

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

HBSL/AGM/2016

8th September 2016

The General Manager (Listing) Bombay Stock Exchange Limited, Pheeroze Jee Jee Bhoy Towers, Dalal Street, Fort, Mumbai – 400 001	The Vice President, National Stock Exchange of India Ltd Exchange Plaza, Bandra Kurla Complex, Bandra (East) MUMBAI – 400 051
Company Code-532216	Stock Code HBSTOCK

Reg: Submission of 29th Annual Report- 2015-16

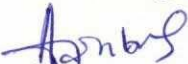
Dear Sir,

In due compliance of the Regulation 34(1) of the SEBI Listing Regulations 2015, shareholders of the Company in the 29th Annual General Meeting held on Wednesday the 7th September 2016 at Gurgaon, has approved and adopted the Audited Annual Accounts for the year 2015-16. A Copy of the 29th Annual Report -2015-16 is being uploaded on the website of both the Stock Exchange(s) in compliance of the SEBI Listing Regulations.

We further wish to say that a Copy of the 29th Annual Report 2015-16 of the Company is also available at the website of the company www.hbstockholdings.com.

Kindly take a note of the same.

Thanking You,
Yours faithfully,
For HB Stockholdings Limited


Anil Kumar Mittal
Company Secretary



Encl: As above



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	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

NOTICE IS HEREBY GIVEN THAT THE 29TH ANNUAL GENERAL MEETING OF HB STOCKHOLDINGS LIMITED WILL BE HELD AS FOLLOWS:

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

Day : Wednesday
Date : 7th September, 2016
Time : 11.00 A.M
Place : GIA House, I.D.C., Mehrauli Road,
Opp. Sector 14, Gurgaon - 122 001 (Haryana)
 (Please see route map provided in this Annual Report)

to transact the following business/(s):

AS ORDINARY BUSINESS

1. To receive, consider and adopt;
 - a. the Audited Financial Statements of the Company for the Financial year ended 31st March 2016 and the Reports of the Board of Directors' and Auditors' thereon and
 - b. the Audited Consolidated Financial Statements of the Company for the Financial year ended 31st March 2016
2. To appoint a Director in place of Mr. Anil Goyal (DIN: 00001938) who retires by rotation and being eligible offers himself for re-appointment.
3. **To consider, and it thought fit, to pass following Resolution as an Ordinary Resolution:-**
"RESOLVED THAT in terms of the provisions of Sections 139-142 and other applicable provisions, if any, of the Companies Act, 2013 read with underlying rules viz. Companies (Audit and Auditors) Rules 2014, as may be applicable and pursuant to the Resolution passed by the members at the previous Annual General Meeting, M/s P Bholusaria & Co. Chartered Accountants, (Firm Registration No: 000469 N) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the Conclusion of this Meeting i. e Twenty Ninth Annual General Meeting until the conclusion of the Thirtieth Annual General Meeting of the Company, on a remuneration inclusive of service tax and such other taxes and reimbursement of all out of pocket expenses in connection with the Audit of Accounts of the Company to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee in connection with the audit of the accounts of the Company for the year ended March 2017."

AS SPECIAL BUSINESS

4. **Alteration in the Nomenclature of the Main Objects, Objects Incidental or Ancillary and Deleting existing clause (s) in Other objects in the Memorandum of Association (MOA) of the company**
 To consider and if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution:**
"RESOLVED THAT pursuant to the provisions of Section 4, 13 and any other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby granted as a Special Resolution for alteration of the Memorandum of Association (MOA) of the Company as follows:
 - (a) The words "Clause III (A) MAIN OBJECTS OF THE COMPANY TO BE PURSUED ON ITS INCORPORATION" be replaced with the words "Clause III (A) THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:"
 - (b) The words "Clause III (B) OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS" be replaced with the words "Clause III (B) MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:"
 - (c) In Sub-clause 25 of Clause III (B) the words "Subject to Section 58A, 292 and 293 of the Act" be replaced with " Subject to Sec 73, 74, 76A, 179 and 180 of the Companies Act, 2013 or any other enactment in force"
 - (d) In Sub clause 26 of Clause III (B) the words " Subject to Sec 293 of the Act," be replaced with " Subject to the provisions of Sec 179 and,180, 185, and 186 of the Companies Act, 2013 or any other enactment in force"
 - (e) In Sub clause 29 of Clause III (B) the words " for political purpose u/s 293A of the Act," with "provisions of Sec 180, 182 &183 of the Companies Act, 2013 or any other enactment in force"
 - (f) the Clause III (C) OTHER OBJECTS of the Memorandum of Association of the Company be deleted altogether
 - (g) The words "Clause IV The liabilities of the members is limited" be replaced with the followings:
 "Clause IV The liability of the Member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them."

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things as may be necessary to give effect to the above resolution."

5. **To approve the reappointment of Mr. Vijay Sood, Managing Director and payment of remuneration**
 To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution:**
"RESOLVED THAT in accordance with the provisions of Sections 196, 197, and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof, approval of the Company be and

is hereby accorded as a Special Resolution, to the re-appointment of Mr. Vijay Sood (DIN 01473455) as the Managing Director of the company for a further period of 2 years w. e. f. 30th April 2016 on the terms and conditions including remuneration set out in the Explanatory Statement accompanying this Notice.

RESOLVED FURTHER THAT the remuneration to the Managing Director as set out in the Explanatory Statement shall be paid as the Minimum Remuneration in the event of absence / inadequacy of profits in any of the financial years.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things including the power to settle all questions or difficulties that may arise with regard to the said re-appointment or as may be necessary and incidental in the matter, including seeking the approval, consent, permission(s) from such other authorities, as may be required from time to time."

**By the Order of the Board
 For HB STOCKHOLDINGS LIMITED**

Place : Gurgaon
Date : 28th May, 2016

**Sd/-
 ANIL KUMAR MITTAL
 COMPANY SECRETARY
 M. No. FCS 2360**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FOUR EIGHT HOURS BEFORE THE TIME OF THE MEETING.**
 A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. 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 CANNOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and form part of this Notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **3rd September, 2016 to 7th September, 2016** (Both days inclusive).
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding Shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company's Registrar and Share Transfer Agent namely, RCMC Share Registry Pvt. Ltd.
5. Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
6. Corporate Members are requested to send a duly Certified Copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Shareholders seeking any information with regard to Financial Statements are requested to write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.
8. Members are requested to:
 - (a) Notify any change in their address to the Company including PIN CODE to the Registrar and Share Transfer Agent of the Company namely,
RCMC Share Registry Pvt. Ltd.
B-25/1, First Floor,
Okhla Industrial Area, Phase-II,
New Delhi – 110 020
Phone: 011 – 26387320, 26387321, 26387323
Fax: 011 - 26387322
E-mail: shares@rcmcdelhi.com
 - Members whose Shareholding is in electronic mode are requested to direct change of address to their respective Depository Participants.
 - (b) Bring their copies of Annual Report with them at the meeting as the same will not be supplied again as a measure of economy.
9. The Company is implementing the "Green Initiative" to enable electronic delivery of Notices / Documents and Annual Reports to the Shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL / CDSL will be deemed to be your registered email address for serving Notices / Documents including those covered under Section 136 of the Companies Act, 2013. The Notice of Annual General Meeting and the copies of Audited Financial Statements, Director's Report, Auditors Report etc. will also be displayed on the website of the Company, www.hbstockholdings.com and also on the website of Stock Exchange(s), www.bseindia.com and www.nseindia.com
 The Members holding Shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding Shares in physical mode are also requested to update their email addresses by writing to the Registrar and Share Transfer Agent of the Company at the address mentioned in 8 (a) above quoting their folio number(s).
 Copies of the Annual Report are being sent by electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report including Attendance Slip and Proxy Form are being sent by the permitted mode.



10. Voting through Electronic means:

- (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their votes by electronic means on all the resolutions proposed to be considered in this Annual General Meeting from a remote location ("Remote e-voting").
- (ii) The Company has engaged the services of Karvy Computershare Pvt. Ltd. ("Karvy") to provide the facility of Remote e-voting.
- (iii) The facility for voting through Physical Ballot Papers shall be made available at the meeting and members attending the meeting, who have not already cast their vote by Remote e-voting shall be able to exercise their right to vote at the meeting through Ballot Papers.
- (iv) The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 31st August, 2016**, may cast their vote by remote e-voting / at the meeting.
- (v) Any person who acquires Shares of the Company and becomes member of the Company after dispatch of the Notice and holding Shares as on the cut-off date i.e. 31st August, 2016 may obtain the login Id and password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote.
- (vi) **The Remote e-voting period commences on 4th September, 2016 (09.00 A.M) and ends on 6th September, 2016 (05.00 P.M).** The Remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (vii) Once the vote on a Resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The Members who have cast their vote by Remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
- (viii) Mr. Pramod Prakash Agarwal (Membership No. F-4955; C.P. No.10566), Company Secretary in Whole-time Practice has been appointed as the Scrutinizer to scrutinize the remote e-voting & polling process in a fair and transparent manner. Mr. Sukh Raj Sharma, Practicing Company Secretary has been appointed as the Alternate Scrutinizer in the event Mr. Pramod Prakash Agarwal fails to discharge his duties on the designated date due to any reason whatsoever.
- (ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.
- (x) The Company shall submit to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd (NSE), within forty eight hours of the conclusion of the Meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, www.hbstockholdings.com and on Karvy's website, <https://evoting.karvy.com> immediately after the declaration of results.
- (xi) In case of any queries pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website, <https://evoting.karvy.com> or call their Toll Free No. 1800-345-4001 for any further clarification.
- (xii) The instructions for availing the Remote e-voting facility indicating the process and manner of e-voting are given as hereunder.
 - **In case a Member receives Notice through e-mail from Karvy [for Members whose email IDs are registered with the Company / Depository Participants:**
 - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (b) Enter the login credentials (i.e. User ID and Initial Password provided by Karvy in e-mail). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (c) After entering these details appropriately, click on "LOGIN".
 - (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (e) You need to login again with the new credentials.
 - (f) On successful login, the system will prompt you to select the E-Voting Event Number for HB Stockholdings Limited.
 - (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - (h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: fcs.ppa@gmail.com with a copy to Karvy at e-mail ID: evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
 - In case a Member receives Notice in physical form [for Members whose email IDs are not registered with the Company / Depository Participants]:
 - (a) User ID and Initial Password as given in the e-voting notice sent along with the Annual Report.
 - (b) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
11. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
 12. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013; the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.
 13. Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] enclosed with the Notice.

EXPLANATORY STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the act")

ITEM No. 4

The Company was incorporated in the year 1985 under the Companies Act, 1956. The Memorandum of Association of the Company has since been modified from time to time to enable the Company to pursue new objects in furtherance of its business objective. Presently the Main Objects of the Company comprises of the business of Portfolio Investments in equity shares, preference shares, stocks, debentures, (Convertible and Non-Convertible), Company Deposits, and to deal in Government Securities.

As per the provisions of the Companies Act, 2013, the Memorandum of Association (MOA) of a Company shall state the objects for which the Company is proposed to be incorporated and any matter considered necessary in furtherance thereof. It shall also state that the liability of the Member(s) is limited and this liability is limited to the amount unpaid, if any, on the Shares held by them. Further, any provision contained in the Memorandum of Association shall, to the extent to which it is repugnant to the provisions of the Companies Act, 2013, become or be void, as the case may be. Therefore, Other Objects clause mentioned in the Memorandum of Association of the Company is repugnant to the provisions of Memorandum of Association under the Companies Act, 2013. Accordingly, the Board of Directors has decided to alter the existing Memorandum of Association of the Company in line with the provisions of the Companies Act, 2013 by making suitable changes thereto.

An amended copy of the Memorandum of Association of the Company is available for inspection by the members at the Registered Office of the Company during normal business hours on all working days up to and including the date of the Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

ITEM No.5

The Board of Directors of the Company in their meeting held on 11th February 2016, on the recommendation of the Nomination and Remuneration Committee, reappointed Mr. Vijay Sood Managing Director of the Company for a period of 2 (Two) years w. e. f. 30-04-2016, including the Remuneration payable to Mr. Vijay Sood and such other terms and conditions as set out hereunder.

The re-appointment and payment of remuneration to Mr. Vijay Sood, the Managing Director requires the approval of the members in the ensuing Annual General Meeting by Special Resolution pursuant to Schedule V of the Companies Act, 2013 read with Section 196, 197 and Sec 198 of the said Act. The terms and conditions of re-appointment of Mr. Vijay Sood as approved by the Board of Directors is as under: -

S. No.	Particulars	Amount in Rs.
1	Basic Salary Rs. 4,68,500X 12	56,22,000
2	Housing Rent Allowance Rs. 242000X12	29,04,000
3	Medical Reimbursement (Annual)	24,000
4	Leave Travel Concession (payable annually)	75,000
	Cost to the Company – per annum	86,25,000

In addition to the remuneration proposed as mentioned herein above, Board of Directors of the Company shall be given an authority by the shareholders, to increase the remuneration payable to Mr. Vijay Sood by a maximum of 15 % per annum in the 2nd year of his tenure.

Mr. Vijay Sood, Managing Director shall also be entitled to the following perquisites which shall not be included in the remuneration payable as mentioned herein above:-



- a. Company maintained Car with driver.
- b. Reimbursement of Telephone facility at residence/ Mobile phone
- c. Personal Accident Insurance, annual premium not to exceed Rs. 10,000/-

Other Terms of Re-appointment

1. The appointment may be terminated by either party with 3 months' Notice or payment of 3 months' remuneration in lieu thereof.
2. Reimbursement of expenses incurred during the course of business of the company shall be allowed.
3. Leave with Full pay and allowances in a year as under:-
 - a) Privilege Leave (30 days with accumulation up to 45 days) Accumulated Privilege Leave to be encashed on the basis of last Basic Salary drawn at the time of his ceasing to hold office of Managing Director.
 - b) Medical Leave (10 days, with accumulation up to 30 days) and
 - c) Casual Leave (7 days, no accumulation)
4. No sitting fee will be paid to the Managing Director for attending the Meetings of the Board of Directors or Committees thereof.
5. The above remuneration shall be paid as the minimum remuneration in the event of absence/ inadequacy of profits in any financial year.

The Additional Disclosures as required in Para 1(B) (iv) of Section II of Part I of Schedule V to the Companies Act, 2013 is as under:

I. GENERAL INFORMATION:

1. Nature of Industry	The Company is a NBFC registered with RBI and engaged in the business of financial services sector since the year 2000.	
2. Date or expected date of Commencement of Production	The Company is existing operational listed Company and it is not engaged in any manufacturing activities. The Company is engaged in the business of investments in the shares, stocks & securities and financing of loans and advances.	
3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.	Re- appointment of Managing Director is in an existing company which is in operation since.	
4. Financial Performance based on given indicators	Information given are hereunder:-	
	(₹ in Lacs)	
	2014-2015	2013-2014
Particulars		
Total Sales and other Income	813.27	1469.06
Profit before Depreciation & Tax	527.11	1134.59
Depreciation	22.28	9.36
Provision for Taxation	5.28	126.43
Exception item (Add)	0.00	0.00
Transfer to Statutory Reserve	99.91	199.76
Surplus –	399.64	799.04
5. Export performance and net foreign Exchange collaborations.	The Company is not engaged in Import and Export trade activity. There is no Foreign Collaboration with any company.	
6. Foreign investments or collaborators, if any	The company has no foreign investments or foreign collaborations. The company does not have any foreign investments or collaboration overseas.	

