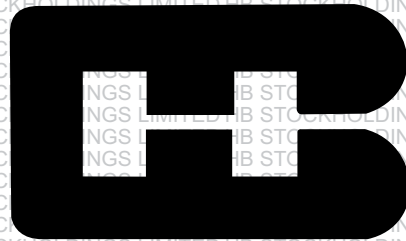


# 28th Annual Report 2014 - 15



**HB STOCKHOLDINGS LIMITED**

**BOARD OF DIRECTORS**

Mr. Lalit Bhasin	Chairman
Mr. Vijay Sood	Managing Director
Mr. Gulshan Rai	Director
Mr. Harbans Lal	Director
Mr. Anil Goyal	Director
Mrs. Asha Mehra (w.e.f 30th March, 2015)	Director
Mr. Pradeep Kumar Mittal (upto 30th November 2014)	Director
Mr. Jag Mohan Lal Suri (upto 21st May 2015)	Executive Director

**CHIEF FINANCIAL OFFICER**

Mr. Mahesh Kumar Gupta

**COMPANY SECRETARY**

Mr. Anil Kumar Mittal

**STATUTORY AUDITORS****M/s. P. Bholusaria & Co.**

Chartered Accountants

26/11, Shakti Nagar,

Delhi - 110 007

**REGISTERED OFFICE****HB Stockholdings Ltd.**

CIN L65929HR1985PLC033936

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 Phase-II

New Delhi - 110020

Ph : 011-26387320, 26387323

Fax : 011-26387322

E-mail: shares@rcmcdelhi.com

Website: www.rcmcdelhi.com

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## NOTICE

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

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of members of **HB Stockholdings Limited** will be held on Wednesday, the 9<sup>th</sup> September 2015 at 11.00 a.m. at GIA House, IDC Mehrauli Gurgaon Road, Opp. Sector 14, Gurgaon 122 001, India to transact the following business:

### AS ORDINARY BUSINESS

- To receive, consider and adopt
  - the Audited Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March 2015 and the Reports of the Board of Directors' and Auditors' thereon and
  - the Audited Consolidated Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March 2015
- To appoint a Director in place of Mr. Lalit Bhasin (DIN: 00002114) who retires by rotation and being eligible offers himself for re-appointment.
- To Appoint Auditors of the Company and to fix their remuneration.

### AS SPECIAL BUSINESS

- To Approve the Appointment of Mrs. Asha Mehra as an Independent Director 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, and Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory re-enactment(s) thereof, for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Asha Mehra (DIN 02658967), who was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> March 2015 under Section 161 of the Act, and in respect of her a notice under section 160 of the Companies Act, 2013 was received from a shareholder proposing her candidature for appointment as Director be and is hereby appointed as an Independent Director, to hold office for a term of 5 (Five) consecutive years commencing from the conclusion of this Annual General Meeting."

By the Order of the Board  
For HB STOCKHOLDINGS LTD.

Place : Gurgaon  
Date : 21.05.2015

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 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 proxy for any other person or shareholder.  
  
The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e voting are given in this Notice under Note No.10. The Company will send communication relating to remote e voting which inter alia contain details of user ID and password along with other instructions.
- 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from 3<sup>rd</sup> September, 2015 to 9<sup>th</sup> September, 2015 (both days inclusive) for the purpose of Annual General Meeting.
- 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.
- 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.

- The members are requested to bring their copy of the Annual Report to the meeting.
- The members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in the physical form can update their PAN number in the records with the Company / with RCMC the RTA.
- Electronic Copy of the Annual Report 2015 is being sent by electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report 2015 are being sent by the permitted mode.
- 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 as amended from time to time. 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 Wednesday, 2<sup>nd</sup> September, 2015. 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 immediately after declaration of results by the Chairman on passing of the resolutions and communication of the same to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd (NSE).
- Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, name of the companies in which they hold directorship and membership/ chairmanships of the Board/ Committees, shareholding and relationships between directors inter see as stipulated under Clause 49 of the Listing Agreement with the Stock exchange(s) are provided in the Notice forming part of the Annual Report
- Relevant documents referred to in the accompanying Notice and Explanatory statement are 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 Meeting.

### STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the act")

The following Statements sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### ITEM NO.4

In accordance with the provisions of Section 149 read with Schedule IV of the Act, appointment of an Independent Director requires approval of the members of the Company.

Mrs. Asha Mehra was appointed as an additional director of the Company with effect from 30<sup>th</sup> March 2015, and as per Sec.161 of the Companies Act, 2013 her term of office shall be upto the date of the Annual General meeting and she is eligible and offer herself for appointment as an Independent Director for a term upto 5 (Five) years. A Notice has been received from a member u/s 160(1) of the Companies Act, 2013 proposing Mrs. Asha Mehra as a candidate for the office of Independent Director.

A Brief Profile of Mrs. Asha Mehra is including nature of her expertise, is provided at page No. 02 of the Annual Report.

In the opinion of the Board, Mrs. Asha Mehra fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company. The Board considers that her continued association would be of immense benefit to the Company and it is desire able to continue to avail her services as an Independent Director of the Company.

None of the Directors except Mrs. Asha Mehra, being an appointee and her relatives, and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No: 4 of the Notice.

Accordingly, the Board recommends the resolution at item no: 4 in relation to appointment of Mrs. Asha Mehra as an Independent Director, for the approval of the shareholders of the Company.

By the Order of the Board  
For HB STOCKHOLDINGS LTD.

Place : Gurgaon  
Date : 21st May, 2015

ANIL KUMAR MITTAL  
COMPANY SECRETARY  
M No. FCS 2360

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

<b>Name of the Director</b>	<b>Mr. Lalit Bhasin</b>	<b>Mrs. Asha Mehra</b>
<b>DIN</b>	00002114	02658967
<b>Date of Birth</b>	14-08-1968	08-08-1940
<b>Qualification(s)</b>	B Com (Hons) from Shriram College of Commerce University of Delhi	Post Graduate, 1962, Bombay University IAS, joined in Indian Revenue Service in the year 1964 Post Graduate Diploma in Tax Management, 1972
<b>Brief Resume &amp; Expertise in specific functional areas</b>	Over 24 years' experience in Stock Market, Investment Banking and Real Estate Development. Established a Five Star Hotel in Sector 44 of Gurgaon known as "Vivanta By Taj – Gurgaon NCR"	<ul style="list-style-type: none"> <li>• Assistant / Deputy Commissioner of Income Tax- Mumbai, Delhi ,</li> <li>• Director of Income Tax (Investigation) Gujrat &amp; Rajasthan</li> <li>• Chief Commissioner, Income Tax, Delhi, Rajasthan,</li> <li>• Member- (CBDT) Chairman, Income Tax Settlement Commission</li> </ul>
<b>Other Public Ltd Companies in which Directorship are held as on 31.3.2015</b>	HB Portfolio Limited HB Leasing & Finance Co. Limited RRB Master Securities Delhi Limited HB Estate Developers Limited Taurus Asset Management Co. Limited Mansingh Hotels and Resorts Limited CHL Ltd. Jaypee Infratech Limited	HB Estate Developers Limited
<b>Chairman / Member of the Committees of the Board of other Companies in which he/she is a Director as on 31.3.2015</b>	<b><u>Member of Audit Committee</u></b> HB Leasing & Finance Co Ltd Mansingh Hotels & Resorts Ltd CHL Limited <b><u>Stakeholders Relationship Committee</u></b> HB Leasing & Finance Co Limited- Chairman CHL Limited - Member <b><u>Nomination &amp; Remuneration Committee</u></b> HB Leasing & Finance Co Limited - Member CHL Limited - Member	<b><u>Chairperson in HB Estate Developers in</u></b> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• *Nomination and Remuneration Committee</li> <li>• CSR Committee</li> </ul> <b><u>Member in HB Stockholdings Ltd in</u></b> <ul style="list-style-type: none"> <li>• Nomination &amp; Remuneration Committee</li> </ul>
<b>Shareholding of Director as on 31.03.2015</b>	1,22,62,307	NIL
<b>Whether related to any Board Members of the Company</b>	No	No

By the Order of the Board  
For HB STOCKHOLDINGS LTD.

Place : Gurgaon  
Date : 21st May, 2015

ANIL KUMAR MITTAL  
COMPANY SECRETARY  
M. No. FCS 2360

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 28<sup>th</sup> Annual Report and the Audited Accounts of your Company for the financial year ended 31<sup>st</sup> March 2015.

### FINANCIAL RESULTS

The Financial performance of the Company for the year is summarised below:

PARTICULARS	(₹ in lakhs)	
	Current Year Ended	Previous Year Ended
Total Revenue	813.27	1469.06
Total Expenses	308.45	343.84
Profit for the Year before Tax and exceptional items	504.83	1125.23
- Tax Expenses (including earlier years)	5.28	126.43
- Exceptional items	0.00	0.00
Profit After tax and Exceptional Items	499.54	998.80
Earning per Equity Shares (Before exceptional items)		
- EPS Basic (Rs.)	2.10	4.20
- EPS Diluted (Rs.)	2.10	4.20
(After Exceptional Items)		
- EPS Basic (Rs.)	2.10	4.20
- EPS Diluted (Rs.)	2.10	4.20

### DIVIDEND

In order to conserve resources for the future, Directors' of your company do not recommend any dividend for the year ended 31<sup>st</sup> March 2015.

### PERFORMANCE REVIEW & OUTLOOK

In the financial year 2014-2015, the Indian economy posted an improvement in its growth dynamics. Due to positive changes in sentiment associated with the political stability from May 2014, the commodity prices environment remained benign since July 2014. Building on the macroeconomic mending process, the Indian economy has made some progress in the previous year. Led by the manufacturing, finance and electricity sectors, government expects GDP growth for FY 2015-2016 to be around 7.4%. While financial markets stabilised from the second half of the previous year economic sentiment continued to remain bullish, though improvements were limited in real economy.

During the year under review, Income from operation was ₹ 813.27 Lakhs (previous year ₹ 1469.06 Lakhs including other income of ₹ 14.78 lakhs). Income of the Company comprises of Dividend Income ₹ 156.72 Lakhs (previous year ₹ 116.44 Lakhs), Securities Trading gain was ₹ 26.56 Lakhs (previous year Loss of ₹ 11.48 Lakhs), Profit booked on Sale of Investments was ₹ 107.54 Lakhs (previous year ₹ 864.27 Lakhs), Provisions for diminution in the value of Investment written back ₹ 347.37 Lakhs (previous year ₹ 436.85 Lakhs). Net Profit before Tax and exceptional items for the year was ₹ 504.83 Lakhs (previous year ₹ 1125.23 Lakhs).

With a change of Government at the Centre, curtailing of inflation, some reduction in the interest rates, positive policy pronouncements and high expectations of fiscal consolidation coupled with demand stimulus and structural de-bottlenecking, measures to curb black money and tightening of regulatory frame work in this regard, economic growth in the current and medium term has shown improvement over the previous year. This is a positive for the Capital market. First signs of this were reflected in the upswing in the Equity indices in the previous fiscal year.

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

### Subsidiary Company

In accordance with the provision of section 129(3) of the Companies Act, 2013, the company has prepared a Consolidated Financial Statement of the Company and its wholly owned subsidiary Mount Finance Limited. The Consolidated Financial Statement for the year 2014-15 forms a part of the Annual Report and Accounts and shall be laid before the Annual General meeting while laying it financial statement. A Report on the performance and the financial position of the Subsidiary Company in form AOC-1 forms a part of the Consolidated Financial Statement.

The company does not have a Material Subsidiary in the immediately preceding accounting year. However, as per the Clause 49 of the Listing Agreement, SEBI has made it mandatory for all listed companies to formulate a policy of determining Material Subsidiaries. Accordingly a policy was formulated by the Audit committee of the Board and the same was posted on the web site of the Company and may be accessed at the link [www.hbstockholdings.com](http://www.hbstockholdings.com)

### Associate Companies

One of the associates Pisces Portfolios Pvt Ltd merged with another entity during the year under review. The merged entity does not qualify to be an Associate Company. A Report on the performance and the financial position of the Associate Company in form AOC-1 forms a part of the Consolidated Financial Statement.

### Internal Control Systems and their Adequacy

The Company has an Internal Control System, commensurate with the size, scale and operations, which covers both locations of its operations. The scope and authority of the Internal Audit function has been detailed in the Audit Committee section of the Corporate Governance Report of the Company. To maintain objectivity and Independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

Internal Auditor monitors and evaluates the efficacy and adequacy of internal control systems in the company, its compliance with the operating systems, accounting procedures and policies at all locations of company's operation. Internal Audit Report stimulates other functional

departments to improve their systems and procedures to strengthen the controls. All these issues are placed before the Audit Committee of the Board for deliberations.

### Related Party Transactions

All Related Party Transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. Hence the provisions of section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in the Format AOC 2 is not required. Further, there are no material Related Party Transactions during the year under review made by the Company with Directors, Key Managerial Personnel or other designated persons and others. The policy on Related Party Transactions as approved by the Board is uploaded on the company's website and may be accessed at [www.hbstockholdings.com](http://www.hbstockholdings.com)

### Risk Management

The Company has developed a Risk Management process to ensure that all current and future risk exposures are identified, assessed, quantified, appropriately mitigated, minimised and managed. In order to achieve sustained business growth, the Company has laid a Comprehensive Risk Assessment and minimization Procedure, which is reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed to ensure management controls risk through means of a properly defined framework best risk management policies are followed and risk minimisation exercises to be attributed and same are monitored by Audit Committee of the Board.

### Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Managerial personnel and their remuneration. The said Remuneration Policy is stated and being a part of the Corporate Governance Report.

### 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 Corporate Governance Report 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.

### Corporate Social Responsibility Committee

The Board constituted a Corporate Social Responsibility Committee (CSR) pursuant to Section 135 of the Act, as per Composition stipulated in the Corporate Governance Report forming part of the Annual Report. The Board after consultations approved the Corporate Social Responsibility Policy for the Company and disclosed its contents has been elaborated in the Corporate Governance Report. Corporate Social Responsibility Policy of the Company forming part of the Boards Report is enclosed [Annexure-I](#). The details of the CSR Policy is also posted on the Web site of the Company and may be accessed at the link [www.hbstockholdings.com](http://www.hbstockholdings.com)

A sum of ₹ 2.45 Lakhs was to be incurred on the programme relating to Corporate Social Responsibility however no suitable / viable project of such small size cannot be ascertained hence the amount was not spent during 2014-2015. However, the Board shall endure to spend the amount in the ensuing financial year along with current year contribution.

### Nomination and Remuneration Committee

A Nomination and Remuneration Committee was reconstituted by the Board in terms of Section 178 of the Companies Act, 2013 comprises of all Independent directors on the Board of the Company. Nomination and Remuneration Policy of the Company forming part of the Boards Report is enclosed [Annexure-II](#). The detailed terms of reference of the Nomination and Remuneration Committee, number and date of the meetings held, attendance of the Directors etc. are given separately in the attached Corporate Governance Report.

### Vigil Mechanism / Whistle blower Policy

In compliance of Section 177 (9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the company approved a Vigil mechanism / Whistle Blower Policy effective from 01<sup>st</sup> October, 2014, enabling stakeholders, to freely communicate their concerns about illegal or unethical practices and for the directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics Policy. No matter relating to Vigil mechanism was reported during the year under review. The Whistle Blower Policy approved by the Board of Directors is also posted on the website and may be accessed at the link [www.hbstockholdings.com](http://www.hbstockholdings.com)

### Directors

During the year under review, Mr. Pradeep Kumar Mittal- Director, resigned from the Board with effect from 1<sup>st</sup> December 2014 and Mr. J M L Suri, resigned as Executive Director of the Company at the close of business hours on 21<sup>st</sup> May 2015. Resignation(s) were accepted by the Board and placed on record its appreciation for the valuable services rendered by Mr. Pradeep Kumar Mittal and Mr. J M L Suri as the Director(s) of the Company during their respective tenures of office.

Board of Directors in terms of Sec 161 of the Companies Act, 2013 appointed Mrs. Asha Mehra a Woman Director (in the Independent category) as an Additional Director effective from 30<sup>th</sup> March 2015 and her term of office shall be upto the date of the ensuing Annual General Meeting. A Notice along with security deposit was received from a member proposing her for appointment as an Independent Director in the ensuing Annual General Meeting for a consecutive term of 5 (Five) years. As an Independent Director she shall not be liable to retire by rotation.

As per Article 89(1) and (2) of the Article of Association of the Company and the provisions of



Section 152 of the Companies Act, 2013, Mr. Lalit Bhasin shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

#### **Meeting of Board of Director(s)**

During the year under review, Four Board Meetings were convened and held respectively on 17<sup>th</sup> May 2014; 06<sup>th</sup> August 2014; 12<sup>th</sup> November 2014; and 11<sup>th</sup> February, 2015. The details of such meeting(s) are also given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013

#### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance and of all the directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration and other Compliance Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

#### **Declaration by Independent Directors**

Mr. Gulshan Rai, Mr. Harbans Lal and Mrs Asha Mehra are Independent Director(s) on the Board of the company. The Company has received declarations under Section 149(6) of the Companies Act from all the Independent Director(s) of the Company confirming that they respectively met with the criteria of Independence as prescribed both in Companies Act 2013 and in Clause 49 of the Listing Agreement.

#### **Directors' Responsibility Statement**

Pursuant to Section 134 (3) (c) and sub section (5) of the Companies Act, 2013, The Directors Responsibility Statements, it is hereby stated that a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures; b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period; c ) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; d) The Directors had prepared the annual financial statements have been prepared on a going concern basis and e) The Directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively. f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Statutory Auditors**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules framed thereunder, 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.

#### **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s A N Kukreja & Co. a Firm of Company Secretary in Practice was appointed to undertake the Secretarial Audit for 2014-2015 of the company. The Secretarial Audit Report in MR-3 is annexed herewith and marked as Annexure-III.

#### **Observation on Auditor's and Secretarial Auditor's Report**

Statutory Auditor's and Secretarial Auditor's observations, if any, in their respective report(s), have been suitably explained by way of appropriate notes to accounts and also in the Board's Report wherever it was considered necessary.

