Related Party referred in (e) above	Related Party referred in (f) above
1	Amount recovered against Loan & Advances	Nil (2750000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (6878843)	Nil (Nil)
2	Amount written off against loan & advances	Nil (48000000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
3	Loans & Advances given	275000 (100000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	7038247 (Nil)	Nil (Nil)
4	Rent/Facility Charges Paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	967692 (967692)
5	Margin /Advances paid & received back	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	71400000 (16000000)	Nil (Nil)
6	Dividend Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	130480 (300000)
7	Sitting Fee Paid	Nil (Nil)	Nil (Nil)	50000 (60000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Depository Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	31938 (34202)
9	Remuneration & Other Services	Nil (Nil)	11479315 (11477947)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
10	Purchase of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	41830047 (17560047)	Nil (Nil)
11	Sale of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	151757975 (240371946)	Nil (Nil)
12	Net Turnover of Derivative Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	1056301 (2215670)	Nil (Nil)
13	Commission received	Nil (Nil)	Nil (Nil)	Nil (Nil)	691325 (1500000)	Nil (Nil)	Nil (Nil)
14	Net Turnover of Cash Market(Intraday) Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	86434 (Nil)	Nil (Nil)
15	Investment made during the year	Nil (Nil)	Nil (Nil)	Nil (Nil)	5030000 (15090000)	Nil (Nil)	Nil (75000000)
16	Sale of Investment during the year	Nil (Nil)	Nil (Nil)	Nil (Nil)	282750 (Nil)	Nil (Nil)	217500 (Nil)
17	Dividend Paid	Nil (Nil)	Nil (Nil)	12262307 (Nil)	Nil (Nil)	Nil (Nil)	68320 (Nil)
18	Outstanding as on 31.03.2013						
	- Guarantee Given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (150000000)	70000000 (70000000)	Nil (Nil)
	- Commission Receivable	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (295785)	Nil (Nil)	Nil (Nil)
	- Receivables in respect of Loans & Advances.	1444436* (1169436)	Nil (Nil)	Nil (Nil)	Nil (Nil)	7038247 (Nil)	34500000 (34500000)
	- Receivables in respect of Sundry Debtors.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	26302755 (Nil)	Nil (Nil)
	- Book value of shares given as margin	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (1488750)	37774550 (29775000)

* Amount recoverable (Net of Provision)-Nil

21. SEGMENT REPORTING

In the opinion of Management there are no separate reportable segments as per Accounting Standard Segment reporting (AS-17).

22. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15

Defined Contribution Plan

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

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.	Head under which shown in the Profit & Loss account
Contribution to Provident Fund	3,18,630/-	3,03,848/-	Contribution to Provident fund and super annuation fund
Contribution to superannuation fund	1,35,000	1,35,000/-	Contribution to Provident fund and super annuation fund

Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	19,05,983/-	26,61,478/-	12,14,628/-	9,83,790/-
Interest Cost (B)	1,52,479/-	2,12,918/-	1,09,316/-	78,488/-
Current service cost (C)	1,35,904/-	3,19,563/-	1,42,496/-	1,51,011/-
Benefits paid (D)	Nil	Nil	(41,800/-)	(79,100/-)
Actuarial loss/ (gain) on obligation(E)	(1,73,415/-)	(12,87,976/-)	(1,67,232/-)	80,439/-
Present value of obligations as at the end of the year (F=A+B+C-D+E)	20,20,951/-	19,05,983/-	12,57,408/-	12,14,628/-

The amounts recognized in the Balance Sheet and Statement of Profit & Loss are as follows :

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	20,20,951/-	19,05,983/-	12,57,408/-	12,14,628/-
Estimated fair value of plan assets (B)	19,09,598/-	17,88,851/-	Nil	Nil
Net Liability (C=A-B)	1,11,353/-	1,17,132/-	12,57,408/-	12,14,628/-
Amounts in the Balance Sheet				
Liabilities	1,11,353/-	1,17,132/-	12,57,408/-	12,14,628/-
Amount charged to Statement of Profit & Loss				
Current Service Cost	1,35,904/-	3,19,563/-	1,42,496/-	1,51,011/-
Interest Cost	1,52,479/-	2,12,918/-	1,09,316/-	78,488/-
Expected Return on Plan Asset	(1,20,747/-)	(1,47,532/-)	Nil	Nil
Actuarial(Gain)/Loss	(1,73,415/-)	(12,87,976/-)	(1,67,232/-)	80,439/-
	(5,779/-)	(9,03,027/-)	84,580/-	3,09,938/-
Head under which shown in the Profit & Loss account	Gratuity		Salary & benefits	



HB STOCKHOLDINGS LIMITED

The Actual Return on Plan Assets is as follows

Particulars	Gratuity	
	Current Year	Previous Year
Actual return on plan assets	1,20,747/-	1,47,532/-

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

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

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

Sl. No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Opening Fair Value of Plan Assets	17,88,851/-	16,33,376/-
ii)	Expected Return on Plan Assets	1,20,747/-	1,47,532/-
iii)	Actuarial Gains / (Losses)	Nil	Nil
iv)	Contribution by the Employer	Nil	Nil
v)	Benefits Paid	Nil	Nil
	Contribution	Nil	7,943/-
	Closing Fair Value of Plan Assets	19,09,598/-	17,88,851/-

23. Disclosure pursuant to Accounting Standard AS-19 for Leases: -

Operating Lease

- Particulars of the minimum lease payments under Operating Lease:-
Not Later than One year ` 12,16,092/- (Previous Year ` 13,40,292/-)
Later than one year but not later than five years ` 19,35,384/- (Previous Year ` 12,16,092/-)
Later than five years ` Nil (Previous Year ` NIL)
- Minimum lease payments recognised in the statement of profit & loss account during the year ended 31st March 2014 is ` 13,40,292/- (Previous Year ` 13,40,292/-).
- General description of the lease arrangement.
The lease is for an initial period of 3 years, which may be renewal for further period as may be mutually agreed upon.
Restrictions imposed by lease arrangement:-
- The Lessee shall not sublet or otherwise part with possession of a part or whole of the premise without the previous consent in writing of the lessor.
- The lessee shall use the premises for commercial purposes only.

24. Due to Micro, Small and Medium Enterprises

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2014 and 31st March, 2013.

25. Disclosure pursuant to Accounting Standard AS-22 for accounting for taxes on Income:-

The company is having brought forward losses under the Income Tax Act. In the absence of virtual as well as reasonable certainty of the realization and on the consideration of prudence, credit for Deferred Tax Assets has not been recognised to comply with Accounting Standard AS-22.