II. INFORMATION ABOUT THE APPOINTEE

1. Background details	Mr. Vijay Sood holds B A (Hons) Degree in Economics from Delhi University, passed in 1977 and completed MBA from Indian Institute of Management (IIM) Ahmedabad in the year 1979, the premier Business School of India. Mr. Sood is also an Associate Member of Institute of Cost & Works Accounts of India (ICWA) since 1986. He has also completed an Advanced Management Programme from Wharton Business School, USA in 2003. Mr. Vijay Sood brings with him more than 36 years of experience in the fields of funds management, investment banking and corporate finance and has held senior and top management positions in M N Cs and in foreign Banks.
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2. Past remuneration	Rs. 86,25,000/- per annum.
3. Recognition or awards	Not applicable
4. Job profile and his suitability	Position of Managing Director is a top management level position and job profile essentially requires a dynamic leader who is mature, innovative, self-motivated and result oriented. The appointee for the top Job viz. Managing Director should be a hard core finance professional and who has experience in conceptualizing, planning, directing and implementing business and financial strategies and translates them in long terms business growth.
5. Remuneration proposed	As set out in the explanatory statement forms part of the Notice of the 29 th AGM
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin.)	Though the latest data with the comparative profile with remuneration of the CEO / MD / Key Managerial Personnel of Financial Services Companies was not available, however generally the CEOs/ MDs/ Key Managerial personnel of financial services sector / NBFC Companies of comparable status are generally receiving remuneration over and above Rs.100 lakhs per annum.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Managing Director, the appointee in the Company does not have any other pecuniary relationship with the company and its subsidiary and he is not related to any Director or KMP and has no pecuniary relationship with any of the existing Directors of the company. He does not hold any Equity Shares in the Company and of its subsidiary company.

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits	1. Provisioning requirements under Reserve Bank's Prudential Norms applicable to Non-Banking Financial Companies may Result small reported figures of Profit 2. Losses may sometime occur on account of sudden crash in the stock indices and also on account of losses in the F & O segment due to higher Intra-day volatility in the stock market
2. Steps taken or proposed to be taken for improvement	The company has undertaken a comprehensive review of its investments Portfolio to identify and eliminate the low return yielding and illiquid stocks/ scrip's / securities so as to improve the average return / profitability. All these efforts yielded results and performance of the company improved significantly in the year 2013-2014 and 2014-2015 and company posted significant improvement in its operations.
3. Expected increase in productivity and profits in measurable terms	The aforesaid measures undertaken have boosted performance of the company since last 3-4 years. The performance of the Company improved all round resulting adequate Cash flow and also surplus generated for creation of Statutory Reserve as per the RBI guidelines.

IV. DISCLOSURES

Remuneration payable to Mr. Vijay Sood, Managing Director of the company has been disclosed in the explanatory statement forming part of the Notice.

All elements of Remuneration breakup to all other Directors' of the company are disclosed in the Corporate Governance Report annexed to the Director's Report.

The particulars set out hereinabove may be treated as the abstract of the terms and conditions of re-appointment of Mr. Vijay Sood as Managing Director of the Company, to be sent to the shareholders of the Company under Section 196 of the Companies Act, 2013.

None of the Directors except Mr. Vijay Sood is concerned or interested in this resolution. The Board of Directors' recommends the **Special Resolution** for the approval of the Members.

**By the Order of the Board
For HB STOCKHOLDINGS LTD.**

**Place : Gurgaon
Date : 28th May 2016**

**Sd/-
ANIL KUMAR MITTAL
COMPANY SECRETARY
M. No. FCS 2360**


PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT IN THE ENSUING AGM (Please Refer Items: 2 & 5 of the Notice of AGM).

Name of the Director	Mr. Anil Goyal	Mr. Vijay Sood
DIN	00001938	01473455
Date of Birth	22nd February 1959	12th June 1958
Qualification(s)	B Com FCA	B A (Hons) Economics, MBA, IIM (Ahmedabad) AICWA. Advanced Management Programme, Wharton USA
Brief Resume & Expertise in specific functional areas	A Fellow member of the Institute of Chartered Accountants of India with expertise in the fields of Finance, taxation, investment banking, corporate restructuring and strategic planning. He has good experience of Corporate and Legal matters including SEBI related Laws.	He held Senior and top positions in International Financial House / Banks like ANZ Grindlays, Hong Kong Bank, WI Carr. and brings with him rich experience in funds management, investment banking and corporate finance.
Other Listed Companies in which directorship held as on 31.3.2016	HB Portfolio Limited - Managing Director HB Leasing & Finance Co Ltd. - Managing Director HB Estate Developers Ltd. - Director RRB Securities Ltd. - Director	MPS Limited- Director
Membership of the Committees of the Board as on 31.3.2016	<p>Member in HB Stockholdings Ltd.</p> <ul style="list-style-type: none"> • Audit Committee • Stakeholders Relationship Committee • CSR Committee <p>Member in RRB Securities Limited</p> <ul style="list-style-type: none"> • Nomination and Remuneration Committee • Stakeholders Relationship Committee <p>Member in HB Portfolio Limited</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee • CSR Committee <p>Member in HB Estate Developers Limited</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee • CSR Committee <p>Member in HB Leasing & Finance Co. Limited</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee 	<p>Committee membership in MPS Limited</p> <ul style="list-style-type: none"> • Audit Committee • Nomination and Remuneration Committee • CSR Committee <p>Member in HB Stockholdings Ltd in</p> <ul style="list-style-type: none"> • Stakeholders Relationship Committee
Shareholding of Director as on 31.03.2016	Nil	NIL
Whether related to any Board Members of the Company	No	No

By the Order of the Board
For HB STOCKHOLDINGS LTD.

Place : Gurgaon
Date : 28.05.2016

Sd/-
ANIL KUMAR MITTAL
COMPANY SECRETARY
M. No. FCS 2360

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 29th Annual Report and the Audited Accounts of your Company for the financial year ended 31st March 2016.

FINANCIAL RESULTS

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

PARTICULARS	₹ in lacs	
	Year Ended 31.03.2016	Year Ended 31.03.2015
Total Revenue	384.27	813.27
Total Expenses	283.53	308.45
Profit for the Year before Tax and exceptional items	100.74	504.83
- Tax Expenses (including earlier years)	12.18	5.28
- Exceptional items	0.00	0.00
Profit After tax and Exceptional Items	88.56	499.54
Earning per Equity Shares (Before exceptional items)		
- EPS Basic (Rs.)	0.37	2.10
- EPS Diluted (Rs.)	0.37	2.10
(After Exceptional Items)		
- EPS Basic (Rs.)	0.37	2.10
- EPS Diluted (Rs.)	0.37	2.10

DIVIDEND

In order to conserve resources for the future, Directors' of your company do not recommend any dividend for the year ended 31st March 2016.

PERFORMANCE REVIEW & OUTLOOK

The global economy experienced challenging conditions in fiscal 2016, with weak growth and divergent monetary policies in advanced economies, slowdown in China and significant decline in commodity prices. The Indian economy continued to make progress during the year, with improvement in key macroeconomic parameters and focused government initiatives to drive sustainable growth. 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 operations was ₹ 384.27 Lakhs (previous year ₹ 813.27 Lakhs) comprising Dividend Income ₹ 44.03 Lakhs (previous year ₹ 156.72 Lakhs), Interest on Loan / ICD ₹ 428.75 Lakhs (previous year ₹ 175.09 Lakhs), Securities Trading Loss ₹ 19.10 Lakhs (previous year gain of ₹ 26.56 Lakhs), Loss booked on Sale of Investments ₹ 123.45 Lakhs (previous year Profit of ₹ 107.54 Lakhs) and Provisions for diminution in the value of Investment written back ₹ 54.04 Lakhs (previous year ₹ 347.37 Lakhs). Net Profit before Tax and exceptional items for the year was ₹ 100.74 Lakhs (previous year ₹ 504.83 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 Annual Report.

SCHEME OF ARRANGEMENT

The Board of Directors of the Company in their meeting held on 11th February 2016 have approved a Composite Scheme of Arrangement between HB Stockholdings Limited ('the company'), HB Portfolio Limited and HB Estate Developers Limited and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013, subject to various Statutory approvals as may be required. The appointed date of the Scheme of Arrangement is 1st April 2015. The Company has submitted all the documents relating to the Scheme of Arrangement with BSE and NSE Stock exchange(s) for seeking their 'No Objection' enabling it to file the Scheme before the High Courts./ Tribunals. A Copy of draft Scheme of Arrangement with all necessary annexures is available at the website(s) of NSE and BSE and also available at Company's [web site at www.hbstockholdings.com](http://www.hbstockholdings.com)

SUBSIDIARY AND ASSOCIATES COMPANIES

In compliance with the provision of Section 129(3) of the Companies Act, 2013, the company has prepared Consolidated Financial Statement along with its wholly owned subsidiary Company. As on 31st March 2016, the Company had one Indian Subsidiary. The Company has one associate company within the meaning of Sec 2(6) of the Companies Act, 2013. The Consolidated Financial Statement for the year 2015-16 forms a part of the Annual Report and Accounts and shall be laid before the Annual General Meeting. A Report on the performance and the financial position of the Subsidiary and Associate Companies in form AOC-1 forms part of the Consolidated Financial Statement.

The company does not have an unlisted material subsidiary as per Reg 24(1) of SEBI (Listing Obligation and Disclosure Requirements) Reg 2015 in the immediately preceding accounting year. In Compliance to Reg 16 (c) of the Listing Regulations, all listed companies was to formulate a policy of determining Material Subsidiary. Accordingly, a Policy for material Subsidiary was formulated by the Audit Committee and approved by the Board and the same was posted on the web site of the Company and may be accessed at the [web link www.hbstockholdings.com](http://www.hbstockholdings.com)

RELATED PARTY TRANSACTIONS

All Related Party Transactions during the financial year were entered into 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. No disclosure is required in this regard. Further, there are no Material Related Party Transactions made during the year under review by the Company with its Directors, Key Managerial Personnel or other designated persons and others. Policy on Related Party Transactions is uploaded on the company's website and may be viewed at [web link www.hbstockholdings.com](http://www.hbstockholdings.com).

Internal Control Systems and their Adequacy

The Internal Control System of the Company is commensurate with the size, scale and operations, of its business operation which covers all the locations. To maintain objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. 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.

Internal Auditors of the Company 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 regularly placed before the Audit Committee meeting for its deliberations and monitoring.

Risk Management

In order to achieve sustained business growth, the Company has laid a Comprehensive Risk Assessment and minimization procedure. 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, which is reviewed by the Audit Committee and approved by the Board from time to time. These procedures are reviewed to ensure management controls risks 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.

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

Regulation 34(3) read with Schedule V of the SEBI Listing Regulations, 2015, Management discussion and Analysis Report, Corporate Governance Report and Certificate thereof has been disclosed in the enclosed document. Your Company is committed to maintain the applicable Corporate Governance standards and is committed to ensure their due compliance or modifications, if any, that may be stipulated by SEBI and communicated from time to time through stock exchange(s) and company timely observe these for implementation.

NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations 2015, a Nomination and Remuneration Committee was reconstituted of independent directors on the Board of the Company. Nomination and Remuneration Policy of the Company forming part of the Boards Report, and enclosed at **Annexure I**. 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.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board constituted a Corporate Social Responsibility Committee (CSR) pursuant to Section 135 of the Act and 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 of the Company and disclosed its contents in the **Annexure II**. The details of the CSR Policy can be viewed on the website of the Company at www.hbstockholdings.com.

Average Net profit of the Company in respect of immediately preceding three financial years was not sufficient enough as per these rules, hence, Company has not incurred any amount towards CSR activities during the financial year 2015-2016.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

A Vigil mechanism / Whistle Blower Policy was approved in compliance of Section 177 (9) of the Companies Act, 2013 read with Reg 22 of the SEBI Listing Regulations effective from 01st October, 2014. The Policy was amended effective from 1st December 2015 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. During the year under review, no matter relating to Vigil Mechanism was reported. A Copy of Board approved Whistle Blower Policy is posted on the Company's [website at www.hbstockholdings.com](http://www.hbstockholdings.com).

AUDITORS

Statutory Auditors

M/s. P. Bholusaria & Co., Chartered Accountants, New Delhi having FRN 000468N, were Statutory Auditors of the Company and they hold office till the conclusion of the ensuing Annual General Meeting and being 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.

Internal Auditors

M/s M K Choudhary & Co. Chartered Accountants, New Delhi was appointed Internal Auditors of the Company by the Board in terms of Sec 138 of the Companies Act, 2013. Internal Audit Report are regularly placed before the Audit Committee of the Board for their review and follows up.

Secretarial Auditors

M/s A N Kukreja & Co. Company Secretaries was appointed by the Board to undertake the Secretarial Audit for the year 2015-2016, pursuant to the provisions of Section 204 of the Companies Act, 2013 and other applicable rules. The Secretarial Audit Report in MR-3 is annexed herewith and marked as **Annexure III**.



Observation on Auditor's and Secretarial Auditor's Report

There are no qualifications, observations, reservation, or adverse remarks made by the Statutory Auditor's and Secretarial Auditor's in their Report(s) save and except disclaimer made by them in discharge of their professional duties.

DIRECTORS & OTHER KEY MANAGERIAL PERSONNEL

Appointment and Reappointment of Directors' & KMP

Company's Board members are eminent persons with proven competence and integrity. They have financial literacy, experience, leadership qualities and the ability of thinking strategically. Company's Directors have a significant degree of commitment and devotion and spares their adequate time for the meetings and for other deliberations. During the year Mr. J M L Suri, Executive Director of the Company resigned at the close of business hours on 21st May 2015 and Board accepted his resignation and placed on record the appreciation for the valuable contribution made during the tenures of his services as the Executive Director of the Company. The Board of Directors on the recommendation of Nomination and Remuneration Committee on 11th February 2016, reappointed Mr. Vijay Sood, Managing Director for a further period of Two years on the completion of his current terms on 30th April, 2016. A Special Resolution in respect of reappointment(s) and payment of remuneration has been placed before the shareholders in the 29th Annual General Meeting.

On the recommendation of Nomination and Remuneration Committee Mr. Jag Mohan Lal Suri, has been retained as Executive Director (Operations) w. e. f 22nd May 2015 as a Senior Executive of the Company on the remuneration and other terms and conditions as may be applicable to him.

As per Article 89(1) and (2) of the Article of Association of the Company read with the provisions of Section 152 of the Companies Act, 2013, Mr. Anil Goyal, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Meeting of Board of Director(s)

The Board of Directors of the Company meets at regular intervals to discuss and decide on company / business policy and strategy, apart from other routine businesses. The Board meetings are normally held in Gurgaon and Notice of the meetings are given well in advance to all the directors. Agenda of the Board and Committee meetings are circulated at least a week prior to the date of the meeting including notes on the items to be discussed at the meeting(s) to enable directors of the Company to take an informed decision. Details of the Board Meeting(s) held are given in the Corporate Governance Report attached with Directors' Report.

Annual Evaluation of the Board

An annual evaluation was carried out by the Board of its own performance, as well as of evaluation of the working of all its Committees and the individual directors including Chairman of the Board. While undertaking the evaluation, a structured questionnaire was prepared and sent to Board, Committee and individual directors. An Evaluation of Board functioning, quality, quantity and timeliness of information flow, quality and transparency of Board discussions and Board's effectiveness in dissemination of information to the shareholders and other stakeholders was carried out based on the responses received from the Directors.

Performance of the Board and committee's on the basis of their effectiveness in carrying out their mandated functions were reviewed based on various performance parameters. The performance parameter of the Chairman was carried out by the Independent Directors at a separate meeting of the Independent Directors.

Declaration by Independent Directors

Mr. Gulshan Rai, Mr. Harbans Lal and Mrs Asha Mehra are Independent Director(s) on the Board of the Company. Declaration Forms under Section 149(6) of the Companies Act 2013 were received from all the Independent Directors confirming that they respectively met with the criteria of Independence as prescribed both in Companies Act 2013 and in Reg 16(b) of the SEBI Listing Regulations.

Remuneration Policy

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

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 to the Director's Report** which is annexed hereto and forms a part of the Board's Report.

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 2016.

