



# HB STOCKHOLDINGS LTD.

Regd. Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram -122001 (Haryana)  
Ph.:0124-4675500, Fax:0124-4370985, E-mail:corporate@hbstockholdings.com  
Website : www.hbstockholdings.com, CIN : L65929HR1985PLC033936

Date: 31<sup>st</sup> August, 2021

<b>The Listing Department</b> BSE Limited, Pheroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001  Scrip Code: 532216	<b>The Vice President</b> National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051  Scrip Symbol: HBSL
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**Sub: Submission of Annual Report 2020-21 and Notice of AGM**

Dear Sir / Madam,

Please find enclosed herewith copy of Annual Report 2020-21 along with the Notice of 34<sup>th</sup> Annual General Meeting (AGM) in due compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual Report along with the Notice of the AGM has also been uploaded on the Company's website, [www.hbstockholdings.com](http://www.hbstockholdings.com)

You are requested to take the above information on record and oblige.

Thanking you,

Yours faithfully,

For **HB Stockholdings Limited**

**RUPESH KUMAR**  
(Company Secretary & Compliance Officer)

Encl: As Above

# 34th Annual Report 2020 - 21



**HB STOCKHOLDINGS LIMITED**


**BOARD OF DIRECTORS**

Mr. Lalit Bhasin	Chairman
Mr. Anil Goyal	Director
Mr. Ashish Kapur	Director
Mr. Gulshan Rai	Director
Mr. Harbans Lal	Director
Mrs. Asha Mehra	Director

**COMPANY SECRETARY**

Mr. Rupesh Kumar

**CHIEF FINANCIAL OFFICER (CFO)**

Mr. Mahesh Kumar Gupta

**MANAGER**

Mr. Naresh Khanna (VP-Investments)

**STATUTORY AUDITORS**

**G. C. Agarwal & Associates**

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

**REGISTERED OFFICE**

**HB Stockholdings Limited**  
**CIN: L65929HR1985PLC033936**

Plot No. 31, Echelon Institutional Area,  
Sector-32, Gurugram - 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.**

**CIN: U67120DL1950PTC601854**

B-25/1, First Floor  
Okhla Industrial Area, Phase-II  
New Delhi - 110020  
Ph : 011-26387320, 26387321  
Fax : 011-26387322  
E-mail: investor.services@rcmcdelhi.com  
Website: www.rcmcdelhi.com

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 34<sup>TH</sup> ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF HB STOCKHOLDINGS LIMITED WILL BE HELD ON WEDNESDAY, 29<sup>TH</sup> SEPTEMBER, 2021, AT 03.00 P.M. THROUGH VIDEO CONFERENCING ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

### ORDINARY BUSINESS:

**1. ADOPTION OF AUDITED FINANCIAL STATEMENTS INCLUDING CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON.**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements including Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit & Loss, Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon be and are hereby approved and adopted."

**2. RE-APPOINTMENT OF MR. LALIT BHASIN (DIN: 00002114), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.**

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

"RESOLVED THAT pursuant to Section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Lalit Bhasin (DIN: 00002114), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

### SPECIAL BUSINESS:

**3. APPOINTMENT OF MR. NARESH KHANNA AS MANGER BEING THE KEY MANAGERIAL PERSONNEL OF THE COMPANY.**

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

"RESOLVED THAT pursuant to the provisions of Section 2(53), 196,197,198 and 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Naresh Khanna, be and is hereby appointed as the Manager being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 7<sup>th</sup> June, 2021 to 6<sup>th</sup> June, 2024 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" with term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit.

RESOLVED FURTHER THAT subject to the provisions of Schedule V of the Companies Act, 2013, the remuneration shall be payable as minimum remuneration comprising salary and other perquisites to the Manager (KMP) in the event of absence/ inadequacy of profits in any financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

**BY ORDER OF THE BOARD  
FOR HB STOCKHOLDINGS LIMITED**

Sd/-

**RUPESH KUMAR  
(Company Secretary)  
Membership No: A-43104**

Place : Gurugram  
Date : 21<sup>st</sup> June, 2021

### NOTES:

- In view of the massive outbreak and extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 05th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), the Companies are permitted to hold the Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Circulars as mentioned hereinabove, the 34<sup>th</sup> AGM of the Company is being held through VC / OAVM. The deemed venue of this AGM shall be the Registered Office of the Company.
- Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members to attend and cast vote for the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from **23<sup>rd</sup> September, 2021 to 29<sup>th</sup> September, 2021** (Both days inclusive).

- The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to Section 113 of the Companies Act, 2013, Institutional/Corporate Shareholders (i.e. other than Individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPEG Format) of its Board Resolution or Authorization Letter authorizing its representative to attend the AGM through VC / OAVM and to vote on their behalf through remote e-voting or through e-voting at the AGM. The said Resolution or Authorization Letter shall be sent to the Scrutinizer, Ms. Jyoti Sharma by an e-mail through its registered email address to [csjyotisharma@gmail.com](mailto:csjyotisharma@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- In compliance with MCA Circular No. 20/2020 dated 05<sup>th</sup> May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report 2020-21) and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
- The Annual Report 2020-21 and Notice of AGM shall also be available on the website of the Company, [www.hbstockholdings.com](http://www.hbstockholdings.com); website of the Stock Exchange(s) i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the website of NSDL (agency for providing the Remote e-voting facility) i.e. <https://www.evoting.nsdl.com>.
- 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 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India] is annexed hereto and forms an integral part of this Notice.
- An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and forms an integral part of this Notice.
- All documents referred to in the Notice shall be made available for inspection in electronic mode, from the date of circulation of this Notice up-to the date of the meeting. Members may request the same by sending an e-mail from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at [corporate@hbstockholdings.com](mailto:corporate@hbstockholdings.com)
- 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 under Section 189 of the Companies Act, 2013 shall be made available for inspection in electronic mode during the AGM upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>
- Members who would like to express their views/ask questions with regard to the Financial Statements or any other matter can submit their queries in advance through an e-mail from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at [corporate@hbstockholdings.com](mailto:corporate@hbstockholdings.com) on or before **25<sup>th</sup> September, 2021 till 05.00 P.M.** The views/questions of those Members will only be taken up who have mailed it to the Company within time and the same will be replied by the Company suitably.
- Members holding shares in physical form are requested to intimate their PAN, e-mail address, Bank Account details, Change of Address, Change of Name, Registration of Nomination etc. immediately to the Registrar and Share Transfer Agent (RTA) 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**  
**Fax: 011 – 26387322**  
**E-mail: [investor.services@rcmc Delhi.com](mailto:investor.services@rcmc Delhi.com)**  
Members holding shares in demat form can update their necessary details with their Depository Participants. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the Members.
- As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's RTA for assistance in this regard.
- The Ministry of Corporate Affairs (MCA) has notified provisions relating to Unpaid / Unclaimed Dividend under Sections 124 and 125 of the Companies Act, 2013 and the



Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, the amount of Dividend remaining Unpaid or Unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred ₹ 24,13,712/- (Rupees Twenty-Four Lakh Thirteen Thousand Seven Hundred Twelve Only) to IEPF on 14<sup>th</sup> October, 2020 being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31st March, 2013.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules thereto, the Company has duly transferred all Equity Shares in respect of which Dividend has not been paid or claimed for seven (7) consecutive years or more to the specified DEMAT Account of the Investor Education and Protection Fund (IEPF) Authority, Ministry of Corporate Affairs after giving individual notice to all such Equity Shareholders and publication of newspaper advertisement thereto. The complete details of such Equity Shares transferred to IEPF Account is available on the website of the Company; <http://www.hbstockholdings.com>.

Any further benefit on such Equity Shares except Right Issue shall be credited to the IEPF Account. The Equity Shareholders may claim back their Shares along with the Unclaimed Dividend amount from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority; <http://iepf.gov.in/IEPFA/refund.html>. The refund procedure is also available on the Company's website, <http://www.hbstockholdings.com>.