#### **Particulars of Employees**

As required pursuant to Section 197 of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 in respect of employees of the Company have been forms part of the Director's Report and marked as Annexure to Directors' Report as given below.

#### **Details relating to Remuneration of Directors, Key Managerial Personnel and Employee**

Disclosure pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 is marked as Annexure-IV which is annexed hereto and forms a part of the Board's Report.

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

#### **Extract of Annual Return**

The details forming part of the extract of the Annual Report in Form MGT-9 as required under section 92 of the Companies Act, 2013 is annexed herewith as "Annexure-V"

#### **Information as per Section 134 (3) (m) of the Companies Act, 2013:**

The particulars under Section 134 (3)(m) of the Companies Act, 2013 read with Rules 8(1) of Companies (Accounts) Rules 2014, information in respect of conservation of energy and technology absorption are not applicable to your Company.

During the year under review there have been no Earnings or outgo of Foreign Exchange.

#### **General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **Acknowledgment**

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 : 21<sup>st</sup> May, 2015

**Lalit Bhasin**  
Chairman  
DIN : 00002114

#### **ANNEXURE TO DIRECTORS' REPORT**

Information as per Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and forming part of Directors' Report for the year ended 31st March 2015.

Name of Employee/ Age (Years)	Date of Employment	Qualifications	Designation/ Nature of job	Gross Remuneration (₹) during the year ended 31st March 2015	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 57 Yrs.	30-04-2007	AICWA, MBA from IIM Ahmedabad. Advance Management Programme from Wharton Business School, USA	Managing Director	₹ 86,29,171/-	Group CFO, Renaissance Services SAOG, Oman	36	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 of Managing Director is contractual and he does not hold any Equity Shares in the Company.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY****1. PREAMBLE:**

The Board of Directors (the "Board") of HB Stockholdings Limited (the "Company" or "HBSH") in their meeting held on 11<sup>th</sup> February, 2015 has approved the following Corporate Social Responsibility Policy (CSR Policy) on the recommendation of the Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors as per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time. This Policy is effective from 11<sup>th</sup> February, 2015.

**2. SHORT TITLE & APPLICABILITY:**

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

**3. THE COMPANY'S APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY:**

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

**4. ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY:**

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

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

- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by Central Government;
- (x) Rural development projects;
- (xi) Such other matters as may be prescribed by the Central Government and approved by the Board of Directors/ CSR Committee, as the case may be.

**5. IMPLEMENTATION MECHANISM**

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

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

**6. PLANNING AND COORDINATION**

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

**7. MONITORING AND EVALUATION**

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

**8. ALLOCATION OF FUNDS**

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

**9. REPORTING**

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

**10. GENERAL**

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

## NOMINATION AND REMUNERATION POLICY

### 1. PREAMBLE:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company, this policy on nomination and remuneration of Directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC/Committee") and approved by the Board of Directors of the Company at their meeting held on 11<sup>th</sup> February, 2015, in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

### 2. OBJECTIVE:

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

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

### 3. DEFINITIONS:

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

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company both executive and non-executive.

"Key Managerial Personnel (KMP)" means

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

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

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

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

#### A. Appointment Criteria and Qualifications

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

#### B. Term / Tenure

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

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

##### (II) Independent Director:

- a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b) No Independent Director shall hold office for more than two consecutive terms of upto maximum of five (5) years each, but such Independent Director shall be eligible for appointment after expiry of three years of

ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

### C. Evaluation

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

### D. Removal

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

### E. Retirement

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

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

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

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

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

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

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

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

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

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

### 8. REVIEW AND AMENDMENT:

- a) The Committee or the Board may review the policy as and when it deems necessary.
- b) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this policy, if it thinks necessary.
- c) This policy may be amended or substituted by the Committee or by the Board as and when required and also by the Company Secretary where there is any statutory changes necessitating the change in the policy.



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**

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

To,  
**The Members of**  
**HB Stockholdings Limited.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HB Stockholdings Limited** CIN: L65929HR1985PLC033936 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **HB Stockholdings Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31<sup>st</sup> March, 2015** complied with statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by HB Stockholdings Limited for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings\*.
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999\*.
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\*;
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*.
  - (vi) The Other Laws applicable specifically to the Company are:
    - (a) The Reserve Bank of India Act, 1934.
      - (i) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
      - (ii) The Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 and other applicable Directions, Guidelines, Standards/ instructions issued by RBI.

The Company is an NBFC-ND-SI and holds valid Certificate of Registration No. 14.01345 dated 26.07.2000 issued under Section 45IA of the Reserve Bank of India Act, 1934. The Company has complied with the provisions of above Act, Directions, Guidelines, standards and instructions issued by Reserve Bank of India to the extent applicable.
    - (b) Prevention of Sexual Harassment of Women at Workplace (Prohibition and Redressal) Act, 2013.

\*Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv), SEBI Regulations listed at sub-para (v) Serial Nos. ©, (d), (e), (g) and (h) above are not applicable to the Company for 2014-15 as there were no corporate decisions/actions attracting these regulations.
2. We have also examined the compliances with the applicable clauses of the Listing Agreements entered into by the Company with the Bombay Stock Exchange Ltd and the National Stock Exchange of India Ltd. The Secretarial Standards issued by the ICSI are not applicable for the financial year 2014-15
3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (a) *The Company could not spend the eligible profit on Corporate Social Responsibility measures. However the Company has constituted the CSR Committee as per applicable provisions of the Act.*
4. We further report that:
  - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - (c) Majority decisions are carried through while dissenting members' views are captured and recorded as part of the minutes.
5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules/regulations were taken except the following major decision by the members under Section 180 of the Companies Act, 2013:
 

Approval of shareholders was obtained at the Annual General Meeting held on 23<sup>rd</sup> September, 2014 for increase of borrowing powers of the Board up to rupees 300 crore exclusive of interest, under Section 180(1) (c) of the Companies Act, 2013.

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

**For A.N. Kukreja & Co.**  
**Company Secretaries**

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

**Place :** New Delhi  
**Date :** 21st May, 2015

Annexure 'A'

To,  
**The Members of**  
**HB Stockholdings Limited**

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

**For A.N. Kukreja & Co.**  
**Company Secretaries**

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

**Place :** New Delhi  
**Date :** 21st May, 2015

## ANNEXURE - IV

**DETAILS PERTAINING TO THE REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:**

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

S. No.	Name of the Director/KMP'S	Designation	% Increase in remuneration in the financial year 2014-15	Ratio of Remuneration of each Director /to median remuneration of employees
1.	Mr. Lalit Bhasin	Director (Non-executive)	Nil	Nil
2.	Mr. Anil Goyal	Director (Non-executive)	Nil	Nil
3.	Mr. Gulshan Rai	Director (Non-executive)	Nil	Nil
4.	Mr. Harbans Lal	Director (Non-executive)	Nil	Nil
5.	Mrs. Asha Mehra	Director (Non-executive)	Nil	Nil
6.	Mr. Vijay Sood	Managing Director	Nil	26.60:1
7.	Mr. Jag Mohan Lal Suri	Executive Director	Nil	5.42:1
8.	Mr. Mahesh Kumar Gupta	Chief Financial Officer	Nil	
9.	Mr. Anil Kumar Mittal	Company Secretary	Nil	

**Note:** No Director received any remuneration other than sitting fee during the financial year 2014-15. Only Managing and Executive Directors are paid remuneration during the year.

- The percent increase in the median remuneration of employees in the financial year: **NIL**
- No. of permanent employees on the rolls of the Company as on 31<sup>st</sup> March 2015: **07(Seven)**
- The explanation on the relationship between average increase in the remuneration and Company performance: **Not Applicable**
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

(₹ In Lakhs)	
Remuneration of Key managerial Personnel during financial year 2014-15	127.84
Revenue from Operations	813.27
Remuneration (as % of revenue)	16.00
Profit before tax (PBT)	504.83
Remuneration(as % of PBT)	25.00

- Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer: **NIL**
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **NIL**
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

(₹ In Lakhs)				
Particulars	Managing Director	Executive Director	Chief Financial Officer	Company Secretary
Remuneration	86.29	17.58	13.65	10.32
Revenue	813.27	813.27	813.27	813.27
Remuneration (as % of revenue)	10.61	2.16	1.68	1.27
Profit before tax (PBT)	504.83	504.83	504.83	504.83
Remuneration(as % of PBT)	17.09	3.48	2.70	2.04

- The key parameters for any variable component of remuneration availed by the directors : **NIL**
- The ratio of the Remuneration of the highest paid Director to that of the Employees who are not directors but receive remuneration in excess of the highest paid Director during the year: **None**
- It is hereby confirm that the remuneration paid is as per the remuneration policy of the Company.

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2015**

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

**I. REGISTRATION & OTHER DETAILS:**

i)	CIN	L65929HR1985PLC033936
ii)	Registration Date	30-07-1985
iii)	Name of the Company	HB Stockholdings Limited
iv)	Category / Sub-Category of the Company	Public Company / Limited by Shares
v)	Address of the Registered office and contact details	Plot No. 31, Echelon Institutional Area, Sector – 32, Gurgaon 122001, Haryana Website: www.hbstockholdings.com, Email: corporate@hbstockholdings.com
vi)	Whether listed company	Yes ( BSE & NSE Stock Exchanges)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	RCMC Share Registry Pvt. Ltd. B- 25/1, First Floor, Okhla Industrial Area, Phase- II, New Delhi- 110020 Phone: 011-26387320/ 21/ 23, Fax: 011-26387322 Web site: rcmcdelhi.com, Email : shares@rcmcdelhi.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

Sl. No.	Name & Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Dealing in Securities & other Financial Assets.	6430	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	Mount Finance Limited	U67120MH1985PLC038136	Subsidiary	100	2(87)(ii)
2	Taurus Asset Management Co. Limited	U67190MH1993PLC073154	Associate	20.11	2(6)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
(1) Indian									
a) Individual/ HUF	12562307	0	12562307	52.80	12562307	0	12562307	52.80	-
b) Central Govt.	0	0	0	0	0	0	0	0	-
c) State Govt. (s)	0	0	0	0	0	0	0	0	-
d) Bodies Corp.	98814	0	98814	0.42	98814	0	98814	0.42	-
e) Banks / FI	0	0	0	0	0	0	0	0	-
f) Any Other	0	0	0	0	0	0	0	0	-
<b>Sub-total (A) (1):-</b>	<b>12661121</b>	<b>0</b>	<b>12661121</b>	<b>53.22</b>	<b>12661121</b>	<b>0</b>	<b>12661121</b>	<b>53.22</b>	<b>-</b>
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	-
b) Other - Individuals	0	0	0	0	0	0	0	0	-
c) Bodies Corp.	0	0	0	0	0	0	0	0	-
d) Banks / FI	0	0	0	0	0	0	0	0	-
e) Any Other	0	0	0	0	0	0	0	0	-
<b>Sub-Total (A)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>12661121</b>	<b>0</b>	<b>12661121</b>	<b>53.22</b>	<b>12661121</b>	<b>0</b>	<b>12661121</b>	<b>53.22</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	350	8250	8600	0.04	350	8250	8600	0.04	-
b) Banks / FI	19,900	290	20190	0.08	19900	290	20190	0.08	-
c) Central Govt.	0	0	0	0	0	0	0	0	-
d) State Govt. (s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i) Others (specify)	0	0	0	0	0	0	0	0	-
<b>Sub-total (B)(1):-</b>	<b>20250</b>	<b>8540</b>	<b>28790</b>	<b>0.12</b>	<b>20250</b>	<b>8540</b>	<b>28790</b>	<b>0.12</b>	<b>-</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	1853675	38554	1892229	7.95	2003108	38554	2041662	8.58	0.63
ii) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3456744	3808906	7265650	30.54	3407069	3736583	7143652	30.03	(0.51)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1596590	0	1596590	6.71	1518449	0	1518449	6.38	(0.33)
c) Others (specify) Clearing members	17182	0	17182	0.07	67359	0	67359	0.28	0.21
Non residents	210729	119927	330656	1.39	211708	119477	331185	1.39	-
Foreign Com	0	0	0	0	0	0	0	0	-
Trusts	0	0	0	0	0	0	0	0	-
<b>Sub-total(B)(2):-</b>	<b>7134920</b>	<b>3967387</b>	<b>11102307</b>	<b>46.66</b>	<b>7207693</b>	<b>3894614</b>	<b>11102307</b>	<b>46.66</b>	<b>-</b>
<b>Total Public Share- holding (B)=(B)(1)+ (B)(2)</b>	<b>7155170</b>	<b>3975927</b>	<b>11131097</b>	<b>46.78</b>	<b>7227943</b>	<b>3903154</b>	<b>11131097</b>	<b>46.78</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	-
<b>Grand Total (A+B+C)</b>	<b>19816291</b>	<b>3975927</b>	<b>23792218</b>	<b>100</b>	<b>19889064</b>	<b>3903154</b>	<b>23792218</b>	<b>100</b>	<b>-</b>

## (ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Lalit Bhasin	12262307	51.54	0	12262307	51.54	0	0
2	Ayush Kapur	75000	0.32	0	75000	0.32	0	0
3	Kanishk Kapur	75000	0.32	0	75000	0.32	0	0
4	Manasvin Arora	75000	0.32	0	75000	0.32	0	0
5	Mehar Arora	75000	0.32	0	75000	0.32	0	0
6	Merrygold Investments Ltd	30494	0.13	0	30494	0.13	0	0
7	RRB Master Holdings Ltd	68320	0.29	0	68320	0.29	0	0
	<b>Total</b>	<b>12661121</b>	<b>53.22</b>	<b>0</b>	<b>12661121</b>	<b>53.22</b>	<b>0</b>	<b>0</b>

## (iii) Change in Promoters' Shareholding : NONE

## (iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs):

Sl. No.	For Each of the Top Ten Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	DELHI IRON & STEEL CO. PVT. LTD					
	At the beginning of the year	1/4/2014	1029 251	4.33	1029251	4.33
	15-08-2014	Transfer	-13329	-0.06	1016022	4.27
	12-9-2014	Transfer	33515	0.14	1049537	4.80
	19-09-2014	Transfer	93531	0.39	1143068	4.80
	30-09-2014	Transfer	40775	0.17	1185499	4.98
	3-10-2014	Transfer	1656	0.01	1185499	4.98
	10-10-2014	Transfer	1575	0.01	1187074	4.99
	At the end of the year	31-03-2015			1187074	4.99



Sl. No.	For Each of the Top Ten Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
2	ASHARI AGENCIES #					
	At the beginning of the year	1/4/2014	3,80,000	1.60	380000	1.60
	19-09-2014	Transfer	9533	0.04	389533	1.64
	24-10-2014	Transfer	9829	0.04	399362	1.68
	20-03-2015	Transfer	-399362	-1.68	0	0
	At the end of the year	31-03-2015			0	0
3	ROHIT KHULLAR					
	At the beginning of the year	1/4/2014	248511	1.045	248511	1.04
	7-11-2014	Transfer	1269	0.01	249780	1.05
	18-04-2014	Transfer	-1269	-0.01	248511	1.04
	At the end of the year	31-03-2015			248511	1.04
	4	AJAY KUMAR AGGARWAL				
At the beginning of the year		1/4/2014	126662	0.53	126662	0.53
At the end of the year		31-03-2015			126662	0.53
5	RAJESH JAIN					
	At the beginning of the year	1/4/2014	124075	0.52	124075	0.52
	At the end of the year	31-03-2015			124075	0.52
6	BHAVESH SHAH #					
	At the beginning of the year	1/4/2014	108721	0.46		
	13-03-2015	Transfer	21715	0.46	108721	0.046
			-98654	-0.41	31782	0.13
	At the end of the year	31-03-2015			31782	0.13
7	NEERAJ GUPTA #					
	At the beginning of the year	1/4/2014	80000	0.34		
	2-5-2014	Transfer	-22508	-0.09	57492	0.24
	9-5-2014	Transfer	-4492	-0.02	53000	0.22
	16-05-2014	Transfer	-23000	-0.10	30000	0.13
	23-05-2014	Transfer	-30000	-0.13	0	0
	At the end of the year	31-03-2015			0	0
8	AJAY KUMAR GUPTA					
	At the beginning of the year	1/4/2014	74508	0.31	74508	0.31
	23-05-2014	Transfer	600	0	75108	0.32
	12-9-2014	Transfer	-5000	-0.02	70108	0.29
	19-09-2014	Transfer	-9999	-0.04	60109	0.25
	At the end of the year	31-03-2015			60109	0.25
9	KUMARA SWAMY BS					
	At the beginning of the year	1/4/2014	70442	0.30	70442	0.30
	At the end of the year	31-03-2015			70442	0.30
10	RAJESH JAIN					
	At the beginning of the year	1/4/2014	69585	0.29	69585	0.29
	30-09-2014	Transfer	-22093	-0.09	47492	0.20
	5-12-2014	Transfer	98	0	47590	0.20
	31-12-2014	Transfer	13143	0.06	60733	0.26
	9-1-2015	Transfer	100	0	60833	0.26
	At the end of the year	31-03-2015			60833	0.26

Sl. No.	For Each of the Top Ten Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
11	ANAND RATHI SHARE AND STOCK BROKERS LTD @					
	At the beginning of the year	1/4/2014	0	0	0	0
	4-4-2014	Transfer	3087	0.01	3087	0.01
	11-4-2014	Transfer	100	0	3187	0.01
	18-04-2014	Transfer	-100	0	3087	0.01
	25-04-2014	Transfer	70	0	3157	0.01
	2-5-2014	Transfer	-20	0	3137	0.01
	9-5-2014	Transfer	-50	0	3087	0.01
	16-05-2014	Transfer	1870	0.01	4987	0.02
	23-05-2014	Transfer	-1820	-0.01	3137	0.01
	30-05-2014	Transfer	250	0	3387	0.01
	6-6-2014	Transfer	1700	0.01	5087	0.02
	13-06-2014	Transfer	-2000	-0.01	3087	0.01
	30-06-2014	Transfer	250	0	3337	0.01
	11-7-2014	Transfer	-40	0	3297	0.01
	18-07-2014	Transfer	-58	0	3239	0.01
	25-07-2014	Transfer	195	0	3434	0.01
	1-8-2014	Transfer	-251	0	3087	0.01
	8-8-2014	Transfer	-96	0	3087	0.01
	12-9-2014	Transfer	5	0	3092	0.01
	19-09-2014	Transfer	2145	0.01	5237	0.02
	30-09-2014	Transfer	-2050	-0.01	3187	0.01
	10-10-2014	Transfer	-100	0	3087	0.01
	17-10-2014	Transfer	500	0	3587	0.02
	24-10-2014	Transfer	-500	0	3087	0.01
	31-10-2014	Transfer	70	0	3157	0.01
	7-11-2014	Transfer	-70	0	3087	0.01
	14-11-2014	Transfer	50	0	3137	0.01
	21-11-2014	Transfer	1000	0	4137	0.02
	28-11-2014	Transfer	-1050	0	3087	0.01
	5-12-2014	Transfer	195	0	3282	0.01
	12-12-2014	Transfer	-195	0	3087	0.01
	19-12-2014	Transfer	505	0	3592	0.02
	31-12-2014	Transfer	-417	0	3175	0.01
	2-1-2015	Transfer	-88	0	3087	0.01
	23-01-2015	Transfer	666	0	3753	0.02
	30-01-2015	Transfer	-666	0	3087	0.01
	20-02-2015	Transfer	200	0	3287	0.01
	27-02-2015	Transfer	-200	0	3087	0.01
	6-3-2015	Transfer	300	0	3387	0.01
	13-03-2015	Transfer	-300	0	3087	0.01
27-03-2015	Transfer	103204	0.43	106291	0.45	
31-03-2015	Transfer	-50204	0.21	56087	0.24	
	At the end of the year	31-03-2015	56087		0.24	
12	R M FINANCIAL SERVICES PVT LTD @					
	At the beginning of the year	1/4/2014	0	0	0	0
	23-03-2015	Transfer	394142	1.66	39142	1.66
	At the end of the year	31-03-2015	394142		1.66	
13	MANGILAL PARAKH @					
	At the beginning of the year	1/4/2014	0	0	0	0
	4-4-2014	Transfer	61089	0.26	61089	0.26
	At the end of the year	31-03-2015	61089		0.26	

**Notes:**

@ Not in the list of Top 10 shareholders as on 01-04-2014. The same has been reflected above since the shareholder was not one of the top 10 shareholders as on 31-03-2015.