26. Disclosure of Loans/Advances in the nature of loans in terms of provision of clause 32 of Listing Agreement with Stock Exchanges- (Amount in `)

S. No.	Particulars	Outstanding Balance as on 31.03.2014	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2013	Max. Balance outstanding during the previous year
i.	Loans & Advances in the nature of Loans to subsidiaries:- (a) Mount Finance Ltd. (b) HB Prima Capital Ltd. (up to 24 th June, 2013)	14,44,436 Nil	14,44,436 Nil	11,69,436 Nil	11,69,436 5,07,50,000
ii.	Loans & Advances in the nature of loans to Associates.	Nil	Nil	Nil	Nil
iii.	Loans & Advances in the nature of loans where there is no repayment schedule, no interest or interest below Section 372A of the Companies Act, 1956	Nil	Nil	Nil	Nil
iv.	Loans & Advances in the nature of loans to firms/companies in which directors are interested.	Nil	Nil	Nil	Nil
v.	Investments by Loanee in the Shares of parent company and subsidiary company when the company has made loan or advance in the nature of Loan.	No. of Shares Nil	Amount Nil	No. of Shares Nil	Amount. Nil

27. Earning per share pursuant to Accounting Standard (AS-20) "Earning Per Share"

Particulars	Current Year (in `)	Previous Year (in `)
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders.	99879886	99993001
Earning Per Share (face value of ` 10 each)		
Weighted Average Nos. of Equity Share Outstanding	23792218	23792218
Basic and diluted Earning per share (`)	4.20	4.20

28. Disclosure relating to outstanding derivative exposures in securities :-

- Cash Margin amounting to Rs.Nil (Rs.Nil) on Equity Derivative instruments contracts has been paid and outstanding as at the end of previous year. However, shares having book value of ` 11,91,000/- (Previous year ` 39,70,000/-) Market Value ` 80,55,000/- (Previous Year ` 3,27,50,000/-) were given as margin at the year end.
- Detail of Open Interest in Equity Stock Futures Contracts as at the year-end 31.03.2014

Name of Equity Stock Future	No. of Contracts	Units (In Nos.) Long	Units (In Nos.) (Short)
J.P. Associates Limited	50	400000	Nil
	(Nil)	(Nil)	(Nil)

29. Dividend paid to Non-Resident Shareholders:-

The Company has not remitted any dividend in foreign currency and does not have information as to the extent to which remittance, if any, in foreing currency on account of dividends have been made by/on behalf of non-resident shareholders. The Particulars of dividend Paid to non-resident shareholders are as under:-

S.No.	Particulars	Current Year	Previous Year
a	No. of Non-resident shareholders	516	Nil
b	No. of Equity Shares held by them	128054	Nil
c	i) Amount of Dividend Paid (Gross) (`) ii) Tax deduction at source	128054 Nil	Nil Nil
	Year to which dividend relates	2012-13	2011-12

30. Schedule as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007

(` in lakhs)

Particulars	Amount outstanding	Amount overdue
LIABILITIES SIDE :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	Nil	Nil
	(Nil)	(Nil)
: Unsecured (other than falling within the meaning of public deposits)	Nil	Nil
	(Nil)	(Nil)
(b) Deferred Credits	Nil	Nil
	(Nil)	(Nil)
(c) Term Loans	Nil	Nil
	(Nil)	(Nil)
(d) Inter-corporate loans and borrowing	Nil	Nil
	(Nil)	(Nil)
(e) Commercial Paper	Nil	Nil
	(Nil)	(Nil)
(f) Public Deposits	Nil	Nil
	(Nil)	(Nil)
(g) Other Loans (Vehicle Loan)	Nil	Nil
	(Nil)	(Nil)
(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):		
(a) In the form of Unsecured debentures	Nil	Nil
	(Nil)	(Nil)
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(Nil)	(Nil)
(c) Other public deposits	Nil	Nil
	(Nil)	(Nil)

Particulars	Amount outstanding*
ASSETS SIDE :	
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a) Secured	Nil (Nil)
(b) Unsecured	1984.31 (2473.30)
* Net of Provisions and includes security deposits etc	
(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil (Nil)
(b) Operating lease	Nil (Nil)
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	Nil (Nil)
(b) Repossessed Assets	Nil (Nil)
(iii) Hypothecation loans counting towards EL/HP activities	
(a) Loans where assets have been repossessed	Nil (Nil)
(b) Loans other than (a) above	Nil (Nil)
	(` in lakhs)
Particulars	Amount outstanding*
(5) Break-up of Investments :	
<u>Current Investments</u>	
1. <u>Quoted :</u>	
(i) Shares : (a) Equity	844.00 (1342.99)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
2. <u>Unquoted :</u>	
(i) Shares :	
(a) Equity	6.99 (6.99)
(b) Preference (SAM)	1125.00 (1125.00)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	503.69 (200.00)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
Long Term investments	
1. <u>Quoted :</u>	
(i) Shares :	
(a) Equity	5452.95 (5769.51)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
2. <u>Unquoted :</u>	
(i) Shares :	
(a) Equity	1538.87 (1690.42)
(b) Preference	1979.00 (1059.00)

(ii) Debentures and Bonds	Nil
	(Nil)
(iii) Units of mutual funds	Nil
	(Nil)
(iv) Government Securities	Nil
	(Nil)
(v) Others (please specify)	Nil
	(Nil)

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil (Nil)	Nil (11.69)	Nil (11.69)
(b) Companies in the same group	Nil (Nil)	678.41 (345.00)	678.41 (345.00)
(c) Other related parties	Nil (Nil)	Nil (Nil)	Nil (Nil)
2. Other than related parties	Nil (Nil)	1305.91 (2116.61)	1305.91 (2116.61)
Total	Nil (Nil)	1984.31 (2473.30)	1984.31 (2473.30)

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):*

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	21.15 (24.57)	83.00 (83.00)
(b) Companies in the same group	908.21 (909.00)	895.00 (895.00)
(c) Other related parties	1351.16 (1631.56)	636.55 (586.24)
2. Other than related parties	8602.79 (9891.13)	8732.33 (8089.19)
Total	10883.31 (12456.26)	10346.88 (9653.43)

(8) Other information

Particulars	Amount ` in Lacs
(i) Gross Non-Performing Assets	114.44
	(100.00)
(a) Related parties	14.44
	(Nil)
(b) Other than related parties	100.00
	(100.00)
(ii) Net Non-Performing Assets	Nil
	(Nil)
(a) Related parties	Nil
	(Nil)
(b) Other than related parties	Nil
	(Nil)
(iii) Assets acquired in satisfaction of debt	Nil
	(Nil)

Additional Disclosure as per Para 10 of aforesaid Directions

1. CRAR

Items	Current Year %
i) CRAR (%)	110.13 (91.07)
ii) CRAR - Tier I capital (%)	110.08 (91.02)
iii) CRAR - Tier II Capital (%)	0.05 (0.05)

2. Exposures

Exposure to Real Estate Sector

Category	Amount ` in Lacs
a) Direct exposure	Nil
(i) Residential Mortgages -	(Nil)
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)	Nil (Nil)
(ii) <u>Commercial Real Estate -</u>	
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	Nil (Nil)



HB STOCKHOLDINGS LIMITED

(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -*	Nil (Nil)	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs). (Nil)
a. Residential,	Nil (Nil)	* The company has made certain investments in equity shares of the companies which are in the real estate sector. The same are reflected in the Balance Sheet. However, since these investments are not Mortgage backed securities / other securitized exposures, the same are not mentioned here.
b. Commercial Real Estate.	Nil (Nil)	
b) Indirect Exposure	Nil (Nil)	

3. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(` In lacs)

	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from banks	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Market Borrowings-Inter Corporate Loan	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
Assets									
Advances-Inter Corporate Loan	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	1100 (100)	Nil (Nil)	Nil (Nil)	Nil (Nil)	1100 (100.00)
Investments(net of provision)	Nil (Nil)	Nil (Nil)	558 (543)	557 (543)	1116.52 (1086)	Nil (Nil)	Nil (Nil)	8115.36 (7481.43)	10346.88 (9653.43)

Note: Figure in Bracket relates to Previous Year.