Name of Employee/ Age (Years)	Date of Employment	Qualifications	Designation/ Nature of job	Gross Remuneration (₹) during the year ended 31st March 2016	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 58 Yrs.	30-04-2007	AICWA, MBA from IIM Ahmedabad. Advance Management Programme from Wharton Business School, USA	Managing Director	₹ 86,24,775/-	Group CFO, Renaissance Services SAOG, Oman	37	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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) read with sub section (5) of the Companies Act, 2013, the Directors Responsibility Statements hereby states 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.

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 was no Earnings or outgo of Foreign Exchange by the Company.

Particulars of Employees

A statement containing particulars of employees required pursuant to Section 197(12) of the Companies Act, 2013 read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 is given in an annexure and forms part of the Director's Report and marked as **Annexure IV.**

EXTRACT OF ANNUAL RETURN

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

STATUTORY STATEMENT

The Board of Directors of your Company state's 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 Director of the Company receives any remuneration or commission from any of its subsidiaries.
4. No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. As per the Annual Report submitted by the Committee for Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review, there was no case filed or pending for review.
6. There was no change in the nature of business during the year under review.
7. None of the company have become or ceases to be the subsidiary, joint venture or associate of this company during the year under review.
8. No Listing Fee and other dues are pending to the Stock exchange(s) and other depositories.

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

Sd/
Place : Gurgaon
Dated : 28th May, 2016

Sd/
LALIT BHASIN
CHAIRMAN
DIN 00002114

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 11th February, 2015, in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI(Listing Obligations & Disclosure Requirement) Reg.2015 read with Part D of Schedule II of the Regulation.

The Policy has been revised by the Board on 11th February 2016 on the recommendation of Nomination and Remuneration Committee Meeting held on the same day.

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 performance of Independent Director and the Board of Directors.
- 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 to extend or continue the terms of appointment of Independent Director on the basis of report of performance evaluation of an Independent Director.
- 2.10. To assist the Board in fulfilling responsibilities.
- 2.11. 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 entities as an Independent Director and three listed entities as an Independent Director in case such person is serving as a Whole-time Director of a listed entities or such other number as may be prescribed under the Act.

C. Evaluation

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

D. Removal

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

E. Retirement

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

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

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

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

6. DUTIES IN RELATION TO NOMINATION MATTERS:

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

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

7. DUTIES IN RELATION TO REMUNERATION MATTERS:

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

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

8. REVIEW AND AMENDMENT:

- 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.

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 11th 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 11th February, 2015.

2. SHORT TITLE & APPLICABILITY:

- 2.1 The CSR Policy 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical 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.

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016**

(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 31st March, 2016** 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 31st March, 2016 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings*.
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009*;
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014*;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008*;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009* and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998*.
 - (vi) The Other Laws applicable specifically to the Company 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 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) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
 - (c) "Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv), SEBI Regulations listed at sub-para (v) Serial Nos. (e), (f), (g), (h) and (i) above are not applicable to the Company for 2015-16 as there were no corporate decisions/actions attracting these regulations.
2. We have also examined the compliances with the applicable Regulations/Standards of the following:

- (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (ii) Secretarial Standards issued by the Institute of Company Secretaries of India.
3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.
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:

Approval of a Scheme of Arrangement by the Board of Directors between the Company and HB Portfolio Ltd. and HB Estate Developers Ltd, subject to approval of Board of Directors of respective companies and such other statutory approval/sanctions as may be required.

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 : 28th May, 2016**

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 : 28th May, 2016**

STATEMENT OF DISCLOSURE OF REMUNERATION 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	13.37:1
7.	Mr. Mahesh Kumar Gupta	Chief Financial Officer	Not Applicable	
8.	Mr. Anil Kumar Mittal	Company Secretary	Not Applicable	

Note: No Director received any remuneration other than sitting fee during the financial year 2015-16. Only Managing Director is paid remuneration during the year.

- The percent increase in the median remuneration of employees in the financial year: **NIL**
- The Company has 08 (Eight) permanent employees on the rolls of the Company as on 31st March 2016. **Not Applicable.**
- The explanation on the relationship between average increase in the remuneration and Company performance:
- 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 2015-16	112.31 Lacs
Revenue from Operations	384.27 Lacs
Remuneration (as % of revenue)	29.23 %
Profit before tax (PBT)	100.74 Lacs
Remuneration(as % of PBT)	111.49%

- Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current Financial Year and previous Financial Year 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:

Particulars	Previous year 2014-2015	Current Year 2015-2016	% Increase/decrease in market
Closing market Rate of shares at BSE (Amount in Rs.)	10.70	7.46	(30.28)
Earnings Per Share (Amount in Rs.)	2.10	0.37	(82.38)
Market capitalization (Rupee in Lacs)	2545.77	1774.90	(30.28)
Price Earnings Ratio	5.09	20.16	396.07

- 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: **Not Applicable**
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	Managing Director	Executive Director	Chief Financial Officer	Company Secretary
Remuneration (Rupee in Lacs)	86.25	02.30	13.80	9.96
Revenue (Rupee in Lacs)	384.27	384.27	384.27	384.27
Remuneration (as % of revenue)	22.44	0.60	3.59	2.59
Profit before tax (PBT) (Rupee in Lacs)	100.74	100.74	100.74	100.74
Remuneration (as % of PBT)	85.62	2.28	13.70	9.89

- The key parameters for any variable component of remuneration availed by the directors : **Not Applicable**
- The ratio of the Remuneration of the highest paid Director to that of the Employee who are not directors but receive remuneration in excess of the highest paid Director during the year: **Not Applicable**
- It is hereby confirm that the Remuneration paid to Director's, KMP's and staff during the year was as per the Remuneration Policy of the Company.

For and on Behalf of The Board of Directors

Place : Gurgaon
Dated : 28th May, 2016

Sd/-
LALIT BHASIN
CHAIRMAN
DIN 00002114

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2016

[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 having Share Capital
v)	Address of the Registered office and contact details	Plot No. 31, Echelon Institutional Area, Sector-32, Gurgaon 122001, Haryana Ph: 0124-4675500 Fax: 0124-4370985 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: rcmodelhi.com, Email : shares@rcmodelhi.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 301, Regent Chambers 208, Jammnalal Bajaj Marg, Nariman Point, Mumbai 400 021	U67120MH1985PLC038136	Subsidiary	100	2(87)(ii)
2	Taurus Asset Management Co. Limited 305, 3rd Floor, Regent Chambers, 208, Jammnalal Bajaj Marg, Nariman Point, Mumbai 400 021	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	
A. PROMOTERS									
(1) Indian									
a) Individual/ HUF	12562307	0	12562307	52.80	12562307	0	12562307	52.80	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	98814	0	98814	0.42	98814	0	98814	0.42	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	12661121	0	12661121	53.22	12661121	0	12661121	53.22	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	12661121	0	12661121	53.22	12661121	0	12661121	53.22	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	350	8250	8600	0.04	350	8250	8600	0.04	0
b) Banks / FI	19,900	290	20190	0.08	19900	290	20190	0.08	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt. (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	20250	8540	28790	0.12	20250	8540	28790	0.12	0



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	
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	1853675	38554	1892229	7.95	1665434	38554	1703938	7.16	-0.75
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3456744	3808906	7265650	30.54	3901987	3684194	7586181	31.89	+1.35
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1596590	0	1596590	6.71	1466625	0	1466625	6.16	-0.55
c) Others (specify)									
Clearing members	17182	0	17182	0.07	26541	0	26541	0.11	+0.04
Non residents	210729	119927	330656	1.39	199845	119177	319022	1.34	-0.05
Foreign Com	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Sub-total(B)(2):-	7134920	3967387	11102307	46.66	7260432	3841875	11102307	46.66	0
Total Public Share- holding (B)=(B)(1)+ (B)(2)	7155170	3975927	11131097	46.78	7280682	3850415	11131097	46.78	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	19816291	3975927	23792218	100	19941803	3850415	23792218	100	0

(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
	Total	12661121	53.22	0	12661121	53.22	0	0

(iii) Change in Promoters' Shareholding during the year

There are no changes in the Promoters Shareholdings during the financial year 2015-16.

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	
		No. of Shares at the beginning 01.04.2015	% of total shares of the company
	At the beginning of the year		
1	Delhi Iron & Steel Co Pvt Ltd	1187074	4.99
2	RM Financial Services (P) Ltd	394142	1.66
3	Rohit Khullar	248511	1.04
4	Ajay Kumar Aggarwal	126662	0.53
5	Rajesh Jain	124075	0.52
6	Kumara Swamy BS	70442	0.30
7	Mangilal Parekh	61089	0.25
8	Rajesh Jain	60833	.025
9	Ajay Kumar Gupta	60109	0.25
10.	Anand Rathi Share & Stock Brokers Limited	56087	0.24

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year	
		No. of Shares at the end 31.03.2016	% of total shares of the company
	At the End of the year		
1	Delhi Iron & Steel Co Pvt Ltd	1187074	4.99
2	Rohit Khullar	344500	1.45
3	Ajay Kumar Aggarwal	126662	0.53
4	Rajesh Jain	124075	0.52
5	Om Kishan Khullar	100500	0.42
6	Harish Khullar	100000	0.42
7	Rohit Khullar HUF	99000	0.42
8	Kumara Swamy BS	70442	0.30
9	Ajay Kumar Gupta	62284	0.26
10	Mangilal Parakh	61089	0.26

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

Sl. No.	For Each of the Top 10 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	1-4-2015	1187074	4.99		
	At the end of the year	31-03-2016			1187074	4.99
2	ROHIT KHULLAR					
	At the beginning of the year	1-4-2015	248511	1.045	248511	1.04
	22-05-2015	Transfer	300	0.01		
	29-05-2015	Transfer	1189	0.01	250000	
	16-10-2015	Transfer	94500	0.40	344500	1.445
	At the end of the year	31-03-2016			344500	1.45
3	AJAY KUMAR AGGARWAL					
	At the beginning of the year	1-4-2015	126662	0.53	126662	0.53
	At the end of the year	31-03-2016			126662	0.53
4	RAJESH JAIN					
	At the beginning of the year	1/4/2015	124075	0.52	124075	0.52
	At the end of the year	31-03-2015			124075	0.52
5	OM KISHAN KHULLAR #					
	At the beginning of the year	1-4-2015	0	0.00		
	09-10-2015	Transfer	100328	0.42	100328	0.42
	16-10-2015	Transfer	172	insignificant	100500	0.42
	At the end of the year	31-03-2016			100500	0.42
6	HARISH KHULLAR #					
	At the beginning of the year	1-4-2015	0	0.00		
	09-10-2015	Transfer	89844	0.38	89899	
	16-10-2015	Transfer	10156	0.04	100000	0.42
	At the end of the year	31-03-2016			100000	0.42
7	ROHIT KHULLAR HUF #					
	At the beginning of the year	1-4-2015	0	0.00		
	09-10-2015	Transfer	99000	0.42		
	At the end of the year	31-03-2016			99000	0.42

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
8	KUMARA SWAMY BS					
	At the beginning of the year	1-4-2015	70442	0.30	70442	0.30
	At the end of the year	31-03-2016			70442	0.30
9	AJAY KUMAR GUPTA					
	At the beginning of the year	1-4-2015	60109	0.25		
	31-07-2015	Transfer	175	Insignificant	60284	0.26
	At the end of the year	31-03-2016			60284	0.26
10	MANGILAL PARAKH					
	At the beginning of the year	1-4-2015	61089	0.26		
	At the end of the year	31-03-2016			61089	0.26

Notes:

Not in the list of Top 10 shareholders as on 01-04-2015. The same has been reflected above since the shareholder was not one of the top 10 shareholders as on 31-03-2016.

(i) 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 - Chairman	12262307	51.54	12262307	51.54
2.	Mr. Anil Goyal - Director	0	0	0	0
3.	Mrs. Asha Mehra - Director	0	0	0	0
4.	Mr. Gulshan Rai - Director	0	0	0	0
5.	Mr. Harbans Lal - Director	0	0	0	0
6.	Mr. Vijay Sood - Managing Director	0	0	0	0
7.	Mr. Mahesh Kr Gupta - Chief Financial Officer	0	0	0	0
8.	Mr. Anil Kr Mittal - Company Secretary	0	0	0	0

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

V. INDEBTEDNESS

The Company had no indebtedness with respect to Secured or unsecured Loan or deposits during the Financial year ended 2015-2016.

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	1,25,753	57,47,753
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	30,02,775	1,04,184	31,06,959
	(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	0	0
	Total (A)	86,24,775	2,29,937	88,54,712
	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	Mrs. Asha Mehra	
1.	Independent Director(s)				
	Fee for attending Board / Committee Meetings	80,000	1,08,000	60,000	
	Commission	0	0	0	
	Others, please specify	0	0	0	
	Total (1)	80,000	1,08,000	60,000	
				TOTAL	2,48,000
2	Other Non -Executive Director(s)	Lalit Bhasin	Anil Goyal		
	Fee for attending Board / Committee Meetings	40,000	86,000		
	Commission	0	0		
	Others, please specify	0	0		
	Total (B)=(1+2)	40,000	86,000		
				TOTAL	1,26,000
	Total Managerial Remuneration				3,74,000
	Ceiling as per the Act	3% of the net Profit of the Company has been calculated as per Sec198 of the Companies Act, 2013			

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	3,64,261	5,47,015	9,11,276
	(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
	Total	9,95,941	13,80,295	23,76,236

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

There was no penalties/punishment/compounding of offences for breach of any Section of the Companies Act, against the Company or its other officers in default, if any, during the year.

For and on behalf of the Board of Directors

Place : Gurgaon
Date : 28th May 2016

Sd/-
LALIT BHASIN
CHAIRMAN
DIN 00002114

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Operating Results

The Total Revenue earned by the Company during the year was ₹ 384.27 Lakhs as compared to ₹ 813.27 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 ₹ 283.53 Lakhs as compared to ₹ 308.45 Lakhs during the previous year. Interest and financial charges was Nil during the current and previous year.

2. Business Analysis during 2015-2016

During the financial year 2015-2016, the Indian economy continued to witness a gradual recovery, with improvements in key macroeconomic parameters, inflation moderated, interest rates came down, fiscal consolidation continued, foreign investments were strong and current account deficit remained stable. Policy measures were taken in the areas of infrastructure, foreign investment and financial sector reforms and programmes were launched for financial inclusion and inclusive growth.

However, the Global slowdown, commodity cycle, gradual pace of domestic recovery and high leverage in the corporate sector led to muted credit growth and an increase in non-performing loans, including slippages from restructured Loans for the Indian banking and non-banking sector.

During the year under review, Revenue from Operations was ₹ 384.27 Lakhs (₹ 813.27 Lakhs in previous year) and Net Profit after exceptional items ₹ 100.74 Lakhs (₹ 504.83 Lakhs in the previous year). Securities Trading including Equity derivative trading Loss was ₹ 19.10 Lakhs (previous year Gain of ₹ 26.56 Lakhs) Loss booked on Sale of Investments during the year ₹ 123.45 Lakhs (previous year profit of ₹ 107.54) Provision for diminution in the value of investment written back ₹ 54.04 Lakhs during the year under review (previous year ₹ 347.37 Lakhs)

3. Future Prospects and Outlook

The global economy experienced challenging conditions in fiscal 2016, with weak growth and divergent monetary policies in advanced economies, slowdown in China and significant decline in commodity prices. The Indian economy continued to make progress during the year, with improvement in key macroeconomic parameters and focused government initiatives to drive sustainable growth. 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

International rating agencies may upgrade India's sovereign out look to positive 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 31st March 2016 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 ₹ 111,71.48 Lakhs (previous year ₹ 110,82.92 lakhs)
- c) Fixed Assets stood at ₹ 24.81 Lakhs (₹ 32.13 Lakhs in the previous year.)
- d) Non Current Investments stood at ₹ 9763.91 Lakhs (previous year ₹ 9945.00 Lakhs)
- e) Current Assets stood at ₹ 4350.18 Lakhs (previous year ₹ 3626.68 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.