# Ceases to be in the list of top 10 shareholders as on 31-03-2015. The same is reflected above, since the shareholder was one of the top 10 shareholders as on 01-04-2014.

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

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Lalit Bhasin	12262307	51.54	12262307	51.54
2	Mr. Anil Goyal	0	0	0	0
3	Mr. Jag Mohan Lal Suri	1000	Insignificant	1000	Insignificant
4	Mr. Gulshan Rai	0	0	0	0
5	Mr. Harbans Lal	0	0	0	0
6	Mr. Vijay Sood	0	0	0	0
7	Mrs. Asha Mehra *	N A	NA	0	0
8	Mr. Mahesh Kumar Gupta CFO	0	0	0	0
9	Mr. Anil Kumar Mittal CS	0	0	0	0

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

\*Appointed as an Additional Director w. e. f 30<sup>th</sup> March, 2015.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding : **NONE**

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A) Remuneration to Managing Director, Whole-Time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director		Total Amount (₹)
		Mr. Vijay Sood	Mr. JML Suri	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56,22,000	9,00,000	65,22,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	30,07,171	723,000	37,30,171
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
5	Others, PF & Superannuation	0	135000	135000
	<b>Total (A)</b>	<b>86,29,171</b>	<b>17,58,000</b>	<b>103,87,171</b>
	Ceiling as per the Act	10 % of the net Profit of the Company to be calculated as per Sec198 of the Companies Act, 2013		

## B) Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Director(s)			
		Mr. Gulshan Rai	Mr. Harbans Lal	Mr. Pradeep Kr Mittal	Mrs. Asha Mehra #
1.	<b>Independent Director(s)</b>				
	Fee for attending Board / Committee Meetings	97,000	1,00,000	68,000	Nil
	Commission	0	0	0	0
	Others, please specify	0	0	0	0
	<b>Total (1)</b>	<b>97,000</b>	<b>1,00,000</b>	<b>68,000</b>	<b>0</b>
				<b>TOTAL</b>	<b>3,95,000</b>
2	<b>Other Non -Executive Director(s)</b>	<b>Lalit Bhasin</b>	<b>Anil Goyal</b>		
	Fee for attending Board / Committee Meetings	45,000	85,000		
	Commission	0	0		
	Others, please specify	0	0		
	<b>Total (B)=(1+2)</b>	<b>45,000</b>	<b>85,000</b>		
				<b>TOTAL</b>	<b>1,30,000</b>
	Total Managerial Remuneration				5,25,000
	Ceiling as per the Act	Sitting fee are paid to the Non Executive Directors of the Company and as per the provisions of Companies Act, 2013			

# appointed as Director on 30-03-2015

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,64,000	7,44,000	13,08,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,00,400	5,31,882	9,32,282
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission			
	- as % of profit	0	0	0
	- others, specify	0	0	0
5	Others, PF	67,680	89,280	1,56,960
	<b>Total</b>	<b>10,32,080</b>	<b>13,65,162</b>	<b>23,97,242</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Operating Results

The Total Revenue earned by the Company during the year was ₹ 813.27 Lakhs as compared to ₹ 1469.06 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 ₹ 308.45 Lakhs as compared to ₹ 343.84 Lakhs during the previous year. Interest and financial charges were Nil during the current and previous year.

### 2. Business Analysis during 2014-2015

The financial year 2014-2015, the Indian economy posted an improvement in its growth dynamics. Due to positive changes in sentiment associated with the political stability in May 2014, the commodity prices environment remained benign since July 2014.

There is overall optimism and the fact that the Indian Economy is set to receive a major impetus owing to prudent policy reform and expected rate cuts by RBI and reduction of Current account deficit, the company is also expected to improve its performance.

During the year under review, Revenue from Operations was ₹ 813.27 Lakhs (₹ 1454.28 Lakhs in previous year) and Net Profit after exceptional items was ₹ 499.54 Lakhs (₹ 998.80 Lakhs in the previous year). Securities Trading including Equity derivative trading Profit was ₹ 26.56 Lakhs (previous year Loss of ₹ 11.48 Lakhs) Profit booked on Sale of Investments during the year was ₹ 107.54 Lakhs (previous year's profit of ₹ 864.27) Provision for diminution in the value of investment written back was ₹ 347.37 Lakhs during the year under review (previous year ₹ 436.85 Lakhs)

### 3. Future Prospects and Outlook

Outlook for Indian Economy for the FY 2015-2016 appears to be optimistic. Indian Economy is poised to return to a higher growth path, thanks to lower fiscal and current account deficits, fall in inflation, benign commodity prices and structural reforms to boost investment. Monetary policy is likely to be supportive with the RBI having moved to flexible inflation targeting. All the sectors of the economy particularly manufacturing sector is likely to benefit most from lower interest rates. The share of investment in Gross Domestic Products (GDP) which has shrunk to 29% is expected to pick up with these measures initiated by the Government.

International rating agencies may upgrade India's sovereign out look to positive from stable and foreign investors are looking to India as an important Investment destination.

### 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

- a) Share Capital: The Company's issued and subscribed share capital consists of Equity Share Capital only. The Paid-up Share Capital of the company as at 31<sup>st</sup> March 2015 stood at ₹ 2433.54 lakhs (including ₹ 54.32 Lakhs towards the original amount paid up on equity share forfeited.) comprised of 2,37,92,218 Equity Shares of ₹ 10/- each.
- b) Reserves and Surplus: During the year under review, the balance is ₹11082.92 Lakhs (previous year ₹ 10583.38 lakhs)
- c) Fixed Assets stood at ₹ 32.13 Lakhs (₹ 53.96 Lakhs in the previous year.)
- d) Non Current Investments stood at ₹ 8820.00 Lakhs (previous year ₹ 8970.82 Lakhs)
- e) Current Assets stood at ₹ 4751.68 Lakhs (previous year ₹ 5046.40 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.

## CORPORATE GOVERNANCE REPORT

### Corporate Governance philosophy of the Company

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 of Directors as on 31<sup>st</sup> March 2015

As on 31<sup>st</sup> March 2015, the Board of Directors of the Company comprises of 7 Directors, out of whom 5 are Non-Executive Directors and 3 are Independent Directors. Mrs. Asha Mehra is the Woman Director on the Board of the Company. The Shareholders of the Company shall take up her appointment as an Independent Director in the ensuing Annual General Meeting. Mr. Lalit Bhasin, Promoter of the Company is the Non-Executive Chairman of the Board since 30<sup>th</sup> June 2004. The strength of the Independent Director(s) shall be 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 the date of adoption of the Corporate Governance Report is in conformity of Clause 49 of the Listing Agreement as amended from time to time.

### Number of Board Meeting(s)

During the year under review (1-04-2014 to 31-03-2015), the Board of Directors of the Company met Four (4) times respectively on 17<sup>th</sup> May 2014; 06<sup>th</sup> August 2014; 12<sup>th</sup> November 2014; and on 11<sup>th</sup> February, 2015. The time gap between the 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 as on 31<sup>st</sup> March 2015 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	8	3	4	1	4	4	Yes	1,22,62,307 (51.54%)
Mr. Pradeep Kumar Mittal \$ Independent Non Executive	01	Nil	Nil	Nil	3	3	Yes	Nil
Mr. Gulshan Rai Independent & Non Executive	Nil	Nil	Nil	Nil	4	4	Yes	NIL
Mr. Harbans Lal Independent & Non Executive	Nil	Nil	Nil	Nil	4	4	Yes	NIL
Mr. Anil Goyal Independent Non Executive	08	Nil	5	0	4	4	Yes	NIL
Mrs. Asha Mehra # Independent Non Executive Woman Director	01	Nil	Nil	01	0	0	NA	NIL
Mr. J.M.L. Suri Executive Director	09	Nil	4	2	4	3	Yes	1000 (Not Significant)
Mr. Vijay Sood Managing Director	2	Nil	1	1	4	4	Yes	Nil

\$ Director up to 01-12-2014 #Appointed Director on 30-03-2015

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, 2013. Accordingly, after appointment of 3 Independent Directors on the Board (these shall not be retiring by rotation), and Managing Director being not liable to retire by rotation. In order to comply with the provisions, terms of office of Mr. J M L Suri, Executive Director was modified so as to make him liable to retire by rotation for rest of his tenure. Mr. Lalit Bhasin Director being longest in the office as director shall retire by rotation at the ensuing Annual General Meeting to be held in September 2015 and 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 28<sup>th</sup> Annual General Meeting of the Company.

### Board Committee(s)

All mandatory Board Committees are in place as on 31<sup>st</sup> March 2015 and their Constitution fully meets the requirements as stipulated in Clause 49 of the Listing Agreement and as per Companies Act, 2013 as amended from time to time. In terms of Clause 49, the number of Committees' (Audit Committee and Stakeholders Relationship Committee) of public limited Companies shall only be counted in which a Director become member / Chairperson were counted for the limits as provided in the said Clause 49. All the Directors of the company are holding Committee membership/ Chairmanship within these limits. The number of Directorship of each Independence Director is also within the limits prescribed under Clause 49.

In order to Comply with Clause 49 of the Listing Agreement and as per the Companies Act, 2013, the following Board Committees are in existence:-

#### (A) AUDIT COMMITTEE (AC):

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. Anil Goyal,  | Member   |
| 3. Mr. Harbans Lal, | Member   |

All the members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

Mr. Vijay Sood, Managing Director and Mr. J. M. L. Suri, Executive Director, are the permanent invitees at the Audit Committee Meetings. In addition to that the Internal and Statutory Auditor(s) of the Company are regularly attends the Audit Committee Meeting(s).

As per Sec 177(4) of the Companies Act, 2013, present scope of Audit Committee has been specified hereunder:-

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.

Further to that the Audit Committee may call for the comments of the Auditors about internal control systems, the scope of audit, including the observations of the Auditors and review of financial statement before their submission to the Board. The Board may also discuss any related issues with the internal and statutory auditors and with the management of the company.

The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of the Companies Act 2013 or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

Both Internal and Statutory Auditors of the company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the Auditor's Report but they shall not have the right to vote on any resolution.

During the year under review, 4 (Four) Audit Committee Meeting(s) were held respectively on 17-05-2014, 06-08-2014, 12-11-2014 and on 11-02-2015. 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) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

In order to comply amended Clause 49 of the Listing Agreement and Sec 178 of the Companies Act, 2013, the Investors Grievances Committee of the Board was renamed as Stakeholders Relationship Committee in the Board Meeting held on 17<sup>th</sup> May 2014. Presently Committee comprises of two members viz. Mr. Harbans Lal and Mr. J.M.L. Suri. The Company Secretary being the compliance officer and acts as the Secretary to the Committee.

The terms of reference of the Stakeholders Relationship Committee, inter alia, include the following:-

- 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.
- Consider, review and monitor the Investors Complaints received from Stock Exchanges, SEBI and CDSL/NSDL.

During the year ended 31<sup>st</sup> March 2015, Stakeholders Relationship Committee 4 (Four) Meeting(s) were held respectively on 17-05-2014, 6-08-2014, 12-11-2014 and on 19-02-2015. All the 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) NOMINATION AND REMUNERATION COMMITTEE(NRC):

Existing Remuneration Committee of the Board has been renamed in the Board meeting held on 17<sup>th</sup> May 2014 as per the amendment in Clause 49 of the Listing Agreement read with Sec 178 of the Companies Act, 2013. Mr. P K Mittal resigned as member and Mrs. Asha Mehra was co-opted as Committee members effective from 30<sup>th</sup> March 2015. Reconstituted Nomination and Remuneration Committee (NRC) as on 31-03-2015 comprises of the following members:-

- Mr. Harbans Lal- Chairman
- Mr. Gulshan Rai- Member
- Mrs. Asha Mehra – Member

As per Clause 49 of the Listing Agreement read with Sec 178 of the Companies Act, 2013, all the Committee members are Non-Executive Independent Director(s) of the Company to complies with the requirements. The Committee is governed by a Policy.

The terms of reference of the Committee shall inter alia include the following:-

- To lay down the Criteria on which Independent Directors shall be judged.
  - Committee shall identify persons who are qualified to become directors of the Company
  - Persons who may be appointed in Senior management position in accordance with the criteria laid down
  - Committee to recommend to the Board the appointment, re-appointment and removal of Directors and Independent Directors
  - To carry out evaluation of performance of all the Directors of the Company
- During the year ended 31<sup>st</sup> March-2015, Nomination and Remuneration Committee met 3 times on 17<sup>th</sup> May 2014, 11<sup>th</sup> February 2015 and on 25<sup>th</sup> March 2015. All meetings were attended by the Committee members.

#### (D) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

In order to comply with the provisions of Sec 135 of the Companies Act, 2013 to read with Clause 49 of the Listing Agreement as amended from time to time a Corporate Social Responsibility Committee (CSR) was constituted by the Board in their meeting held on 17<sup>th</sup> May 2014.

As per Schedule VII of the Companies Act 2013, the said Corporate Social Responsibility (CSR) Committee shall peruse the following activities:-

- Formulate and recommend to the Board the Policies which shall indicate the activities to be undertaken by the Company out of the specified in schedule VII of the Companies Act, 2013,
- Recommend the amount of expenditure to be incurred on various activities of CSR.
- To provide guidance on various CSR activates to be undertaken by the Company and to monitor the progress of the policy of the company.

CSR Committee is constituted with the following members:-

- Mr. Lalit Bhasin - Chairman
- Mr. Gulshan Rai. - Independent Director
- Mr. Anil Goyal - Member

During the year ended 31<sup>st</sup> March-2015, Corporate Social Responsibility Committee met on 11<sup>th</sup> February 2015. The Committee meeting was attended by all the members.

#### Vigil Mechanism / Whistle Blower Policy

As per Sec 177(9) & 10 of the Companies Act, 2013, every listed Company shall have a Whistle Blower Policy and a Vigil Mechanism for its Employees and Directors to Report their genuine concerns and grievances in such manner as may be prescribed.

The Vigil Mechanism shall provide safe guards against victimization of employees and directors who avails such facility and shall be an open and direct access to the Chairperson of the Audit Committee or such designated members of the Board, as the case may be in exceptional cases.

A Draft of the Whistle Blower & Vigil Mechanism Policy has been formulated and approved by the Board and such Vigil Mechanism has been placed on the website of the Company.

#### **Remuneration Policy for Directors, KMP's and Senior Managerial Personnel**

The Nomination and Remuneration Committee recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management Personnel of the Company. A Remuneration policy has been outlined on the following lines:

- The Remuneration / Compensation / Commission etc. to be paid to Managing Director, Whole-time / Executive Director, Non-Executive Director / Independent Directors, KMP shall be governed as per applicable provisions of the Companies Act, 2013 and Rules made there under or any other enactment for the time being in force.
- The Non-Executive / Independent Director may receive remuneration by way of Sitting fee for attending the meeting of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- The Non-Executive / Independent Director may be paid Remuneration by way of Commission on Net Profit of the Company subject to the maximum of 3% of the Net Profit in a financial year to be computed as per Section 198 of the Companies Act, 2013.
- The remuneration payable to Senior Management Personnel shall be governed by the Company's HR Policy.

#### **Meeting of Independent Director's**

In order to comply with the Clause 49 of the Listing Agreement and Sec 134 (p) of the Companies Act, 2013 during the year ended 31<sup>st</sup> March 2015, a meeting of Independent Directors took place on 11<sup>th</sup> February 2015, inter alia to discuss:

- Evaluation of the performance of the Non Independent Directors and Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors. Non Independent Directors and Board of Directors as a whole;
- Evaluation of the quality, contents and timeliness of flow of information between the Management and the Board to effectively and reasonably perform its duties.

All the Independent Directors on the Board of the Company were present in the Meeting. A slide show relating to familiarization programme was displayed on the projector and a printed copy was provided to the Independent Directors of the Company.