Mr. Rupesh Kumar, Company Secretary has been appointed as the Nodal Officer in terms of the provisions of IEPF Rules and complete details are available on the website of the Company;

[www.hbstockholdings.com/InvestorInformation/ListingInformation/ig.html](http://www.hbstockholdings.com/InvestorInformation/ListingInformation/ig.html)

## 17. INFORMATION ON REMOTE E-VOTING, ATTENDING THE AGM THROUGH VC / OAVM AND E-VOTING DURING AGM:

### (A) VOTING THROUGH ELECTRONIC MEANS:

- (i) In compliance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations and various Circulars as mentioned above, the Members are provided with the facility to attend AGM through VC / OAVM, to cast their vote electronically through the remote e-voting before the AGM and through e-voting during the AGM, through the Authorised Agency, **National Securities Depository Limited (NSDL)**.
- (ii) The remote e-voting period commences on **26<sup>th</sup> September, 2021 (09.00 A.M)** and ends on **28<sup>th</sup> September, 2021 (05.00 P.M)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the Member, the Member shall not be allowed to change it subsequently.
- (iii) 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. 22<sup>nd</sup> September, 2021**, may cast their vote by remote e-voting / e-voting at the meeting.
- (iv) Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding Shares as on the cut-off date, i.e. **22<sup>nd</sup> September, 2021** may obtain the login Id and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote.
- (v) Ms. Jyoti Sharma, Company Secretary in Whole-time Practice (Membership No.: 8843, C.P. No.: 10196) failing her Ms. Puri Singhal, Company Secretary in Whole-time Practice (Membership No.: 40565, C.P. No.: 19493) have been appointed as the Scrutinizer(s) for conducting the remote e-voting & e-voting at AGM in a fair and transparent manner.
- (vi) **In case of any grievance connected with the facility for voting by electronic means, Members can directly contact Ms. Soni Singh, Assistant Manager - NSDL, e-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on Toll Free No.: 1800-222-990. Members may also write to the Company Secretary at the e-mail ID: [corporate@hbstockholdings.com](mailto:corporate@hbstockholdings.com)**

### (B) INSTRUCTIONS FOR REMOTE E-VOTING PRIOR TO AGM ARE AS UNDER:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>**



**Step 2: Cast your vote electronically and join the AGM on NSDL e-Voting system.**

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>**

#### I. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode:

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for **Individual Shareholders** holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>If you are already registered with NSDL <b>IDEAS</b> facility, please visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for NSDL IDEAS facility, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDEAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>E-Voting Service Provider (ESP) i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/ Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID/ Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**II. Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in Physical Mode:**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 117229 then user ID is 117229001***

- Your password details are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please refer If your email ID is not registered, please refer the "PROCEDURE FOR REGISTRATION OF E-MAIL ID FOR OBTAINING E-VOTING USER ID & PASSWORD, NOTICE OF AGM, ANNUAL REPORT 2020-21 AND UPDATION OF BANK ACCOUNT DETAILS" provided hereinafter.
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home Page of e-Voting will open.

**Step 2: Cast your vote electronically and join the AGM on NSDL e-Voting system.**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**>> General Guidelines for Shareholders:**

- Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries/ grievances, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh, Assistant Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**(C) THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**(D) INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join Annual General meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members who would like to express their views/ask questions during the meeting may pre-register themselves as a speaker by sending a request from their



registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at [corporate@hbstockholdings.com](mailto:corporate@hbstockholdings.com). Those Members who have registered themselves as a speaker on or before **25<sup>th</sup> September, 2021 till 5:00 P.M.** will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Questions that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

**(E) PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS FOR OBTAINING E-VOTING USER ID & PASSWORD, NOTICE OF AGM, ANNUAL REPORT 2020-21 AND UPDATION OF BANK ACCOUNT DETAILS:**

- (i) **Members holding Shares in physical form** who have not registered their e-mail address are requested to send scanned copy of duly signed request letter to Company's Registrar and Share Transfer Agent (RTA), RCMC Share Registry Private Limited through an e-mail at [investor.hb@rcmcdelhi.com](mailto:investor.hb@rcmcdelhi.com) providing Folio No., Name of Shareholder along with scanned copy of the Share Certificate (front and back), self-attested scanned copy of the PAN Card and any one of the following documents viz., Aadhaar Card, Driving License, Voter Card, Passport or Utility bill in support of the address proof of the Member as registered with the Company for the purpose of obtaining e-voting User ID & Password, Notice of AGM and Annual Report 2020-21.

For updation of Bank Account Details, please provide (i) Bank Account Number (ii) Bank Name and Branch Address (iv) MICR Number (v) IFSC Code (vi) Cancelled cheque leaf or copy of Bank Passbook / Bank Statement duly attested by the Bank.

Please note that the registration of e-mail address / updation of Bank Account Details on the basis of scanned documents is only for the purpose this AGM. The Members will be required to send hard copy of the aforesaid documents to RTA for necessary updation in the master records of the Company.

- (ii) **Members holding Shares in demat form** can update their e-mail address and Bank Account Details with their Depository Participants.

**(F) DECLARATION OF RESULTS ON THE RESOLUTIONS:**

- (i) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first unblock the votes cast at the meeting through e-voting, 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 forty eight (48) hours from 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.
- (ii) The Company shall submit to the BSE Limited & National Stock Exchange of India Limited, within forty eight (48) hours from 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, <http://www.hbstockholdings.com> and on the website of NSDL, <https://www.evoting.nsdl.com> immediately after the declaration of results.
- (iii) Subject to the receipt of requisite number of votes, the resolution(s) shall be deemed to be passed on the date of the meeting.

## PROFILE OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THIS ANNUAL GENERAL MEETING

<b>Name of Director</b>	<b>MR. LALIT BHASIN</b>
<b>Directors Identification Number (DIN)</b>	00002114
<b>Date of Birth</b>	14 <sup>th</sup> August, 1968
<b>Date of First Appointment on the Board</b>	16 <sup>th</sup> August, 1989
<b>Profile / Expertise in Specific functional Areas.</b>	Mr. Lalit Bhasin, Director (Chairman) is a commerce graduate from Shri Ram College of Commerce, Delhi University. He brings with him nearly three decades of expertise in the field of management, hospitality, investments and capital market.
<b>Qualifications</b>	B. Com
<b>List of Directorship in other Companies</b>	<b>Listed Companies:</b> <ol style="list-style-type: none"> <li>HB Portfolio Ltd.</li> <li>HB Leasing and Finance Co. Ltd.</li> <li>HB Estate Developers Ltd.</li> <li>CHL Ltd.</li> </ol> <b>Other Companies:</b> <ol style="list-style-type: none"> <li>Taurus Asset Management Co. Ltd.</li> <li>RRB Master Securities Delhi Ltd.</li> <li>RRB House Finance Pvt. Ltd.</li> <li>Pal Properties (India) Pvt. Ltd.</li> <li>HB Financial Consultants Pvt. Ltd.</li> <li>ALMR Gems &amp; Trading Pvt. Ltd.</li> </ol>
<b>Membership of Committee of the Board in other Companies.</b>	<b>Audit Committee:</b> <ol style="list-style-type: none"> <li>HB Leasing and Finance Co. Ltd. (Member)</li> <li>CHL Ltd. (Member)</li> </ol> <b>Stakeholder's Relationship Committee:</b> <ol style="list-style-type: none"> <li>HB Leasing and Finance Co. Ltd. (Chairperson)</li> <li>CHL Ltd. (Member)</li> </ol> <b>Nomination and Remuneration Committee:</b> <ol style="list-style-type: none"> <li>HB Leasing and Finance Co. Ltd. (Member)</li> <li>CHL Ltd. (Member)</li> </ol> <b>Corporate Social Responsibility Committee:</b> <ol style="list-style-type: none"> <li>Taurus Asset Management Ltd. (Chairperson)</li> </ol>
<b>No. of Equity Shares held</b>	3678691
<b>No. of Board Meetings attended/entitled to attend during the year</b>	4/4
<b>Whether related to any Board Members, Manager or KMP of the Company</b>	Mr. Ashish Kapur, Non-Executive Non-Independent Director of the Company is deemed interested.

**BY ORDER OF THE BOARD  
FOR HB STOCKHOLDINGS LIMITED**


**EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")**
**ITEM NO. 3:**

Mr. Naresh Khanna, aged 57 years is a Commerce Graduate from the prestigious Shri Ram College of Commerce (SRCC), University of Delhi and CS Inter with over 33 years of experience in Banking Industry with core strength in the area of loans and foreign exchange. He was associated with Oriental Bank of Commerce (Now merged with Punjab National Bank) and his last designation was Assistant General Manager (AGM). He is proficient in designing & implementing systems / procedures to achieve financial discipline and enhance overall efficiency of the organisation. He has also got comprehensive understanding and knowledge in handling the issues pertaining to Banking, Loans and Investments.

Mr. Naresh Khanna is working as Vice President - Investments of the Company on the terms and conditions given hereinafter. The Board of Directors in their Meeting held on 07<sup>th</sup> June, 2021 considered and approved giving him additional charge as a Manager being the Key Managerial Personnel (KMP) of the Company to fill the casual vacancy caused due to sudden demise of Mr. JML Suri.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with applicable rules made thereunder, the Company is required to appoint a Whole-time Key Managerial Personnel (KMP) viz. Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director.

Mr. Naresh Khanna is working as Vice President - Investments of the Company and considering his knowledge, background, extensive experience and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 07<sup>th</sup> June, 2021, gave him additional charge and appointed him as Manager being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 7<sup>th</sup> June, 2021 to 6<sup>th</sup> June, 2024 pursuant to the provisions of Sec 203 of the Companies Act, 2013 read with applicable rules made thereunder subject to the approval of the Shareholders of the Company on the terms and conditions as details herein below:

**1. BASIC SALARY**

He shall be paid Basic Salary of Rs. 80,000/- (Rupees Eighty Thousand Only) per month.