As per our Report attached on even date

For P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

For and on behalf of the Board

AMIT GOEL
Partner
Membership No. : 092648

J.M.L. SURI
Executive Director
DIN: 00002373

VIJAY SOOD
Managing Director
DIN: 01473455

Place : Gurgaon
Date : 17th May, 2014

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANY ACT, 1956 RELATING TO SUBSIDIARY COMPANY FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2014

(Amount in Rupees)

Name of the Subsidiary	Share Capital	Reserve & Surplus	Equity & Liabilities	Assets	Non Current Assets	Turnover	Profit before Taxation	Profit after Taxation	Proposed Dividend
Mount Finance Limited	83,00,060	(61,84,664)	35,83,568	33,96,817	34,17,157	0	13,42,091	13,42,091	Nil
Previous Year	83,00,060	(58,42,573)	37,59,949	37,59,949	35,20,829	0	(2,08,526)	(2,08,526)	Nil



HB STOCKHOLDINGS LIMITED – CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

To,
The Board of Directors,
Of HB STOCKHOLDINGS LIMITED

1. Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of HB STOCKHOLDINGS LIMITED ("the Company") and its subsidiary (Collectively referred to as 'the group'), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances but not for

the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2014 and
- In the case of Consolidated Statement of Profit & Loss, of the consolidated Profit of the Group for the year ended on that date and
- In the case of Consolidated Cash Flow Statement, of the Consolidated Cash Flow of the Group for the year ended on that date.

5. Other matters

We did not audit the financial statement of subsidiary namely Mount finance Ltd. which reflect total assets (Net) of Rs. 35,83,568 as at March 2014, total revenue of Rs.(3,42,091) and net cash flows amounting to Rs. 41817 for the year then ended which have been audited by other auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amount included in respect of the subsidiary is based solely on the report of the other auditor. The financial statement also included revenue of Rs. (7,048) in respect of HB Prima Ltd, which has ceased to be subsidiary of the company w.e.f. 25/06/2013 (also refer Note no. 18), which has also not been audited by us.

The financial statements of two associates companies are unaudited and our opinion in so far as it relates to the amounts included in respect of these two associates companies is based solely on the management certified financial statements (also refer note no.19).

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

AMIT GOEL
Partner
(M. No. 092648)

Place : Gurgaon
Date : 17.05.2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note(s)	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	243353823	243353823
Reserves and Surplus	3	1125059396	1058578648
		1368413219	1301932471
Non-Current Liabilities			
Long Term Provisions	4	86738753	92399483
		86738753	92399483
Current Liabilities			
Other Current Liabilities	5	4896294	2299610
Short Term Provisions	6	48521536	99954721
		53417830	102254331
		1508569802	1496586285
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	7	8688949	9687840
Non-current investments	8	960243781	936947054
Long term loans and advances	9	34727124	34727124
		1003659854	981362018
Current Assets			
Current investments	8	247967448	267498451
Trade Receivables	10	26302755	4290976
Cash and Bank Balances	11	82131269	25463834
Short Term Loans and Advances	12	148508476	217663158
Other Current Assets	13	0	307848
		504909948	515224267
		1508569802	1496586285

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 28

As per our Report of even date

For P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

AMIT GOEL
Partner
Membership No.: 092648

Place : Gurgaon
Date : 17th May, 2014

J.M.L. SURI
Executive Director
DIN:00002373

ANIL KUMAR MITTAL
Company Secretary

VIJAY SOOD
Managing Director
DIN:01473455

MAHESH KUMAR GUPTA
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AS AT 31ST MARCH, 2014

Particulars	Note(s)	Year Ended 31st March, 2014 (In `)	Year Ended 31st March, 2013 (In `)
Revenue from operations	14	132960986	185571690
Other Income	15	1231024	1151698
Total Revenue		134192010	186723388
Expenses:			
Employee Benefit Expense	16	15056373	14107797
Depreciation	7	1039887	883585
Other Expenses	17	15724432	15219436
Contingent Provision against Standard Assets		(176828)	(219697)
Total Expenses		31643864	29991121
Profit for the year before Tax and exceptional items		102548146	156732267
Tax expense:			
Current tax		13100000	11000000
Tax adjustments for earlier years		1187320	0
Profit for the year after Taxation before Share of Profit/(Loss) in Associates		88260826	145732267
Share of Profit/(Loss) in Associates		(32822533)	(37136635)
Profit/(Loss) for the year after Taxation		55438293	108595632
Earning per equity share:			
Equity share of Par value ` 10/-each	25		
Basic and Diluted		2.33	4.56
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS			
	1 to 28		

As per our Report of even date

For P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

AMIT GOEL
Partner
Membership No.: 092648

Place : Gurgaon
Date : 17th May, 2014

For and on behalf of the Board

J.M.L. SURI
Executive Director
DIN:00002373

ANIL KUMAR MITTAL
Company Secretary

VIJAY SOOD
Managing Director
DIN:01473455

MAHESH KUMAR GUPTA
Chief Financial Officer



HB STOCKHOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	(Amount in `) Year Ended 31st March, 2014	(Amount in `) Year Ended 31st March, 2013
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before tax	69725613	119595632
Adjustment for :		
Depreciation	1039887	883585
Contingent Provision against Standard Assets	(176828)	(219697)
Loss/(Profit) on sale of fixed assets	259665	(29283)
Operating Profit before Working Capital Changes	70848337	120230237
Adjustment for :		
Trade & other Receivables	45039237	32720954
Investments	(23941653)	(128433356)
Current and Non-current Liabilities	2633686	(549926)
Cash Generated from operation	94579607	23967908
Less:		
Income tax paid	(12187320)	0
Net Cash from Operation Activities	82392288	23967908
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of Fixed Assets	(625661)	(1014060)
Sale of Fixed Assets	325000	200000
Net Cash used in Investing Activities	(300661)	(814060)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(23792218)	0
Tax on dividend	(4043487)	
Net Cash used in Financing Activities	(27835705)	0
Net Increase in Cash & Cash Equivalents A+B+C	54255922	23153848
Cash and Cash Equivalents (Opening Balance)	25463834	2309986
Cash and Cash Equivalents (Closing Balance)	79719756	25463834
Components of cash and cash equivalents at the end of the year		
Particulars		
-In Current and Deposit accounts	79619988	25334055
Cash-in-Hand	99768	129779
	79719756	25463834

As per our Report of even date

For P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

For and on behalf of the Board

AMIT GOEL
Partner
Membership No.: 092648

J.M.L. SURI
Executive Director
DIN:00002373

VIJAY SOOD
Managing Director
DIN:01473455

Place : Gurgaon
Date : 17th May, 2014

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1.1 PRINCIPLES OF CONSOLIDATION

The consolidated Financial Statements relate to HB Stockholdings Ltd. (the company) and its subsidiary company Mount Finance Ltd. The consolidated financial statement also includes results of operation of HB Prima Capital Ltd. upto 24/06/2013 (Refer note no. 18). The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" on the following basis:

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

1.2 INVESTMENTS

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

1.3 OTHER SIGNIFICANT ACCOUNTING POLICIES

These are set out under "Significant Accounting Policies" as given in the Financial Statements of HB Stockholdings Ltd. Ltd. and its subsidiary Mount Finance Ltd.

NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2014

The Previous year figures have been regrouped/reclassified, wherever necessary to conform to the Year's presentation

2. SHARE CAPITAL

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
AUTHORIZED		
7,00,00,000 (7,00,00,000) Equity Shares of ` 10/- each.	700000000	700000000
3,00,00,000 (3,00,00,000) Redeemable Preference Shares of ` 10/- each	300000000	300000000
	1000000000	1000000000
ISSUED		
2, 54, 43, 257 (2, 54, 43, 257) Equity Shares of ` 10/- each.	254432570	254432570
	254432570	254432570
SUBSCRIBED & PAID UP		
2,37,92,218 (2,37,92,218) Equity Shares of ` 10/- each fully paid up.	237922180	237922180
Add: Forfeited shares- 16,51,039(16,51,039) Equity Shares (Amount originally paid up)	5431643	5431643
	243353823	243353823

- Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of ` 10/. Each holder of Equity Shares is entitled to One vote per share.
- Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2014 & 31st March, 2013 is as under:

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amount (`)	No. of Shares	Amount (`)
Number of shares at the beginning	23792218	237922180	23792218	237922180
Number of shares at the end	23792218	237922180	23792218	237922180

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

Name of shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
Lalit Bhasin	12262307	51.54	12262307	51.54

- 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.

3. RESERVES AND SURPLUS

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Securities Premium Reserve-opening balance	999689069	999689069
Add: Addition during the year	0	0
	999689069	999689069
Statutory Reserve -Opening balance *	127037020	107038420
Add: Transferred from Surplus	19975977	19998600
	147012997	127037020
Surplus -opening balance	(68147441)	(128908768)
Add: Net Profit after tax transferred from Statement of Profit & Loss	55438293	108595632
	(12709147)	(20313136)
Less: Transferred to Statutory Reserve	19975977	19998600
Less: Proposed Dividend on Equity Shares (Dividend per Equity Share ` Nil/-, Previous Year ` 1/-)	0	23792218



HB STOCKHOLDINGS LIMITED

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Less:Tax on Proposed Dividend	0	4043487
Add:Reversal of loss of HB Prima Capital Limited-erstwhile subsidiary	11042454	0
Surplus-Closing balance	(21642670)	(68147441)
	1125059396	1058578648

(*) Created by way of transfer of specified percentage of profits as per section 45IC of Reserve Bank of India (Amendment) Act, 1997. Appropriation from Reserves shall be for the purposes as may be specified by Reserve Bank of India.

4. LONG TERM PROVISIONS

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Provisions For Employee Benefits		
Leave encashment	994683	964692
Gratuity	111353	117132
Others		
- For Diminution in value of Long term/Non current Investments	85545950	91227968
- Contingent provision against Standard Assets	86767	89691
	86738753	92399483

5. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Unpaid Dividends *	2411513	0
Expenses Payable	1740072	1787743
TDS Payable	744709	511867
	4896294	2299610

6. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Provisions For Employees Benefit		
Leave encashment	262725	249936
Others		
Income Tax	13100000	11000000
Sub-standard and Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	24816170	50352535
Contingent Provision against Standard Assets	342641	516545
Proposed Dividend	0	23792218
Dividend Tax	0	4043487
	48521536	99954721

7. FIXED ASSETS

(Amount In `)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2013	Addition during the year	Deduction during the year	As at 31.03.2014	As at 01.04.2013	For the year	Deduction/ Adjustments during the year	As at 31.03.2014	As on 31.03.2014	As at 31.03.2013
1	Tangible Assets										
2	Flat	4823385	—	—	4823385	1576276	78621	—	1654897	3168488	3247109
3	Furnitures & Fixtures	7675738	—	—	7675738	6570503	228294	—	6798797	876941	1105235
4	Vehicles	6924158	625661	1213542	6336277	2608520	554741	628877	2534384	3801893	4315638
5	Office Equipment	2267635	—	—	2267635	1697781	107712	—	1805493	462142	569854
6	Data Processing Machine	468809	—	—	468809	368728	20096	—	388824	79985	100081
7	Air conditioners	996578	—	—	996578	650705	47337	—	698042	298536	345873
8	Generator Set	64960	—	—	64960	60910	3086	—	63996	964	4050
	Total	23221263	625661	1213542	22633382	13533423	1039887	628877	13944433	8688949	9687840
	(Previous Year)	22910894	1014060	703691	23221263	13182812	883585	532974	13533423	9687840	972082

8. INVESTMENTS

Name of the Company	Face Value (In `)	Balance as at 31st March, 2014		Balance as at 31st March, 2013	
		Qty.(Nos.)	Amount (In `)	Qty.(Nos.)	Amount (In `)
NON CURRENT INVESTMENTS					
(LONG TERM INVESTMENTS)					
(1) IN ASSOCIATES					
- UNQUOTED (NON-TRADE) FULLY PAID UP EQUITY SHARES					
TAURUS ASSET MANAGEMENT CO LIMITED.					
Cost of acquisition					
- Fully Paid up shares	10	3028000	38754750	2525000	18634750
- Partly Paid up shares	10	0	0	503000	15090000
Add / (Less) : Group Share of Profits/(Losses) upto 31.03.2014		0	(12462009)	0	(8388465)
		3028000	26292741	3028000	25336285
PISCES PORTFOLIOS PVT. LIMITED.					
Cost of acquisition					
Add / (Less) : Group Share of Profits/(Losses) upto 31.03.2014	10	2290000	24900000	2290000	24900000
	10	0	83923652	0	112919997
		2290000	108823652	2290000	137819997
TOTAL-(1) Investments in Associates Companies					
		5318000	135116393	5318000	163156282
(2) IN OTHERS					
A. TRADE INVESTMENTS (QUOTED)					
INVESTMENT IN EQUITY INSTRUMENTS					
-FULLY PAID UP EQUITY SHARES					
CROMPTON GREAVES LIMITED	2	4137	86266	4137	86266
DCM SHRIRAM INDUSTRIES LIMITED	10	4346615	488067462	4346615	488067462
GREAVES COTTON LIMITED	2	30000	2040432	106145	7219387
JAIPRAKASH ASSOCIATES LIMITED	2	5413367	42976703	8748367	69453256
RRB SECURITIES LIMITED	10	100000	10000000	100000	10000000
VENKAT PHARMA LIMITED	10	41790	2124443	41790	2124443
TOTAL (A) (TRADE INVESTMENTS)					
		9935909	545295305	13347054	576950814