#### **Remuneration to Non-Executive Director(s)**

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 01-04-2014 to 31-03-2015, Non-Executive Directors of the Company were paid remuneration as detailed below:

Director (s)	Relationship with other Director(s)	Sitting Fees (₹)	Salary & Perks (₹)	Commission, if any
Mr. Lalit Bhasin	N.A.	45,000	Nil	Nil
Mr. Gulshan Rai	N.A.	97,000	Nil	Nil
Mr. P K Mittal	N.A.	68,000	Nil	Nil
Mr. Harbans Lal	N.A.	1,00,000	Nil	Nil
Mr. Anil Goyal	N.A.	85,000	Nil	Nil
Mrs. Asha Mehra	N.A.	Nil	Nil	Nil

Payment of Sitting fee for Board and the Committee meeting(s) were fixed by the Board of Directors within the overall ceiling limits laid down under Rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act 2013 and revised from time to time.

#### **Remuneration to Whole Time Director(s)**

Mr. Vijay Sood Managing Director and Mr. J.M.L. Suri, Executive Director are paid Salary and other perquisites for the year ended March 31, 2015 and their aggregate value are as under:

- Mr. Vijay Sood Managing Director  
Rs. 86,29, 171/-
- Mr. J M L Suri Executive Director  
Rs.17,58,000/-

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. No stock options, Bonuses, performance linked incentives and pensions etc. are offered to Managing / Whole Time Directors of the Company for the year under review.

#### **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
2013-14	27 <sup>th</sup> AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	23-09-2014	11.00 A.M.
2012-13	26 <sup>th</sup> AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	23-08-2013	11.00 A.M.
2011-12	25 <sup>th</sup> AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	29-08-2012	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) Variation in the terms of reappointment of Mr. JML Suri, Executive Director of the Company. b) Adoption of new set of Articles of Association c) Authorisation to the Board to borrow funds in excess of Paid up Capital and Free reserve	27 <sup>th</sup> AGM on 23-09-2014
2..	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 <sup>th</sup> AGM on 23-08-2013
3.	No Special Resolution passed	25 <sup>th</sup> AGMon 29-08-2012

All the Resolution(s) passed in the year 2014 were through Postal Ballot and E voting process as per Rule 20 of the Chapter VII of the Companies Act, 2013.

#### Disclosures

##### I. Related Party Transactions

All the transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year are in the ordinary course of business and are on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year which were in conflict with interest of the company. Suitable disclosure as required by the Accounting Standards has been made in the notes to the financial statements.

The Board has approved a policy for Related Party Transactions which has been uploaded on the Company's website. [www.hbstockholdings.com](http://www.hbstockholdings.com)

- II. There were no materially significant Related Party Transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31-03-2015 (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.
- III. 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.
- IV. 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](http://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.
- V. Risk assessment and minimisation procedures are in existence and are reviewed periodically.
- VI. 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 and the Board of the holding Company for their review. A Policy for Material subsidiary has been formed and has been hosted on the Company's web site at [www.hbstockholdings.com](http://www.hbstockholdings.com)
- VII. 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 31.03.2015 to the Board of Directors for review. (The said certificate is annexed and forms part of the Annual Report)
- VIII. 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.

#### Means of Communication

- I. 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.
- II. Newspapers wherein results are normally published – Business Standard, English and Hindi Edition.
- III. Results (Unaudited & Audited) are promptly uploaded on Company's web site at [www.hbstockholdings.com](http://www.hbstockholdings.com) for display and for the information of the members of the company.
- IV. Company's website displays official news releases and also other important communications sent to Stock Exchange(s). 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 the same to be uploaded on the Company's website.

#### General Shareholder Information

- I. Ensuing Annual General Meeting Day, Date, time and venue:

Date	Time	Venue
Wednesday , 9 <sup>th</sup> September 2015	11.00 A. M.	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon- 122 001 (Haryana)

- II. Financial Year : 1<sup>st</sup> April 2014- 31<sup>st</sup> March 2015

- III. Date of Book Closure: 3<sup>rd</sup> September, 2015 to 9<sup>th</sup> September, 2015 (both days inclusive)

- IV. Dividend Payment Date: Not Applicable

- V. Listing on Stock Exchange(s)
  - Bombay Stock Exchange Ltd., Mumbai
  - National Stock Exchange of India Ltd. Mumbai.

- VI. Stock Code

The Company's Scrip Code is as follows:

**BSE , Mumbai 532216**  
**NSE, Mumbai HBSTOCK**

- VII. Dematerialisation of Share and Liquidity

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

The Company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) enabling their members for D materialisation of the shares of the Company. .

- VIII. The ISIN No. allotted to Equity Shares of the Company is **INE550B01014**.

As on 31-03-2015; 1,98,89,064 Equity Shares constituting 83.60% of the Company's Subscribed and Paid up Share Capital are held in dematerialised form.

- IX. **Market Price Data:** The monthly High, Low and Close price of Company's Equity Shares and Volume of shares traded during each month in the last financial year at BSE & NSE are as under:

	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-14	13.00	9.01	10.87	83670	13.30	8.55	9.90	181791
May-14	15.10	9.23	13.95	182326	15.25	9.05	13.90	213783
Jun-14	17.60	13.51	16.17	210344	17.80	12.70	16.50	330178
Jul-14	18.30	13.15	13.80	99282	17.65	12.90	14.30	147242
Aug-14	16.00	13.10	14.00	57087	16.00	13.00	13.55	106571
Sep-14	24.40	11.50	17.00	534184	24.60	11.20	16.95	826725
Oct-14	19.10	15.55	16.55	52206	19.05	15.25	16.50	40703
Nov-14	17.75	13.55	14.60	72748	17.90	13.25	14.70	74258
Dec-14	15.75	11.76	13.50	30111	16.50	11.40	13.55	97556
Jan-15	15.00	12.13	12.40	74736	15.45	12.20	12.70	72808
Feb-15	13.44	11.00	11.82	51347	13.85	10.35	11.95	114294
Mar-15	12.75	9.20	10.70	458153	13.75	8.80	10.50	143231

- X. The Distribution of shareholdings of the company as on 31<sup>st</sup> March 2015 is as under:

No of Shares	Shareholders		Shareholding	
	Nos.	% to total	Shares	% to total
1-500	69242	98.14	5593082	23.51
501-1000	702	0.99	545851	2.29
1001-2000	311	0.44	456812	1.92
2001-3000	88	0.12	224725	0.94
3001-4000	49	0.07	174782	0.73
4001-5000	36	0.05	164550	0.69
5001-10000	55	0.08	373700	1.57
10001 and above	73	0.10	16258716	68.34
<b>TOTAL</b>	<b>70556</b>	<b>100.00</b>	<b>23792218</b>	<b>100.00</b>

The category-wise distribution of Shareholding as on 31<sup>st</sup> March, 2015 is as follows:

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

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



**XIII The status of Investor's Grievance Redressal during the year 1-04-2014 to 31-03-2015 is as under:**

Grievance / Query received from	Received	Disposed of
Investors	0	0
Stock Exchange(s)	0	0
SEBI	9	9
NSDL	0	0
<b>Total</b>	<b>9</b>	<b>9</b>

**XIV Sh. Anil K. Mittal-** Company Secretary is the Compliance officer of the Company.

XV Registrar and Share Transfer Agent of the Company for Correspondence:

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 @ rcmcdelhi.com  
Web site : [www.rcmcdelhi.com](http://www.rcmcdelhi.com)

**The Company Secretary**  
**HB Stockholdings Ltd.**  
"HB House"  
31, Echelon Institutional Area  
Sector-32, Gurgaon- 122 001, (Haryana)  
E-mail: [corporate@hbstockholding.com](mailto:corporate@hbstockholding.com)

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 31<sup>st</sup> March 2015, as stipulated in amended 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 31<sup>st</sup> March, 2015 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 : 21<sup>st</sup> May 2015

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

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
HB STOCKHOLDINGS LIMITED

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HB STOCKHOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

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

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2015 and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- As required by section 143 (3) of the Act, we report that:
  - we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - the Balance sheet, the Statement of profit and loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
  - in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
    - the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P. BHOLUSARIA & CO.  
Chartered Accountants  
FRN : 000468N  
(AMIT GOEL)  
PARTNER  
(Membership No. 092648)

Place : Gurgaon  
Dated : 21st May, 2015

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

The annexure referred to in our report to the members of the company on the standalone financial statements for the year ended on 31st March, 2015, We Report that:

- 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.
- 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.
- The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013("the Act"). 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 Rs. 14,44,436/-, the amount paid during the year is Rs. 1,00,000/- and the amount recovered and maximum balance outstanding at any time during the year is Rs. 15,44,436/- and the year end balance is Rs. Nil.
  - The aforesaid advance granted by the Company was interest free. In our opinion and according to the information and explanations given to us, other terms and conditions of aforesaid advance was not prima facie prejudicial to the interest of the Company.
  - In respect of aforesaid advance given by the Company, there are no overdue amount as year end balance is Rs. Nil.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and sale of goods. During the year there was no sale of services. During the course of our audit, we have not observed any major weakness in the internal control system.
- The Company has not accepted any deposits from the public.
- The nature of the company's business/activities is such that maintenance of Cost Records under section 148(1) of the Act is not applicable to the company.
- According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Value added tax Wealth Tax, Customs Duty, Excise Duty, Service tax, Cess and other statutory dues to the extent and as applicable to the company have been generally regularly deposited by the company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.
  - The disputed statutory dues aggregating to ₹ 76,64,464/- 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	2007-08	Income Tax	Commissioner of Income Tax (Appeal)	18,59,100/-
3.	Income Tax Act, 1961	2008-09	Income Tax	Assessing officer	1,73,453/-
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/-
				<b>TOTAL</b>	<b>76,64,464/-</b>

- In our opinion and according to the information and explanations given to us, during the year no amount was required to be transferred to investor education and protection fund in accordance with the provisions of the Companies Act, 1956.
- 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.
- According to the information and explanations given to us, as at the year end the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- The Company did not have any term loans outstanding 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 course of our audit.

For P. BHOLUSARIA & CO.  
Chartered Accountants  
FRN : 000468N  
(AMIT GOEL)  
PARTNER  
(Membership No. 092648)

Place : Gurgaon  
Dated : 21st May, 2015

## BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note(s)	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	243353823	243353823
Reserves and Surplus	3	1108292118	1058337981
		<b>1351645941</b>	<b>1301691804</b>
<b>Non-Current Liabilities</b>			
Long Term Provisions	4	51367898	88183189
		<b>51367898</b>	<b>88183189</b>
<b>Current Liabilities</b>			
Other Current Liabilities	5	4839178	4872558
Short Term Provisions	6	37233450	48521536
		<b>42072628</b>	<b>53394094</b>
		<b>1445086467</b>	<b>1443269087</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	7	3213132	5395804
Non-current investments	8	994500499	1009582198
Long term loans and advances	9	84705284	36151220
		<b>1082418915</b>	<b>1051129222</b>
<b>Current Assets</b>			
Current investments	8	37554361	135467448
Trade Receivables	10	22549809	26302755
Cash and Bank Balances	11	15756910	82062436
Short-Term Loans and Advances	12	282412500	148307226
Other Current Assets	13	4393972	0
		<b>362667552</b>	<b>392139865</b>
		<b>1445086467</b>	<b>1443269087</b>

SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES  
ON ACCOUNTS

1 to 35

The accompanying notes form an integral part of the standalone financial statements

As per our Report of even date

For P. BHOLUSARIA & CO.  
Chartered Accountants  
FRN : 000468NAMIT GOEL  
Partner  
Membership No.: 092648J.M.L. SURI  
Executive Director  
DIN:00002373Place : Gurgaon  
Date : 21<sup>st</sup> May, 2015

For and on behalf of the Board

VIJAY SOOD  
Managing Director  
DIN:01473455MAHESH KUMAR GUPTA  
Chief Financial Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note(s)	Year Ended 31st March, 2015 (In ₹)	Year Ended 31st March, 2014 (In ₹)
Revenue from operations	14	81327383	145427986
Other Income	15	0	1478380
<b>Total Revenue</b>		<b>81327383</b>	<b>146906366</b>
<b>Expenses:</b>			
Employee Benefit Expense	16	14995715	15056373
Finance costs	17	1856295	1644706
Depreciation	7	2228672	936215
Other Expenses	18	12750975	15478964
Provision for Sub-Standard and Doubtful Assets/(Written back)		(1444436)	1444436
Contingent Provision against Standard Assets		457602	(176828)
<b>Total Expenses</b>		<b>30844823</b>	<b>34383866</b>
Profit/(Loss) for the year before Tax		<b>50482560</b>	<b>112522500</b>
<b>Tax expense:</b>			
Current tax		600000	13100000
Tax adjustments for earlier years		(71576)	(457386)
Profit/(Loss) for the year after Tax		<b>49954136</b>	<b>99879886</b>

Earning per equity share: 28

Equity share of Par value ₹ 10/-each

Basic and Diluted

2.10

4.20

SIGNIFICANT ACCOUNTING  
POLICIES AND NOTES  
ON ACCOUNTS

1 to 35

The accompanying notes form an integral part of the standalone financial statements

As per our Report of even date

For P. BHOLUSARIA & CO.  
Chartered Accountants  
FRN : 000468NAMIT GOEL  
Partner  
Membership No.: 092648J.M.L. SURI  
Executive Director  
DIN:00002373Place : Gurgaon  
Date : 21<sup>st</sup> May, 2015

For and on behalf of the Board

VIJAY SOOD  
Managing Director  
DIN:01473455ANIL KUMAR MITTAL  
Company SecretaryMAHESH KUMAR GUPTA  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	(Amount in ₹) Year Ended 31st March, 2015	(Amount in ₹) Year Ended 31st March, 2014
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/(Loss) before tax	50482560	112522500
Adjustment for :		
Depreciation	2228672	936215
Provisions for Sub Standard and doubtful Assets	(1444436)	1444436
Contingent Provision against Standard Assets	457602	(176828)
Interest on Income tax	1856295	1644706
Loss/(Profit) on sale of fixed assets	0	259665
<b>Operating Profit before Working Capital Changes</b>	<b>53580693</b>	<b>116630694</b>
Adjustment for :		
Trade,other Receivables and loans and advances	(183276534)	44764236
Investments	78257413	(69343496)
Current and Non-current Liabilities	87451	2634069
<b>Cash Generated from operation</b>	<b>(51350977)</b>	<b>94685503</b>
Income tax paid	(13028424)	(10542614)
<b>Net Cash from Operation Activities</b>	<b>(64379401)</b>	<b>84142889</b>
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Purchase of Fixed Assets	(46000)	(625661)
Sale of Fixed Assets	0	325000
<b>Net Cash used in Investing Activities</b>	<b>(46000)</b>	<b>(300661)</b>

Particulars	(Amount in ₹) Year Ended 31st March, 2015	(Amount in ₹) Year Ended 31st March, 2014
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	0	(23792218)
Tax on dividend	0	(4043487)
Interest on Income Tax	(1856295)	(1644706)
<b>Net Cash used in Financing Activities</b>	<b>(1856295)</b>	<b>(29480411)</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(66281696)</b>	<b>54361817</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>79650923</b>	<b>25289105</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>13369227</b>	<b>79650923</b>
<b>Components of cash and cash equivalents at the end of the year</b>		
<b>Balances with Banks</b>		
- In Current and Deposit accounts	12792705	79564729
Cash-on-Hand	576522	86194
	<b>13369227</b>	<b>79650923</b>

The accompanying notes form an integral part of the standalone financial statements  
As per our Report of even dateFor P. BHOLUSARIA & CO.  
Chartered Accountants  
FRN : 000468NAMIT GOEL  
Partner  
Membership No.: 092648Place : Gurgaon  
Date : 21<sup>st</sup> May, 2015

For and on behalf of the Board

J.M.L. SURI  
Executive Director  
DIN:00002373ANIL KUMAR MITTAL  
Company SecretaryVIJAY SOOD  
Managing Director  
DIN:01473455MAHESH KUMAR GUPTA  
Chief Financial Officer



**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015**
**COMPANY OVER VIEW**

The Company is public limited company incorporated and domiciled in India having its registered office at Gurgaon, India. The Company is a non-banking finance company (without accepting or holding public deposits) registered with Reserve Bank of India. The equity shares of the Company are listed at Bombay Stock Exchange and National Stock Exchange in India.

**1. SIGNIFICANT ACCOUNTING POLICIES**
**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -**

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

**1.2 USE OF ESTIMATES**

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

**1.3 REVENUE RECOGNITION**

- 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 on tangible assets is provided on Straight Line method over the useful life of assets in the manner specified in Schedule II to the Companies Act, 2013.