**2. HOUSE RENT ALLOWANCE**

He shall be entitled to Rs. 45,000/- (Rupees Forty-Five Thousand Only) per month as House Rent Allowance.

**3. VEHICLE MAINTENANCE REIMBURSEMENT**

He shall be reimbursed an amount up to Rs. 25,000/- (Rupees Twenty-Five Thousand Only) per month for maintenance (including salary of Driver) of Vehicle.

**4. PERFORMANCE INCENTIVE**

He shall be paid performance incentive @ 5% of Profit exceeding 10% per annum return on funds entrusted to him for investment. This will be calculated at the end of 12 months from joining his duties with us on weighted average method.

**5. PROVIDENT FUND**

He shall not participate in the Employees Provident Fund Scheme. As such neither he nor the company will be contributing towards Provident Fund.

6. He shall be on probation for a period of six months from the date of his joining the services of the company, which period is liable to be extended at the sole discretion of the Management. During the period of probation, his appointment can be terminated without notice or compensation. Continuance of his service after expiry of the period of probation will be subject to his satisfactory performance during the period of probation.

7. After the satisfactory completion of probation period, his appointment may be terminated by the company by one month's notice or in lieu thereof pay and allowances as admissible. He may also leave the services of the Company by giving one month's notice or in lieu thereof pay and allowances as admissible.

8. His service may be terminated by the Management without notice or compensation and any other accrued benefits, if in the opinion of the management; he is guilty of in subordination, insolence, gross negligence or dereliction of duty, dishonesty and embezzlement or conduct prejudicial to the company's interest.

9. His services are liable to be transferred, part-time or whole-time to other Departments and/ or he may also be assigned such other duties, as it may be necessary at the discretion of the Management in any office or branch of the Company and/or its subsidiaries.

10. He shall keep information and/or secrets of the Company to himself and shall not disclose or use them for any purpose other than that of the Company.

11. He shall maintain complete secrecy during the subsistence of this contract and thereafter with regard to the Company's affairs.

12. He shall, while in Company's services, devote his time and attention exclusively to the business and interests of the Company and shall not engage in any other commercial business or pursuit, part-time or otherwise, and shall not undertake part-time assignment or work in advisory capacity for any other person and/or concern either on his accord or as an agent for others except with prior consent in writing from the Company or unless he is deputed to do so by the Company.

In case he is found to have indulged in any of the foregoing activities, his services shall be liable to be terminated without Notice or compensation and any other accrued benefits.

13. He shall not receive any presents, commission, gifts, loans, advances or any sort of gratification or benefits in cash or kind from any person, party or firm or Company having dealing or any connection with the Company and if he is offered the same, he shall immediately report the matter to the Company in writing.

14. He shall undertake and agree that all property including all correspondence addressed to/ by him, specifications, vouchers, literatures, books, circulars, articles, goods etc. relating to the Company's business which shall come into his possession in the course of his employment or otherwise shall be held by him as a trustee for the Company and shall deliver the same to the Company on demand without claiming any lien or right whatsoever thereon.

15. His services shall be subject to all the Rules and Regulations of the Company from time to time.

16. If any declaration or information furnished by him in his application is found to be false or if he is found to have willfully suppressed any material information, he shall be liable to removal from the services of the Company without any Notice or compensation and any other accrued benefits.

17. He shall strictly abide by the Code of Conduct laid down by the Company as amended from time to time.

18. The above remuneration shall be payable as minimum remuneration to the Manager (KMP) in the event of absence/ inadequacy of profits in any financial year subject to the overall ceiling laid down in Schedule V of the Companies Act, 2013.

Mr. Naresh Khanna shall be entitled to such remuneration as decided by the Nomination and Remuneration Committee from time to time, which shall not exceed five (5) percent of the net profits calculated in the manner specified under the Companies Act, 2013 and rules specified thereunder, in any year.

Further, if during the currency of tenure of Mr. Naresh Khanna, the Company has no profits or its profits are inadequate in any year, he shall be entitled to minimum remuneration as per the provisions of Schedule V to the Companies Act, 2013. In case the remuneration to be paid to him for that year is more than the minimum remuneration as specified under the said Schedule V, then the remuneration will be subject to the approval of the shareholders.

Mr. Naresh Khanna satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 (including any amendments thereto) as also the conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for appointment.

Mr. Naresh Khanna has been actively involved in the area of Investment functions of the Company. The Board recommends to the Shareholders that the appointment of Mr. Naresh Khanna as Manager being the Key Managerial Personnel (KMP) would be beneficial to the Company considering his knowledge, background, extensive experience in corporate, operational and managerial field. The Board recommends the Ordinary Resolution at Item No. 3 of the Notice for the approval of the Members.

Except Mr. Naresh Khanna and / or his relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution(s).

**BY ORDER OF THE BOARD  
FOR HB STOCKHOLDINGS LIMITED**

**Place : Gurugram  
Date : 21<sup>st</sup> June, 2021**

**Sd/-  
RUPESH KUMAR  
(Company Secretary)  
Membership No: A-43104**



## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 34<sup>th</sup> Annual Report together with the Audited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS

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

(Amount in ₹ Lakh)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
Interest Income	87.31	184.09	87.31	184.09
Dividend Income	15.53	12.31	15.53	12.31
Net Profit in Equity Derivative trading/ Share Dealing	168.16	-	168.16	-
Net gain on fair value change	1048.45	-	1048.45	-
<b>Total Revenue from Operations</b>	<b>1319.45</b>	<b>196.40</b>	<b>1319.45</b>	<b>196.40</b>
Other Income	5.71	18.29	5.71	18.29
<b>Total Income</b>	<b>1325.16</b>	<b>215.08</b>	<b>1325.16</b>	<b>215.08</b>
Expenses	147.82	944.05	153.01	949.36
Profit / (Loss) Before Tax	1177.34	(729.36)	1172.15	(734.28)
Tax Expense	(3.10)	0.56	(3.10)	0.56
Profit / (Loss) After Tax	1180.44	(729.91)	1175.25	(734.84)
<b>Profit / (Loss) for the year</b>	<b>1180.44</b>	<b>(729.91)</b>	<b>1175.25</b>	<b>(734.84)</b>
Other Comprehensive Income for the year, net of tax	1115.17	(3.76)	1115.17	(3.76)
<b>Total Comprehensive Income for the year</b>	<b>2295.61</b>	<b>(733.67)</b>	<b>2290.42</b>	<b>(738.59)</b>

### DIVIDEND

In order to conserve resources for the future, Directors of your Company do not recommend any dividend for the financial year ended 31<sup>st</sup> March 2021.

### TRANSFER TO GENERAL RESERVE

The Board of Directors have decided to retain the entire amount of profit for Financial Year 2020-21 in the retained earnings, except an amount of Rs. 2.36 crore, which has been transferred to Statutory Reserve created pursuant to Section 45-IC of the RBI Act, 1934.

### PERFORMANCE REVIEW & OUTLOOK

Equity Market had a roller coaster ride in FY 2020-21. From the lows seen at the end of FY 2019-20 on account of Covid-19 induced lockdown, the markets started gradually recovering led by phase wise unlocking, various policy measures announced by governments, central banks and better-than-expected corporate earnings performance. The next booster dose for markets came with the approval of vaccines against Covid and this catapulted the market to reach new highs.

The Company has taken adequate measures to control the cash flow and overhead expenditures to manage the operations. There has been no impact on the internal financial reporting and controls of the Company. At present, the Company is in position to fulfil its legal obligations. The Company is closely monitoring the situation and continues to evaluate the impact of COVID-19 as the situation evolves.

It is very difficult to assess the future impact of Covid-19 pandemic on business operations and it is expected to evolve over a period of time. The Company aims to meet all its debt repayment with the available capital and financial resources. Further, the Company does not foresee any material impact on the Company's business due to non-fulfilment of any obligation(s) by any party. The Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

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

### STATUTORY STATEMENTS

#### (i) Share Capital

The Paid up Equity Share Capital as on 31<sup>st</sup> March, 2021 stood at ₹ 7,13,76,650/- comprising of 7137665 Equity Shares of ₹ 10/- each. During the year under review, the Company has not issued any Shares with differential voting rights or granted stock options, sweat equity etc.

The Shareholding of Directors of the Company (including Promoter Director) is given in the Corporate Governance Report forming part of this report.

#### (ii) Number of meeting(s) of the Board

During the year under review, four (4) Board Meetings were convened and held. The details of such meeting(s) are given in the Corporate Governance Report, which forms an integral part of Board's Report.