REPORT ON CORPORATE GOVERNANCE

Philosophy of the Company on Code of Governance

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.

Size and Composition of the Board

As per Reg 17(1) of the SEBI (LODR) Regulations the compositions of Board of Directors have an optimum combination of Executive and Non-executive directors. As on 31st March 2016, the Board of Directors of the Company comprises of 6 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. Mr. Lalit Bhasin, Promoter of the Company is the Non-Executive Chairman of the Board since 30th June 2004. The strength of the Independent Directors is 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 has been associated with the Company since April 2007 and has to his credit over 37 years of corporate experience in Foreign Banks, Foreign Companies including Multinational Companies. Managing Director of the Company shares the overall responsibility of all the day to day business affairs of the company and implement Board's policies and plans. Board Composition of the Company and the Corporate Governance Report is in conformity of Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Reg 2015.

Number of Board Meeting(s)

During the year under review (1-04-2015 to 31-03-2016), the Board of Directors of the Company met Four (4) times respectively on 21st May 2015; 12th August 2015; 29th October 2015; and on 11th February, 2016. The time gap between two Board Meetings did not exceed 120 days.

Directors Attendance & their Directorships

Composition of the Board of Directors and Attendance of the Board members with their shareholding in the Company as on 31st March 2016 and status of presence in the last AGM are given hereunder:

Name of the Director(s) & Category	Directorships in other public companies as on 31-03-2016 (Excluding HBSH)		#Committee Membership held in Other public companies as on 31-03-2016 (Excluding HBSH)		No. of Board Meetings during the year 31-03-2016 Attended	Whether Attended Last AGM	Shares held in the company & % to the subscribed capital
	Director	Chairman	Member	Chairman			
Mr. Lalit Bhasin Chairman Promoter & Non-Executive	8	3	4	1	4	Yes	1,22,62,307 (51.54)
Mr. Gulshan Rai Independent & Non Executive	Nil	Nil	Nil	Nil	3	Yes	NIL
Mr. Harbans Lal Independent & Non Executive	Nil	Nil	Nil	Nil	4	Yes	NIL
Mr. Anil Goyal Non Independent & Non Executive	09	Nil	4	0	4	Yes	NIL
Mrs. Asha Mehra Independent Non-Executive Woman Director	01	Nil	Nil	01	4	Yes	NIL
Mr. Vijay Sood Managing Director	2	Nil	1	1	4	Yes	NIL

comprises only Audit and Stakeholders Relationship Committee of Public Ltd. Co.

None of the Directors of the Company is related to each other. Out of the total directors of the Company two are rotational directors who shall be subject to retirement by rotation and out of that 1/3rd or one director shall retire by rotation at every Annual General Meeting in terms of Articles of Association. Accordingly Three Independent Directors on the Board of the Company shall be none retiring, and Managing Director being Executive Director shall not be liable to retire by rotation. Mr. Anil Goyal Director being longest in the office as director shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. In terms of Reg 36(3) of SEBI Listing Regulations, 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 29th Annual General Meeting of the Company.

Meeting of Independent Directors & their Performance Evaluation

In order to comply with the Reg 25(3) and (4) of the SEBI Listing Regulations and Sec 134 (p) of the Companies Act, 2013 during the year ended 31st March 2016, a meeting of Independent Directors met on 11th February 2016, inter alia to discuss and evaluate:

- the performance of the Non-Independent Directors and Board of Directors as a whole;
- 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;
- the quality, contents and timeliness of flow of information between the Management and the Board to effectively and reasonably perform its duties.

Further, a slide show relating to familiarization programme was displayed on the projector for all the Independent Directors of the Company. The details of familiarization programme was also uploaded on the Company's website at www.hbstockholdings.com All the Independent Directors on the Board of the Company were present in the Meeting.

In compliance of applicable provisions of Companies Act, 2013 and SEBI Listing regulations, the performance evaluation exercise was carried out in respect of various aspects of Board and its functions such as composition of Committees, structure of Agenda and adequacy of information circulated through that, attendance of the members of various committees and their level of participation in the meetings etc. Performance of each individual directors were carried out and same was apprised and evaluated on set parameters viz. time spent in meeting deliberations, commitment for the Company cause, involvement and contribution made thereof. The Performance of the Chairperson of the Company was evaluated in terms of leadership qualities, and his ability in carrying forward the agenda through common view point along with all the stakeholders of the Company.

All the Independent Directors on the Board in their meeting held on 11th Feb 2016 carried out evaluation of the other Non-Independent Directors, Board of the Company as a whole, Chairperson of the company and system and procedures. View of others Non-executive

Directors, i. e. Manging Director were also sought. While apprising and evaluating, Independent Directors expressed their satisfaction over the evaluation of others Non Independent Directors and Board of directors as a whole

Board Committee(s)

As stipulated in SEBI Listing Regulations 2015, all mandatory Board Committees are in place as on 31st March 2016 and their Constitution fully meets the requirements as per Companies Act, 2013 as amended. In terms of Regulation 26(1)(b), the number of Committees' (Audit Committee and Stakeholders Relationship Committee) shall only be counted in which a Director become member / Chairperson be counted for the limits as provided in the said Regulation. All the Directors of the Company are holding Committee membership / Chairmanship within the limits specified in the Listing Regulations 2015. All the Independent Director(s) of the Company are holding Directorship in specified no. of companies as mentioned in Reg 26(1) of the SEBI Listing Regulations 2015.

In order to Comply with the SEBI Listing Regulations and as per the Companies Act, 2013, the following Board Committees are in existence:-

(A) AUDIT COMMITTEE (AC) as per Reg 18

The primary objective of Audit Committee is to oversighting of the Company's 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.

Presently, the Audit Committee 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. Jag Mohan Lal Suri, Executive Director (Operations), are the permanent invitees at the Audit Committee Meetings. In addition to that Internal and Statutory Auditor(s) regularly attends the Audit Committee Meeting(s) held by the Company.

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

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;



- (v) scrutiny of inter-corporate loans and investments;
 - (vi) valuation of undertakings or assets of the company, wherever it is necessary;
 - (vii) evaluation of internal financial controls and risk management systems;
 - (viii) 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 Section 177 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 21-05-2015, 12-08-2015, 29-10-2015 and on 11-02-2016. Audit Committee Meeting(s) were attended by all the Committee members as well as Internal and Statutory Auditors of the Company except meeting held on 29th October 2015 which was not attended by Mr. Gulshan Rai.

(B) NOMINATION AND REMUNERATION COMMITTEE (NRC)

As per Reg 19 of the SEBI Listing Regulations 2015 read with Sec 178(1) of the Companies Act, 2013, Nomination and Remuneration Committee (NRC) of the Board has been reconstituted on 30th March 2015 by inducting Mrs. Asha Mehra, Independent Director (Women). As on 31-03-2016, the Nomination and Remuneration Committee comprises of three directors, all of whom are Non-executive Independent Director and Mr. Harbans Lal being the Chairman of the Committee. The following members constitute the Nomination & Remuneration committee:-

1. Mr. Harbans Lal- Chairman
2. Mr. Gulshan Rai- Member
3. Mrs. Asha Mehra - Member

The Role of the Nomination and Remuneration Committee shall inter alia include the following:-

- a. To lay down the Criteria on which Independent Directors shall be judged.
- b. Committee shall identify persons who are qualified to become directors of the Company
- c. Persons who may be appointed in Senior management position in accordance with the criteria laid down
- d. Committee to recommend to the Board the appointment, re-appointment and removal of Directors and Independent Directors
- e. To carry out evaluation of performance of all the Directors of the Company

During the year ended 31st March-2016, two Nomination and Remuneration Committee meetings were held on 21st May 2015 and 11th February 2016 respectively. Both the Meetings were attended by all the Committee members.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

In order to comply with Reg 20 of the SEBI Listing Regulations 2015 and Sec 178 of the Companies Act, 2013, the Board renamed its existing committee as Stakeholders Relationship Committee (SRC). The SRC comprises of three members namely, Mr. Harbans Lal, Mr. Anil Goyal and Mr. Vijay Sood. Mr. Harbans Lal Independent Director being the Chairman of the Committee. The Company Secretary being the compliance officer and acts as the Secretary to the Committee.

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

- a. approval / rejection of Transfers and transmission of shares,
- b. Issue of fresh / duplicate certificates upon split / consolidation / renewal / mutilated / remat / loss or otherwise of Equity Share Certificate(s),
- c. review the status of dematerialisation of company's shares and matters incidental thereto,
- d. monitor the matters of litigation related to shareholders and take decisions relating thereto,
- e. Consider, review and monitor the Complaints related to the Investors in respect of various grievances.
- f. Consider, review and monitor the Investors Complaints received from Stock Exchanges, SEBI and CDSL/NSDL.

During the year ended 31st March 2016, Stakeholders Relationship Committee meet 4 (Four) times i.e. on 21-05-2015, 12-08-2015, 29-10-2015 and on 11-02-2016. All the Meetings were attended by the Committee members.

Share Transfer System

Transfer of Shares are recorded in the Share Transfer Registers within a period of 15 days from the date of lodgement; if the documents are complete in all respects and found to be in order and then promptly returned to the Investors by Registered / Speed Post. The authority for Transfer of Shares has been delegated to the Stakeholders Relationship Committee (SRC), which meets as frequently as the need be. However, when no meetings are in the offing then Mr. Vijay Sood, Managing 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 of Share Transfer

between the two Stakeholders Relationship Committee Meeting(s). The statistics of Share Transfers approved during the period under review as well as request for Demat of shares processed are as under:

Transfer Processing Period	No of cases	No of Shares	% to Shares
1-15 Days	60	10813	100%
16 Days & Above	0	0	0

Demat Processing Period	No of cases	No of Shares	% to Shares
1-15 Days	582	52741	100%
16 Days & Above	0	0	0

The status of Investor's Grievance Redressal during the year 1-04-2015 to 31-03-2016 is as under:

Investors Query / Grievance received	Received	Disposed off
Investors	04	04
Stock Exchange(s)	01	01
SEBI	05	05
NSDL	00	00
Total	10	10

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In order to comply with the provisions of Sec 135 of the Companies Act, 2013 to read with then 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 17th May 2014.

As per Schedule VII of the Companies Act 2013, Corporate Social Responsibility (CSR) Committee of the Board shall have the following Role:-

- a. 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,
- b. Recommend the amount of expenditure to be incurred on various activities of CSR.
- c. 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 was constituted with the following members:-

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

During the year ended 31st March-2016 no CSR Committee meeting was held.

Vigil Mechanism / Whistle Blower Policy

As per Sec 177(9) & 10 of the Companies Act, 2013, read with Regulation 22 of SEBI Listing Regulations 2015 the Company have a Whistle Blower Policy was modified by Board in its Meeting held on 11th February 2016 and a Vigil Mechanism for its Employees and Directors to Report their genuine concerns and grievances in such manner was 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 Whistle Blower & Vigil Mechanism Policy has been formulated and approved and modified by the Board effective from 1st Dec 2015 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:

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

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 01-04-2015 to 31-03-2016, 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.	40,000	Nil	Nil
Mr. Gulshan Rai	N.A.	80,000	Nil	Nil
Mr. Harbans Lal	N.A.	1,08,000	Nil	Nil
Mr. Anil Goyal	N.A.	86,000	Nil	Nil
Mrs. Asha Mehra	N.A.	60,000	Nil	Nil

Payment of Sitting fee for Board and the Committee meetings 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 and the same shall be revised from time to time. None of the Non-Executive Director of the Company has any pecuniary relationship or transaction with the Company.

Remuneration to Whole Time Director(s)

Salary and other perquisites paid to Mr. Vijay Sood Managing Director, were for the whole of the year ended March 31, 2016 and to Mr. J.M.L.Suri Executive Director upto 21st May 2015 i.e the date of his Resignation from the Board of Directors of the Company. The terms of employment of both MD and ED are contractual with notice period of Three months and no severance fee has been agreed in the terms of employment. The aggregate values of Remuneration paid were as under:

- 1.) Mr. Vijay Sood Managing Director
₹ 86,24,775/-
- 2.) Mr. J.M.L.Suri Executive Director
₹ 2,29,937/-

Besides, the remuneration mentioned herein above, Mr. J.M.L.Suri, the Executive Director was 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.

General Body Meetings

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

Year	Type	Location	Date	Time
2014-15	28 th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	09-09-2015	11.00 A.M.
2013-14	27 th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	23-09-2014	11.00 A.M.
2012-13	26 th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	23-08-2013	11.00 A.M.

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.	No Special Resolution passed	28 th AGM on 09-09-2015
2.	Special Resolution for the following matter(s):- a) Variation in the terms of reappointment of Mr. J.M.L.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 th AGM on 23-09-2014
3.	Special Resolution for the following matter(s):- a) Reappointment of Mr. Vijay Sood as MD for a period of three years and b) Reappointment of Mr. J.M.L.Suri as ED for a period of three years	26 th AGM on 23-08-2013

As per Rule 20 of the Chapter VII of the Companies Act, 2013 in the year 2015, all the Resolution(s) were passed through E voting process. No Special Resolution in last three years was passed through Postal ballot. In the current year also no Resolution is proposed to be passed through Postal ballot.

Disclosures

I. Related Party Transactions

All the transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23(3) of the SEBI Listing Regulations 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 of Directors has approved a policy for Related Party Transactions which has been uploaded on the Company's website. 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 31-03-2016 (Refer Notes to Accounts - No.20.1& 20.2) 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. 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. Mount Finance Limited (subsidiary co) does not fall under 'Material Non Listed Subsidiary' in terms of Regulation 24 of the SEBI Listing Regulations 2015. However, the Financial Results and the Investments made by it, if any, are regularly placed before the Audit Committee Meeting and also before the Board of Directors of the Company for their review. A Policy for Material Subsidiary Company has been formed and the same has been hosted on the Company's web site at 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 31.03.2016 to the Board of Directors for review.(The said certificate is annexed and forms part of the Annual Report)
- VIII. The Company is compliant with the relevant Regulations of SEBI (LODR) Regulations, 2015 in regard to appointment of Compliance Officer, Share Transfer Agent, preservation of documents, executed fresh listing agreements with the stock exchanges, filing of information with stock exchanges, grievance redressal mechanism and payment of fees and other charges to stock exchanges. Further, all mandatory requirements under Regulation 27 of SEBI Listing Regulations (relating to Corporate Governance norms) 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) are disseminated 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 Regulation 33 of the SEBI Listing Regulations.
- II. Newspapers wherein results are normally published - Business Standard, English edition published in whole of India and Business Standard Hindi Edition, published in the vicinity of the Regd. Office.
- III. Results (Unaudited & Audited) are promptly uploaded on Company's web site at www.hbstockholdings.com for display and for the information of the members of the company.
- IV. Company's website displays all Press Releases which are sent to the Stock Exchange(s) and also other important information sent to Stock Exchange(s). As per SEBI Listing Regulations. No presentations were made to institutional investor's or to analyst.

SHARE HOLDERS INFORMATION:

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

Date	Time	Venue
Wednesday 7 th September 2016	11.00 A. M.	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon- 122 001 (Haryana)

- II. Financial Year : 1st April 2015- 31st March 2016
- III. Date of Book Closure: **3rd September, 2016 to 7th September, 2016** (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.
 Listing fee has been paid to both the Stock Exchanges on time.
- 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. 27th November 2000 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29th May 2000.
The Company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) 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 31-03-2016; **1,99,41,803** Equity Shares constituting **83.82%** of the Company's Subscribed and Paid up Share Capital are held in dematerialised form.