**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 as Superseded by "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015: -
  - (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, 2015**
**2. SHARE CAPITAL**

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>AUTHORIZED</b>		
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
<b>ISSUED</b>		
2,54,43,257 (2,54,43,257) Equity Shares of ₹ 10/- each.	254432570	254432570
	254432570	254432570
<b>SUBSCRIBED &amp; PAID UP</b>		
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, 2015 & 31st March, 2014 is as under:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	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, 2015		As at 31st March, 2014	
	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. RESERVE AND SURPLUS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
Securities Premium Reserve-opening balance	999689069	999689069
Add: Addition during the year	0	0
	999689069	999689069
Statutory Reserve -Opening balance *	147012997	127037020
Add: Transferred from Surplus	9990827	19975977
	157003824	147012997
Surplus -opening balance	(88364085)	(168267994)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	49954136	99879886
	(38409948)	(68388108)
Less: Transferred to Statutory Reserve	9990827	19975977
Surplus-Closing balance	(48400775)	(88364085)
	1108292118	1058337981

(\*) 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, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Provisions For Employee Benefits</b>		
Leave encashment	1158754	994683
Gratuity	45584	111353
<b>Others</b>		
Diminution in value of Long term/Non current Investments	49951797	85545950
Contingent provision against standard Assets	211763	86767
Sub Standard & Doubtful Assets	0	1444436
	51367898	88183189

## 5. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
Unpaid Dividends *	2387683	2411513
Expenses Payable	1870214	1716336
TDS Payable	581281	744709
	4839178	4872558

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

## 6. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Provisions For Employee Benefits</b>		
Leave encashment	285254	262725
<b>Others</b>		
Income Tax	600000	13100000
Sub Standard & Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	25672949	24816170
Contingent Provision against Standard Assets	675247	342641
	37233450	48521536

## 7. FIXED ASSETS

(Amount In ₹)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As at 01.04.2014	Addition during the year	Deduction during the year	As at 31.03.2015	up to 31.03.2014	For the year (a)	Adjustments during the year (b)- Refer Note no. 31	Total depreciation for the year (a+b)	Total up to 31.03.2015	As on 31.03.2015	As on 31.03.2014
	<b>Tangible Assets</b>											
1	Furnitures & Fixtures	6590883	0	0	6590883	5713942	0	876941	876941	6590883	0	876941
2	Vehicles	6336277	0	0	6336277	2534384	684032	30727	714759	3249143	3087134	3801893
3	Office Equipment	2018260	15500	0	2033760	1596406	45335	354429	399764	1996170	37590	421854
4	Data Processing Machine	468809	30500	0	499309	388824	9050	75971	85021	473845	25464	79985
5	Air conditioners	718555	0	0	718555	504388	38588	112635	151223	655611	62944	214167
6	Generator Set	64960	0	0	64960	63996	0	964	964	64960	0	964
	<b>Total</b>	16197744	46000	0	16243744	10801940	777005	1451667	2228672	13030612	3213132	5395804
	(Previous Year)	16785625	625661	1213542	16197744	10494602	936215	628877	1565092	10801940	5395804	6291023

## 8. INVESTMENTS

Name of the Company	Face Value (In ₹)	As at 31st March, 2015		As at 31st March, 2014	
		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	437	7636	4137	86266
DCM SHRIRAM INDUSTRIES LIMITED	10	4346615	488067462	4346615	488067462
GREAVES COTTON LIMITED	2	–	–	30000	2040432
HB ESTATE DEVELOPERS LTD.	10	1465608	24900104	–	–
JAIPRAKASH ASSOCIATES LIMITED	2	3418367	27138404	5413367	42976703
RRB SECURITIES LIMITED	10	100000	10000000	100000	10000000
VENKAT PHARMA LIMITED	10	–	–	41790	2124443
TOTAL (A) (TRADE INVESTMENTS)		9331027	550113606	9935909	545295305

Name of the Company	Face Value (In ₹)	As at 31st March,2015		As at 31st March,2014	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
<b>B. NON TRADE INVESTMENTS (UNQUOTED)</b>					
<b>B.1 INVESTMENT IN EQUITY INSTRUMENTS</b>					
– FULLY PAID UP EQUITY SHARES					
–IN WHOLLY OWNED SUBSIDIARY COMPANIES					
MOUNT FINANCE LIMITED	10	830006	8300060	830006	8300060
– IN ASSOCIATE COMPANIES					
TAURUS ASSET MANAGEMENT CO LIMITED.	10	3028000	38754750	3028000	38754750
PISCES PORTFOLIOS PVT. LIMITED.	10	–	–	2290000	24900000
– IN OTHER COMPANIES					
ASSOCIATED INFOTECH LIMITED	10	–	–	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	195000	4889625
– 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
<b>TOTAL (B.1)</b>		<b>6197536</b>	<b>83986893</b>	<b>9087536</b>	<b>153886893</b>
<b>B.2 INVESTMENT IN PREFERENCE SHARES</b>					
<b>FULLY PAID-UP REDEEMABLE</b>					
<b>PREFERENCE SHARE (UN-QUOTED)</b>					
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
GEMINI PORTFOLIOS PVT. LTD (9% NON CUMULATIVE)	100	500000	50000000	–	–
<b>PREFERENCE SHARE APPLICATION (UNQUOTED)</b>					
HB GROWTH FUND LTD (9% NON CUMULATIVE)	100	685000	68500000	685000	68500000
NARMADA CAPITAL SERVICES PVT LTD (9% CUMULATIVE)	100	435000	43500000	435000	43500000
FALCON PORTFOLIO MANAGEMENT PVT LTD. (9% NON CUMULATIVE)	100	1125000	112500000	1125000	112500000
<b>TOTAL (B.2)</b>		<b>3595000</b>	<b>360400000</b>	<b>3095000</b>	<b>310400000</b>
<b>TOTAL (B) (NON TRADE INVESTMENTS) (B.1+B.2)</b>		<b>9792536</b>	<b>444386893</b>	<b>12182536</b>	<b>464286893</b>
<b>TOTAL (A+B)-NON CURRENT/LONG TERM INVESTMENTS</b>		<b>19123563</b>	<b>994500499</b>	<b>22118445</b>	<b>1009582198</b>
<b>CURRENT INVESTMENTS</b>					
<b>(A) INVESTMENTS IN EQUITY INSTRUMENTS</b>					
<b>a) QUOTED, FULLY PAID UP EQUITY SHARES</b>					
KAUNTAM PAPERS	10	800	11200	800	11200
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
ASHAPURA MINECHEM LTD.	2	70000	4367091	–	–
BHARAT HOTELS LIMITED	10	300	6752	300	6752
CIBA INDIA LIMITED	10	50	500	50	500
DCM SHRIRAM CONSOLIDATED LIMITED	2	–	–	70000	6921364
DESIGN AUTO SYSTEMS LIMITED	10	671400	3953867	671400	3953867
DIGITAL WORLD INDIA LIMITED	10	162400	3136228	162400	3136228
GULSHAN POLYOLS LTD.	10	–	–	1000	113288
GVK POWER & INFRA LTD.	1	–	–	250000	3086418
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
INDIAN HOTELS COMPANY LTD.	1	–	–	50000	3097717
IFCI	10	–	–	75000	2019390
ICP SECURITIES LIMITED	10	1800	18000	1800	18000
ICICI BANK LIMITED	10	–	–	1000	954334
ISPAT PROFILES INDIA LIMITED	10	10000	235020	10000	235020
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
MILKFOOD LIMITED	10	3800	34200	3800	34200
NAHAR POLYFILMS LIMITED	5	444	17643	444	17643
NUCHEM LIMITED	10	64755	168363	64755	168363

Name of the Company	Face Value (In ₹)	As at 31st March,2015		As at 31st March,2014	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
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
POLYCHEM LIMITED	10	125	501825	125	501825
PRISM MILLS LIMITED	10	10000	187500	10000	187500
PUNJAB WIRELESS LIMITED	10	100	6100	100	6100
RAMA VISION LIMITED	10	18300	553061	18300	553061
RELIANCE CAPITAL LIMITED	10	4	1910	4	1910
RELIANCE INDUSTRIES LIMITED	10	-	-	1000	779732
RELIANCE POWER LTD.	10	-	-	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
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
UNIMERS INDIA LIMITED	10	1732	444464	1732	444464
UNIVERSAL PRIME ALUMINIUM LIMITED	10	23820	868067	23820	868067
U P HOTELS LIMITED	10	1900	136630	1900	136630
<b>TOTAL (a)</b>		<b>2172580</b>	<b>36113305</b>	<b>2640129</b>	<b>84399937</b>
b) <b>UNQUOTED, FULLY PAID UP EQUITY SHARES</b> KESORAM TEXTILE LIMITED	10	172	4161	172	4161
<b>TOTAL (b)</b>		<b>172</b>	<b>4161</b>	<b>172</b>	<b>4161</b>
c) <b>UNQUOTED PARTLY PAID UP EQUITY SHARES</b> RATHI ALLOYS & STEELS LIMITED	10	46293	694395	46293	694395
<b>TOTAL (c)</b>		<b>46293</b>	<b>694395</b>	<b>46293</b>	<b>694395</b>
<b>TOTAL- A (a+b+c)</b>		<b>2219045</b>	<b>36811861</b>	<b>2686594</b>	<b>85098493</b>
(B) <b>INVESTMENT IN DEBENTURES</b> <b>(UNQUOTED, FULLY PAID UP, COMPULSORILY</b> <b>CONVERTIBLE DEBENTURES)</b> THE INDIAN HOTELS CO. LTD	55	13500	742500	0	0
<b>TOTAL (B )</b>		<b>13500</b>	<b>742500</b>	<b>0</b>	<b>0</b>
(C) <b>INVESTMENT IN MUTUAL FUNDS</b> <b>UNQUOTED FULLY PAID UP UNITS</b> TAURUS LIQUID FUND	10	-	-	36932	50368956
<b>TOTAL (C )</b>		<b>0</b>	<b>0</b>	<b>36932</b>	<b>50368956</b>
<b>TOTAL- CURRENT INVESTMENTS (A+B+C)</b>		<b>2232545</b>	<b>37554361</b>	<b>2723526</b>	<b>135467448</b>

Notes	Non Current/Long Term Investments		Current Investments	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
8.1 Aggregate Amount of Quoted Investments	550113606	545295305	36113305	84399937
8.2 Market Value of Quoted Investments	421500824	522745408	11138911	60282321
8.3 Aggregate Amount of Unquoted Investments	444386893	464286893	1441056	51067512
8.4 Aggregate Provision for Diminution in Value of Investments	49951797	85545950	25672949	24816170
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 as Superseded by "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. 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, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Gross Amount of Investments	994500499	1009582198	37554361	135467448
Less: Provision for Diminution in the Value of Investments	49951797	85545950	25672949	24816170
Net Carrying Value	944548702	924036248	11881412	110651278

- 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, 2015	Amount in ₹ As at March 31, 2014
<b>Equity Shares</b>		
RRB Securities Limited	8500000	8000000
Venkat Pharma Limited	0	2056325
HB Prima Capital Limited	4889625	4889625
HB Estate Developers Ltd.	10962172	0
Associated Infotech Limited	0	45000000
HB Insurance Advisor Limited	150000	150000
Sovika Airline Services Limited	11600000	11600000
Harsai Investments limited	2000000	2000000
<b>Equity Share Application</b>		
Core Telecom Private Limited	8500000	8500000
HB Insurance Advisor Pvt Ltd	2600000	2600000
Falcon Portfolio Management Private Limited.	750000	750000
<b>Total</b>	<b>49951797</b>	<b>85545950</b>

- 8.7 Shares Costing ₹ Nil (Previous Year ₹ 5,37,53,008/-) were Lying Pledged / Given as 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 ₹ 16,68,52,614/- (Previous Year ₹ 26,11,74,159/-) 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 erstwhile "Non-Banking (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007". The Reserve Bank of India had granted extension of time till March 31, 2015 for compliance with the exposure norms. The Company has vide letter dated March 26, 2015 made application to Reserve Bank of India for further extension of time for making compliance with the exposure norms. The Reserve Bank of India vide notification dated March 27, 2015 has issued revised prudential norms directions in place of aforesaid directions of 2007. Vide E-mail communication dated 15.04.2015 Reserve Bank of India has intimated to the Company that in view of RBI Circular DRBR (PD) CC.No. 002/03.10.001/2014-15 dated November 10, 2014 regarding 'Revised Regulatory Framework for NBFC's and notification dated March 27, 2015 the company, being an NBFCs-ND with asset size of less than ₹ 500 crores, is exempted from the requirement of complying with credit concentration norms.

#### 9. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>(Unsecured, Considered Good)-Standard</b>		
Security Deposits *	34705284	34706784
Loans and Advances to Subsidiary Company:- Mount Finance Ltd- Considered doubtful	0	1444436
Loans to Others- Standard	50000000	0
	<b>84705284</b>	<b>36151220</b>

\*Includes Rental Deposits given to related Party namely HB Estate Developers Ltd.  
₹ 3,45,00,000/- (Previous Year ₹ 3,45,00,000/-)-Also Refer to Note No. 21

#### 10. TRADE RECEIVABLES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Unsecured, Considered good</b>		
Outstanding exceeding six months	0	0
Others		
— Due From Related Parties*	22549809	26302755
	<b>22549809</b>	<b>26302755</b>

\* From RRB Master Securities (Delhi) Ltd.—Also Refer to Note No. 21

#### 11. CASH AND BANK BALANCES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Cash &amp; Cash equivalents</b>		
Balances with Banks		
— In Current Accounts	12792705	79564729
Cash-on-Hand	576522	86194
<b>Other Bank balances</b>		
— In Earmarked Unpaid Dividend Account	2387683	2411513
	<b>15756910</b>	<b>82062436</b>

#### 12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Unsecured, Considered Good, Unless otherwise stated:</b>		
Advance to Related Parties*	98800	7038247
<b>Others</b>		
Inter Corporate Deposits -Standard	240000000	100000000
Inter Corporate Deposit -Doubtful	100000000	100000000
Advance against share application Money/ Property-Standard	300000000	30018000
Recoverable From Staff	43000	79000
Prepaid Expenses	220081	286040
Income Tax/Tax deducted at source	2050619	885939
	<b>282412500</b>	<b>148307226</b>

\* To RRB Master Securities (Delhi) Ltd.-Also Refer to Note No. 21

#### 13. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
Interest accrued and due on Loan	4393972	0
	<b>4393972</b>	<b>0</b>

#### 14. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Profit/(Loss) in Securities dealing/Equity derivative trading	2655724	(1148187)
Profit/(Loss) on sale of investments (1)	10753716	86426902
Provision for diminution in value of investments written back/(made) (2)	34737374	43685383
Interest on Inter Corporate Deposit (Tax deducted at Source ₹ 1738850/- (Previous Year ₹ 481972/-)	17508493	4819724
Dividend Income (Gross) (Tax deduction at source ₹ NIL, Previous Year ₹ NIL) (3)	15672076	11644164
	<b>81327383</b>	<b>145427986</b>

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 ₹ 68,51,242/- (Previous Year Loss ₹ 3,85,75,909/-) on Current Investments and Gain of ₹ 1,76,04,958/- (Previous Year ₹ 12,50,02,811/-) on Non current/Long Term Investments.
- (2) Provision for diminution in value of Investments written back include ₹ 3,55,94,153/- provision written back (previous year ₹ 1,81,49,018/-written back) in respect of Non Current/Long Term Investments and ₹ 8,56,779/- provision made (Previous Year ₹ 2,55,36,365/- written back) in respect of Current Investments.
- (3) Dividend Income includes ₹ 1,52,17,207/- (Previous Year ₹ 98,73,966/-) on Long Term/ Non current Investments and ₹ 4,54,869/- (Previous year ₹ 17,70,198/-) on Current Investments.

#### 15. OTHER INCOME

(Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Interest on Fixed Deposits (Tax Deduction at Source ₹ Nil (Previous year ₹ 2,519/-)	0	25190
Commission (Tax Deduction at source ₹ Nil Previous Year ₹ 77678/-)	0	691325
Liability No Longer Required	0	161865
Incentive from Bank (Tax Deduction at source ₹ Nil Previous Year ₹ 12000/-)	0	600000
	<b>0</b>	<b>1478380</b>



## 16. EMPLOYEE BENEFIT EXPENSES (Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Salaries and Benefits	14477098	14496953
Contribution to Provident fund and superannuation fund	468269	453630
Gratuity	(61736)	(5779)
Staff welfare	112084	111569
	14995715	15056373

## 17. FINANCE COSTS (Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Interest expense on Income Tax	1856295	1644706
	1856295	1644706

## 18. OTHER EXPENSES (Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Rent/Facility Charges	1340292	1340292
Vehicle Running and Maintenance	796411	723083
Insurance	83176	66549
Communication	990953	1058248
Travelling and Conveyance	2467793	2913064
Printing and Stationery	932345	818556
Office Repairs and Maintenance	288015	150326
Depository and custodial	100159	88118
Subscription and Membership	269765	266279
Legal and Professional	3385639	6010818
Advertisement & Publicity	261902	210899
Listing Fees	247192	168540
Business Promotion	653932	405213
Miscellaneous	218788	156051
Auditors Remuneration		
- Audit Fees	168540	168540
- Tax Audit Fees	28090	28090
- Income Tax Matters	0	140900
- Certification and others	74158	270788
Loss on sale of Fixed Assets	0	357866
Directors Sitting Fees	443824	259665
	12750975	485397
		15478964

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

- (a) Income Tax demand disputed ₹ 76,64,464/- (Previous year ₹ 77,92,043/-) 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:- ₹ Nil (Previous Year ₹ 7,00,00,000/-)

## 20. 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	19023445	699182198	23239590	745993082
Purchases/conversions	1466408	104	0	5030000
Sales/conversions	4961290	82686761	4216145	176843695
Closing Balance	15528563	634100499	19023445	699182198

## PREFERENCE SHARES

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Opening Balance	3095000	310400000	2175000	218400000
Purchases/conversions	500000	50000000	920000	92000000
Sales/conversions	0	0	0	0
Closing Balance	3595000	360400000	3095000	310400000

## B. CURRENT INVESTMENTS

## EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Opening Balance	2686594	85098493	3850003	134998451
Purchases/conversions	3134049	125487963	321127	44765282
Sales/conversions	3601598	163915414	1484536	55722569
Closing Balance	2219045	36811861	2686594	85098493

## DEBENTURES

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Opening Balance	0	0	0	0
Purchases/conversions	13500	742500	0	0
Sales/conversions	0	0	0	0
Closing Balance	13500	742500	0	0

## MUTUAL FUNDS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Opening Balance	36932	50368956	496416	20000000
Purchases/conversions	35795	50000000	73432	100000000
Sales/conversions	72727	103376895	532916	69997806
Closing Balance	0	0	36932	50368956

## 21. RELATED PARTY TRANSACTIONS

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

- Subsidiaries.
  - Mount Finance Limited
- Key Managerial Personnel
  - Shri Vijay Sood, Managing Director
  - Shri J.M.L.Suri, Executive Director
  - Shri Anil Kumar Mittal, Company Secretary
  - Shri Mahesh Kumar Gupta, Chief Financial Officer
- Person having control/significant influence /major shareholders
  - Shri Lalit Bhasin
- Associate
  - Pisces Portfolios Private Limited (Erstwhile Associate)
  - 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.)