#### (iii) Committees of the Board

The Company has several Committees which have been established in compliance with the requirement of the relevant provisions of applicable laws and statutes. As on 31<sup>st</sup> March, 2021, the Board has five (5) committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Business Restructuring Committee. A detailed note on the composition of the Committees is provided in the Corporate Governance Report, which forms an integral part of the Board's Report.

CSR Committee has been dissolved by the Board in its meeting held on 21<sup>st</sup> June, 2021 and all the functions of the Committee shall be discharged by the Board of Directors.

#### (iv) Public Deposits

The Company has not accepted any Deposits from the Public under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

#### (v) Significant and other material orders passed by the regulators or courts

There are no significant material orders passed by the Regulators or Courts or Tribunal during the year under review which has an impact on the Going Concern status and Company's operations in future.

#### (vi) Particulars of Loans, Guarantees or Investments

The principal business activity of the Company is to undertake financial services, investing and dealing in various kinds of securities. Details of Loans, Guarantees and Investments made by the Company in the ordinary course of its business are given in the notes to the Financial Statements.

#### (vii) Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

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

The total foreign exchange earnings during the year under review and previous period is NIL and total foreign exchange out go during the year under review and the previous period is NIL.

#### (viii) Change in the Nature of Business

There is no change in the nature of business of the Company during the year under review.

#### (ix) Maintenance of cost records

The nature of Company's business / activities is such that maintenance of cost records under Section 148(1) of the Companies Act, 2013 is not applicable to the Company.

#### (x) Material Changes and commitments

No material changes and commitments have occurred between the end of the financial year to which the financial statements relate and date of this report, affecting the financial position of the Company.

#### (xi) Reporting of frauds by the Auditors

No fraud has been noticed or reported by the Statutory Auditor's during the course of their Audit

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

#### (i) Subsidiaries

The Company has following Subsidiary as on 31<sup>st</sup> March, 2021:

Name of the Company	As on 31 <sup>st</sup> March, 2021	
	No. of Shares	% of holding
Mount Finance Limited	830006	100.00%

A separate statement containing the salient features of the Financial Statement of the Company's Subsidiary is being provided in **Form AOC-1** along with Financial Statements in terms of Section 129(3) of the Companies Act, 2013. The Financial Statements of the Subsidiary Company will be made available upon request by any Member of the Company interested in obtaining the same. The Financial Statements of the Subsidiary Company will also be kept for inspection by any Member of the Company at its Registered Office.

The Board of Directors has approved a Policy for Determining Material Subsidiaries in compliance with the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for Determining Material Subsidiary has been suitably modified as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The said Policy is available on the website of the Company having following web-link,  
<https://www.hbstockholdings.com/investor%20Information/Corporate%20Governance/index.html>



## HB STOCKHOLDINGS LIMITED

### (ii) Joint Ventures

The Company is not having any Joint Venture business and no Company has become its Joint Venture during the year under review.

### (iii) Associate Companies

In terms of Section 2(6) of the Companies Act, 2013, the Company is not having any Associate Company during the year under review.

### **MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT**

As required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion & Analysis Report; a Report on the Corporate Governance together with the Compliance Certificate from the Company's Statutory Auditors confirming compliance(s) forms an integral part of this report.

### **WHISTLE BLOWER POLICY – VIGIL MECHANISM**

In terms of the provisions of Section 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors is available on the website of the Company having following web-link, <https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/Index.html>

### **RELATED PARTY TRANSACTIONS**

The Related Party Transactions that were entered during the financial year under review were on arm's length basis and were in the ordinary course of business. The Audit Committee has accorded its omnibus approval for the said transactions. The Company has not entered into any materially significant Related Party Transaction under Section 188 of the Companies Act, 2013. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The Board of Directors, on the recommendation of the Audit Committee, has approved a Policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules made there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Related Party Transactions has been suitably modified as per the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Policy is available on the website of the Company having following web-link, <https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/Index.html>

### **CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all Stakeholders and in ensuring adherence to all laws and regulation in force.

The Board of Directors has adopted the Code of Conduct for regulating, monitoring and reporting of trading by insiders and other connected persons, in compliance with Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Code of Conduct lays down guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company, as well as the consequences of violation. The Code of Conduct has been formulated for prevention of Insider Trading and to maintain the highest standards of dealing in Company Securities. The Code of Conduct has been suitably modified as per the provisions of the Insider Trading Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Further, the Policy and procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information have been framed in line with the provisions of the Insider Trading Regulations, as amended.

### **PRESERVATION OF DOCUMENTS & ARCHIVAL POLICY**

In terms of Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors in their meeting held on 11<sup>th</sup> February, 2016 has adopted a Policy for Preservation of Documents & Archival thereof, classifying them in two categories as follows:

- documents whose preservation shall be permanent in nature;
- documents with preservation period of not less than eight years after completion of the relevant transactions.

The said Policy is available on the website of the Company having following web link, <https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/Index.html>

### **DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The Board of Directors has adopted the Risk Management Policy which sets out the framework for the management of risks faced by the Company in the conduct of its business to ensure that all business risks are identified, managed and monitored. The contents of Risk Management Policy have been included in Management Discussion and Analysis forming part of this report.

### **PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace. The Board of Directors in their meeting held on 17<sup>th</sup> May, 2014 constituted the Internal Complaint Committee and thereafter re-constituted on 16<sup>th</sup> June, 2020. The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Internal Complaint Committee comprises of following members:

- Mrs. Banmala Jha, Presiding Officer (Sr. V.P Legal – HB Estate Developers Ltd.)
- Mrs. Renu Gupta, Member
- Mr. Mahesh Gupta, Member (Chief Financial Officer)
- Mr. Rupesh Kumar, Member (Company Secretary)\*

(\* Appointed w.e.f 16<sup>th</sup> June, 2020

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The women employees were made aware about the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under and the provisions of Internal Complaint Policy of the Company.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Corporate Governance Report which forms an integral part of the Board's Report.

### **INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY**

The Company has proper and adequate system of Internal Controls. The information about Internal Controls is set out in the Management Discussion and Analysis forming part of this report.

### **INTERNAL FINANCIAL CONTROLS**

The Company has established Internal Financial Control System for ensuring the orderly and efficient conduct of the business including adherence to Company's Policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Statements.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee) pursuant to the provisions of Section 135 of the Companies Act, 2013. The composition of the CSR Committee has been mentioned in the Corporate Governance Report forming part of this report. The Board of Directors, on the recommendation of the CSR Committee, has approved the Corporate Social Responsibility Policy (CSR Policy) of the Company which is available on the website of the Company having following web-link, <https://www.hbstockholdings.com/Investor%20Information/CSR/index.html>

Brief outline / salient features of the CSR Policy of the Company are as follows:

- The Company endeavors to adopt an integrated approach to address the community, societal & environmental concerns by taking one or more of the activities allowed as per Section 135 of the Companies Act, 2013 and the applicable rules and regulations.
- 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.
- To 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.
- 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.
- A total allocation of amount as prescribed by the Companies Act, 2013 and approved by the Board earmarked every year for implementation of CSR activities.

As per the provision of Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during the immediately preceding financial years is required to spend in every financial year, at least two percent (2%) of the average net profits made during the three immediately preceding financial year, in pursuance of the CSR Policy.

The Net Profit/ (Loss) of the Company for the immediately preceding three (3) consecutive financial years viz. 2019-20, 2018-19 and 2017-18 was Rs. (1.19) Crore, Rs. 1.13 Crore and Rs. 2.44 Crore respectively and Net Worth & Turnover during the immediately preceding three (3) consecutive financial years was also below the above said threshold.

Further pursuant to the provisions of the Rule 3 of Companies (Corporate Social Responsibility Policy) Rules, 2014, every Company which ceases to be a Company covered under sub section (1) of Section 135 of the Act for three (3) consecutive financial years shall not be required to (a) constitute a CSR Committee; and (b) comply with the provisions contained in sub-section (2) to (5) of the Section 135 till such time it meets the criteria specified in sub-section (1) of Section 135.

As per above, the Company ceases to be covered under sub section (1) of section 135 of the Act for three (3) consecutive financial years and it is not required to spend 2% of the Average Net Profit for the preceding three financial years in the current financial year.

As per Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, If a company's CSR obligation is less than or upto Rs. 50 lakh, then the Company shall not be required to constitute the CSR committee and the board of directors shall discharge all the function of the CSR committee as prescribed.

Pursuant to abovesaid amended CSR Rules and considering the specified threshold of CSR obligations, the Board of Directors in its meeting held on 21<sup>st</sup> June, 2021 has dissolved the CSR Committee and all the functions of the Committee shall be discharged by the Board of Directors.