HB STOCKHOLDINGS LIMITED

Name of the Company	Face Value (In `)	Balance as at 31st March, 2014		Balance as at 31st March, 2013	
		Qty.(Nos.)	Amount (In `)	Qty.(Nos.)	Amount (In `)
B. NON TRADE INVESTMENTS					
B.1 INVESTMENT IN EQUITY INSTRUMENTS					
<u>-FULLY PAID UP EQUITY SHARES (QUOTED)</u>					
ELCOT POWR CONTROL LIMITED	10	0	0	500	37500
RATTAN VANASPATI LIMITED	10	0	0	400000	7600000
RRB SECUTITIES LIMITED	10	0	0	62600	6260000
<u>-FULLY PAID UP EQUITY SHARES (UNQUOTED)</u>					
ASSOCIATED INFOTECH LIMITED	10	600000	45000000	600000	45000000
JAIPUR STOCK EXCHANGE LIMITED	10	324500	5841000	324500	5841000
TAURUS INVESTMENT TRUST CO LIMITED	10	15430	155458	15430	155458
HB TELECOMMUNICATION LIMITED	10	100	1000	100	1000
HB INSURANCE ADVISORS LIMITED	10	15000	150000	15000	150000
HARSAI INVESTMENTS LIMITED	10	200000	2000000	200000	2000000
Q R PROPERTIES PVT LIMITED	10	4500	45000	4500	45000
SOVIKA AIRLINE SERVICES LIMITED	10	400000	12000000	400000	12000000
HB PRIMA CAPITAL LIMITED	10	195000	4889625	0	0
<u>-EQUITY SHARE APPLICATION</u>					
CORE TELECOM PRIVATE LIMITED	10	850000	8500000	850000	8500000
HB INSURANCE ADVISORS LTD	10	260000	2600000	260000	2600000
FALCON PORTFOLIO PRIVATE LIMITED.	10	75000	750000	75000	750000
TOTAL B.1		2939530	81932083	3207630	90939958
B.2 Investments in Preference Shares					
<u>FULLY PAID-UP REDEEMABLE PREFERENCE SHARE UNQUOTED</u>					
HB ESTATE DEVELOPERS LTD.(9% NON CUMULATIVE)	100	750000	75000000	750000	75000000
HB GROWTH FUND LIMITED (3% NON CUMULATIVE)	10	50000	500000	50000	500000
HB SECURITIES LIMITED (6% CUMULATIVE)	1000	10000	10000000	10000	10000000
HB TELECOMMUNICATION LIMITED (3% NON CUMULATIVE)	10	40000	400000	40000	400000
<u>PREFERENCE SHARES APPLICATION (UN-QUOTED OPTIONAL CONVERTABLE)</u>					
HB GROWTH FUND LTD (9% NON CUMULATIVE)	100	685000	68500000	200000	20000000
NARMADA CAPITAL SERVICES PVT LTD (9% CUMULATIVE)	100	435000	43500000	0	0
TOTAL B.2		1970000	197900000	1050000	105900000
TOTAL B.1+B.2 (NON TRADE INVESTMENTS)		4909530	279832083	4257630	196839958
TOTAL-2 (A+B) INVESTMENTS IN OTHERS		14845439	825127388	17604684	773790772
TOTAL- (1+2) NON CURRENT/LONG TERM INVESTMENTS		20163439	960243781	22922684	936947054
CURRENT INVESTMENTS					
(A) INVESTMENTS IN EQUITY INSTRUMENTS					
a) <u>QUOTED, FULLY PAID UP EQUITY SHARES</u>					
KAUNTAM PAPERS	10	800	11200	800	11200
ABAN OFFSHORE LIMITED	2	-	-	200	522480
AHLUWALIA CONTRACTS (INDIA) LIMITED	2	-	-	539	112288
AMRIT CORPORATION LIMITED	10	400	5600	400	5600
ARVIN LIQUID GASES LIMITED	10	10000	182500	10000	182500
ASHOK LEYLAND LIMITED	1	200	7603	200	7603
BHARAT HOTELS LIMITED	10	300	6752	300	6752
CIBA INDIA LIMITED	10	50	500	50	500
DCM SHRIRAM CONSOLIDATED LIMITED	2	70000	6921364	72845	7202668
DESIGN AUTO SYSTEMS LIMITED	10	671400	3953867	671400	3953867
DIGITAL WORLD INDIA LIMITED	10	162400	3136228	162400	3136228
GULSHAN POLYOLS LTD.	10	1000	113288	1000	113288
GVK POWER & INFRA LTD.	1	250000	3086418	125000	1971942
GSAL(INDIA) LIMITED.	10	8120	4060	8120	4060
HINDUSTAN ENGINEERING & INDS. LTD.	10	108	147220	108	147220
HARYANA PETROCHEMICALS LIMITED	10	9050	212192	9050	212192
HB ESTATE DEVELOPERS LIMITED	10	150000	1500000	150000	1500000
HB LEASING & FINANCE CO LIMITED	10	43200	1186050	43200	1186050
HB PORTFOLIO LIMITED	10	100000	1000000	100000	1000000
HINDUSTAN OIL EXPPLOATION COMPANY LIMITED	10	216	25684	216	25684
HOTLINE GLASS LIMITED	10	166382	552770	166382	552770
HOTLINE TELETUBE & COMPONENTS LIMITED	10	344400	9751268	344400	9751268
IDBI BANK	10	25000	2355525	25000	2355525
INDIAN HOTELS COMPANY LTD.	1	50000	3097717	50000	3097717
INDIA BULLS REAL ESTATE LTD.	2	-	-	35000	2009428
IFCI	10	75000	2019390	78040	2101243
ICP SECURITIES LIMITED	10	1800	18000	1800	18000
ICICI BANK LIMITED	10	1000	954334	1000	585963
ISPAT PROFILES INDIA LIMITED	10	10000	235020	10000	235020
JAYPEE INFRA TECH LTD.	10	-	-	700000	30170072
JAIPRAKASH POWER VENTURES LTD.	10	-	-	200000	6153470
JUBILANT INDUSTRIES LTD	10	500	175310	500	175310
KIRAN OVERSEAS EXPORTS LIMITED	10	10000	335000	10000	335000
LARSEN & TOUBRO LTD.	2	25000	27316082	---	---
LCC INFOTECH LIMITED	2	56300	387984	56300	387984
LUNAR DIAMONDS LIMITED	10	21000	439065	21000	439065
MALWA COTTON SPINNING MILLS LIMITED	10	19300	2284159	19300	2284159
MILKFOOD LIMITED	10	3800	34200	3800	34200
NAHAR POLYFILMS LIMITED	5	444	17643	444	17643
NUCHEM LIMITED	10	64755	168363	64755	168363
ORISSA EXTRUSIONS LIMITED	10	10728	21456	10728	21456
ORINTAL BANK OF COMMERCE	10	100	12745	100	12745
ORKAY INDUSTRIES LIMITED	10	135650	3152053	135650	3152053



HB STOCKHOLDINGS LIMITED

Name of the Company	Face Value (In `)	Balance as at 31st March, 2013		Balance as at 31st March, 2012	
		Qty.(Nos.)	Amount (In `)	Qty.(Nos.)	Amount (In `)
PATHREJA FORGINGS LIMITED	10	1000	19326	1000	19326
PHOENIX INTERNATIONAL LIMITED	10	14400	900000	14400	900000
PILANI INVESTMENT& INDUSTRIES CORPORATION LTD	10	249	250002	250	251006
POLYCHEM LIMITED	10	125	501825	125	501825
PRAJ INDUSTRIES LTD.	2	—	—	45000	3877920
PRISM MILLS LIMITED	10	10000	187500	10000	187500
PUNJ LLYOD LTD.	2	—	—	64000	3250991
PUNJAB WIRELESS LIMITED	10	100	6100	100	6100
RAMA VISION LIMITED	10	18300	553061	18300	553061
RASHTRIYA CHEMICAL & FERTILIZERS LTD.	10	—	—	15000	1844075
RELIANCE CAPITAL LIMITED	10	4	1910	4	1910
RELIANCE COMMUNICATIONS LIMITED	5	—	—	5085	2772215
RELIANCE INDUSTRIES LIMITED	10	1000	779732	21105	16456243
RELIANCE POWER LTD.	10	4000	364902	4000	364902
SAJJAN UDYOG EXPORTS LIMITED	10	23600	590000	23600	590000
SAVANI FINANCIALS LIMITED	10	7000	140000	7000	140000
SESA STERLITE LTD.	1	16000	3110808	16000	3110808
SHREYANS INDUSTRIES LIMITED	10	5600	96873	5600	96873
SRI VASAVI INDUSTRIES LIMITED	10	10890	584631	10890	584631
GLOBAL STONE INDIA LIMITED	10	2000	34000	2000	34000
SUMMIT SECURITIES LTD.	10	6	1494	6	1494
UFLEX LIMITED	10	—	—	5522	1100502
UNIMERS INDIA LIMITED	10	1732	444464	1732	444464
UNITECH LIMITED	2	—	—	217072	10844776
UNIVERSAL PRIME ALUMINIUM LIMITED	10	23820	868067	23820	868067
U P HOTELS LIMITED	10	1900	136630	1900	136630
TOTAL (a)		2640129	84399937	3803538	134299895
b) UNQUOTED, FULLY PAID UP EQUITY SHARES KESORAM TEXTILE LIMITED	10	172	4161	172	4161
TOTAL (b)		172	4161	172	4161
c) UNQUOTED PARTLY PAID UP EQUITY SHARES RATHI ALLOYS & STEELS LIMITED	10	46293	694395	46293	694395
TOTAL (c)		46293	694395	46293	694395
TOTAL-A (a+b+c)		2686594	85098493	3850003	134998451
(B) PREFERENCE SHARES APPLICATION (UNQUOTED OPTIONAL CONVERTIBLE)					
FALCON PORTFOLIO MANAGEMENT PVT LTD. (9% NON CUMULATIVE)	100	1125000	112500000	1125000	112500000
TOTAL (B)		1125000	112500000	1125000	112500000
(C) INVESTMENT IN MUTUAL FUNDS					
UNQUOTED FULLY PAID UP UNITS					
TAURUS LIQUID FUND	10	36932	50368955	0	0
TAURUS BONANZA FUND	10	0	0	496416	20000000
TOTAL (C)		36932	50368955	496416	20000000
TOTAL- CURRENT INVESTMENTS (A+B+C)		3848526	247967448	5471419	267498451