## 21.2 Transactions during the financial year ended 31.03.2015 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	1544436 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
2	Advances given	100000 (275000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	98800 (7038247)	Nil (Nil)
3	Rent/Facility Charges Paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	967692 (967692)
4	Margin /Advances paid & received back	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	202000000 (71400000)	Nil (Nil)
5	Dividend Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	150000 (130480)
6	Sitting Fee Paid	Nil (Nil)	Nil (Nil)	45000 (50000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
7	Depository Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	43979 (31938)
8	Remuneration & Other Services	Nil (Nil)	12637651 (12669715)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
9	Purchase of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	125487964 (41830047)	Nil (Nil)
10	Sale of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	245503195 (151757975)	Nil (Nil)
11	Net Turnover of Derivative Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2702109 (1056301)	Nil (Nil)
12	Commission received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (691325)	Nil (Nil)	Nil (Nil)
13	Net Turnover of Cash Market(Intraday) Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	36466 (86434)	Nil (Nil)
14	Investment made during the year	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (5030000)	Nil (Nil)	Nil (Nil)
15	Sale of Investment during the year	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (282750)	Nil (Nil)	Nil (217500)
16	Dividend Paid	Nil (Nil)	Nil (Nil)	Nil (12262307)	Nil (Nil)	Nil (Nil)	Nil (68320)
17	<b>Outstanding as on 31.03.2015</b>						
	- Guarantee Given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (70000000)	Nil (Nil)
	- Receivables in respect of Loans & Advances.	Nil (1444436)	Nil (Nil)	Nil (Nil)	Nil (Nil)	98800 (7038247)	34500000 (34500000)
	- Receivables in respect of Trade Receivables.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	22549809 (26302755)	Nil (Nil)
	- Book value of shares given as margin	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (37774550)

## 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 Profit & Loss account
Contribution to Provident Fund	3,33,269/-	3,18,630/-	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)	20,20,951/-	19,05,983/-	12,57,408/-	12,14,628/-
Interest Cost (B)	1,61,676/-	1,52,479/-	1,00,593/-	1,09,316/-
Current service cost (C)	94,313/-	1,35,904/-	1,45,696/-	1,42,496/-
Benefits paid (D)	Nil/-	Nil/-	(41,373/-)	(41,800/-)
Actuarial loss/ (gain) on obligation (E)	(1,45,522/-)	(1,73,415/-)	(18,316/-)	(1,67,232/-)
Present value of obligations as at the end of the year (F=A+B+C-D+E)	21,31,418/-	20,20,951/-	14,44,008/-	12,57,408/-

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)	21,31,418/-	20,20,951/-	14,44,008/-	12,57,408/-
Estimated fair value of plan assets (B)	20,85,834/-	19,09,598/-	Nil	Nil
Net Liability (C=A-B)	45,584/-	1,11,353/-	14,44,008/-	12,57,408/-
<b>Amounts in the Balance Sheet</b>				
Liabilities	45,584/-	1,11,353/-	14,44,008/-	12,57,408/-
<b>Amount charged to Statement of Profit &amp; Loss</b>				
Current Service Cost	94,313/-	1,35,904/-	1,45,696/-	1,42,496/-
Interest Cost	1,61,676/-	1,52,479/-	1,00,593/-	1,09,316/-
Expected Return on Plan Asset	(1,72,203/-)	(1,20,747/-)	Nil	Nil
Actuarial(Gain)/Loss	(1,45,522/-)	(1,73,415/-)	(18,316/-)	(1,67,232/-)
	(61,736/-)	(5,779/-)	2,27,973/-	84,580/-
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	1,72,203/-	1,20,747/-

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:

SI. No.	Particulars	Gratuity	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	19,09,598/-	17,88,851/-
i)	Expected Return on Plan Assets	1,72,203/-	1,20,747/-
ii)	Actuarial Gains / (Losses)	Nil	Nil
iii)	Contribution by the Employer	Nil	Nil
iv)	Benefits Paid	Nil	Nil
v)	Contribution	4,033/-	Nil
	Closing Fair Value of Plan Assets	20,85,834/-	19,09,598/-

#### 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 ₹ 9,67,692/- (Previous Year ₹ 12,16,092/-)

Later than one year but not ₹ 9,67,692/- (Previous Year ₹ 19,35,384/-)

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 2015 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 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.

#### 25. 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, 2015 and 31st March, 2014.

#### 26. 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.

#### 27. 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 31.03.2015	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2014	Max. Balance outstanding during the previous year
i.	Loans & Advances in the nature of Loans to subsidiary:- (a) Mount Finance Ltd.	Nil	15,44,436	14,44,436	14,44,436
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	Amount	No. of Shares	Amount.
		Nil	Nil	Nil	Nil

#### 28. 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.	49954136	99879886
<b>Earning Per Share (face value of ₹ 10 each)</b>		
Weighted Average Nos. of Equity Share Outstanding	23792218	23792218
<b>Basic and diluted Earning per share (₹)</b>	<b>2.10</b>	<b>4.20</b>

#### 29. Disclosure relating to outstanding derivative exposures in securities :-

- a) Cash Margin amounting to ₹ 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 ₹ Nil (Previous year ₹ 11,91,000/-) Market Value ₹ Nil (Previous Year ₹ 80,55,000/-) were given as margin at the year end.

- b) Detail of Open Interest in Equity Stock Futures Contracts as at the year-end 31.03.2015

Name of Equity Stock Future	No. of Contracts	Units (In Nos.) Long	Units (In Nos.) (Short)
J.P. Associates Limited	13	104000	Nil
	(50)	(400000)	(Nil)

#### 30. 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:-

S.No.	Particulars	Current Year	Previous Year
a	No. of Non-resident shareholders	Nil	516
b	No. of Equity Shares held by them	Nil	128054
c	i) Amount of Dividend Paid (Gross) (₹)	Nil	128054
	ii) Tax deduction at source	Nil	Nil
	iii) Year to which dividend relates	2013-14	2012-13

31. During the year, the company has revised depreciation rates on fixed assets as per the useful life specified in Schedule II to the Companies Act, 2013. Based on the Current estimates, depreciation of ₹ 14,51,667/- on account of assets whose useful life has already exhausted as on April 1, 2014 has been added to the depreciation for the year ended March 31, 2015.

Due to aforesaid revision in depreciation rates, depreciation for the year as charged in the Profit & Loss account is higher by ₹ 9,98,826/-.

#### 32. Schedule as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as Superseded by "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Particulars	(₹ in lakhs)	
	Amount outstanding	Amount overdue
<b>LIABILITIES SIDE :</b>		
(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) Other Loans	Nil	Nil
	(Nil)	(Nil)

Particulars	(₹ in lakhs)
Amount outstanding*	
<b>ASSETS SIDE :</b>	
<b>(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>	
(a) Secured	Nil
	(Nil)
(b) Unsecured	3820.11
	(1984.31)
* Net of Provisions and includes security deposits etc	
<b>(3) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities</b>	
(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) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	Nil
	(Nil)
(b) Loans other than (a) above	Nil
	(Nil)
<b>(4) Break-up of Investments :</b>	
<b>Current Investments</b>	
<b>1. Quoted :</b>	
(i) Shares : (a) Equity	361.13
	(844.00)
(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)
<b>2. Unquoted :</b>	
(i) Shares : (a) Equity	6.99
	(6.99)
(b) Preference	Nil
	(Nil)
(ii) Debentures and Bonds	7.42
	(Nil)
(iii) Units of mutual funds	Nil
	(503.69)
(iv) Government Securities	Nil
	(Nil)
(v) Others (please specify)	Nil
	(Nil)
<b>Long Term investments</b>	
<b>1. Quoted :</b>	
(i) Shares : (a) Equity	5501.14
	(5452.95)
(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)
<b>2. Unquoted :</b>	
(i) Shares : (a) Equity	839.87
	(1538.87)
(b) Preference	3604.00
	(3104.00)
(ii) Debentures and Bonds	Nil
	(Nil)
(iii) Units of mutual funds	Nil
	(Nil)
(iv) Government Securities	Nil
	(Nil)
(v) Others (please specify)	Nil
	(Nil)

## (5) Borrower group-wise classification of assets financed as in (2) and (3) above:

Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
(a) Subsidiaries	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
(b) Companies in the same group	Nil	571.49	571.49
	(Nil)	(678.41)	(678.41)
(c) Other related parties	Nil	Nil	Nil
	(Nil)	(Nil)	(Nil)
<b>2. Other than related parties</b>	Nil	3248.62	3248.62
	(Nil)	(1305.91)	(1305.91)
<b>Total</b>	Nil	3820.11	3820.11
	(Nil)	(1984.31)	(1984.31)

## (6) 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)
<b>1. Related Parties</b>		
(a) Subsidiaries	(11.75)	83.00
	(21.15)	(83.00)
(b) Companies in the same group*	1039.14	1139.00
	(908.21)	(895.00)
(c) Other related parties	402.79	387.55
	(1351.16)	(636.55)
<b>2. Other than related parties</b>	6963.10	7954.75
	(8602.79)	(8732.33)
<b>Total</b>	8416.78	9564.30
	(10883.31)	(10346.88)

\* The Company's Investment in equity shares of a Company namely DCM Shriram Industries Ltd. is more than 20% of the equity shares capital of the investee company. The company has no influence (over the affairs of said investee company, which is generally exist in case of a related party/associate). Therefore the said investments are not treated as 'Company in the group'.

## (7) Other information

Particulars	Amount ₹ in Lacs
(i) Gross Non-Performing Assets	100.00
	(114.44)
(a) Related parties	Nil
	(14.44)
(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

<b>1. CRAR</b>	
Items	Current Year %
i) CRAR (%)	112.36
	(110.13)
ii) CRAR - Tier I capital (%)	112.27
	(110.08)
iii) CRAR - Tier II Capital (%)	0.09
	(0.05)
<b>2. Exposures</b>	
<b>Exposure to Real Estate Sector</b>	
Category	Amount ₹ in Lacs
a) Direct exposure	
(i) Residential Mortgages -	Nil
	(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 ₹15 lakh may be shown separately)	Nil
	(Nil)
(ii) Commercial Real Estate -	
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose	Nil
	(Nil)

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;

(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -\*

a. Residential,

b. Commercial Real Estate.

Nil  
(Nil)

Nil  
(Nil)

b) Indirect Exposure

Nil  
(Nil)  
Nil  
(Nil)

Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).

\* 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.

### 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
<b>Liabilities</b>									
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 (Nil)
<b>Assets</b>									
Advances-Inter Corporate Loan	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2500 (Nil)	500 (Nil)	Nil (Nil)	(Nil) (Nil)	3000.00 (1100.00)
Investments(net of provision)	Nil (Nil)	Nil (Nil)	29 (277)	29 (276)	60.81 (553.52)	Nil (Nil)	Nil (Nil)	9445.49 (9240.36)	9564.30 (10346.88)

Note: Figure in Bracket relates to Previous Year.

### 33. Litigation

The Company is in appeal in respect of various income tax matters. The Contingent liability in respect there is disclosed in note no. 19 (a). Besides, in respect of appeals decided in favour of the company, the department is in appeals in certain cases.

In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that the above legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the company's results of operations or financial statements.

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

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

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 : 21<sup>st</sup> May, 2015

ANIL KUMAR MITTAL  
Company Secretary

MAHESH KUMAR GUPTA  
Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
HB STOCKHOLDINGS LIMITED

## 1. Report on the Consolidated Financial Statements.

We have audited the accompanying consolidated financial statements of HB STOCKHOLDINGS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the group") and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

## 2. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## 3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

## 4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

## 5. Other matters

(a) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of ₹ 32,05,775/- as at 31st March, 2015, total revenues of Rs.Nil and net cash flows amounting to ₹ 47,534/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

(b) The consolidated financial statements also include the Group's share of net Profit of ₹ 1,39,86,322/- for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information. (Also refer note no.20).

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and certificate from management of associate company where the financial statements are unaudited, none of the directors of the Group companies and its associate company is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - The Consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group and its associate. – Refer Note 32 to the consolidated financial statements;

- The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate company.

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

(AMIT GOEL)  
PARTNER  
(Membership No. 092648)

Place : Gurgaon  
Dated : 21.05.2015

## Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes subsidiary company incorporated in India on which the auditor has reported on in accordance with the Order. Our report in respect of subsidiary is based solely on the reports of other auditor.

- In respect of the fixed assets of the Holding Company and its aforesaid subsidiary:
  - The respective entities have maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - As explained to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, the management of the respective entities 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 group and nature of its assets. No material discrepancies were noticed on such physical verification.
- In respect of the inventories of the Holding Company and its aforesaid subsidiary:
  - As explained to us, inventories (Investments) have been physically verified by the management of holding company at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. Based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, the subsidiary company does not have any inventory.
  - 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 of holding company is reasonable and adequate in relation to the size of the Company and the nature of its business.
  - The Holding 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.
- The Holding Company and its aforesaid subsidiary has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013('the Act').
- In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, there is an adequate internal control system commensurate with the size of the Holding Company and its aforesaid subsidiary 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 and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, we have not observed any major weakness in the internal control system.
- In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, the Holding Company and its aforesaid subsidiary have not accepted deposits during the year and do not have any unclaimed deposits. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company and its aforesaid subsidiary.
- The nature of the Holding Company and its aforesaid subsidiary business/activities is such that maintenance of Cost Records under section 148(1) of the Act is not applicable to the Holding Company and its aforesaid subsidiary.
  - According to the records of the Holding Company and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Value added tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and other statutory dues to the extent and as applicable to the Holding Company and its aforesaid subsidiary have been generally regularly deposited by the Holding Company and its aforesaid subsidiary during the year with the appropriate authorities. According to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.
  - The disputed statutory dues of the Holding Company and aforesaid subsidiary based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary aggregating to ₹ 80,93,560/- 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	2007-08	Income Tax	Commissioner of Income Tax (Appeal)	18,59,100/-
3.	Income Tax Act, 1961	2008-09	Income Tax	Assessing officer	1,73,453/-
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/-
6.	Income Tax Act, 1961	1995-96	Income Tax	High Court, Mumbai including interest u/s 234B	4,29,096/-
				<b>TOTAL</b>	<b>80,93,560/-</b>

c. In our opinion and according to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, during the year no amount was required to be transferred to investor education and protection fund in accordance with the provisions of the Companies Act, 1956.

- The accumulated losses of the group at the end of financial year are less than fifty percent of its net worth. The group 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 and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, we are of the opinion that the Holding Company and its aforesaid subsidiary has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- According to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, as at the year end, the Holding Company and its aforesaid subsidiary has not given any guarantee for loans taken by others from banks or financial institutions.
- According to the information and explanations given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, the respective entities did not have any term loans outstanding during the year.
- In our opinion and according to the information and explanation given to us and based on the auditors' report issued in accordance with the Order on the aforesaid subsidiary, no material fraud on or by the Holding Company and its aforesaid subsidiary 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 : 21.05.2015

# HB STOCKHOLDINGS LIMITED



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note(s)	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	243353823	243353823
Reserves and Surplus	3	1102695411	1125059396
		<b>1346049234</b>	<b>1368413219</b>
<b>Non-Current Liabilities</b>			
Long Term Provisions	4	51367898	86738753
		<b>51367898</b>	<b>86738753</b>
<b>Current Liabilities</b>			
Other Current Liabilities	5	4865914	4896294
Short Term Provisions	6	37233450	48521536
		<b>42099364</b>	<b>53417830</b>
		<b>1439516496</b>	<b>1508569802</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	7	6080950	8688949
Non-current investments	8	987724752	1072743781
Long term Loans and Advances	9	84725624	34727124
		<b>1078531326</b>	<b>1116159854</b>
<b>Current Assets</b>			
Current investments	8	37554361	135467448
Trade Receivables	10	22549809	26302755
Cash and Bank Balances	11	15873278	82131269
Short Term Loans and Advances	12	280613750	148508476
Other Current Assets	13	4393972	0
		<b>360985170</b>	<b>392409948</b>
		<b>1439516496</b>	<b>1508569802</b>

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 34

The accompanying notes form an integral part of the consolidated financial statements

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 : 21<sup>st</sup> May, 2015

ANIL KUMAR MITTAL  
Company Secretary

MAHESH KUMAR GUPTA  
Chief Financial Officer

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED AS AT 31ST MARCH, 2015

Particulars	Note(s)	Year Ended 31st March, 2015 (In ₹)	Year Ended 31st March, 2014 (In ₹)
Revenue from operations	14	(2596269)	132960986
Other Income	15	0	1231024
<b>Total Revenue</b>		<b>(2596269)</b>	<b>134192010</b>
<b>Expenses:</b>			
Employee Benefit Expense	16	14995715	15056373
Finance costs	17	1856295	1644706
Depreciation	7	2653999	1039887
Other Expenses	18	13262003	15724432
Contingent Provision against Standard Assets		457602	(176828)
<b>Total Expenses</b>		<b>33225614</b>	<b>33288570</b>
Profit/(Loss) for the year before Tax		(35821883)	100903440
<b>Tax expense:</b>			
Current tax		600000	13100000
Tax adjustments for earlier years		(71576)	(457386)
Profit for the year after Taxation before Share of Profit/(Loss) in Associates		(36350307)	88260826
Share of Profit/(Loss) in Associates		13986322	(32822533)
Profit/(Loss) for the year after Taxation		(22363985)	55438293
Earning per equity share:	26		
Equity share of Par value ₹ 10/-each			
Basic and Diluted		(0.94)	2.33

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 34

The accompanying notes form an integral part of the consolidated financial statements

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 : 21<sup>st</sup> May, 2015

ANIL KUMAR MITTAL  
Company Secretary

MAHESH KUMAR GUPTA  
Chief Financial Officer

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	(Amount in ₹) Year Ended 31st March, 2015	(Amount in ₹) Year Ended 31st March, 2014
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit before tax	(21835561)	68080907
Adjustment for :		
Depreciation	2653999	1039887
Contingent Provision against Standard Assets	457602	(176828)
Interest on Income Tax	1856295	1644706
Loss/(Profit) on sale of fixed assets	0	259665
<b>Operating Profit before Working Capital Changes</b>	<b>(16867665)</b>	<b>70848337</b>
Adjustment for :		
Trade, other Receivables and loans and advances	(182692140)	45039237
Investments	148194743	(23941653)
Current and Non-current Liabilities	(30380)	2633686
<b>Cash Generated from operation</b>	<b>(51395442)</b>	<b>94579607</b>
Less:		
Income tax paid	(13028424)	(10542615)
<b>Net Cash from Operation Activities</b>	<b>(64423866)</b>	<b>84036994</b>
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Purchase of Fixed Assets	46000	(625661)
Sale of Fixed Assets	0	325000
<b>Net Cash used in Investing Activities</b>	<b>46000</b>	<b>(300661)</b>

Particulars	(Amount in ₹) Year Ended 31st March, 2015	(Amount in ₹) Year Ended 31st March, 2014
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	0	(23792218)
Tax on dividend	0	(4043487)
Interest on Income Tax	(1856295)	(1644706)
<b>Net Cash used in Financing Activities</b>	<b>(1856295)</b>	<b>(29480411)</b>
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>(66234161)</b>	<b>54255922</b>
<b>Cash and Cash Equivalents</b>	<b>79719756</b>	<b>25463834</b>
(Opening Balance)		
<b>Cash and Cash Equivalents</b>	<b>13485594</b>	<b>79719756</b>
(Closing Balance)		
<b>Components of cash and cash equivalents at the end of the year</b>		
<b>Particulars</b>		
-In Current and Deposit accounts	12895498	79619988
Cash-on-Hand	590096	99768
	<b>13485594</b>	<b>79719756</b>

The accompanying notes form an integral part of the consolidated financial statements

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 : 21<sup>st</sup> May, 2015

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, 2015**
**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 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**
**a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -**

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

**b) USE OF ESTIMATES**

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

**c) REVENUE RECOGNITION**

- All Income & Expenditure are accounted for on accrual basis.
- Shares/Securities are capitalised at cost inclusive of brokerage, Service Tax, Education Cess.
- 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.