**AUDITORS****(i) Statutory Auditors**

The Shareholders in the 30<sup>th</sup> Annual General Meeting held on 26<sup>th</sup> September, 2017 had appointed 'G. C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) as the Statutory Auditors for a term of five (5) consecutive years i.e. from the conclusion of the 30<sup>th</sup> Annual General Meeting to the conclusion of 35<sup>th</sup> Annual General Meeting to be held in the year 2022.

As per the amended provisions of Section 139(1) of the Companies Act, 2013, the requirement of ratification of the appointment of Statutory Auditors by members at every general meeting has been omitted.

Observations of the Statutory Auditors are explained, wherever necessary, by way of Notes to the Financial Statements.

**(ii) Internal Auditors**

'Marv & Associates LLP', Chartered Accountants, New Delhi perform the duties of the Internal Auditors of the Company and their report is reviewed by the Audit Committee on quarterly basis.

**(iii) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A.N. Kukreja, Proprietor, 'A.N. Kukreja & Co.', Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as a part of this report as "ANNEXURE – I".

The Secretarial Auditors have made following observations in their Secretarial Audit Report:

- a) *The Registrar of Companies, NCT of Delhi and Haryana has filed complaint (bearing case No. CC/612/2019) at District Courts, Dwarka, New Delhi for alleged violation of Section 134(3)(o) read with Section 135 of the Companies Act, 2013 against the Company and its officers.*

*The Company has on its own made an application - e-Form RD-1 (SRN 34522995) dated 2<sup>nd</sup> March, 2020 for compounding of the offence.*

*Based on the application dated 2<sup>nd</sup> March, 2020 made by the Company, the Regional Director (Northern Region) vide its Order No. RD(NR)/726/DL/COMP/134/R34523258/3522, 3523, 3524 & 3524 dated 10<sup>th</sup> September, 2020 duly compounded the said offences.*

*As the matter has been compounded, the Additional Sessions Judge, Dwarka, Delhi has disposed of the case No. CC/612/2019 filed by the Registrar of Companies, NCT of Delhi and Haryana vide its orders dated 12<sup>th</sup> January, 2021 and all accused persons have been discharged in this case.*

- b) *The National Stock Exchange of India Limited (NSE) has levied a fine of Rs. 5,36,900/- for non-compliance with the requirement of composition of the Board (The Board to have at least six directors with effect from 1<sup>st</sup> April, 2020) as stipulated by Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015. The Company has since complied with the requirement of said regulation by appointing Mr. Ashish Kapur as sixth director w.e.f 23<sup>rd</sup> July, 2020 and paid fine levied by the NSE on 19<sup>th</sup> November, 2020.*

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)****(a) Appointment / Re-appointment / Resignation of Directors and KMP**

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Lalit Bhasin (DIN: 00002114), Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

Mrs. Asha Mehra (DIN: 02658967), aged 80 years has been re-appointed as Non-Executive Independent Directors for second term of five consecutive years by passing Special Resolution in the last Annual General Meeting held on 29<sup>th</sup> September, 2020.

Mr. Ashish Kapur (DIN: 00002320) aged 51 years has been appointed as Additional Director in the category of Non- Executive Non-Independent Director by the board w.e.f 23<sup>rd</sup> July, 2020. The Appointment of Mr. Kapur was regularized by the members in the last Annual General Meeting held on 29<sup>th</sup> September, 2020.

Mr. Rupesh Kumar (M. No. A-43104) has been appointed as the Company Secretary and Compliance Officer being the Key Managerial Personnel of the Company w.e.f. 16<sup>th</sup> June, 2020 as per the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration) Rules, 2014.

Mr. Jag Mohan Lal Suri, Manager (KMP) designated as Executive Director (Operations) of the Company has left for his heavenly abode on 14<sup>th</sup> December, 2020.

Mr. Naresh Khanna has been appointed as Manager being the Key Managerial Personnel of the Company w.e.f. 07<sup>th</sup> June, 2020 as per the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration) Rules, 2014.

**(b) Declaration from Independent Directors**

Mr. Harbans Lal, Mr. Gulshan Rai and Mrs. Asha Mehra are Non-Executive Independent

Directors on the Board of the Company. The Company has received declarations from all the Independent Director(s) confirming that they meet with the criteria of Independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b), 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(c) Nomination and Remuneration Policy**

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, has approved a Policy for selection, appointment & remuneration including criteria for determining qualifications, positive attributes of Directors, Key Managerial Personnel (KMP) and Senior Management employees of the Company.

Brief outline / salient features of the Nomination and Remuneration Policy are as follows:

- Nomination and Remuneration Committee has been empowered inter-alia to carry out the following functions:

- Identification and selection of persons for appointment as Director, KMP or at Senior Management level considering their qualification, experience and integrity.
- Determining the appropriate size, diversity and composition of the Board.
- Developing a succession plan for the Board and Senior Management of the Company.
- To recommend all remuneration, in whatever form, payable to senior management.
- Considering and determining the remuneration based upon the performance to attract retain and motivate members of the Board.
- Approving the remuneration of the Senior Management including KMPs of the Company.
- Evaluation of performance of the Board, its committees, individual directors and Senior Management Personnel on yearly basis.
- To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

- Approval of the Shareholders by way of Special Resolution is required in following cases:

- To appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years.
- To appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years.
- To re-appoint Independent Directors for second terms of five consecutive years.
- Payment of fees or compensation to executive directors who are promoters or members of the promoter group exceeding particular limits specified in the policy.
- The annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors.

- Executive Directors / Managing Director are paid remuneration as per applicable provisions of the Companies Act, 2013 and rules made there under.

- Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board. The sitting fee for each meeting of Board of Directors and the Committee of Directors has been fixed by the Board of Directors within the overall ceiling laid down under the Companies Act, 2013.

The complete Nomination and Remuneration Policy of the Company is available on the website of the Company having following web-link,

<https://www.hbstockholdings.com/investor%20information/Corporate%20Governance/index.html>

**(d) Board Diversity**

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced growth of the Company. The Board of Directors on the recommendations of the Nomination and Remuneration Committee has adopted a Policy on Diversity of Board of Directors in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(e) Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and of all the Directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration and other Compliance Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

**(f) Remuneration of the Directors / Key Managerial Personnel (KMP) and Particulars of Employees**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors / Key Managerial Personnel (KMP) and Employees of the Company is furnished hereunder:

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year; and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Sr. No.	Name	Category	Ratio/Times per Median of employee remuneration	% Increase in remuneration
1.	Mr. Lalit Bhasin	Director (Non-Executive)	N.A	N.A
2.	Mr. Anil Goyal	Director (Non-Executive)	N.A	N.A
3.	Mr. Harbans Lal	Director (Non-Executive)	N.A	N.A
4.	Mr. Gulshan Rai	Director (Non-Executive)	N.A	N.A
5.	Mrs. Asha Mehra	Director (Non-Executive)	N.A	N.A
6.	Mr. Mahesh Kumar Gupta	Chief Financial Officer		No Increase
7.	Mr. Rupesh Kumar*	Company Secretary		NA
8.	Mr. Jag Mohan Lal Suri†	Manager		NA

(\*) Appointed as Company Secretary w.e.f 16<sup>th</sup> June, 2020.

(#) Ceased w.e.f 14<sup>th</sup> December, 2020.

The Non-Executive Directors are paid only sitting fees for attending meeting of the Board of Directors and the Committees constituted by the Board.

- (ii) There is no increase in the median remuneration in current financial year as compared to previous financial year.
- (iii) There are Seven (7) permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2021.
- (iv) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year is NIL as compared to the NIL percentile increase made in the managerial remuneration of the KMP.
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (vi) Statement of particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31<sup>st</sup> March, 2021:

**a) Details of top ten employee in terms of remuneration drawn as on 31<sup>st</sup> March, 2021:**

Sl. No.	Name	Designation	Gross Remuneration received (In Rs.)	Nature of Employment	Qualification	Experience (In Year)	Date of Commencement of Employment	Age (In Year)	Last Employment held before joining the Company	Number & Percentage of Equity Shares held	Whether any such employee is a relative of any director or manager of the company
1	Mr. Mahesh Kumar Gupta	Chief Financial Officer (KMP)	17,10,199	Permanent	Graduate, CMA	31	13-03-1995	52	Hero Cycle Limited	-	No
2	Mr. Rupesh Kumar	Company Secretary	6,49,768	Permanent	CS	6	13-03-2020	28	Jindal Poly Investment & Finance Co. Ltd.	-	No
3	Mr. Murari Lal	Accountant	2,80,080	Permanent	M.com	22	04-11-2006	46	Sudesh Soni & Co. (CA Firm)	-	No
4	Mr. Jitendra Kumar	Secretarial Assistant	2,38,728	Permanent	LLB	14	08-07-2015	41	HB Portfolio Ltd.	-	No
5	Mr. Ganga Singh Rawat	Assistant	1,82,467	Permanent	Matric	23	01-04-2017	50	QR Properties Pvt. Ltd.	-	No
6	Mr. Naresh Khanna*	Vice President-Investments	1,56,250	Permanent	B. Com, CS Inter	33	22-02-2021	57	Oriental Bank of Commerce	-	No
7	Mr. Prashant Kumar†	Officer - Investments	16,795	Permanent	M.Com	5	15-03-2021	26	Chaudhary Construction Co. Pvt. Ltd.	-	No

Note: There were less than 10 employees, whose details are given hereinabove.