HB STOCKHOLDINGS LIMITED

- 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:

Months	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-15	13.00	10.05	11.49	30,331	13.70	9.10	10.60	43,320
May-15	11.83	9.67	9.90	41,466	11.90	9.00	9.80	20,741
Jun-15	11.50	7.25	7.47	66,363	11.20	7.05	7.45	62,630
Jul-15	9.46	7.30	8.12	116,484	9.90	7.30	8.20	71,762
Aug-15	8.48	6.36	6.76	65,798	8.75	5.70	6.80	47,246
Sep-15	7.20	6.01	6.55	16,681	7.45	6.05	6.55	18,440
Oct-15	9.00	6.21	8.29	5,35,880	9.00	6.00	8.05	61,530
Nov-15	9.55	7.50	8.75	51,224	10.80	7.30	8.85	73,735
Dec-15	9.19	8.07	8.44	18,496	10.10	7.50	9.90	61,663
Jan-16	11.20	7.90	8.04	89,983	11.60	7.70	8.05	133,150
Feb-16	8.38	6.51	7.22	25,340	8.85	6.10	6.80	32,257
Mar-16	8.35	7.00	7.46	12,525	9.10	6.70	7.30	24,178

- X. The Distribution of shareholdings of the company as on 31st March 2016 is as under:

No of Shares	Shareholders		Shareholding	
	Nos.	% to total	Shares	% to total
1-500	68418	98.07	5511282	23.16
501-1000	694	0.99	538616	2.26
1001-2000	320	0.46	474222	1.99
2001-3000	102	0.15	257320	1.08
3001-4000	43	0.06	152087	0.64
4001-5000	46	0.07	211583	0.89
5001-10000	66	0.09	462070	1.94
10001 and above	75	0.11	16185038	68.03
TOTAL	69764	100.00	23792218	100.00

The category-wise distribution of Shareholding as on 31st March, 2016 is as follows:

Category	No. of Shares held	% of Shareholding
A. PROMOTERS HOLDING		
1. Indian Promoters	12661121	53.22
2. Foreign Promoters	0	0.00
B PUBLIC SHAREHOLDING		
1. Mutual funds	8600	0.04
2. FI/ Banks	20190	0.08
3. Central Govt./ State/ President of India	0	0.00
4. Bodies Corporate	1703938	7.16
5. Clearing Members	26541	0.11
6. NRI	319022	1.34
7. Public (having Nominal Capital upto Rs. 2.00 Lakhs)	7586181	31.89
8. Public (having Nominal Capital over Rs. 2.00 Lakhs)	1466625	6.16
GRAND TOTAL	23792218	100.00

- XI The Company has no GDR's / ADR's / Warrants or any other instruments outstanding for Conversion into Equity Shares.
 XII Sh. Anil K. Mittal-Company Secretary is the Compliance officer of the Company.
 XIII Registrar and Share Transfer Agent of the Company for Correspondence:

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

XIV Address for Correspondence:

The Company Secretary
HB Stockholdings Ltd.
 "HB House"
 31, Echelon Institutional Area
 Sector-32, Gurgaon- 122 001, (Haryana)
 Phone No: 0124-4675500, Fax: 0124-4370985
 Email: corporate@hbstockholdings.com
 Web site: www.hbstockholdings.com

Managing Director's Declaration on Code of Business Conduct

To
 The Members of
HB Stockholdings Limited
 Gurgaon

As provided under Regulation 26(3) of the SEBI Listing Regulation 2015 with the Stock Exchange(s) I, Vijay Sood, Managing Director of the Company declare that all the members of the Board of Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March 2016,

Place : Gurgaon
 Date : 28th May, 2016

For HB Stockholdings Ltd.
 Sd/-
Vijay Sood
 Managing Director
 DIN 01473455

CEO / CFO CERTIFICATION

Regulation 17(8) of the SEBI Listing Regulations

We the undersigned, in our respective capacities as Chief Executive Officer and Managing Director and Chief Financial Officer of **HB Stockholdings Limited** ("the Company") to the best of our knowledge and belief certify that:

- We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2016 and that to the best of our knowledge and belief, we state that:
 - these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate of the Company's Code of Conduct.
- We hereby declare that all the members of the Board of Directors and Audit Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - significant changes, if any, in internal control over financial reporting during the year;
 - Significant changes, if any, in the accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

Yours faithfully

Place : Gurgaon
 Dated : 28th May 2016

Sd/-
Mahesh Kumar Gupta
 Chief Financial Officer

Sd/-
Vijay Sood
 CEO & Managing Director



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
HB Stockholdings Limited
 Gurgaon

1. We have examined the compliance of conditions of Corporate Governance by HB STOCKHOLDINGS LIMITED ("the Company"), for the year ended on March 31, 2016, as stipulated in
 - * Clause 49 (excluding Clause 49 (VII) (E) of the Listing Agreement of the Company with Bombay Stock Exchange) for the period April 1, 2015 to November 30, 2015.
 - * Clause 49 (VII) (E) of the Listing Agreement of the Company with Bombay Stock Exchange and National Stock Exchange of India Limited for the period April 1, 2015 to September 1, 2015.
 - * Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
 - * Regulations 17 to 27 [excluding Regulation 23 (4)] and clauses (b) to (i) of Regulation 46 (2) and Paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Place : Gurgaon
Date : 28th May 2016

Sd/-
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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There 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**

**Place : Gurgaon
Dated : 28th May, 2016**

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

Annexure – A to the Auditors' Report

The annexure referred to in Independent Auditor's Report to the members of the company on the standalone financial statements for the year ended on 31st March, 2016, We Report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b. As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. The Company does not have any immovable property.
2. As explained to us, inventories (Investments) have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. a. As explained to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the loans and investment made. As per the information and explanation given to us, the Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.
5. The Company has not accepted any deposits from the public.
6. The nature of the company's business/activities is such that maintenance of Cost Records under section 148(1) of the Act is not applicable to the company.
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty, Value added tax, Cess and other statutory dues to the extent and as applicable to the company have been generally regularly deposited by the company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2016 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to ₹ 79,32,954/- 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	2013-14	Income Tax	Commissioner of Income Tax (Appeal)	2,68,490/-
				TOTAL	79,32,954/-

8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
10. In our opinion and according to the information and explanation given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has paid/ provided for managerial



remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is required to be registered under section 45-IA of the Reserve bank of India Act, 1934 and such registration has been obtained by the Company.

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

Place : Gurgaon
Dated : 28th May, 2016

Annexure – B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **HB Stockholdings Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Gurgaon
Dated : 28th May, 2016



HB STOCKHOLDINGS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note(s)	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	243353823	243353823
Reserves and Surplus	3	1117147837	1108292118
		1360501660	1351645941
Non-Current Liabilities			
Long Term Provisions	4	43286616	51367898
		43286616	51367898
Current Liabilities			
Other Current Liabilities	5	4505372	4839178
Short Term Provisions	6	40272431	37233450
		44777803	42072628
		1448566079	1445086467
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	7	2480782	3213132
Non-current investments	8	976390613	994500499
Long term loans and advances	9	34676784	84705284
		1013548179	1082418915
Current Assets			
Current investments	8	33536588	37554361
Trade Receivables	10	0	22549809
Cash and Bank Balances	11	11685976	15756910
Short-Term Loans and Advances	12	380488842	282412500
Other Current Assets	13	9306494	4393972
		435017900	362667552
		1448566079	1445086467

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 34

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 : 000468N

For and on behalf of the Board

AMIT GOEL
Partner
Membership No.: 092648

ANIL GOYAL
(Director)
DIN 00001938

VIJAY SOOD
Managing Director
DIN 01473455

Place : Gurgaon
Date : 28th May, 2016

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note(s)	Year Ended 31st March, 2016 (In ₹)	Year Ended 31st March, 2015 (In ₹)
Revenue from operations	14	38427066	81327383
Total Revenue		38427066	81327383
Expenses:			
Employee Benefit Expense	15	15062606	14995715
Finance Cost	16	0	1856295
Depreciation	7	744163	2228672
Other Expenses	17	12233489	12750975
Provision for Sub-Standard and Doubtful Assets/(Written back)		0	(1444436)
Contingent Provision against Standard Assets		312863	457602
Total Expenses		28353121	30844823
Profit/(Loss) for the year before Tax		10073945	50482560
Tax expense:			
Current tax		600000	600000
Tax adjustments for earlier years		618225	(71576)
Profit/(Loss) for the year after Tax		8855720	49954136
Earning per equity share:			
	27		
Equity share of Par value ₹ 10/-each			
Basic and Diluted		0.37	2.10

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 34

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

As per our Report of even date

For P. BHOLUSARIA & CO.
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Date : 28th May, 2016

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	(Amount in ₹) Year Ended 31st March, 2016	(Amount in ₹) Year Ended 31st March, 2015
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit/(Loss) before tax	10073945	50482560
Adjustment for :		
Depreciation	744163	2228672
Provisions for Sub Standard and doubtful Assets	0	(1444436)
Contingent Provision against Standard Assets	312863	457602
Interest on Income Tax	0	1856295
Operating Profit before Working Capital Changes	11130971	53580693
Adjustment for :		
Trade, other Receivables and loans & advances	(30405350)	(183276534)
Investments	16723890	78257413
Current and Non-current Liabilities	(285200)	87451
Cash Generated from operation	(2835689)	(51350977)
Income tax paid	(1218225)	(13028424)
Net Cash from Operating Activities	(4053914)	(64379401)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of Fixed Assets	(11813)	(46000)
Net Cash used in Investing Activities	(11813)	(46000)

Particulars	(Amount in ₹) Year Ended 31st March, 2016	(Amount in ₹) Year Ended 31st March, 2015
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest on Income Tax	0	(1856295)
Net Cash used in Financing Activities	0	(1856295)
Net Increase in Cash & Cash Equivalents (A+B+C) (4065727)		(66281696)
Cash and Cash Equivalents (Opening Balance)	13369227	79650923
Cash and Cash Equivalents (Closing Balance)	9303500	13369227
Components of cash and cash equivalents at the end of the year		
Balances with Banks		
- In Current and Deposit accounts	9190472	12792705
Cash-on-Hand	113028	576522
	9303500	13369227

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 : 000468N

For and on behalf of the Board

AMIT GOEL
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Place : Gurgaon
Date : 28th May, 2016

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 "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 PERIOD ENDED MARCH 31, 2016

2. SHARE CAPITAL

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
AUTHORIZED		
7,00,00,000 (7,00,00,000) Equity Shares of ₹ 10/- each.	700000000	700000000
3,00,00,000 (3,00,00,000) Redeemable Preference Shares of ₹ 10/- each	300000000	300000000
	1000000000	1000000000
ISSUED		
2,54,43,257(2,54,43,257) Equity Shares of ₹ 10/- each.	254432570	254432570
	254432570	254432570
SUBSCRIBED & PAID UP		
2,37,92,218 (2,37,92,218) Equity Shares of ₹ 10/- each fully paid up.	237922180	237922180
	237922180	237922180
Add: Forfeited shares- 16,51,039 (16,51,039) Equity Shares (Amount originally paid up)	5431643	5431643
	243353823	243353823

– Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of ₹ 10/. Each holder of Equity Shares is entitled to One vote per share.

– Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2016 & 31st March, 2015 is as under:

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	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, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Securities Premium Reserve-opening balance	999689069	999689069
Add: Addition during the year	0	0
	999689069	999689069
Statutory Reserve -Opening balance *	157003824	147012997
Add: Transferred from Surplus	1771144	9990827
	158774968	157003824
Surplus -opening balance	(48400775)	(88364085)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	8855720	49954136
	(39545056)	(38409948)
Less: Transferred to Statutory Reserve	1771144	9990827
Surplus-Closing balance	(41316200)	(48400775)
	1117147837	1108292118

(*) 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, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Provisions For Employee Benefits		
Leave encashment	1229965	1158754
Gratuity	0	45584
Others		
Diminution in value of Long term/Non current Investments	41952621	49951797
Contingent provision against standard Assets	104030	211763
	43286616	51367898

5. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Unpaid Dividends *	2382476	2387683
Expenses Payable	1667676	1870214
TDS Payable	455220	581281
	4505372	4839178

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

6. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Provisions For Employee Benefits		
Leave encashment	308232	285254
Others		
Income Tax	600000	600000
Sub Standard & Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	28268356	25672949
Contingent Provision against Standard Assets	1095843	675247
	40272431	37233450

7. FIXED ASSETS

(Amount In ₹)

S. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		As at 01.04.2015	Addition during the year	Deduction during the year	As at 31.03.2016	As at 01.04.2015	For the year	Deduction/ Adjustments during the year	As at 31.03.2016	As on 31.03.2016
	Tangible Assets									
1	Furniture & Fixtures	6590883	0	6590883	0	6590883	0	6590883	0	0
2	Vehicles	6336277	0	0	6336277	3249143	684032	0	3933175	2403102
3	Office Equipment	2033760	11813	0	2045573	1996170	19389	0	2015559	30014
4	Data Processing Machine	499309	0	0	499309	473845	9658	0	483503	15806
5	Air conditioners	718555	0	0	718555	655611	31084	0	686695	31860
6	Generator Set	64960	0	64960	0	64960	0	64960	0	0
	Total	9587901	11813	6655843	9599714	6374769	744163	6655843	7118932	2480782
	(Previous Year)	16197744	46000	0	16243744	10801940	777005	1451667	13030612	3213132

8. INVESTMENTS

Name of the Company	Face Value (In ₹)	As at 31st March, 2016		As at 31st March, 2015	
		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
DCM SHRIRAM INDUSTRIES LIMITED	10	4346615	488067462	4346615	488067462
HB ESTATE DEVELOPERS LTD.	10	1465608	24900104	1465608	24900104
JAIPRAKASH ASSOCIATES LIMITED	2	3418367	27138404	3418367	27138404
RRB SECURITIES LIMITED	10	100000	10000000	100000	10000000
TOTAL (A) (TRADE INVESTMENTS)		9330590	550105970	9331027	550113606



Name of the Company	Face Value (In ₹)	As at 31st March,2016		As at 31st March,2015	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
B. NON TRADE INVESTMENTS (UNQUOTED)					
B.1 INVESTMENT IN EQUITY INSTRUMENTS					
– FULLY PAID UP EQUITY SHARES					
– IN WHOLLY OWNED SUBSIDIARY COMPANIES					
MOUNT FINANCE LIMITED	10	830006	8300060	830006	8300060
– IN ASSOCIATE COMPANIES					
TAURUS ASSET MANAGEMENT CO LIMITED.	10	3028000	38754750	3028000	38754750
– IN OTHER COMPANIES					
JAIPUR STOCK EXCHANGE LIMITED	10	–	–	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	45000	1128375	195000	4889625
– EQUITY SHARE APPLICATION					
CORE TELECOM PRIVATE LIMITED	10	–	–	850000	8500000
HB INSURANCE ADVISORS LTD	10	260000	2600000	260000	2600000
FALCON PORTFOLIO PRIVATE LIMITED.	10	75000	750000	75000	750000
TOTAL (B.1)		4873036	65884643	6197536	83986893
B.2 INVESTMENT IN PREFERENCE SHARES					
FULLY PAID-UP REDEEMABLE					
PREFERENCE SHARE (UN-QUOTED)					
HB ESTATE DEVELOPERS LTD.(9% NON CUMULATIVE)	100	750000	75000000	750000	75000000
HB GROWTH FUND LIMITED (3% NON CUMULATIVE)	10	50000	500000	50000	500000
HB SECURITIES LIMITED (6% CUMULATIVE)	1000	10000	10000000	10000	10000000
HB TELECOMMUNICATION LIMITED (3% NON CUMULATIVE)	10	40000	400000	40000	400000
GEMINI PORTFOLIOS PVT. LTD (9% NON CUMULATIVE)	100	500000	50000000	500000	50000000
PREFERENCE SHARE APPLICATION (UNQUOTED)					
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
TOTAL (B.2)		3595000	360400000	3595000	360400000
TOTAL (B) (NON TRADE INVESTMENTS) (B.1+B.2)		8468036	426284643	9792536	444386893
TOTAL (A+B)-NON CURRENT/LONG TERM INVESTMENTS		17798626	976390613	19123563	994500499
CURRENT INVESTMENTS					
(A) INVESTMENTS IN EQUITY INSTRUMENTS					
a) QUOTED,FULLY PAID UP EQUITY SHARES					
KAUNTAM PAPERS	10	–	–	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
DOLPHIN OFFSHORE ENTERPRISES I LTD.	10	10000	1166901	–	–
DESIGN AUTO SYSTEMS LIMITED	10	671400	3953867	671400	3953867
DIGITAL WORLD INDIA LIMITED	10	162400	3136228	162400	3136228
GSAL(INDIA) LIMITED.	10	–	–	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