**d) FIXED ASSETS**

Fixed Assets are stated at cost less depreciation.

**e) DEPRECIATION**

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

**f) INVESTMENTS**

- Investments are classified into Current Investments and Non current/ Long Term Investments.
- 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 as Superseded by "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015: -
  - on the assets side, investments are shown at cost;
  - 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.

Cost of investments is computed using the Weighted Average Method.

**g) EMPLOYEE BENEFITS**

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

- 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.
- 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.
- 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.
- Termination benefits are recognized as an Expense as and when incurred.
- 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.

**h) 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.

**i) 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.

**j) CONTINGENCIES:**

The Group 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 CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2015**
**2. SHARE CAPITAL**

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>AUTHORIZED</b>		
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
<b>ISSUED</b>		
2,54,43,257 (2,54,43,257) Equity Shares of ₹ 10/- each.	254432570	254432570
	254432570	254432570
<b>SUBSCRIBED &amp; PAID UP</b>		
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, 2015 & 31st March, 2014 is as under:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	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, 2015		As at 31st March, 2014	
	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, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
Securities Premium Reserve-opening balance	999689069	999689069
Add: Addition during the year	0	0
	999689069	999689069
Statutory Reserve -Opening balance *	147012997	127037020
Add: Transferred from Surplus	9990827	19975977
	157003824	147012997
Surplus -opening balance	(21642670)	(68147441)
Add: Net Profit after tax transferred from Statement of Profit & Loss	(22363985)	55438293
	(44006655)	(12709148)
Less: Transferred to Statutory Reserve	9990827	19975977
Add: Reversal of Surplus of HB Prima Capital Limited	0	11042454
Surplus-Closing balance	(53997482)	(21642670)
	1102695411	1125059396

(\*) 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.

### 7. FIXED ASSETS

(Amount In ₹)												
S. No.	Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As at 01.04.2014	Addition during the year	Deduction during the year	As at 31.03.2015	up to 31.03.2014	For the year (a)	Adjustments during the year (b)- Refer Note no. 31	Total depreciation for the year (a+b)	Total up to 31.03.2015	As on 31.03.2015	As on 31.03.2014
	<b>Tangible Assets</b>											
1.	Flat	4823385	0	0	4823385	1654897	327040	0	327040	1981937	2841448	3168488
2.	Furnitures & Fixtures	7675738	0	0	7675738	6798797	0	876941	876941	7675738	0	876941
3.	Vehicles	6336277	0	0	6336277	2534384	684032	30727	714759	3249143	3087134	3801893
4.	Office Equipment	2267635	15500	0	2283135	1805493	45335	382248	427583	2233076	50059	462142
5.	Data Processing Machine	468809	30500	0	499309	388824	9050	75971	85021	473845	25464	79985
6.	Air conditioners	996578	0	0	996578	698042	109056	112635	221691	919733	76845	298536
7.	Generator Set	64960	0	0	64960	63996	0	964	964	64960	0	964
	<b>Total</b>	<b>22633382</b>	<b>46000</b>	<b>0</b>	<b>22679382</b>	<b>13944433</b>	<b>1174513</b>	<b>1479486</b>	<b>2653999</b>	<b>16598432</b>	<b>6080950</b>	<b>8688949</b>
	(Previous Year)	23221263	625661	1213542	22633382	13533423	1039887	628877	1668764	13944433	8688949	9687840

### 8. INVESTMENTS

Name of the Company	Face Value (In ₹)	Balance as at 31st March, 2015		Balance as at 31st March, 2014	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
<b>NON CURRENT INVESTMENTS</b> <b>(LONG TERM INVESTMENTS)</b> <b>(1) IN ASSOCIATES</b> – <b>UNQUOTED (NON-TRADE) FULLY PAID UP EQUITY SHARES</b> TAURUS ASSET MANAGEMENT CO LIMITED. Cost of acquisition Add / (Less) : Group Share of Profits/(Losses) upto 31.03.2015	10	3028000	38754750 1524313	3028000	38754750 (12462009)
		3028000	40279063	3028000	26292741
PISCES PORTFOLIOS PVT. LIMITED. Cost of acquisition Add / (Less) : Group Share of Profits/(Losses) upto 31.03.2015	10	0	0 0	2290000	24900000 83923652
		0	0	2290000	108823652
<b>TOTAL-(1) Investments in Associates Companies</b>		3028000	40279063	5318000	135116393

### 4. LONG TERM PROVISIONS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Provisions For Employee Benefits</b>		
Leave encashment	1158754	994683
Gratuity	45584	111353
<b>Others</b>		
- For Diminution in value of Long term/Non current Investments	49951797	85545950
- Contingent provision against Standard Assets	211763	86767
	<b>51367898</b>	<b>86738753</b>

### 5. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
Unpaid Dividends *	2387683	2411513
Expenses Payable	1896950	1740072
TDS Payable	581281	744709
	<b>4865914</b>	<b>4896294</b>

### 6. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Provisions For Employees Benefit</b>		
Leave encashment	285254	262725
<b>Others</b>		
Income Tax	600000	13100000
Sub-standard and Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	25672949	24816170
Contingent Provision against Standard Assets	675247	342641
	<b>37233450</b>	<b>48521536</b>





Name of the Company	Face Value (In ₹)	Balance as at 31st March, 2015		Balance as at 31st March, 2014	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
<b>(2) IN OTHERS</b>					
<b>A. TRADE INVESTMENTS (QUOTED)</b>					
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>					
<b>-FULLY PAID UP EQUITY SHARES</b>					
CROMPTON GREAVES LIMITED	2	437	7636	4137	86266
DCM SHRIRAM INDUSTRIES LIMITED	10	4346615	488067462	4346615	488067462
GREAVES COTTON LIMITED	2	-	-	30000	2040432
HB ESTATE DEVELOPERS LTD.	10	1465608	24900104		
JAIPRAKASH ASSOCIATES LIMITED	2	3418367	27138404	5413367	42976703
RRB SECURITIES LIMITED	10	100000	10000000	100000	10000000
VENKAT PHARMA LIMITED	10	-	-	41790	2124443
<b>TOTAL (A) (TRADE INVESTMENTS)</b>		<b>9331027</b>	<b>550113606</b>	<b>9935909</b>	<b>545295305</b>
<b>B. NON TRADE INVESTMENTS</b>					
<b>B.1 Investment in Equity Instruments</b>					
<b>-FULLY PAID UP EQUITY SHARES (UNQUOTED)</b>					
ASSOCIATED INFOTECH LIMITED	10	-	-	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	195000	4889625
<b>-EQUITY SHARE APPLICATION</b>					
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
<b>TOTAL B.1</b>		<b>2339530</b>	<b>36932083</b>	<b>2939530</b>	<b>81932083</b>
<b>B.2 Investments in Preference Shares</b>					
<b>FULLY PAID-UP REDEEMABLE PREFERENCE SHARE (UNQUOTED)</b>					
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
GEMINI PORTFOLIOS PVT. LTD (9% NON CUMULATIVE)	100	500000	50000000	-	-
<b>PREFERENCE SHARE APPLICATION (UNQUOTED)</b>					
HB GROWTH FUND LTD (9% NON CUMULATIVE)	100	685000	68500000	685000	68500000
NARMADA CAPITAL SERVICES PVT LTD (9% CUMULATIVE)	100	435000	43500000	435000	43500000
FALCON PORTFOLIO MANAGEMENT PVT LTD.(9% NON CUMULATIVE)	100	1125000	112500000	1125000	112500000
<b>TOTAL B.2</b>		<b>3595000</b>	<b>360400000</b>	<b>3095000</b>	<b>310400000</b>
<b>TOTAL B.1+B.2 (NON TRADE INVESTMENTS)</b>		<b>5934530</b>	<b>397332083</b>	<b>6034530</b>	<b>392332083</b>
<b>TOTAL-2 (A+B) INVESTMENTS IN OTHERS</b>		<b>15265557</b>	<b>947445689</b>	<b>15970439</b>	<b>937627388</b>
<b>TOTAL- (1+2) NON CURRENT/LONG TERM INVESTMENTS</b>		<b>18293557</b>	<b>987724752</b>	<b>21288439</b>	<b>1072743781</b>
<b>CURRENT INVESTMENTS</b>					
<b>(A) INVESTMENTS IN EQUITY INSTRUMENTS</b>					
<b>a) QUOTED, FULLY PAID UP EQUITY SHARES</b>					
KAUNTAM PAPERS	10	800	11200	800	11200
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
ASHAPURA MINECHEM LTD.	2	70000	4367091	-	-
BHARAT HOTELS LIMITED	10	300	6752	300	6752
CIBA INDIA LIMITED	10	50	500	50	500
DCM SHRIRAM CONSOLIDATED LIMITED	2	-	-	70000	6921364
DESIGN AUTO SYSTEMS LIMITED	10	671400	3953867	671400	3953867
DIGITAL WORLD INDIA LIMITED	10	162400	3136228	162400	3136228
GULSHAN POLYOLS LTD.	10	-	-	1000	113288
GVK POWER & INFRA LTD.	1	-	-	250000	3086418
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
INDIAN HOTELS COMPANY LTD.	1	-	-	50000	3097717
IFCI	10	-	-	75000	2019390
ICP SECURITIES LIMITED	10	1800	18000	1800	18000



Name of the Company	Face Value (In ₹)	Balance as at 31st March, 2015		Balance as at 31st March, 2014	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
ICICI BANK LIMITED	10	—	—	1000	954334
ISPAT PROFILES INDIA LIMITED	10	10000	235020	10000	235020
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
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
POLYCHEM LIMITED	10	125	501825	125	501825
PRISM MILLS LIMITED	10	10000	187500	10000	187500
PUNJAB WIRELESS LIMITED	10	100	6100	100	6100
RAMA VISION LIMITED	10	18300	553061	18300	553061
RELIANCE CAPITAL LIMITED	10	4	1910	4	1910
RELIANCE INDUSTRIES LIMITED	10	—	—	1000	779732
RELIANCE POWER LTD.	10	—	—	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
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
UNIMERS INDIA LIMITED	10	1732	444464	1732	444464
UNIVERSAL PRIME ALUMINIUM LIMITED	10	23820	868067	23820	868067
U P HOTELS LIMITED	10	1900	136630	1900	136630
<b>TOTAL (a)</b>		<b>2172580</b>	<b>36113305</b>	<b>2640129</b>	<b>84399937</b>
b) UNQUOTED, FULLY PAID UP EQUITY SHARES					
KESORAM TEXTILE LIMITED	10	172	4161	172	4161
<b>TOTAL (b)</b>		<b>172</b>	<b>4161</b>	<b>172</b>	<b>4161</b>
c) UNQUOTED PARTLY PAID UP EQUITY SHARES					
RATHI ALLOYS & STEELS LIMITED	10	46293	694395	46293	694395
<b>TOTAL (c)</b>		<b>46293</b>	<b>694395</b>	<b>46293</b>	<b>694395</b>
<b>TOTAL- A (a+b+c)</b>		<b>2219045</b>	<b>36811861</b>	<b>2686594</b>	<b>85098493</b>
<b>(B) INVESTMENT IN DEBENTURES</b>					
(UNQUOTED, FULLY PAID UP, COMPULSORILY CONVERTIBLE DEBENTURES)					
THE INDIAN HOTELS CO. LTD	55	13500	742500	0	0
<b>TOTAL (B)</b>		<b>13500</b>	<b>742500</b>	<b>0</b>	<b>0</b>
<b>(C) INVESTMENT IN MUTUAL FUNDS</b>					
UNQUOTED FULLY PAID UP LIMITS					
TAURUS LIQUID FUND	10	0	0	36932	50368956
<b>TOTAL (C)</b>		<b>0</b>	<b>0</b>	<b>36932</b>	<b>50368956</b>
<b>TOTAL- CURRENT INVESTMENTS (A+B+C)</b>		<b>2232545</b>	<b>37554361</b>	<b>2723526</b>	<b>135467448</b>

Notes	Non Current/Long Term Investments		Current Investments	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
8.1 Aggregate Amount of Quoted Investments	550113606	545295305	36113305	84399937
8.2 Market Value of Quoted Investments	421500824	522745408	11138911	60282321
8.3 Aggregate Amount of Unquoted Investments	437611146	527448476	1441056	51067512
8.4 Aggregate Provision for Diminution in Value of Investments	49951797	85545950	25672949	24816170
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 as Superseded by "Non-Systemically Important Non-Banking financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. 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, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Gross Amount of Investments	987724752	1072743781	37554361	135467448
Less: Provision for Diminution in the Value of Investments	49951797	85545950	25672949	24816170
Net Carrying Value	937772955	987197831	11881412	110651278

- 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, 2015	Amount in ₹ As at March 31, 2014
<b>Equity Shares</b>		
RRB Securities Limited	8500000	8000000
Venkat Pharma Limited	0	2056325
HB Prima Capital Limited	4889625	4889625
HB Estate Developers Ltd.	10962172	0
Associated Infotech Limited	0	45000000
HB Insurance Advisor Limited	150000	150000
Sovika Airline Services Limited	11600000	11600000
Harsai Investments limited	2000000	2000000
Equity Share Application		
Core Telecom Private Limited	8500000	8500000
HB Insurance Advisor Pvt Ltd	2600000	2600000
Falcon Portfolio Management Private Limited.	750000	750000
<b>Total</b>	<b>49951797</b>	<b>85545950</b>

- 8.7 Shares Costing ₹ Nil/- (Previous Year ₹ 5,37,53,008/-) Were Lying Pledged/Given as 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 ₹ 16,68,52,614/- (Previous Year ₹ 26,11,74,159/-) 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 erstwhile "Non-Banking (Non Deposit Accepting or Holding ) Companies Prudential Norms (Reserve Bank) Directions 2007". The Reserve Bank of India had granted extension of time till March 31, 2015 for compliance with the exposure norms. The Company has vide letter dated March 26, 2015 made application to Reserve Bank of India for further extension of time for making compliance with the exposure norms. The Reserve Bank of India vide notification dated March 27, 2015 has issued revised prudential norms directions in place of aforesaid directions of 2007. Vide E-mail communication dated 15.04.2015 Reserve Bank of India has intimated to the Company that in view of RBI Circular DRBR (PD) CC.No. 002/03.10.001/2014-15 dated November 10, 2014 regarding 'Revised Regulatory Framework for NBFC's and notification dated March 27, 2015 the company, being an NBFCs-ND with asset size of less than Rs. 500 crores, is exempted from the requirement of complying with credit concentration norms.

#### 9. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>(Unsecured, Considered Good)-Standard</b>		
Security Deposits *	34725624	34727124
Loans to Others- Standard	50000000	0
	<b>84725624</b>	<b>34727124</b>

\*Includes Rental Deposits given to related Party namely HB Estate Developers Ltd. ₹ 3,45,00,000/- (Previous Year ₹ 3,45,00,000/-)-Also Refer to Note No. 22

#### 10. TRADE RECEIVABLES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Unsecured, Considered good</b>		
Outstanding exceeding six months	-	-
<b>Others</b>		
- Due From Related Parties*	22549809	26302755
	<b>22549809</b>	<b>26302755</b>

\* From RRB Master Securities (Delhi) Ltd. —Also Refer to Note No. 22

#### 11. CASH AND BANK BALANCES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Cash &amp; Cash equivalents</b>		
Balances with Banks		
- In Current Accounts	12895498	79619987
Cash-on-Hand	590096	99768
<b>Other Bank balances</b>		
- In Earmarked Unpaid Dividend Account	2387683	2411513
	<b>15873278</b>	<b>82131269</b>

#### 12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Unsecured, Considered Good, Unless otherwise stated:</b>		
Advance to related Parties*	98800	7038247
<b>Others</b>		
Inter Corporate Deposits -Standard	238000000	100000000
Inter Corporate Deposit-Doubtful	10000000	10000000
Advance against share application		
Money/Property-Standard	30000000	30018000
Recoverable From Staff	43000	79000
Prepaid Expenses	220081	286040
Income Tax/Tax deducted at source	2251869	1087189
	<b>280613750</b>	<b>148508476</b>

\* To RRB Master Securities (Delhi) Ltd.-Also Refer to Note No. 22

#### 13. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
Interest accrued and due on Loan	4393972	0
	<b>4393972</b>	<b>0</b>

#### 14. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Profit/(Loss) in Securities dealing/Equity derivative trading	2655724	(1148187)
Profit/(Loss) on sale of investments (1)	10753716	86426902
Provision for diminution in value of investments written back/(made) (2)	(49186278)	31218383
Interest on Inter Corporate Deposit (Tax deducted at Source ₹ 1738850/- (Previous Year ₹ 481972/-)	17508493	4819724
Dividend Income (Gross) (Tax deduction at source ₹ NIL, Previous Year ₹ NIL) (3)	15672076	11644164
	<b>(2596269)</b>	<b>132960986</b>

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 ₹ 68,51,242/- (Previous Year Loss ₹ 3,85,75,909/-) on Current Investments and Gain of ₹ 1,76,04,958/- (Previous Year ₹ 12,50,02,811/-) on Non current/Long Term Investments.
- (2) Provision for diminution in value of Investments made include ₹ 4,83,29,499/- provision made (previous year ₹ 56,82,018/-written back) in respect of Non Current/Long Term Investments and ₹ 8,56,779/- provision made (Previous Year ₹ 2,55,36,365/- written back) in respect of Current Investments.
- (3) Dividend Income includes ₹ 1,52,17,207/- (Previous Year ₹ 98,73,966/-) on Long Term/Non current Investments and ₹ 4,54,869/- (Previous year ₹ 17,70,198/-) on Current Investments.