(\*) Appointed w.e.f 22<sup>nd</sup> February, 2021.

(#) Appointed w.e.f 15<sup>th</sup> March, 2021.

- b) Details of the Employees, who were in receipt of remuneration aggregating Rs. 1,02,00,000/- or more per annum: **None**
- c) Details of the Employees, who were employed for part of the financial year and was in receipt of remuneration not less than Rs. 8,50,000/- per month: **None**
- d) Details of the Employees, who were employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: **None**

#### SECRETARIAL STANDARDS

During the year under review, the Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

#### ANNUAL RETURN

The Annual Return (Form MGT-7) is available on the website of the Company having following web link, <https://www.hbstockholdings.com/investor%20information/Annual%20Returns/indexx.html>

#### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to sub-section (3) & (5) of Section 134 of the Companies Act, 2013, it is hereby stated that:

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the Annual Accounts on a going concern basis;
- e) the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- 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.

#### ACKNOWLEDGMENTS

Your Directors wish to thank and acknowledge the co-operation, assistance and support extended by the Banks, Company's Shareholders and Employees.

For and on behalf of the Board of  
HB Stockholdings Limited

Sd/-  
LALIT BHASIN  
(Chairman)  
DIN: 00002114

Place: New Delhi  
Date : 21 June, 2021



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

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

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

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

Based on our verification of the **HB Stockholdings Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2021** complied with statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by HB Stockholdings Limited for the financial year ended on **31<sup>st</sup> March, 2021** 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, 2018\*;
  - (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\*;
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018\*

\*Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv) of para 1 above and SEBI Regulations listed at sub-para (v) Serial Nos. (e), (f), (g), (h) and (i) above are not applicable to the Company for 2020-21 as there were no corporate decisions/actions attracting these regulations.

- (vi) The Other Laws applicable specifically to the Company are:
  - (a) The Reserve Bank of India Act, 1934.  
 Non-Banking Financial Company – non-systemically Important Non-Deposit Taking Company (Reserve Bank) Directions 2016, as amended and other applicable guidelines/instructions issued by RBI;  
 The Company is an NBFC-Investment and Credit Company 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) Credit Information Companies (Regulation) Act, 2005.
  - (c) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
2. We have also examined the compliances with the applicable Regulations/Standards of the following:
  - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements with Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd; and
  - (ii) Secretarial Standards issued by the Institute of Company Secretaries of India.
3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines, etc. mentioned above subject to following observations:
  - (i) The Registrar of Companies, NCT of Delhi and Haryana has filed complaint (bearing case No. CC/612(2019) at District Courts, Dwarka, New Delhi for alleged violation of Section 134(3)(o) read with Section 135 of the Companies Act, 2013 against the Company and its officers. The Company has on its own made an application - e-Form RD-1 (SRN 34522995) dated 2<sup>nd</sup> March, 2020 for compounding of the offence.

Based on the application dated 2<sup>nd</sup> March, 2020 made by the Company for compounding of offences under Sections 134(3)(o) and 135 of the Act, the Regional Director (Northern Region) vide compounding order No. RD(NR)/726/DL/COMP/134/R34523258/3522, 3523, 3524 & 3524 dated 10<sup>th</sup> September, 2020 directed the Company and its three Key Managerial Personnel to deposit compounding fees of Rs. 60,000/- each. The compounding fees were duly paid on 7<sup>th</sup> September, 2020.

Further, the company has also contributed Rs. 2,45,000/- being the CSR expenditure for financial year 2014-15 to the Prime Minister Cares Fund on 18<sup>th</sup> June, 2020.

As the matter has been compounded, the Additional Sessions Judge, Dwarka, Delhi has disposed of the case No. CC/612/2019 filed by Registrar of Companies, NCT of Delhi and Haryana vide its orders dated 12<sup>th</sup> January, 2021 and all accused persons have been discharged in this case.

- (ii) The National Stock Exchange of India Limited (NSE) has levied a fine of Rs. 5,36,900/- for non-compliance with the requirement of composition of the Board (The Board to have at least six directors with effect from 1<sup>st</sup> April, 2020) as stipulated by Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015. The Company has since complied with the requirement of said regulation by appointing Mr. Ashish Kapur as sixth director w.e.f 23<sup>rd</sup> July, 2020 and paid fine of Rs 5,36,900/-including GST on 19<sup>th</sup> November, 2020 to NSE.
4. We further report that:
  - a) The Board of Directors of the Company is duly constituted with Non-executive Directors, Woman Director and Independent Directors. The Company has appointed Shri Naresh Khanna as Manager being the Key Managerial Personnel of the Company under Section 203 of the Act with effect from 7<sup>th</sup> June, 2021 in place of Shri Jag Mohan Lal Suri, who expired on 14<sup>th</sup> December, 2020.
  - 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.

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**

(A.N. Kukreja)  
 Proprietor

FCS 1070; CP 2318

ICSI Unique Code: S1995DE014900

UDIN: F001070C000490284

**Annexure 'A'**

To,  
**The Members of**  
**HB Stockholding 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**

(A.N. Kukreja)  
 Proprietor

FCS 1070; CP 2318

ICSI Unique Code: S1995DE014900

**Place: New Delhi**  
**Date: 21<sup>st</sup> June, 2021**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1) OPERATING RESULTS

During the year under review, the Company's Total Revenue from operation is Rs. 1319.45 Lakhs as compared to Rs. 196.40 Lakhs in the previous year. The Company incurred total expenses amounted to Rs. 147.82 Lakhs as compared to Rs. 944.44 Lakhs during the previous year. Profit/(Loss) after tax stood at Rs. 1180.44 Lakhs as against Rs. (729.91) Lakhs in the previous year.

### 2) INDUSTRY STRUCTURE AND DEVELOPMENTS

Over the years, NBFCs have developed as a key segment in the Indian financing sector and has witnessed a faster growth than the credit growth of banks during the recent times. With respect to liabilities, NBFCs have become increasingly interconnected with the financial system and plays a vital role in the financial system and have been recording higher growth than scheduled commercial bank over the past few years.

The Covid-19 pandemic has impacted most countries, including India. This resulted in countries announcing lockdown and quarantine measures that sharply stalled economic activity. Several countries took unprecedented fiscal and monetary actions to help alleviate the impact of the crisis.

The Government of India had announced various measures to support the economy during this period. The Reserve Bank of India had also announced several measures to ease the financial system stress, including enhancing system liquidity, reducing interest rates, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium had been granted amongst others to alleviate the economic stress induced by the pandemic. The main aims of these measures were to facilitate and incentivize credit flows, ease the financial stress and enable the formal functioning of the market.

Equity Market had a roller coaster ride in FY 2020-21. From the lows seen at the end of FY 2019-20 on account of Covid-19 induced lockdown, the markets started gradually recovering led by phase wise unlocking, various policy measures announced by governments, central banks and better-than-expected corporate earnings performance. The next booster dose for markets came with the approval of vaccines against Covid and this catapulted the market to reach new highs.

### 3) OPPORTUNITY AND THREATS

NBFCs with a robust business foundation and people proficiency could maintain healthy asset quality despite the turbulence. With the pandemic and the resultant crisis, the focus had shifted from growth to stability. The RBI and Government announced several measures to provide liquidity support and mitigate the disruptions caused by the pandemic. These measures were aimed at easing liquidity and improving asset quality.

While near term credit demand is going to be driven by the economic impact of the virus and the lockdowns, as vaccinations pick up and economic activity normalises, the Company sees the Government policies leading to resumption of growth. The Company will continue to optimize costs wherever possible and to monitor and manage risks so as to keep expenses/ costs under control.

The Company continuously identifies and assesses potential threats. Increase in inflation, fiscal deficit and a poor monsoon can increase in interest rates and hurt equity inflows. A sharp tightening of interest rates will make developed economies more attractive on a risk-return basis and emerging economies may witness an increase in outflows by foreign institutional investors. Any stringent regulatory change or unfavorable policy change, which may have the ability to impact the Company's growth prospect in short run.

### 4) FUTURE PROSPECTS AND OUTLOOK

The Company will continue to explore various options to strengthen its capital base and balance sheet to augment the long-term resources for meeting funds requirements of its business activities, the future growth opportunities, general corporate purposes and other purposes including effectively facing challenges of the uncertainties and disruptions caused by COVID-19 pandemic.