Notes	Non Current/Long Term Investments		Current Investments	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
8.1 Aggregate Amount of Quoted Investments	545295305	590848314	84399937	134299895
8.2 Market Value of Quoted Investments	522745408	749813803	60282321	84804170
8.3 Aggregate Amount of Unquoted Investments	414948476	346098740	163567512	133198556
8.4 Aggregate Provision for Diminution in Value of Investments	85545950	91227968	24816170	50352535
8.5 Shares Costing ₹ 5,37,53,008/- (Previous Year ₹ 16,88,30,543/-) Were Lying Pledged/Given as Security/Margin as at the Year end.				
8.6 As at the year end, based on the last traded price on the stock exchange, there is diminution amounting to ₹ 26,11,74,159/- (Previous Year ₹ 32,18,09,439/-) in the Value of Long term/Non current Investment in DCM Shriram Industries Ltd. However, in the opinion of management the traded price on the exchange does not reflect its fair value in view of very thin trading volume on the exchange. Further in view of various factors such as significant stake, strategic long term investments, breakup/fair value evidenced by the investee company's balance sheet and various other factors, in the opinion of management, no provision is required to be made of the aforesaid amount of diminution calculated solely on the basis of last traded price. In the opinion of management, the valuation of investment at cost is in accordance with the accounting standard (AS-13).				
8.7 The Company's Investments in DCM Shriram Industries Exceeds the Exposure Norms As specified in "Non-Banking (Non Deposit Acceptation or holding) Companies Prudential Norms (Reserve Bank) Directions 2007". The Reserve Bank of India has Granted Extension of time till March 31, 2015 for Compliance with the Exposure Norms.				

9. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
(Unsecured, Considered Good)-Standard Security Deposits *	34727124	34727124
	34727124	34727124

*Includes Rental Deposits given to related Party namely HB Estate Developers Ltd. ₹ 3,45,00,000/- (Previous Year ₹. 3,45,00,000/-)

10. TRADE RECEIVABLES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Unsecured, Considered good		
Outstanding exceeding six months	—	—
Others		
— From Related Parties*	26302755	0
— From Others	0	4290976
	26302755	4290976

* From RRB Master Securities (Delhi) Ltd.



HB STOCKHOLDINGS LIMITED

11. CASH AND BANK BALANCES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Cash & Cash equivalents		
Balances with Banks		
– In Current and Deposit Accounts	79619988	25334055
Cash-in-Hand	99768	129779
Other Bank balances		
– In Earmarked Unpaid Dividend Account	2411513	0
	82131269	25463834

12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Unsecured, Considered Good, Unless otherwise stated:		
Advance to related Parties*	7038247	0
Others		
Inter Corporate Loan/Deposit -Standard	100000000	0
Inter Corporate Loan/Deposit-Doubtful	100000000	10000000
Advance against share application Money /securities/Property-Standard	30018000	206618000
Recoverable From Staff	79000	0
Prepaid Expenses	286040	236967
Income Tax/Tax deducted at source	1087189	808191
	148508476	217663158

* To RRB Master Securities (Delhi) Ltd.

13. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2014 (In `)	As at 31st March, 2013 (In `)
Interest accrued but not due on Bank deposits	0	12063
Commission Receivables	0	295785
	0	307848

14. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Profit/(Loss) in Securities dealing/ Equity derivative trading	(1148187)	(2223677)
Profit/(Loss) on sale of investments (1)	86426902	64298521
Provision for diminution in value of investments written back/(made) (2)	31218383	113741035
Interest on Inter Corporate Loan/Deposit (Tax deducted at Source ` 481972/- (Previous Year ` 120000/-)	4819724	3360000
Dividend Income (Gross) (Tax deduction at source ` NIL, Previous Year ` NIL) (3)	11644164	6395811
	132960986	185571690

The Company, being an Investment and Finance company, the Income from Investment and Finance activities are Operational Income.

- Profit/(Loss) on Sale of Investments includes Loss of ` 3,85,75,909/- (Previous Year Loss ` 4,39,76,180/-) on Current Investments and Gain of ` 12,50,02,811/- (Previous Year ` 10,82,74,701/-) on Non current/Long Term Investments.
- Provision for diminution in value of Investments written back include ` 56,82,018/- provision written back (previous year ` 8,91,44,054/-written back) in respect of Non Current/Long Term Investments and ` 2,55,36,365/- provision written back (Previous Year ` 2,45,96,981/- written back) in respect of Current Investments.
- Dividend Income includes ` 98,73,966/- (Previous Year ` 49,82,985/-) on Long Term/Non current Investments and ` 17,70,198/- (Previous year ` 14,12,826/-) on Current Investments.

15. OTHER INCOME

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Interest on Fixed Deposits (Tax Deduction at Source ` 2519/- (Previous year ` 15,902/-)	25190	154115
Profit on sale of Fixed Asset	0	29283
Commission (Tax Deduction at source ` 77678/- Previous Year ` 159270/-)	443969	963300
Liability No Longer Required	161865	0
Incentive from Bank (Tax Deduction at source ` 12000/- Previous Year ` Nil)	600000	0
Miscellaneous	0	5000
	1231024	1151698

16. EMPLOYEE BENEFIT EXPENSES

(Amount in `)

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Salaries and Benefits	14496953	14387288
Contribution to Provident fund and superannuation fund	453630	438848
Gratuity	-5779	-903027
Staff welfare	111569	184688
	15056373	14107797

17. OTHER EXPENSES

(Amount in `)

Particulars	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
Rent/Facility Charges	1340292	1340292
Vehicle Running and Maintenance	723083	848645
Insurance	66549	22340
Communication	1058248	590963
Travelling and Conveyance	2913064	2660047
Printing and Stationery	818556	643527
Office Repairs and Maintenance	270661	144676
Depository and custodial	91178	98237
Subscription and Membership	266279	608580
Legal and Professional	6015018	6191302
Advertisement & Publicity	213287	209981
Listing Fees	168540	168540
Business Promotion	405213	509436
Miscellaneous	255064	274800
Auditors Remuneration		
– Audit Fees	185012	180158
– Tax Audit Fees	28090	28090
– Income Tax Matters	75281	140900
– Certification and others	85955	374338
Loss on sale of Fixed Assets	259665	0
Directors Sitting Fees	485397	496000
	15724432	15219436

18. The accompanying consolidated financial statement includes the accounts of HB Stockholdings Ltd. and its following subsidiary:-

Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year end
Mount Finance Ltd.	India	100% Subsidiary of HB stockholdings Ltd	31.03.2014

During the year, HB Prima Capital Ltd (which was wholly owned subsidiary of the company) has been ceased to be subsidiary of the company w.e.f. 25/06/2013. The consolidated financial statement of previous financial year ended 31/03/2013 includes the accounts of HB Prima Ltd, whereas for the current year, the operations of HB Prima Ltd. only upto 24/06/2013 are included in consolidated financial statement of current year.