#### 15. OTHER INCOME

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Interest on Fixed Deposits (Tax Deduction at Source ₹ Nil/- (Previous year ₹ 2,519/-)	0	25190
Commission (Tax Deduction at source ₹ Nil Previous Year ₹ 177678/-)	0	443969
Liability No Longer Required Incentive from Bank	0	161865
(Tax Deduction at source ₹ 12000/- Previous Year ₹ Nil)	0	600000
	<b>0</b>	<b>1231024</b>

## 16. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Salaries and Benefits	14477098	14496953
Contribution to Provident fund and superannuation fund	468269	453630
Gratuity	-61736	-5779
Staff welfare	112084	111569
	14995715	15056373

## 17. FINANCE COSTS

(Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Interest expense on Income Tax	1856295	1644706
	1856295	1644706

## 18. OTHER EXPENSES

(Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Rent/Facility Charges	1340292	1340292
Vehicle Running and Maintenance	796411	723083
Insurance	83176	66549
Communication	990953	1058248
Travelling and Conveyance	2467793	2913064
Printing and Stationery	932795	818556
Office Repairs and Maintenance	404820	270661
Depository and custodial	100159	91178
Subscription and Membership	269765	266279
Legal and Professional	3395472	6015018
Advertisement & Publicity	261902	213287
Listing Fees	247192	168540
Business Promotion	653932	405213
Miscellaneous	591494	255064
Auditors Remuneration		
- Audit Fees	179776	185012
- Tax Audit Fees	28090	28090
- Income Tax Matters	0	75281
- Certification and others	74158	85955
Loss on sale of Fixed Assets	0	259665
Directors Sitting Fees	443824	485397
	13262003	15724432

## 19. 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	31.03.2015

During the previous year, HB Prima Capital Ltd (which was wholly owned subsidiary of the company) ceased to be subsidiary of the company w.e.f.25/06/2013. The consolidated financial statement of previous financial year ended 31/03/2014 includes the accounts of HB Prima Ltd only upto 24/06/2013 in consolidated financial statement.

## 20. 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	Nil% (35.78%)

\* Valuation done on the basis of available unaudited, management certified financial statements for year ended 31.03.2015.

\*\* During the year, Pisces Portfolio Private Limited has been ceased to be associate of the company consequent upon the merger of Pisces Portfolio Private Limited with the HB Estate Developers Limited as per scheme sanctioned during the year by Hon'ble Punjab & Haryana High Court w.e.f.01/04/2012. Thus the figures of share of profit/loss in associates for the current year is not strictly comparable with figures of previous year as the Consolidated Financial Statement for the current year does not include the share of Profit/Loss of Pisces Portfolios Private Limited.

20.1 The Investments of Holding company in the equity shares of a company namely DCM Shriram Industries Ltd. is in excess of 20% of the paid up equity share capital of the investee company. However, there is absence of significant influence of the company over the said investee company. The company also does not have access to the informations and other records in respect of said investee company, which are required for the consolidation of accounts. Therefore, the said investee company is not treated as an associate of the company.

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

- Income Tax demand disputed ₹ 82,94,810/- (Previous year ₹ 84,22,389/-) 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:- ₹ Nil (Previous Year ₹ 7,00,00,000/-)

## 22. RELATED PARTY TRANSACTIONS

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

- Key Managerial Personnel
  - Shri Vijay Sood, Managing Director
  - Shri J.M.L.Suri, Executive Director
  - Shri Anil Kumar Mittal, Company Secretary
  - Shri Mahesh Kumar Gupta, Chief Financial Officer
- Person having control/significant influence /major shareholders
  - Shri Lalit Bhasin
- Associate
  - Pisces Portfolios Private Limited (Erstwhile Associate)
  - Taurus Assets Management Co.Ltd.
- Enterprises over which control/significant influence exist of the relatives of persons mentioned in (b) 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.

## 22.2 Transaction during the financial year ended 31.03.2015 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	Advances given	Nil (Nil)	Nil (Nil)	Nil (Nil)	98800 (7038247)	Nil (Nil)
2	Rent/Facility Charges Paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	967692 (967692)
3	Margin /Advances paid & received back	Nil (Nil)	Nil (Nil)	Nil (Nil)	20200000 (71400000)	Nil (Nil)
4	Dividend Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	150000 (130480)
5	Sitting Fee Paid	Nil (Nil)	45000 (50000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
6	Depository Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	43979 (31938)
7	Remuneration & Other Services	12637651 (12669715)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
8	Purchase of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	125487964 (41830047)	Nil (Nil)
9	Sale of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	245503195 (151757975)	Nil (Nil)
10	Net Turnover of Derivative Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	2702109 (1056301)	Nil (Nil)
11	Commission received	Nil (Nil)	Nil (Nil)	Nil (443969)	Nil (Nil)	Nil (Nil)
12	Net Turnover of Cash Market (intraday) Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	36466 (86434)	Nil (Nil)
13	Investment made during the year	Nil (Nil)	Nil (Nil)	Nil (5030000)	Nil (Nil)	Nil (Nil)
14	Sale of Investment during the year	Nil (Nil)	Nil (Nil)	Nil (282750)	Nil (Nil)	Nil (217500)
15	Dividend Paid	Nil (Nil)	Nil (12262307)	Nil (Nil)	Nil (Nil)	Nil (68320)
16	<b>Outstanding as on 31.03.2015</b>					
	- Guarantee Given	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (70000000)	Nil (Nil)
	- Receivables in respect of Loans & Advances.	Nil (Nil)	Nil (Nil)	Nil (Nil)	98800 (7038247)	34500000 (34500000)
	- Receivables in respect of Trade Receivables	Nil (Nil)	Nil (Nil)	Nil (Nil)	22549809 (26302755)	Nil (Nil)
	- Book value of shares given as margin	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (37774550)

## 23. SEGMENT REPORTING

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

## 24. 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	3,33,269/-	3,18,630/-	Contribution to Provident fund and superannuation fund
Contribution to superannuation fund	1,35,000/-	1,35,000/-	Contribution to Provident fund and superannuation 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)	20,20,951/-	19,05,983/-	12,57,408/-	12,14,628/-
Interest Cost (B)	1,61,676/-	1,52,479/-	1,00,593/-	1,09,316/-
Current service cost (C)	94,313/-	1,35,904/-	1,45,696/-	1,42,496/-
Benefits paid (D)	Nil/-	Nil/-	(41,373/-)	(41,800/-)
Actuarial loss/ (gain) on obligation (E)	(1,45,522/-)	(1,73,415/-)	(18,316/-)	(1,67,232/-)
Present value of obligations as at the end of the year (F=A+B+C-D+E)	21,31,418/-	20,20,951/-	14,44,008/-	12,57,408/-

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)	21,31,418/-	20,20,951/-	14,44,008/-	12,57,408/-
Estimated fair value of plan assets (B)	20,85,834/-	19,09,598/-	Nil	Nil
Net Liability (C=A-B)	45,584/-	1,11,353/-	14,44,008/-	12,57,408/-
<b>Amounts in the Balance Sheet</b>				
Liabilities	45,584/-	1,11,353/-	14,44,008/-	12,57,408/-
<b>Amount charged to Statement of Profit &amp; Loss</b>				
Current Service Cost	94,313/-	1,35,904/-	1,45,696/-	1,42,496/-
Interest Cost	1,61,676/-	1,52,479/-	1,00,593/-	1,09,316/-
Expected Return on Plan Asset	(1,72,203/-)	(1,20,747/-)	Nil	Nil
Actuarial(Gain)/Loss	(1,45,522/-)	(1,73,415/-)	(18,316/-)	(1,67,232/-)
	(61,736/-)	(5,779/-)	2,27,973/-	84,580/-
<b>Head under which shown in the Profit &amp; Loss account</b>	Gratuity		Salary & benefits	

The Actual Return on Plan Assets is as follows

Particulars	Gratuity	
	Current Year	Previous Year
Actual return on plan assets	1,72,203/-	1,20,747/-

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	19,09,598/-	17,88,851/-
i)	Expected Return on Plan Assets	1,72,203/-	1,20,747/-
ii)	Actuarial Gains / (Losses)	Nil	Nil
iii)	Contribution by the Employer	Nil	Nil
iv)	Benefits Paid	Nil	Nil
v)	Contribution	4,033/-	Nil
	Closing Fair Value of Plan Assets	20,85,834/-	19,09,598/-

## 25. 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	₹ 9,67,692/- (Previous Year ₹ 12,16,092/-)
Later than one year but not later than five years	₹ 9,67,692/- (Previous Year ₹ 19,35,384/-)
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 2015 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 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.

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

Particulars	Current Year (in ₹)	Previous Year (in ₹)
Net Profit as Per Statement of Profit and Loss attributable to Equity Shareholders.	(22363985)	55438293
Earning Per Share (face value of '10 each) Weighted Average Nos. of Equity Share	23792218	23792218
Outstanding		
<b>Basic and diluted Earning per share (')</b>	<b>(0.94)</b>	<b>2.33</b>

## 27. 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, 2015 and 31st March, 2014.

## 28. 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.

## 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 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	Nil	516
b	No. of Equity Shares held by them	Nil	128054
c	i) Amount of Dividend Paid (Gross) (₹)	Nil	128054
	ii) Tax deduction at source	Nil	Nil
	iii) Year to which dividend relates	2013-14	2012-13

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

Name of the entity	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit / Loss	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit / Loss	Amount
Parent				
HB Stockholding Ltd.	100.53	1353170255	97.39	-34885528
Subsidiary (Indian)				
Mount Finance Ltd.	-0.53	-7121021	2.61	-936355
<b>Total</b>	<b>100.00</b>	<b>1346049234</b>	<b>100.00</b>	<b>-35821883</b>

31. During the year, the company has revised depreciation rates on fixed assets as per the useful life specified in Schedule II to the Companies Act, 2013. Based on the Current estimates, depreciation of Rs.14,79,486/- on account of assets whose useful life has already exhausted as on April 1, 2014 has been added to the depreciation for the year ended March 31, 2015.

Due to aforesaid revision in depreciation rates, depreciation for the year as charged in the Profit & Loss account is higher by Rs.13,20,481/-.

## 32. Litigation

The Group is in appeal in respect of various income tax matters. The Contingent liability in respect there is disclosed in note no. 21 (a). Besides, in respect of appeals decided in favour of the company, the department is in appeals in certain cases.

In addition, the Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Group management does not reasonably expect that the above legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the group results of operations or financial statements.

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

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

As per our Report of even date

For P. BHOLUSARIA & CO.

Chartered Accountants

FRN : 000468N

AMIT GOEL

Partner

Membership No.: 092648

Place : Gurgaon

Date : 21<sup>st</sup> May, 2015

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



## Form AOC-1

## Statement containing salient features of the financial statements of Subsidiaries / Associate Companies/Joint Ventures.

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

## Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs)

Sl. No.	Particulars	Company - Details
1.	Name of the subsidiary	Mount Finance Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March 2015
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees
4.	Share capital	Rs.83,00,060
5.	Reserves & surplus	Rs. (71,21,021)
5.	Total assets	Rs. 32,05,775
7.	Total Liabilities	Rs. 32,05,775
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(9,36,357)
11.	Provision for taxation	Nil
12.	Profit after taxation	(9,36,357)
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

## Part "B": Associates and Joint Ventures

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

S. No.	Name of Associates/Joint Ventures	Taurus Asset Management Company Limited
1.	Latest Audited Balance Sheet Date	31-03-2015
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No. of Equity Shares	30,28,000
	Amount of Investment in Associates/Joint Venture	Rs. 3,87,54,750/-
	Extend of Holding %	20.11%
3.	Description of how there is significant influence	Shareholding of more than 20%
4.	Reason why the associate/joint venture is not consolidated	Not Applicable
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 20,01,98,116 (100%)
		Rs. 4,02,59,841 (20.11%)
6.	Profit/Loss for the year	
	Considered in Consolidation	Rs. 1,39,86,322/-
	Not Considered in Consolidation	Nil

- Names of associates or joint ventures which are yet to commence operations. Nil
- Names of associates or joint ventures which have been liquidated or sold during the year. Nil

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.



# 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** : L65929HR1985PLC033936  
**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 **28<sup>th</sup> ANNUAL GENERAL MEETING** of the Company to be held on Wednesday, the **09<sup>th</sup> day of September 2015 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, 2015 and the report of Board of Directors and Auditors' thereon.
2. Re-appointment of Mr. Lalit Bhasin.
3. Appointment of M/s. P.Bholusaria & Co. Chartered Accountants, Statutory Auditors and fixing their remuneration.

### SPECIAL BUSINESS:

4. Appointment of Mrs. Asha Mehra as an Independent Director.

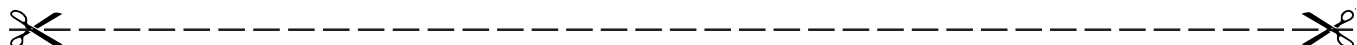
Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Signature of the Shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

Affix  
Rupess 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

### 28TH ANNUAL GENERAL MEETING

**Time** : 11.00 A.M., 09<sup>th</sup> day of September, 2015  
**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 28<sup>th</sup> Annual General Meeting held on Wednesday, 09<sup>th</sup> day of September, 2015 at 11.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

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

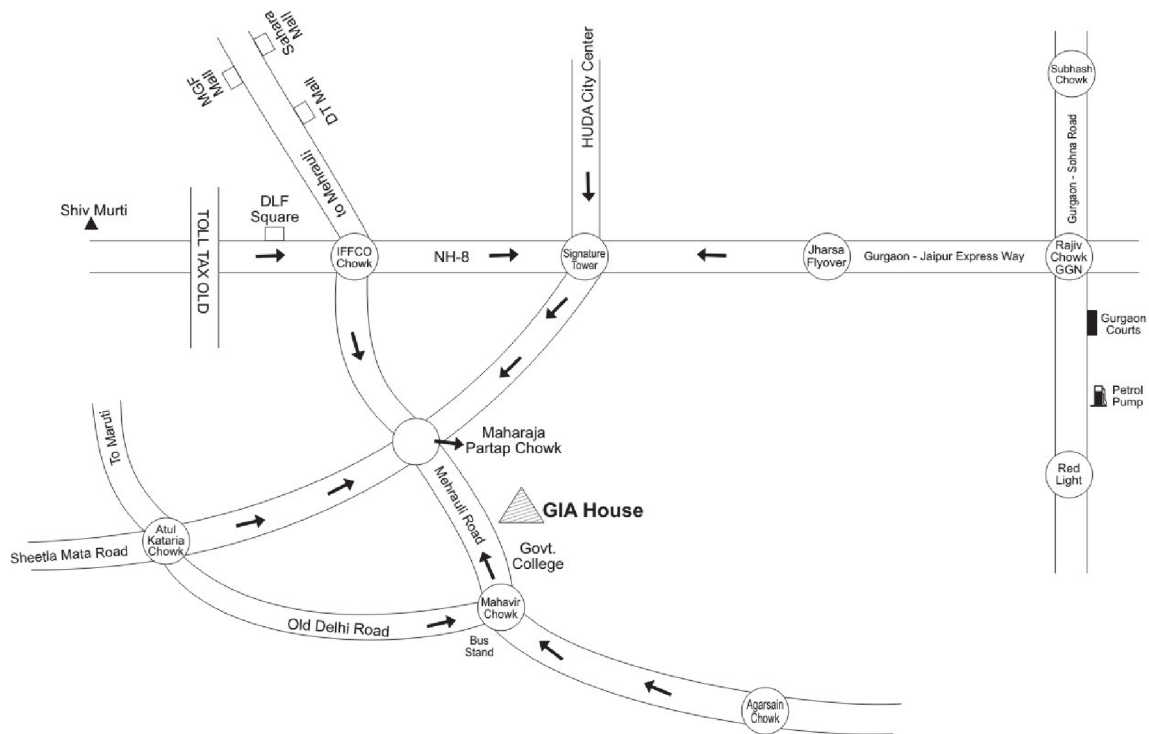
Client-Id : .....

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.

## ROUTE MAP OF GIA HOUSE





# 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  
Website : www.hbstockholdings.com, CIN No. L65929HR1985PLC033936


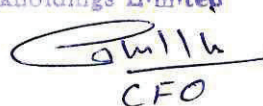

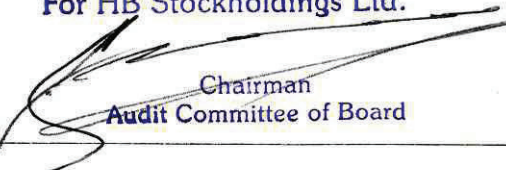
1<sup>st</sup> August, 2015

HBSL/ 2015-16

<b>The General Manager (Listing)</b>  Bombay Stock Exchange Limited, 25 <sup>th</sup> Floor, P J Towers, Dalal Street, Fort, <u>Mumbai - 400 021</u>  Code: 532216	<b>The Vice President,</b>  National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East) <u>MUMBAI – 400 051</u>  Code : HBSTOCK
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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 <sup>st</sup> March 2015
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"><li>CEO/Managing Director</li><li>CFO</li><li>Auditor of the Company</li><li>Audit Committee Chairman</li></ul>	<p>For HB Stockholdings Limited</p> <p> Managing Director</p> <p>For HB Stockholdings Limited</p> <p> CFO</p> <p>For P. BHOLUSARIA &amp; CO. Chartered Accountants</p> <p> Partner</p> <p>For HB Stockholdings Ltd.</p> <p> Chairman Audit Committee of Board</p>