The pandemic continues to pose major challenge to the entire world including India. However, it appears that the countries have now learnt the technique of adapting to the new normal- the new way of life. The duration and severity of spread of second wave of pandemic, roll out of vaccines, the scale and effectiveness of implementation of the ongoing vaccination program and the efficacy of monetary and fiscal policy actions of Indian Government are the important factors to impacting the pace of economic recovery.

India is among the few nations with the highest youth population, with a median age of 28 years. The domestic financial market is seen growing at a healthy pace owing to strong demand-side and supply-side drivers. Such a large share of the working population, expected growth of Indian economy, increasing urbanisation, and rising consumerism because of higher per capita incomes are some key drivers implying market growth potential for established financial service providers in India.

### 5) RISKS AND CONCERNS

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The Company is exposed to the market risk (including liquidity risk) and also the factors that are associated with Capital market, which inter alia includes economic / business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility and credit risk.

#### Risk Management Policy

The Company has implemented a systematic process to assist in the identification, assessment, treatment and monitoring of risks which provides the necessary tools and resources to management and staff to support the effective management of risks.

The Company is primarily engaged in investment in Securities viz. Equity Shares, Preference Shares, Mutual Funds etc. which involves macroeconomic risks, investee company specific risks, market wide liquidity risks and execution risks relating to the Company / its intermediaries.

- The macroeconomic risks, investee company specific risks are covered by investment decisions based on third party research and internal assessment.
- Market wide risks are assessed and managed by investment timing decisions.
- The execution risk is managed by dealing with reputed intermediaries and through own back-office discipline re accounting and follow up of trades.

- All investment decisions are made after distinguishing among alternative courses of action with identification of expected risks.

The Company also faces credit default risks, concentration risk and industry specific risk while making Inter corporate loans to other body corporate. The Company performs the credit check on the prospective borrower considering various factors relating to the loan such as loan purpose, credit rating, and loan-to-value ratio and estimates the effect on yield (credit spread). The Company mitigates the concentration risk, industry specific risks by diversifying the borrower pool relating to different industries. The Company periodically monitors and reviews the financial condition, credit rating, debt to equity ratio to minimize the credit default risks associated with the borrowers.

The Company has established Internal Financial Control Systems to provide reasonable assurance regarding safeguarding of assets, maintenance of proper accounting records and the reliability of financial reporting.

The Company controls the operational risks associated with its business activities by way of prescribing / amending processes, imposing controls and defining roles and responsibilities.

The Company assesses the effectiveness of its risk management plan through structured continuous improvement processes to ensure risks and controls are continually monitored and reviewed.

### 6) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of Internal Controls to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition of assets and that the transactions are recorded and reported.

The Company ensures adherence to all Internal Control policies and procedures as well as compliance with all regulatory guidelines. The Internal Auditor monitors and evaluates the efficacy and adequacy of Internal Control Systems in the Company, its compliance with the operating systems, accounting procedures and policies. The Audit Committee reviews the internal controls at periodic intervals in close coordination with the Internal Auditors.

### 7) FINANCIAL PERFORMANCE

- Share Capital:** The Company's Issued and Subscribed Share Capital consists of Equity Share Capital only. The Paid-up Share Capital of the Company as at 31<sup>st</sup> March, 2021 stood at Rs. 7,13,76,650/- comprising of 7137665 Equity Shares of Rs. 10/- each.

- Financial Assets and Non-Financial Assets:** The Financial Assets and Non-Financial Assets for the year under review stood at Rs. 5755.53 Lakhs and Rs. 143.66 Lakhs respectively as against Rs. 3133.46 Lakhs and Rs. 185.12 Lakhs for the previous year.

- Financial Liabilities and Non-Financial Liabilities:** During the year under review, the Financial Liabilities and Non-Financial Liabilities stood at Rs. 367.86 Lakh and Rs. 114.50 Lakh respectively as against Rs. 83.12 Lakh and Rs. 114.26 Lakh during the previous year.

- Key Financial Ratios (Standalone):**

Particulars	FY 2020-21	FY 2019-20	% Change over previous year	Reason for change of more than 25% in Key Financial Ratios
1. Debtors Turnover Ratio	N.A.	N.A.	N.A.	-
2. Inventory Turnover Ratio	N.A.	N.A.	N.A.	-
3. Interest Coverage Ratio	40351.39	(169.47)	23910.79	Decrease in Finance Cost and increase in Operating Profit
4. Current Ratio	7.11	15.97	55.46	Increase in Current Liabilities
5. Debt Equity Ratio	0.00	0.014	66.73	Decrease in debts and increase in Equity Funds
6. Operating Profit Margin (%)	89.07	(337.73)	126.37	Increase in Revenue from Operation and Operating Profit
7. Net Profit Margin (%)	89.08	(339.99)	126.20	Increase in Revenue from Operation and Net Profit
8. Return on Net-Worth (%)	21.79	(23.41)	193.09	Increase in Net profit and Net Worth

### 8) HUMAN RESOURCES

The Company has adequate human resources which is commensurate with the current volume of activity and is reviewed by the management periodically and the Company would induct competent personnel on increase / expansion of the activity.

### 9) CAUTIONARY STATEMENT

Statements in this "Management's Discussion and Analysis" 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, tax regimes, economic developments and other factors such as litigation etc.

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is an insight into the management of affairs of the Company. It implies governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. Good Corporate Governance is the adoption of best business practices which ensure that the Company operates within the regulatory framework.

The Company's philosophy on Corporate Governance envisages adopting the high standards of transparency, accountability and ethics in all transactions and interactions with all Stakeholders including but not limited to the Shareholders, the Government, Suppliers, Contractors and other business associates.

### 2. SIZE AND COMPOSITION OF THE BOARD:

The Board of Directors of your Company comprises of six (6) Non-Executive Directors out of which three(3) are Independent Directors including one(1) Woman Director as on 31<sup>st</sup> March, 2021. The Non-Executive Directors are proficient in their own fields and bring with them decades of rich experience. Mr. Lalit Bhasin, Director (Promoter) is the Chairman and Non-Executive Director of the Company. All the Non-Executive Directors are proficient

in their respective fields and bring with them vast experience in the area of Banking, Finance, Investment, Legal expertise, Securities Market Operations. The strength of the Independent Directors is half of the total strength of the Board. The composition of the Board is in conformity with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Four (4) Board meetings were held during the year under review on 16<sup>th</sup> June, 2020, 10<sup>th</sup> September, 2020, 11<sup>th</sup> November, 2020 and 11<sup>th</sup> February, 2021.

In terms of Regulation 17(2) & 18(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and Audit Committee shall meet at least four times a year, with a maximum time gap of 120 days between any two meetings.

The gap between two Board meetings i.e. 12<sup>th</sup> February, 2020 and 16<sup>th</sup> June, 2020 exceeded 120 days, however, in view of prevailing lockdown due to COVID-19 Pandemic, SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated 19<sup>th</sup> March, 2020 provided that the Board of Directors and Audit Committee of the listed entity are exempted from observing the maximum stipulated time gap between two meetings during the period from 1<sup>st</sup> December, 2019 to 30<sup>th</sup> June, 2020.

The particulars regarding composition of the Board of Directors and its Meetings held during the year with their shareholding in the Company as on 31<sup>st</sup> March, 2021 and presence in last AGM are given hereunder:

Name of the Director	Category	Directorships in other Public Companies as on 31 <sup>st</sup> March, 2021		#Committee Membership held in other Public Companies as on 31 <sup>st</sup> March, 2021		No. of Board Meetings attended/ entitled during the year	Whether Attended last AGM	No. of Equity Shares held
		Director	Chairman	Member	Chairman			
Mr. Lalit Bhasin	Chairperson Promoter Non-Executive	6	3	3	1	4/4	Yes	3678691
Mr. Anil Goyal	Non-Independent Non- Executive	9	NIL	4	NIL	4/4	Yes	NIL
Mr. Ashish Kapur	Non-Independent Non- Executive	2	NIL	NIL	NIL	3/3	Yes	NIL
Mr. Gulshan Rai	Independent Non – Executive	NIL	NIL	NIL	NIL	4/4	Yes	NIL
Mr. Harbans Lal	Independent Non – Executive	2	NIL	2	NIL	4/4	Yes	NIL
Mrs. Asha Mehra	Independent Non –Executive	1	NIL	NIL	1	4/4	Yes	NIL

(#) Comprises only Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.