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

S. No.	Name of Associates Company	Country of Incorporation	Proportion of ownership interest
(i)	Taurus Asset Management Co. Ltd. (*)	India	20.11% (20.11%)
(ii)	Pisces Portfolios Private Limited (*)	India	35.78% (35.78%)

* Valuation done on the basis of available unaudited, management certified financial statements for year ended 31.03.2014.

20. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR) CONTINGENT LIABILITIES:

- Income Tax demand disputed ` 77,92,043/- (Previous year ` 72,92,391/-) against which appeals are pending with appropriate authorities and in respect of which the management is confident that appeals will be decided in favour of the company.
- Guarantees given on behalf of Related Parties:- ` 7,00,00,000/- (Previous Year ` 22,00,00,000/-)

In the Opinion of the Management, the aforesaid guarantees had been given in view of overall long term business involvement/ relation of the company with the aforesaid companies and the giving of aforesaid guarantees will not have any prejudicial impact on the company.

COMMITMENTS:

- (a) Nil (Previous Year ` 50,30,000/-) on account of uncalled call money in respect of Partly paid up Shares.

21. RELATED PARTY TRANSACTIONS

21.1 List of related parties with whom transactions have taken place and relationship:

- a) Key Managerial Personnel
- Shri Vijay Sood, Managing Director
 - Shri J.M.L.Suri, Executive Director
 - Shri Anil Kumar Mittal, Company Secretary
- b) Person having control/significant influence /major shareholders
- Shri Lalit Bhasin

- c) Associate
- Pisces Portfolios Private Limited
 - Taurus Assets Management Co.Ltd.
- d) Enterprises over which control/significant influence exist of the relatives of persons mentioned in (b) above:-
- RRB Master Securities Delhi Ltd.
- e) Enterprises under direct or indirect common control/significant influence:
- HB Portfolio Ltd.
 - HB Estate Developers Ltd.
 - HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)
 - RRB Securities Ltd.
 - RRB Masterholdings Ltd.(Subsidiary of RRB Securities Ltd.

21.2 Transaction during the financial year ended 31.03.2014 with related Parties as under.

Sr. No.	Nature of Transaction	Related Party Referred in (a) above	Related Party Referred in (b) above	Related Party Referred in (c) above	Related Party referred in (d) above	Related Party referred in (e) above
1	Amount recovered against Loan & Advances	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (6878843)	Nil (Nil)
2	Loans & Advances given	Nil (Nil)	Nil (Nil)	Nil (Nil)	7038247 (Nil)	Nil (Nil)
3	Rent/Facility Charges Paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	967692 (967692)
4	Margin /Advances paid & received back	Nil (Nil)	Nil (Nil)	Nil (Nil)	71400000 (16000000)	Nil (Nil)
5	Dividend Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	130480 (300000)
6	Sitting Fee Paid	Nil (Nil)	50000 (60000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Depository Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	31938 (34202)
8	Remuneration & Other Services	11479315 (11477947)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
9	Purchase of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	41830047 (17560047)	Nil (Nil)
10	Sale of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	151757975 (240371946)	Nil (Nil)
11	Net Turnover of Derivative Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	1056301 (2215670)	Nil (Nil)
12	Commission received	Nil (Nil)	Nil (Nil)	443969 (963330)	Nil (Nil)	Nil (Nil)
13	Net Turnover of Cash Market(Intraday) Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	86434 (Nil)	Nil (Nil)
14	Investment made during the year	Nil (Nil)	Nil (Nil)	5030000 (15090000)	Nil (Nil)	Nil (75000000)
15	Sale of Investment during the year	Nil (Nil)	Nil (Nil)	282750 (Nil)	Nil (Nil)	217500 (Nil)
16	Dividend Paid	Nil (Nil)	12262307 (Nil)	Nil (Nil)	Nil (Nil)	68320 (Nil)
17	Outstanding as on 31.03.2014					
	- Guarantee Given	Nil (Nil)	Nil (Nil)	Nil (150000000)	70000000 (70000000)	Nil (Nil)
	-Commission Receivable	Nil (Nil)	Nil (Nil)	Nil (295785)	Nil (Nil)	Nil (Nil)
	- Receivables in respect of Loans & Advances.	Nil (Nil)	Nil (Nil)	Nil (Nil)	7038247 (Nil)	34500000 (34500000)
	- Receivables in respect of Sundry Debtors.	Nil (Nil)	Nil (Nil)	Nil (Nil)	26302755 (Nil)	Nil (Nil)
	- Book value of shares given as margin	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (1488750)	37774550 (29775000)

22. SEGMENT REPORTING

In the opinion of Management there are no separate reportable segments as per Accounting Standard Segment reporting (AS-17).

23. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15
Defined Contribution Plan

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

Particulars	Current Year (Amount `)	Previous Year (Amount `)	Head under which shown in the Statement of Profit & Loss
Contribution to Provident Fund	3,18,630/-	3,03,848/-	Contribution to Provident fund and super annuation Fund
Contribution to superannuation fund	1,35,000/-	1,35,000/-	Contribution to Provident fund and super annuation Fund

Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year(A)	19,05,983/-	26,61,478/-	12,14,628/-	9,83,790/-
Interest Cost (B)	1,52,479/-	2,12,918/-	1,09,316/-	78,488/-
Current service cost (C)	1,35,904/-	3,19,563/-	1,42,496/-	1,51,011/-
Benefits paid (D)	Nil/-	Nil/-	(41,800/-)	(79,100/-)
Actuarial loss/ (gain) on obligation (E)	(1,73,415/-)	(12,87,976/-)	(1,67,232/-)	80,439/-
Present value of obligations as at the end of the year (F=A+B+C-D+E)	20,20,951/-	19,05,983/-	12,57,408/-	12,14,628/-

The amounts recognized in the Balance Sheet and Statement of Profit & Loss are as follows:

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation(A)	20,20,951/-	19,05,983/-	12,57,408/-	12,14,628/-
Estimated fair value of plan assets (B)	19,09,598/-	17,88,851/-	Nil	Nil
Net Liability (C=A-B)	1,11,353/-	1,17,132/-	12,57,408/-	12,14,628/-
Amounts in the Balance Sheet				
Liabilities	1,11,353/-	1,17,132/-	12,57,408/-	12,14,628/-
Amount charged to Statement of Profit & Loss				
Current Service Cost	1,35,904/-	3,19,563/-	1,42,496/-	1,51,011/-
Interest Cost	1,52,479/-	2,12,918/-	1,09,316/-	78,488/-
Expected Return on Plan Asset	(1,20,747/-)	(1,47,532/-)	Nil	Nil
Actuarial(Gain)/Loss	(1,73,415/-)	(12,87,976/-)	(1,67,232/-)	80,439/-
	(5,779/-)	(9,03,027/-)	84,580/-	3,09,938/-
Head under which shown in the Profit & Loss account	Gratuity		Salary & benefits	