Name of the Company	Face Value (In ₹)	As at 31st March,2016		As at 31st March,2015	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
ICP SECURITIES LIMITED	10	1800	18000	1800	18000
ISPAT PROFILES INDIA LIMITED	10	10000	235020	10000	235020
JP POWER VENTURES LTD.	10	400000	2859983	-	-
JUBILANT INDUSTRIES LTD	10	-	-	500	175310
KIRAN OVERSEAS EXPORTS LIMITED	10	10000	335000	10000	33500
LCC INFOTECH LIMITED	2	56300	387984	56300	387984
LUNAR DIAMONDS LIMITED	10	21000	439065	21000	439065
MILKFOOD LIMITED	10	-	-	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
POLYCHEM LIMITED	10	-	-	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
SAJJAN UDYOG EXPORTS LIMITED	10	23600	590000	23600	590000
SAVANI FINANCIALS LIMITED	10	7000	140000	7000	140000
SHREYANS INDUSTRIES LIMITED	10	5600	96873	5600	96873
SRI VASAVI INDUSTRIES LIMITED	10	10890	584631	10890	584631
STEEL EXCHANGE OF INDIA LTD.	10	121	4060	-	-
GLOBAL STONE INDIA LIMITED	10	2000	34000	2000	34000
SUMMIT SECURITIES LTD.	10	6	1494	6	1494
UNIMERS INDIA LIMITED	10	-	-	1732	444464
UNIVERSAL PRIME ALUMINIUM LIMITED	10	-	-	23820	868067
U P HOTELS LIMITED	10	1900	136630	1900	136630
TOTAL (a)		2459404	32838032	2172580	36113305
b) UNQUOTED, FULLY PAID UP EQUITY SHARES KESORAM TEXTILE LIMITED	10	172	4161	172	4161
TOTAL (b)		172	4161	172	4161
c) UNQUOTED PARTLY PAID UP EQUITY SHARES RATHI ALLOYS & STEELS LIMITED	10	46293	694395	46293	694395
TOTAL (c)		46293	694395	46293	694395
TOTAL- A (a+b+c)		2505869	33536588	2219045	36811861
(B) INVESTMENT IN DEBENTURES (UNQUOTED, FULLY PAID UP, COMPULSORILY CONVERTIBLE DEBENTURES) THE INDIAN HOTELS CO. LTD- CCD	55	-	-	13500	742500
TOTAL (B)		0	0	13500	742500
TOTAL- CURRENT INVESTMENTS (A+B)		2505869	33536588	2232545	37554361

Notes	Non Current/Long Term Investments		Current Investments	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
8.1 Aggregate Amount of Quoted Investments	550105970	550113606	32838032	36113305
8.2 Market Value of Quoted Investments	567298308	421500824	5268231	11138911
8.3 Aggregate Amount of Unquoted Investments	426284643	444386893	698556	1441056
8.4 Aggregate Provision for Diminution in Value of Investments	41952621	49951797	28268356	25672949
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-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, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Gross Amount of Investments	976390613	994500499	33536588	37554361
Less: Provision for Diminution in the Value of Investments	41952621	49951797	28268356	25672949
Net Carrying Value	934437992	944548702	5268231	11881412

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, 2016	Amount in ₹ As at March 31, 2015
Equity Shares		
RRB Securities Limited	8500000	8500000
HB Prima Capital Limited	1128375	4889625
HB Estate Developers Ltd.	14201166	10962172
HB Insurance Advisor Limited	150000	150000
Jaiprakash Associates Ltd	1022080	0
Sovika Airline Services Limited	11600000	11600000
Harsai Investments limited	2000000	2000000
Equity Share Application		
Core Telecom Private Limited	0	8500000
HB Insurance Advisor Pvt Ltd	2600000	2600000
Falcon Portfolio Management Private Limited.	750000	750000
Total	41951621	49951797

9. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
(Unsecured, Considered Good)-Standard		
Security Deposits *	34705284	34706784
Loans to Others- Standard	0	50000000
	34676784	84705284

*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. 20

10. TRADE RECEIVABLES

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Unsecured, Considered good		
Outstanding exceeding six months	0	0
Others		
- From Related Parties*	0	22549809
	0	22549809

* To RRB Master Securities (Delhi) Ltd.-Also Refer to Note No. 20

11. CASH AND BANK BALANCES

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Cash & Cash equivalents		
Balances with Banks		
- In Current Accounts	9190472	12792705
Cash-on-Hand	113028	576522
Other Bank balances		
- In Earmarked Unpaid Dividend Account	2382476	2387683
	11685976	15756910

12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Unsecured, Considered Good, Unless otherwise stated:		
Advance to Related Parties*	2780856	98800
Others		
Inter Corporate Loans & Deposits (including loans to LLPs) -Standard	332500000	240000000
Inter Corporate Loans & Deposits -Doubtful	10000000	10000000
Advance against Property-Standard	30000000	30000000
Recoverable From Staff	56880	43000
Prepaid Expenses	247209	220081
Income Tax/Tax deducted at source	4903897	2050620
	380488842	282412500

* To RRB Master Securities (Delhi) Ltd.-Also Refer to Note No. 20

13. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Interest accrued on loans / Inter Corporate Deposits	9306494	4393972
	9306494	4393972

14. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Profit/(Loss) in Securities dealing/Equity derivative trading	(1909697)	2655724
Profit/(Loss) on sale/disposal of investments (1)	(12344865)	10753716
Provision for diminution in value of investments written back/(made) (2)	5403769	34737374
Interest on Loans / Inter Corporate Deposit (Tax deducted at Source ₹ 39,51,503 /- (Previous Year ₹ 17,38,850/-))	42875015	17508493
Dividend Income (Gross) (Tax deduction at source ₹ NIL, Previous Year ₹ NIL)	4402844	15672076
	38427066	81327383

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

(1) Profit/(Loss) on Sale/Disposal of Investments includes Loss of ₹ 3,53,496/- (Previous Year Loss ₹ 68,51,242/-) on Current Investments and Loss of ₹ 1,19,91,369/- (Previous Year Gain ₹ 1,76,04,958/-) on Non current/Long Term Investments.

(2) Provision for diminution in value of Investments written back include ₹ 79,99,176/- provision written back (previous year ₹ 3,55,94,153/-written back) in respect of Non Current/Long Term Investments and ₹ 25,95,407/- provision made (Previous Year provision made ₹ 8,56,779/-) in respect of Current Investments.

(3) Dividend Income includes ₹ 43,46,615/- (Previous Year ₹ 1,52,17,207/-) on Long Term/ Non current Investments and ₹ 56,229/- (Previous year ₹ 4,54,869/-) on Current Investments.

15. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Salaries and Benefits	14480909	14477098
Contribution to Provident fund and superannuation fund	485314	468269
Gratuity	(57338)	(61736)
Staff welfare	153721	112084
	15062606	14995715

16. FINANCE COSTS

(Amount in ₹)

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Interest expense on Income Tax	0	1856295
	0	1856295



17. OTHER EXPENSES

(Amount in ₹)

Particulars	For the Year ended 31st March, 2016		For the Year ended 31st March, 2015	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Rent/Facility Charges		1341598		1340292
Vehicle Running and Maintenance		771963		796411
Insurance		81619		83176
Communication		938415		990953
Travelling and Conveyance		2771423		2467793
Printing and Stationery		1223396		932345
Office Repairs and Maintenance		214279		288015
Depository and custodial		88084		100159
Subscription and Membership		246698		269765
Legal and Professional		2076865		3385639
Advertisement & Publicity		251603		261902
Listing Fees		359552		247192
Business Promotion		947432		653932
Miscellaneous		201992		218788
Auditors Remuneration				
- Audit Fees	171750		168540	
- Tax Audit Fees	28625		28090	
- Certification and others	92781	293156	74158	270788
Directors Sitting Fees		425414		443824
		12233489		12750975

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

- (a) Income Tax demand disputed ₹ 79,32,954/- (Previous year ₹ 76,64,464/-) 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.

19. QUANTITATIVE DETAILS

Quantitative information in respect of Investments in securities:

A. NON CURRENT/LONG TERM INVESTMENTS
EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Opening Balance	15528563	634100499	19023445	699182198
Purchases/conversions	0	0	1466408	104
Sales/conversions	1324937	6118517	4961290	82686761
Closing Balance	14203626	615990613	15528563	634100499

PREFERENCE SHARES

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

20.2 Transactions during the financial year ended 31.03.2016 with related Parties as under.

Sr. No.	Nature of Transaction	Related Party Referred in (a) above	Related Party Referred in (b) above	Related Party Referred in (c) above	Related Party referred in (d) above	Related Party referred in (e) above
1	Amount recovered against Loan & Advances	Nil (1544436)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
2	Advances given (net)	Nil (100000)	Nil (Nil)	Nil (Nil)	2682056 (98800)	Nil (Nil)
3	Rent/Facility Charges Paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	980898 (967692)
4	Margin /Advances paid & received back	Nil (Nil)	Nil (Nil)	Nil (Nil)	52981448 (202000000)	Nil (Nil)
5	Dividend Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	50000 (150000)
6	Sitting Fee Paid	Nil (Nil)	Nil (Nil)	40000 (45000)	Nil (Nil)	Nil (Nil)
7	Depository Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	2209 (43979)
8	Remuneration & Other Services	Nil (Nil)	11230948 (12637651)	Nil (Nil)	Nil (Nil)	Nil (Nil)
9	Purchase of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	4026884 (125487964)	Nil (Nil)

B. CURRENT INVESTMENTS
EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Opening Balance	2219045	36811861	2686594	85098493
Purchases/conversions	423621	4773444	3134049	125487963
Sales/conversions	136797	7695221	3601598	163915414
Closing Balance	2505869	33536588	2219045	36811861

DEBENTURES

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

MUTUAL FUNDS

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

20. RELATED PARTY TRANSACTIONS

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

- a) Subsidiaries.
- Mount Finance Limited
- b) 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
- c) Person having control/significant influence /major shareholders
- Shri Lalit Bhasin
- d) Enterprises over which control/significant influence exist of the relatives of persons mentioned in(c) above :-
- RRB Master Securities Delhi Ltd.
- e) Enterprises under direct or indirect common control/significant influence:
- HB Portfolio Ltd.
 - HB Estate Developers Ltd.
 - HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)

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
10	Sale of Investment through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	6856918 (245503195)	Nil (Nil)
11	Net Turnover of Derivative Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	(1909697) (2702109)	Nil (Nil)
12	Net Turnover of Cash Market(Intraday) Trading	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (36466)	Nil (Nil)
13	Outstanding as on 31.03.2016 - Receivables in respect of Loans & Advances.	Nil (Nil)	Nil (Nil)	Nil (Nil)	2780856 (98800)	34500000 (34500000)
	- Receivables in respect of Sundry Debtors.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (22549809)	Nil (Nil)

21. SEGMENT REPORTING

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

22. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15

Defined Contribution Plan

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

Particulars	Current Year Amount ₹	Previous Year Amount ₹	Head under which shown in the Profit & Loss account
Contribution to Provident Fund	3,50,314/-	3,33,269/-	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)	21,31,418/-	20,20,951/-	14,44,008/-	12,57,408/-
Interest Cost (B)	1,70,513/-	1,61,676/-	1,15,521/-	1,00,593/-
Current service cost (C)	92,887/-	94,313/-	1,40,833/-	1,45,696/-
Benefits paid (D)	Nil/-	Nil/-	70,180/-	41,373/-
Actuarial loss/ (gain) on obligation (E)	(1,46,078/-)	(1,45,522/-)	(91,985/-)	(18,316/-)
Present value of obligations as at the end of the year (F=A+B+C-D+E)	22,48,740/-	21,31,418/-	15,38,197/-	14,44,008/-

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)	22,48,740/-	21,31,418/-	15,38,197/-	14,44,008/-
Estimated fair value of plan assets (B)	22,66,215/-	20,85,834/-	Nil	Nil
Net Liability (Assets) (C=A-B)	(17,475/-)	45,584/-	15,38,197/-	14,44,008/-
Amounts in the Balance Sheet				
Liabilities (Assets)	(17,475/-)	45,584/-	15,38,197/-	14,44,008/-
Amount charged to Statement of Profit & Loss				
Current Service Cost	92,887/-	94,313/-	1,40,833/-	1,45,696/-
Interest Cost	1,70,513/-	1,61,676/-	1,15,521/-	1,00,593/-
Expected Return on Plan Asset	(1,74,660/-)	(1,72,203/-)	Nil	Nil
Actuarial(Gain)/Loss	(1,46,078/-)	(1,45,522/-)	(91,985/-)	(18,316/-)
	(57,338/-)	(61,736/-)	1,64,369/-	2,27,973/-
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	1,74,660/-	1,72,203/-

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	20,85,834/-	19,09,598/-
i)	Expected Return on Plan Assets	1,74,660/-	1,72,203/-
ii)	Actuarial Gains / (Losses)	Nil	Nil
iii)	Contribution by the Employer	Nil	Nil
iv)	Benefits Paid	Nil	Nil
v)	Contribution	5,721/-	4,033/-
	Closing Fair Value of Plan Assets	22,66,215/-	20,85,834/-

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

Operating Lease

a) Particulars of the minimum lease payments under Operating Lease:-

Not Later than One year	₹ 12,44,124/- (Previous Year ₹ 9,67,692/-)
Later than one year but not Later than five years	₹ 12,65,624/- (Previous Year ₹ 9,67,692/-)
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 2016 is ₹ 13,41,598/- (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.

24. Due to Micro,Small and Medium Enterprises

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2016 and 31st March, 2015.