The Actual Return on Plan Assets is as follows

Particulars	Gratuity	
	Current Year	Previous Year
Actual return on plan assets	1,20,747/-	1,47,532/-

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

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

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

Sl. No.	Particulars	Gratuity	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	17,88,851/-	16,33,376/-
i)	Expected Return on Plan Assets	1,20,747/-	1,47,532/-
ii)	Actuarial Gains / (Losses)	Nil	Nil
iii)	Contribution by the Employer	Nil	Nil
iv)	Benefits Paid	Nil	Nil
v)	Contribution	Nil	7,943/-
	Closing Fair Value of Plan Assets	19,09,598/-	17,88,851/-

24. Disclosure pursuant to Accounting Standard AS-19 for Leases: -

Operating Lease

- a) Particulars of the minimum lease payments under Operating Lease:-
- Not Later than One year ₹ 12,16,092/- (Previous Year ₹ 13,40,292/-)
- Later than one year but not ₹ 19,35,384/- (Previous Year ₹ 12,16,092/-)

Later than five years

Later than five years ₹ Nil (Previous Year ₹ NIL)

- b) Minimum lease payments recognised in the statement of profit & loss account during the year ended 31st March 2014 is ₹ 13,40,292/- (Previous Year ₹ 13,40,292/-).
- c) General description of the lease arrangement.

The lease is for an initial period of 3 years, which may be renewed for further period as may be mutually agreed upon.

Restrictions imposed by lease arrangement:

- The Lessee shall not sublet or otherwise part with possession of a part or whole of the premise without the previous consent in writing of the lessor.
- The lessee shall use the premises for commercial purposes only.

25. Earning per share pursuant to Accounting Standard (AS-20) "Earning Per Share"

Particulars	Current Year (in ₹)	Previous Year (in ₹)
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders.	55438293	108595632
Earning Per Share (face value of ₹ 10 each)		
Weighted Average Nos. of Equity Share Outstanding	2,37,92,218	2,37,92,218
Basic and diluted Earning per share (₹)	2.33	4.56

26. Due to Micro, Small and Medium Enterprises

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2014 and 31st March, 2013.

27. Disclosure pursuant to Accounting Standard AS-22 for accounting for taxes on Income: -

The company is having brought forward losses under the Income Tax Act. In the absence of virtual as well as reasonable certainty of the realization and on the consideration of prudence, credit for Deferred Tax Assets has not been recognised to comply with Accounting Standard AS-22.

28. Dividend paid to Non-Resident Shareholders:-

The Company has not remitted any dividend in foreign currency and does not have information as to the extent to which remittance, if any, in foreign currency on account of dividends have been made by/on behalf of non-resident shareholders. The Particulars of dividend Paid to non-resident shareholders are as under:-

Sl. No.	Particulars	Current Year	Previous Year
a	No. of Non-resident shareholders	516	Nil
b	No. of Equity Shares held by them	128054	Nil
c	i) Amount of Dividend Paid (Gross) (₹)	128054	Nil
	ii) Tax deduction at source	Nil	Nil
	Year to which dividend relates	2012-13	2011-12

As per our Report of even date

For P. BHOLUSARIA & CO.
Chartered Accountants
FRN : 000468N

AMIT GOEL
Partner
Membership No.: 092648

Place : Gurgaon
Date : 17th May, 2014

For and on behalf of the Board

J.M.L. SURI
Executive Director
DIN:00002373

ANIL KUMAR MITTAL
Company Secretary

VIJAY SOOD
Managing Director
DIN:01473455

MAHESH KUMAR GUPTA
Chief Financial Officer



HB STOCKHOLDINGS 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 : L65929HR1985PLC033836
Name of the Company : HB Stockholdings Limited
Regd. Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurgaon - 122 001 (Haryana)
Name of the Member(s) :
Regd. 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
- 3) Name..... Address.....
Email..... Signature.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 23rd day of September 2014 at 11:00 A.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurgaon - 122001, Haryana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of Audited Financial Statements (including Consolidated Financial Statements) for the financial year ending March 31, 2014 and the report of board of Directors and Auditors' thereon.
2. Re-appointment of Mr. Anil Goyal.
3. Appointment of M/s. P.Bholusaria & Co. Chartered Accountants, Statutory Auditors and fixing their remuneration.

Special Business:

4. Appointment of Mr. Pradeep Kumar Mittal as an Independent Director.
5. Appointment of Mr. Gulsan Rai as an Independent Director.
6. Appointment of Mr. Harbans Lal as an Independent Director.
7. Variation in the terms of Reappointment of Mr. J. M. L. Suri, Executive Director of the Company.
8. Adoption of new set of Articles of Association of the Company.
9. Passing of fresh resolution for borrowing monies under Section 180(1)(c) of the Companies Act, 2013.

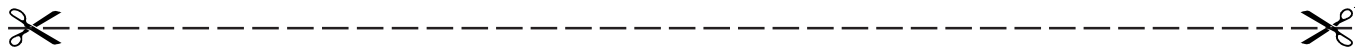
Signed this _____ day of _____, 2014

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

Affix
Rupee 1/-
Revenue
Stamp

Notes:

1. 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 STOCKHOLDINGS LIMITED

ATTENDANCE SLIP

27TH ANNUAL GENERAL MEETING

Time : 11.00 A.M., 23rd day of September, 2014
Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any.....

Father's/Husband's Name

Address in full.....

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

I/We hereby record my/our presence at the 27th Annual General Meeting held on Tuesday, 23rd day of September, 2014 at 11.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

Folio No. / DP-Id :

Client-Id :

No. of Shares :

Signature(s).....

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



HB STOCKHOLDINGS LTD.

Regd. Office : Plot No .31, Echelon Institutional Area, Sector - 32, Gurgaon -122001 (Haryana)
Ph. : 0124-4675500, Fax : 0124-4370985, E-mail : corporate@hbstockholdings.com

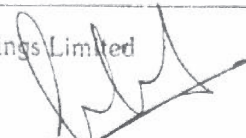
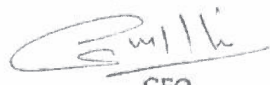
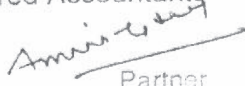
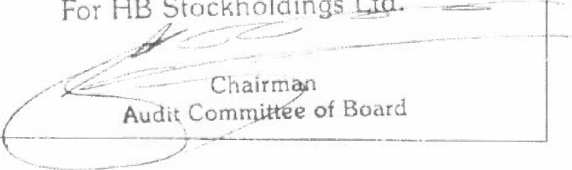
HBSL/ 2014-15

19th August, 2014

The General Manager (Listing) Bombay Stock Exchange Limited, 25 th Floor, P J Towers, Dalal Street, Fort, <u>Mumbai - 400 021</u>	The Vice President, National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East) <u>MUMBAI - 400 051</u>
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FORM A

Format of covering Letter of the Annual Audit Report to be filed with the Stock Exchange(s)

1. Name of the Company	HB Stockholdings Limited
2. Annual Financial statement for the year ended	31 st March 2014
3. Type of Audit observation	Un-qualified
4. Frequency of observation	Whether appearing first time- Not Applicable
5. To be signed by : <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	<p>For HB Stockholdings Limited</p> <p> Managing Director</p> <p>For HB Stockholdings Ltd.</p> <p> CFO</p> <p>For P. BHOLUSARIA & CO. Chartered Accountants</p> <p> Partner</p> <p>For HB Stockholdings Ltd.</p> <p> Chairman Audit Committee of Board</p>

CIN No. L65929HR1905PLC033936

Website : www.hbstockholdings.com