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

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

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

(Amount in ₹)

S. No.	Particulars	Outstanding Balance as on 31.03.2016	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2015	Max. Balance outstanding during the previous year
i.	Loans & Advances in the nature of Loans to subsidiary:- (a) Mount Finance Ltd.	Nil	Nil	Nil	15,44,436/-
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 Nil	Amount Nil	No. of Shares Nil	Amount. Nil

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

Particulars	Current Year (in ₹)	Previous Year (in ₹)
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders.	8855720	49954136
Earning Per Share (face value of ₹ 10 each)		
Weighted Average Nos. of Equity Share Outstanding	23792218	23792218
Basic and diluted Earning per share (₹)	0.37	2.10

28. 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.
- b) Detail of Open Interest in Equity Stock Futures Contracts as at the year-end 31.03.2016

Name of Equity Stock Future	No. of Contracts	Units (In Nos.) Long	Units (In Nos.) (Short)
J.P. Associates Limited	2 (13)	96000 (104000)	Nil (Nil)

29 Dividend paid to Non-Resident Shareholders:- NIL (Previous Year- NIL)

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

(₹ in lakhs)

Particulars	Amount	Amount
	outstanding	overdue
LIABILITIES SIDE :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	Nil (Nil)	Nil (Nil)
: Unsecured (other than falling within the meaning of public deposits)	Nil (Nil)	Nil (Nil)
(b) Deferred Credits	Nil (Nil)	Nil (Nil)
(c) Term Loans	Nil (Nil)	Nil (Nil)
(d) Inter-corporate loans and borrowing	Nil (Nil)	Nil (Nil)
(e) Commercial Paper	Nil (Nil)	Nil (Nil)
(f) Other Loans	Nil (Nil)	Nil (Nil)

Particulars	Amount outstanding*
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ASSETS SIDE :

(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a) Secured	Nil (Nil)
(b) Unsecured	4095.18 (3820.11)
* Net of Provisions and includes security deposits etc	
(3) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil (Nil)
(b) Operating lease	Nil (Nil)
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	Nil (Nil)
(b) Repossessed Assets	Nil (Nil)
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	Nil (Nil)
(b) Loans other than (a) above	Nil (Nil)
(4) Break-up of Investments :	
Current Investments	
1. Quoted :	
(i) Shares : (a) Equity	328.38 (361.13)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
2. Unquoted :	
(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 (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
Long Term investments	
1. Quoted :	
(i) Shares : (a) Equity	5501.06 (5501.14)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
2. Unquoted :	
(i) Shares : (a) Equity	658.85 (839.87)
(b) Preference	3604.00 (3604.00)
(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
1. Related Parties			
(a) Subsidiaries	Nil (Nil)	Nil (Nil)	Nil (Nil)
(b) Companies in the same group	372.81 (Nil)	372.81 (571.49)	372.81 (571.49)
(c) Other related parties	Nil (Nil)	Nil (Nil)	Nil (Nil)
2. Other than related parties	Nil (Nil)	3722.37 (3248.62)	3722.37 (3248.62)
Total	Nil (Nil)	4095.18 (3820.11)	4095.18 (3820.11)

(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)
1. Related Parties		
(a) Subsidiaries	6.93 (11.75)	83.00 (83.00)
(b) Companies in the same group*	1027.24 (1039.14)	996.99 (1139.00)
(c) Other related parties	663.90 (402.79)	387.55 (387.55)
2. Other than related parties	8308.43 (6963.10)	7929.52 (7954.75)
Total	10006.5 (8416.78)	9397.06 (9564.30)

* 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 (which generally exists in case of a related party/associate) over the affairs of said investee company. 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 (100.00)
(a) Related parties	Nil (Nil)
(b) Other than related parties	100.00 (100.00)
(ii) Net Non-Performing Assets	Nil (Nil)
(a) Related parties	Nil (Nil)
(b) Other than related parties	Nil (Nil)
(iii) Assets acquired in satisfaction of debt	Nil (Nil)

31. Litigation

The Company is in appeal in respect of various income tax matters. The Contingent liability in respect thereof is disclosed in note no. 18 (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.

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

33 The Board of Directors of HB Stockholdings Limited in their meeting held on 11/02/2016 have approved a composite scheme of arrangement between HB Stockholdings Limited ('the company'), HB portfolio Limited and HB Estate Developers Limited and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013, subject to various Statutory approvals as may be required.

34 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

ANIL GOYAL
Director
DIN 00001938

VIJAY SOOD
Managing Director
DIN 01473455

Place : Gurgaon
Date : 28th May, 2016

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer



HB STOCKHOLDINGS LIMITED – CONSOLIDATED ACCOUNTS

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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, 2016, the Consolidated Statement of profit and loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

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

3. Auditor's Responsibility

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

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

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at 31st March, 2016, and their consolidated profit 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 ₹ 28,27,444/- as at 31st March, 2016, total revenues of Rs. Nil and net cash flows amounting to ₹ 51,291 /- 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 ₹ 2,61,10,063/- for the year ended 31st March, 2016, 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.19).

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 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, 2016 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, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The Consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group and its associate. – Refer Note 20 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 : 28.05.2016

Annexure – A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, We have audited the internal financial controls over financial reporting of **HB Stockholdings Limited** ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(AMIT GOEL)
PARTNER
(Membership No. 092648)

Place : Gurgaon
Dated : 28.05.2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note(s)	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	243353823	243353823
Reserves and Surplus	3	1137175411	1102695411
		1380529234	1346049234
Non-Current Liabilities			
Long Term Provisions	4	43286616	51367898
		43286616	51367898
Current Liabilities			
Other Current Liabilities	5	4540558	4865914
Short Term Provisions	6	40272431	37233450
		44812989	42099364
		1468628839	1439516496
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	7	5021560	6080950
Non-current investments	8	995725929	987724752
Long term loans and advances	9	34697124	84725624
		1035444613	1078531326
Current Assets			
Current investments	8	33536588	37554361
Trade Receivables	10	0	22549809
Cash and Bank Balances	11	11751052	15873278
Short-Term Loans and Advances	12	378590092	280613750
Other Current Assets	13	9306494	4393972
		433184226	360985170
		1468628839	1439516496

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 33

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

 ANIL GOYAL
(Director)
DIN 00001938

 VIJAY SOOD
(Managing Director)
DIN 01473455

 Place : Gurgaon
Date : 28th May, 2016

 ANIL KUMAR MITTAL
Company Secretary

 MAHESH KUMAR GUPTA
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note(s)	Year Ended 31st March, 2016 (In ₹)	Year Ended 31st March, 2015 (In ₹)
Revenue from operations	14	38427066	(2596269)
Total Revenue		38427066	(2596269)
Expenses:			
Employee Benefit Expense	15	15062606	14995715
Finance Cost	16	0	1856295
Depreciation	7	1071203	2653999
Other Expenses	17	12393232	13262003
Contingent Provision against Standard Assets		312863	457602
Total Expenses		28839904	33225614
Profit/(Loss) for the year before Tax		9587162	(35821883)
Tax expense:			
Current tax		600000	600000
Tax adjustments for earlier years		618225	(71576)
Profit for the year after Taxation before Share of Profit/(Loss) in Associates		8368937	(36350307)
Share of Profit/(Loss) in Associates		26111063	13986322
Profit/(Loss) for the year after Taxation		34480000	(22363985)
Earning per equity share:	25		
Equity share of Par value ₹ 10/-each			
Basic and Diluted		1.45	(0.94)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 33

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
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(Managing Director)
DIN 01473455

 Place : Gurgaon
Date : 28th May, 2016

 ANIL KUMAR MITTAL
Company Secretary

 MAHESH KUMAR GUPTA
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before tax	35698225	(21835561)
Adjustment for :		
Depreciation	1071203	2653999
Contingent Provision against Standard Assets	312863	457602
Interest on Income Tax	0	1856295
Operating Profit before Working Capital Changes	37082291	(16867665)
Adjustment for :		
Trade, other Receivables and loans and advances	-30305349	(182692140)
Investments	-9387173	148194743
Current and Non-current Liabilities	-276750	(30380)
Cash Generated from operation	-2886981	(51395442)
Less:		
Income tax paid	(1218225)	(13028424)
Net Cash from Operation Activities	-4105206	(64423866)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of Fixed Assets	(11813)	46000
Net Cash used in Investing Activities	(11813)	46000

Particulars	(Amount in ₹)	
	Year Ended 31st March, 2016	Year Ended 31st March, 2015
C) CASH FLOW FROM FINANCING ACTIVITIES		
Interest on Income Tax	0	(1856295)
Net Cash used in Financing Activities	0	(1856295)
Net Increase in Cash & Cash Equivalents A+B+C	(4117019)	(66234161)
Cash and Cash Equivalents (Opening Balance)	13485595	79719756
Cash and Cash Equivalents (Closing Balance)	9368576	13485595
Components of cash and cash equivalents at the end of the year		
Particulars		
-In Current and Deposit accounts	9241974	12895499
Cash-In-Hand	126602	590096
	9368576	13485595

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

 ANIL GOYAL
(Director)
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 VIJAY SOOD
(Managing Director)
DIN 01473455

 Place : Gurgaon
Date : 28th May, 2016

 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, 2016

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, 2016

2. SHARE CAPITAL

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
AUTHORIZED		
7,00,00,000 (7,00,00,000) Equity Shares of ₹ 10/- each.	700000000	700000000
3,00,00,000 (3,00,00,000) Redeemable Preference Shares of ₹ 10/- each	300000000	300000000
	1000000000	1000000000
ISSUED		
2,54,43,257(2,54,43,257) Equity Shares of ₹ 10/- each.	254432570	254432570
	254432570	254432570
SUBSCRIBED & PAID UP		
2,37,92,218 (2,37,92,218) Equity Shares of ₹ 10/- each fully paid up.	237922180	237922180
	237922180	237922180
Add: Forfeited shares- 16,51,039 (16,51,039) Equity Shares (Amount originally paid up)	5431643	5431643
	243353823	243353823

- Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of ₹ 10/- Each holder of Equity Shares is entitled to One vote per share.
- Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2016 & 31st March, 2015 is as under:



Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	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, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Securities Premium Reserve-opening balance	999689069	999689069
Add: Addition during the year	0	0
	999689069	999689069
Statutory Reserve -Opening balance *	157003824	147012997
Add: Transferred from Surplus	1771144	9990827
	158774968	157003824
Surplus -opening balance	(53997482)	(21642670)
Add: Net Profit after tax transferred from Statement of Profit & Loss	34480000	(22363985)
	(19517482)	(44006655)
Less: Transferred to Statutory Reserve	1771144	9990827
Surplus-Closing balance	(21288626)	(53997482)
	1137175411	1102695411

(*) 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, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Provisions For Employee Benefits		
Leave encashment	1229965	1158754
Gratuity	0	45584
Others		
- For Diminution in value of Long term/Non current Investments	41952621	49951797
- Contingent provision against Standard Assets	104030	211763
	43286616	51367898

5. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Unpaid Dividends *	2382476	2387683
Expenses Payable	1702862	1896950
TDS Payable	455220	581281
	4540558	4865914

6. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Provisions For Employees Benefit		
Leave encashment	308232	285254
Others		
Income Tax	600000	600000
Sub-standard and Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	28268356	25672949
Contingent Provision against Standard Assets	1095843	675247
	40272431	37233450

7. FIXED ASSETS

(Amount In ₹)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		As at 01st April, 2015	Addition during the year	Deduction during the year	As at 31st March, 2016	As at 01st April, 2015	For the year (a)	Deduction/ Adjustments during the year	As at 31st March, 2016	As on 31.03.2016	As on 31.03.2015
	Tangible Assets										
1.	Flat	4823385	0	0	4823385	1981937	327040	0	2308977	2514408	2841448
2.	Furnitures & Fixtures	7675738	0	7675738	0	7675738	0	7675738	0	0	0
3.	Vehicles	6336277	0	0	6336277	3249143	684032	0	3933175	2403102	3087134
4.	Office Equipment	2283135	11813	0	2294948	2233076	19389	0	2252465	42483	50059
5.	Data Processing Machine	499309	0	0	499309	473845	9658	0	483503	15806	25464
6.	Air conditioners	996578	0	0	996578	919733	31084	0	950817	45761	76845
7.	Generator Set	64960	0	64960	0	64960	0	64960	0	0	0
	Total	22679382	11813	7740698	14950497	16598432	1071203	7740698	9928937	5021560	6080950
	(Previous Year)	22633382	46000	0	22679382	13944433	1174513	1479486	16598432	6080950	8688949

8. INVESTMENTS

Name of the Company	Face Value (In ₹)	As at 31st March, 2016		As at 31st March, 2015	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS)					
(1) IN ASSOCIATES					
- UNQUOTED (NON-TRADE) FULLY PAID UP EQUITY SHARES TAURUS ASSET MANAGEMENT CO LIMITED. Cost of acquisition Add / (Less) : Group Share of Profits/(Losses) upto 31.03.2016	10	3028000	38754750 27635376	3028000	38754750 1524313
		3028000	66390126	3028000	40279063
TOTAL-(1) Investments in Associates Companies		3028000	66390126	3028000	40279063



Name of the Company	Face Value (In ₹)	As at 31st March, 2016		As at 31st March, 2015	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
(2) IN OTHERS					
A. TRADE INVESTMENTS (QUOTED)					
INVESTMENT IN EQUITY INSTRUMENTS					
-FULLY PAID UP EQUITY SHARES					
CROMPTON GREAVES LIMITED	2	-	-	437	7636
DCM SHRIRAM INDUSTRIES LIMITED	10	4346615	488067462	4346615	488067462
HB ESTATE DEVELOPERS LTD.	10	1465608	24900104	1465608	24900104
JAIPRAKASH ASSOCIATES LIMITED	2	3418367	27138404	3418367	27138404
RRB SECURITIES LIMITED	10	100000	10000000	100000	10000000
TOTAL (A) (TRADE INVESTMENTS)		9330590	550105970	9331027	550113606
B. NON TRADE INVESTMENTS					
B.1 Investment in Equity Instruments					
-FULLY PAID UP EQUITY SHARES (UNQUOTED)					
JAIPUR STOCK EXCHANGE LIMITED	10	-	-	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	45000	1128375	195000	4889625
-EQUITY SHARE APPLICATION					
CORE TELECOM PRIVATE LIMITED	10	-	-	850000	8500000
HB INSURANCE ADVISORS LTD	10	260000	2600000	260000	2600000
FALCON PORTFOLIO PRIVATE LIMITED.	10	75000	750000	75000	750000
TOTAL B.1		1015030	18829833	2339530	36932083
B.2 Investments in Preference Shares					
FULLY PAID-UP REDEEMABLE PREFERENCE SHARE (UNQUOTED)					
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	500000	50000000
PREFERNCE SHARE APPLICATION (UNQUOTED)					
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
TOTAL B.2		3595000	360400000	3595000	360400000
TOTAL B.1+B.2 (NON TRADE INVESTMENTS)		4610030	379229833	5934530	397332083
TOTAL-2 (A+B) INVESTMENTS IN OTHERS		13940620	929335803	15265557	947445689
TOTAL- (1+2) NON CURRENT/LONG TERM INVESTMENTS		16968620	995725929	18293557	987724752
CURRENT INVESTMENTS					
(A) INVESTMENTS IN EQUITY INSTRUMENTS					
a) QUOTED, FULLY PAID UP EQUITY SHARES/B					
KAUNTAM PAPERS	10	-	-	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
DOLPHIN OFFSHORE ENTERPRISES I LTD.	10	10000	1166901	-	-
DESIGN AUTO SYSTEMS LIMITED	10	671400	3953867	671400	3953867
DIGITAL WORLD INDIA LIMITED	10	162400	3136228	162400	3136228
GSAL(INDIA) LIMITED.	10	-	-	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 LTD.	10	216	25684	216	25684
HOTLINE GLASS LIMITED	10	166382	552770	166382	552770
HOTLINE TELETUBE & COMPONENTS LIMITED	10	344400	9751268	344400	9751268
ICP SECURITIES LIMITED	10	1800	18000	1800	18000
ISPAT PROFILES INDIA LIMITED	10	10000	235020	10000	235020
JP POWER VENTURES LTD.	10	400000	2859983	-	-

Name of the Company	Face Value (In ₹)	As at 31st March, 2016		As at 31st March, 2015	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
JUBILANT INDUSTRIES LTD	10	-	-	500	175310
KIRAN OVERSEAS EXPORTS LIMITED	10	10000	335000	10000	335000
LCC INFOTECH LIMITED	2	56300	387984	56300	387984
LUNAR DIAMONDS LIMITED	10	21000	439065	21000	439065
MILKFOOD LIMITED	10	-	-	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
POLYCHEM LIMITED	10	-	-	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
SAJJAN UDYOG EXPORTS LIMITED	10	23600	590000	23600	590000
SAVANI FINANCIALS LIMITED	10	7000	140000	7000	140000
SHREYANS INDUSTRIES LIMITED	10	5600	96873	5600	96873
SRI VASAVI INDUSTRIES LIMITED	10	10890	584631	10890	584631
STEEL EXCHANGE OF INDIA LTD.	10	121	4060	-----	-----
GLOBAL STONE INDIA LIMITED	10	2000	34000	2000	34000
SUMMIT SECURITIES LTD.	10	6	1494	6	1494
UNIMERS INDIA LIMITED	10	-	-	1732	444464
UNIVERSAL PRIME ALUMINIUM LIMITED	10	-	-	23820	868067
U P HOTELS LIMITED	10	1900	136630	1900	136630
TOTAL (a)		2459404	32838032	2172580	36113305
b) UNQUOTED, FULLY PAID UP EQUITY SHARES					
KESORAM TEXTILE LIMITED	10	172	4161	172	4161
TOTAL (b)		172	4161	172	4161
c) UNQUOTED PARTLY PAID UP EQUITY SHARES					
RATHI ALLOYS & STEELS LIMITED	10	46293	694395	46293	694395
TOTAL (c)		46293	694395	46293	694395
TOTAL- A (a+b+c)		2505869	33536588	2219045	36811861
(B) INVESTMENT IN DEBENTURES					
(UNQUOTED, FULLY PAID UP, COMPULSORILY CONVERTIBLE DEBENTURES)					
THE INDIAN HOTELS CO. LTD	55	-	-	13500	742500
TOTAL (B)		0	0	13500	742500
TOTAL- CURRENT INVESTMENTS (A+B)		2505869	33536588	2232545	37554361

Notes	Non Current/Long Term Investments		Current Investments	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
8.1 Aggregate Amount of Quoted Investments	550105970	550113606	32838032	36113305
8.2 Market Value of Quoted Investments	567298308	421500824	5268231	11138911
8.3 Aggregate Amount of Unquoted Investments	445619959	437611146	698556	14410566
8.4 Aggregate Provision for Diminution in Value of Investments	41952621	49951797	28268356	25672949
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-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, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Gross Amount of Investments	995725929	987724752	33536588	37554361
Less: Provision for Diminution in the Value of Investments	41952621	49951797	28268356	25672949
Net Carrying Value	953773308	937772955	5268231	11881412

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, 2016	Amount in ₹ As at March 31, 2015
Equity Shares		
RRB Securities Limited	8500000	8500000
HB Prima Capital Limited	1128375	4889625
HB Estate Developers Ltd.	14201166	10962172
HB Insurance Advisor Limited	150000	150000
Jaiprakash Associates Ltd	1022080	0
Sovika Airline Services Limited	11600000	0
Harsai Investments limited	2000000	0
Equity Share Application		
Core Telecom Private Limited	0	8500000
HB Insurance Advisor Pvt Ltd	2600000	2600000
Falcon Portfolio Management Private Limited.	750000	750000
Total	41951621	36351797

9. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
(Unsecured, Considered Good)-Standard		
Security Deposits *	34697124	34725624
Loans to Others- Standard	0	50000000
	34697124	84725624

*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, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Unsecured, Considered good		
Outstanding exceeding six months	0	0
Others		
- From Related Parties*	0	22549809
	0	22549809

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

11. CASH AND BANK BALANCES

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Cash & Cash equivalents		
Balances with Banks		
- In Current Accounts	9241974	12895498
Cash-on-Hand	126602	590096
Other Bank balances		
- In Earmarked Unpaid Dividend Account	2382476	2387683
	11751052	15873278

12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Unsecured, Considered Good, Unless otherwise stated:		
Advance to related Parties*	2780856	98800
Others		
Inter Corporate Loans & Deposits (Including loans to LLPs) - Standard	330400000	238000000
Inter Corporate Deposit-Doubtful	10000000	10000000
Advance against Property-Standard	30000000	30000000
Recoverable From Staff	56880	43000
Prepaid Expenses	247209	220081
Income Tax/Tax deducted at source	5105147	2251869
	378590092	280613750

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

13. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2016 (In ₹)	As at 31st March, 2015 (In ₹)
Interest accrued on loans / Inter Corporate Deposits	9306494	4393972
	9306494	4393972

14. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Profit/(Loss) in Securities dealing/Equity derivative trading	(1909697)	2655724
Profit/(Loss) on sale/disposal of investments (1)	(12344865)	10753716
Provision for diminution in value of investments written back/(made) (2)	5403769	(49186278)
Interest on Inter Corporate Deposit (Tax deducted at Source ₹ 39,51,503/- (Previous Year ₹ 1738850/-)	42875015	17508493
Dividend Income (Gross) (Tax deduction at source ₹ NIL, Previous Year ₹ NIL) (3)	4402844	15672076
	38427066	(2596269)

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

- (1) Profit/(Loss) on Sale/Disposal of Investments includes Loss of ₹ 3,53,496/- (Previous Year Loss ₹ 68,51,242/-) on Current Investments and Loss of ₹ 1,19,91,369/- (Previous Year Gain ₹ 1,76,04,958/-) on Non current/Long Term Investments.
- (2) Provision for diminution in value of Investments written back include ₹ 79,99,176/- provision written back (previous year ₹ 4,83,29,499/- provision made) in respect of Non Current/Long Term Investments and ₹ 25,95,407/- provision made (Previous Year ₹ 8,56,779/- provision made) in respect of Current Investments.
- (3) Dividend Income includes ₹ 43,46,615/- (Previous Year ₹ 1,52,17,207/-) on Long Term/Non current Investments and ₹ 56,229/- (Previous year ₹ 4,54,869/-) on Current Investments.

15. EMPLOYEE BENEFIT EXPENSES
(Amount in ₹)

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Salaries and Benefits	14480909	14477098
Contribution to Provident fund and superannuation fund	485314	468269
Gratuity	(57338)	(61736)
Staff welfare	153721	112084
	15062606	14995715

16. FINANCE COSTS (Amount in ₹)

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Interest expense on Income Tax	0	1856295
	0	1856295

17. OTHER EXPENSES (Amount in ₹)

Particulars	For the Year ended 31st March, 2016	For the Year ended 31st March, 2015
Rent/Facility Charges	1341598	1340292
Vehicle Running and Maintenance	771963	796411
Insurance	81619	83176
Communication	938415	990953
Travelling and Conveyance	2771423	2467793
Printing and Stationery	1223846	932795
Office Repairs and Maintenance	354364	404820
Depository and custodial	88084	100159
Subscription and Membership	246698	269765
Legal and Professional	2079865	3395472
Advertisement & Publicity	251603	261902
Listing Fees	359552	247192
Business Promotion	947432	653932
Miscellaneous	206750	591494
Auditors Remuneration		
- Audit Fees	183200	179776
- Tax Audit Fees	28625	28090
- Certification and others	92781	74158
Directors Sitting Fees	425414	443824
	12393232	13262003

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

Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year end
Mount Finance Ltd.	India	100% Subsidiary of HB stockholdings Ltd	31.03.2016

21.2 Transaction during the financial year ended 31.03.2016 with related Parties as under.

Sr. No.	Nature of Transaction	Related Party Referred in 1(a) above	Related Party Referred in 1(b) above	Related Party Referred in 1(c) above	Related Party referred in 1(d) above	Related Party referred in 1(e) above
1	Advances given (net)	Nil	Nil	Nil	2682056	Nil
		(Nil)	(Nil)	(Nil)	(98800)	(Nil)
2	Rent/Facility Charges Paid	Nil	Nil	Nil	Nil	980898
		(Nil)	(Nil)	(Nil)	(Nil)	(967692)
3	Margin /Advances paid & received back	Nil	Nil	Nil	52981448	Nil
		(Nil)	(Nil)	(Nil)	(20200000)	(Nil)
4	Dividend Received	Nil	Nil	Nil	Nil	50000
		(Nil)	(Nil)	(Nil)	(Nil)	(150000)
5	Sitting Fee Paid	Nil	40000	Nil	Nil	Nil
		(Nil)	(45000)	(Nil)	(Nil)	(Nil)
6	Depository Charges	Nil	Nil	Nil	Nil	2209
		(Nil)	(Nil)	(Nil)	(Nil)	(43979)
7	Remuneration & Other Services	11230948	Nil	Nil	Nil	Nil
		(12637651)	(Nil)	(Nil)	(Nil)	(Nil)
8	Purchase of Investment through them	Nil	Nil	Nil	4026884	Nil
		(Nil)	(Nil)	(Nil)	(125487964)	(Nil)
9	Sale of Investment through them	Nil	Nil	Nil	6856918	Nil
		(Nil)	(Nil)	(Nil)	(245503195)	(Nil)
10	Net Turnover of Derivative Trading	Nil	Nil	Nil	(1909697)	Nil
		(Nil)	(Nil)	(Nil)	(2702109)	(Nil)
11	Net Turnover of Cash Market (intraday) Trading	Nil	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(36466)	(Nil)
12	Outstanding as on 31.03.2016					
	- Receivables in respect of Loans & Advances.	Nil	Nil	Nil	2780856	34500000
		(Nil)	(Nil)	(Nil)	(98800)	(34500000)
	- Receivables in respect of Trade Receivables	Nil	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(22549809)	(Nil)

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

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

* Valuation done on the basis of available unaudited, management certified financial statements for year ended 31.03.2016.

19.1 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.

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

(a) Income Tax demand disputed ₹ 85,63,300/- (Previous year ₹ 82,94,810/-) 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.

21. RELATED PARTY TRANSACTIONS

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

a) Key Managerial Personnel

- Shri Vijay Sood, Managing Director
- Shri J.M.L.Suri (Executive Director upto 21.05.2015)
- Shri Anil Kumar Mittal, Company Secretary
- Shri Mahesh Kumar Gupta, Chief Financial Officer

b) Person having control/significant influence /major shareholders

- Shri Lalit Bhasin

c) Associate

- Taurus Assets Management Co. Ltd.

d) Enterprises over which control/significant influence exist of the relatives of persons mentioned in (b) above :-

- RRB Master Securities Delhi Ltd.

e) Enterprises under direct or indirect common control/significant influence:

- HB Portfolio Ltd.
- HB Estate Developers Ltd.
- HB Securities Ltd. (Subsidiary of HB Portfolio Ltd.)

22. SEGMENT REPORTING

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

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

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

Particulars	Current Year (Amount ₹)	Previous Year (Amount ₹)	Head under which shown in the Statement of Profit & Loss
Contribution to Provident Fund	3,50,314/-	3,33,269/-	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)	21,31,418/-	20,20,951/-	14,44,008/-	12,57,408/-
Interest Cost (B)	1,70,513/-	1,61,676/-	1,15,521/-	1,00,593/-
Current service cost (C)	92,887/-	94,313/-	1,40,833/-	1,45,696/-
Benefits paid (D)	Nil/-	Nil/-	70,180/-	41,373/-
Actuarial loss/ (gain) on obligation (E)	(1,46,078/-)	(1,45,522/-)	(91,985/-)	(18,316/-)
Present value of obligations as at the end of the year (F=A+B+C-D+E)	22,48,740/-	21,31,418/-	15,38,197/-	14,44,008/-

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)	22,48,740/-	21,31,418/-	15,38,197/-	14,44,008/-
Estimated fair value of plan assets (B)	22,66,215/-	20,85,834/-	Nil	Nil
Net Liability (Assets) (C=A-B)	(17,475/-)	45,584/-	15,38,197/-	14,44,008/-
Amounts in the Balance Sheet				
Liabilities (Assets)	(17,475/-)	45,584/-	15,38,197/-	14,44,008/-
Amount charged to Statement of Profit & Loss				
Current Service Cost	92,887/-	94,313/-	1,40,833/-	1,45,696/-
Interest Cost	1,70,513/-	1,61,676/-	1,15,521/-	1,00,593/-
Expected Return on Plan Asset	(1,74,660/-)	(1,72,203/-)	Nil	Nil
Actuarial(Gain)/Loss	(1,46,078/-)	(1,45,522/-)	(91,985/-)	(18,316/-)
	(57,338/-)	(61,736/-)	1,64,369/-	2,27,973/-
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	1,74,660/-	1,72,203/-

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	20,85,834/-	19,09,598/-
i)	Expected Return on Plan Assets	1,74,660/-	1,72,203/-
ii)	Actuarial Gains / (Losses)	Nil	Nil
iii)	Contribution by the Employer	Nil	Nil
iv)	Benefits Paid	Nil	Nil
v)	Contribution	5,721/-	4,033
	Closing Fair Value of Plan Assets	22,66,215/-	20,85,834/-

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

a) Particulars of the minimum lease payments under Operating Lease:-

Not Later than One year ₹ 12,44,124/- (Previous Year ₹ 9,67,692/-)

Later than one year but not Later than five years ₹ 12,65,624/- (Previous Year ₹ 9,67,692/-)

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 2016 is ₹ 13,41,598/- (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. 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.	3,44,80,000	(2,23,63,985)
Earning Per Share (face value of ₹ 10 each)		
Weighted Average Nos. of Equity Share Outstanding	2,37,92,218	2,37,92,218
Basic and diluted Earning per share (₹)	1.45	(0.94)

26. Due to Micro, Small and Medium Enterprises

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2016 and 31st March, 2015.

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

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

28. Dividend paid to Non-Resident Shareholders:- Nil (Previous Year Nil)
29. 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.	95.14	1313446850	25.68	8855718
	(96.92)	(1304591132)	(158.35)	(-35413952)
Subsidiary (Indian)				
Mount Finance Ltd.	0.05	692258	-1.41	-486781
	(0.09)	(1179039)	(4.19)	(-936355)
Associates (Investments as per Equity method)				
Taurus Assets Management Co Limited	4.81 (2.99)	66390126 (40279063)	75.73 (-62.54)	26111063 (13986322)
Total	100.00	1380529234	100.00	34480000
	(100.00)	(1346049234)	(100.00)	(-35821883)

* Figure in bracket relates to previous year.

30. Litigation

The Group is in appeal in respect of various income tax matters. The Contingent liability in respect thereof is disclosed in note no. 20 (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.

31. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
32. The Board of Directors of HB Stockholdings Limited in their meeting held on 11/02/2016 have approved a composite scheme of arrangement between HB Stockholdings Limited ('the company'), HB portfolio Limited and HB Estate Developers Limited and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013, subject to various Statutory approvals as may be required.
33. 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

For and on behalf of the Board

AMIT GOEL
Partner
Membership No.: 092648

ANIL GOEL
(Director)
DIN 00001938

VIJAY SOOD
(Managing Director)
DIN 01473455

Place : Gurgaon
Date : 28th May, 2016

ANIL KUMAR MITTAL
Company Secretary

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)

Amount (In ₹)

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 2016
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	83,00,060
5.	Reserves & surplus	(76,07,802)
6.	Total assets	28,27,444
7.	Total Liabilities	28,27,444
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(4,86,781)
11.	Provision for taxation	Nil
12.	Profit after taxation	(4,86,781)
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

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

For and on behalf of the Board

Sd/
Anil Goyal
Director

Sd/
Vijay Sood
Managing Director

Sd/
Anil Kumar Mittal
Company Secretary

Sd/
Mahesh Kumar Gupta
CFO

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	31-03-2016
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No. of Equity Shares of the Rs. 10/- each	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 is more than 20% of the paid-up
4.	Reason why the associate/joint venture is not consolidated	Not Applicable
5.	Net worth attributable to shareholding as per latest unaudited Balance Sheet	Rs. 32,99,77,343 (100%)
		Rs.6,63,58,444 (20.11%)
6.	Profit/Loss for the year	
	Considered in Consolidation	Rs. 2,61,11,063/-
	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.

For and on behalf of the Board

Sd/
Anil Goyal
Director

Sd/
Vijay Sood
Managing Director

Sd/
Anil Kumar Mittal
Company Secretary

Sd/
Mahesh Kumar Gupta
CFO



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 **29th ANNUAL GENERAL MEETING** of the Company to be held on Wednesday, the **07th day of September 2016 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, 2016 and the report of Board of Directors and Auditors' thereon.
2. Re-appointment of Mr. Anil Goyal as Director of the Company.
3. Appointment of M/s. P.Bholusaria & Co. Chartered Accountants, Statutory Auditors and fixing their remuneration.

SPECIAL BUSINESS:

4. Alteration of Nomenclature of the Main Object clause of Memorodam of Association of the Company.
5. Re-appointment of Mr. Vijay Sood, Managing Director.

Signed this ____ day of _____, 2016

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

Affix Rupee 1/- Revenue Stamp
--

Notes:

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



HB STOCKHOLDINGS LIMITED

ATTENDANCE SLIP

29TH ANNUAL GENERAL MEETING

Day : **Wednesday**
 Time : **11.00 A.M., 07th day of September, 2016**
 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 29th Annual General Meeting held on Wednesday, 07th day of September, 2016 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