Details of Directorships held in other listed entities by the Directors of the Company and the Category of their Directorship as on 31<sup>st</sup> March, 2021 are given as under:

Name of the Director	Directorships in other listed entities (Category of Directorship)
Mr. Lalit Bhasin	1. HB Portfolio Ltd. (Non-Executive Non-Independent Director - Chairperson) 2. HB Estate Developers Ltd. (Non-Executive Non-Independent Director - Chairperson) 3. HB Leasing & Finance Co. Ltd. (Non-Executive Non-Independent Director - Chairperson) 4. CHL Ltd. (Non-Executive Independent Director)
Mr. Anil Goyal	1. HB Portfolio Ltd. (Executive Director - MD) 2. HB Estate Developers Ltd. (Non-Executive Non-Independent Director) 3. HB Leasing & Finance Co. Ltd. (Executive Director - MD)
Mr. Ashish Kapur	None
Mr. Gulshan Rai	None
Mr. Harbans Lal	1. HB Portfolio Limited (Non-Executive Independent Director)
Mrs. Asha Mehra	1. HB Estate Developers Ltd. (Non-Executive Independent Director)

The number of Committees (Audit Committee and Stakeholder Relationship Committee) of Public Limited Companies in which a Director is a Member / Chairman is within the limits provided under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for all the Directors of the Company. The number of Directorships of each Independent Director is also within the limits as prescribed under Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors are related to each other as defined in Section 2(77) of the Companies Act, 2013.

The Company had issued formal letter of appointment to the Independent Directors as per the provisions of Sec 149 read with Schedule IV of the Companies Act, 2013. The terms and conditions of appointment are also available on the website of the Company, having following web-link,

<https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

In terms of the provisions of the Articles of Association of the Company, one-third of the Directors of the Company, who are liable to retire by rotation, shall retire at every Annual General Meeting. Accordingly, Mr. Lalit Bhasin (DIN: 00002114), Director shall retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The information on the Particulars of Director eligible for Appointment / Re-appointment in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India has been provided in the Notes to the Notice convening the Annual General Meeting.

### 3. CORE SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

The Board comprises of qualified members who bring in the required skills, competence and expertise that enable them to make effective contributions to the Company's working. The Board members have expertise and extensive experience in financial services, taxation, investments, capital markets, banking, hospitality, corporate restructuring, corporate governance, strategic planning, corporate administration and general management. They uphold ethical standards of integrity and probity and exercise their responsibility in the best interest of the Company and all stakeholders.

The Board comprises of members of varied age groups who demonstrate competence and experience required for the Company. Their diversity of experiences has a positive impact on deliberations on various matters placed before the Board setting the right direction for future strategy and plans. Sufficient time is devoted by them for informed and balanced decision-making.

All Directors are familiar with the Company's business, policies, culture (including the Mission, Vision and Values) and industry in which the Company operates.

The below chart / matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and board effectiveness:

#### Key Board Skills / Expertise / Competencies:

<b>Financial Expertise</b>	Education and experience in the areas of capital markets, mutual funds, banking and finance, treasury, investment banking, wealth management, institutional and retail stock broking.
<b>Risk Management</b>	Capability to identify, assess, and monitor the risks associated with capital markets, macroeconomic, business cycle, interest rate volatility, liquidity and credit risk associated with the business of the Company.
<b>Corporate Governance</b>	Understanding of the relevant laws, rules, regulation policies applicable to the organisation/industry/sector in which the Company operates. Knowledge and understanding of organizations processes, strategic planning and observing appropriate governance practices.
<b>Strategic Decision making</b>	To develop insights about maintaining board and management accountability, protecting shareholder interests. Demonstrated strengths in developing business strategies, business transformation contributing to long-term growth.



## Name of the Directors who have these expertise and skills:

Name of the Director	Core Skills / Expertise / Competencies			
	Financial Expertise	Risk Management	Corporate Governance	Strategic Decision Making
Mr. Lalit Bhasin	✓	✓	✓	✓
Mr. Anil Goyal	✓	✓	✓	✓
Mr. Ashish Kapur	✓	✓	✓	✓
Mr. Harbans Lal	✓	✓	✓	✓
Mr. Gulshan Rai	✓	✓	✓	✓
Mrs. Asha Mehra	✓	✓	✓	✓

## 4. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Code of Conduct for Directors and Senior Management Personnel ('the Code'), as adopted by the Board, is a comprehensive Code applicable to all the Directors and Senior Management Personnel. The Company's Board of Directors and Senior Management Personnel are responsible for and are committed to setting the standards of conduct contained in the Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code is adhered to in letter and in spirit. The Code has been circulated to all the Directors and Senior Management Personnel and the compliance of the same is affirmed by them annually.

All the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2020-21. The declaration to this effect signed by the Mr. Anil Goyal, Director of the Company is attached and forms an integral part of this Report. A copy of the Code has been uploaded on the Company's website having following web link:

<https://www.hbstockholdings.com/Corporate%20Information/conduct.htm>

## 5. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 11<sup>th</sup> February, 2021, inter alia, to discuss and evaluate:

- the performance of Non-Independent Directors and the Board of Directors as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors;
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further, the Company gave the presentation to the Independent Directors as a part of the Familiarisation programme to make them aware about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such familiarisation programme have been uploaded on the website of the Company, having following web-link,

<https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>

All the Independent Directors were present at the Meeting.

## 6. PERFORMANCE EVALUATION CRITERIA

The performance evaluation exercise has been carried out by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance. The performance of Individual Directors has been evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company, Shareholders etc. The Performance of Chairman was being evaluated in terms of leadership qualities, effective management, maintaining cordial relationship with Board, Shareholders, employees, etc.

The Independent Directors in their meeting held on 11<sup>th</sup> February, 2021 have done necessary performance evaluation of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors. All the Independent Directors expressed their satisfaction with the performance of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company.

Mr. Lalit Bhasin, Chairman of the Company had discussion with all individual Directors in order to review the performance of the Independent Directors of the Company. The performance of the Independent Directors also found to be satisfactory during the period under review.

The Nomination and Remuneration Committee and the Board of Directors in their meeting held on 11<sup>th</sup> February, 2021 expressed their satisfaction with the performance evaluation of all individual Directors being the Independent Directors, Non-Independent Directors, Chairman, Board as a whole and its committees in terms of the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

## 7. BOARD COMMITTEES

The terms of reference of the Board Committee(s), their composition and attendance of the respective members at the various Committee Meeting(s) held during the year 2020-21 are set out below:

## (A) AUDIT COMMITTEE

The Board of Directors in their meeting held on 17<sup>th</sup> May, 2014 had approved the revised term of reference pursuant to the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement.

Further, the terms of reference of the Audit Committee have been partially amended by the Board of Directors in their meeting held on 11<sup>th</sup> February, 2016 and 09<sup>th</sup> February, 2019 in terms of Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee consists of three Non-Executive Directors as members, out of which two are Independent Directors. The Chairman of the Audit Committee is an Independent Director. The Audit Committee comprises of following members:

- Mr. Gulshan Rai, Chairman (Independent Director)
- Mr. Anil Goyal, Member (Non-Executive- Non-Independent)
- Mr. Harbans Lal, Member (Independent Director)

The Company Secretary acts as Secretary to the Committee.

The quorum for the Audit Committee meeting shall either be two members or one third of the members of the Audit Committee, whichever is greater, with at least two Independent Directors. There was no change in the Constitution of the Committee during the period under review.

**The Audit Committee has been empowered, inter-alia, to carry out the following functions:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;





14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee shall mandatorily review the following information:
  - a) Management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses; and
  - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - f) Statement of deviations:
    - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
    - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
22. The Audit Committee shall also have powers, which should include the following:
  - a) To investigate any activity within its terms of reference.
  - b) To seek information from any employee.
  - c) To obtain outside legal or other professional advice.
  - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
  - e) To consider and act on any matters as or included under Clause 49 of the Listing Agreement and/or as may be so included from time to time, whether provided here in above or not.
  - f) To deal with any other matters related and or incidental to the above or as may be assigned, in addition to the aforesaid, by the Board from time to time.

During the year under review, four (4) Audit Committee Meetings were held on 16<sup>th</sup> June, 2020, 10<sup>th</sup> September, 2020, 11<sup>th</sup> November, 2020 and 11<sup>th</sup> February, 2021. All the members were present in all the Committee Meetings.

The Audit Committee plays a crucial role in running the Corporate Governance Functions. During the year the roles and responsibility of the Audit Committee have been effectively carried out. The Audit Committee reviewed the related party transactions, financial operations and performance of the Company, interacted with the Auditors and Internal Auditors, considered the reports of the Auditors and provided its valuable suggestions and recommendations to the Board of Directors from time to time.

## (B) NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors in their meeting held on 17<sup>th</sup> May, 2014 renamed the Committee as "Nomination and Remuneration Committee" and approved the revised term of reference pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement.

Further, the Board of Directors in its meeting held on 11<sup>th</sup> February, 2015 has approved the Nomination and Remuneration Policy and subsequently, the terms of reference of the Nomination and Remuneration Committee has been partially amended by the Board of Directors in their meeting held on 11<sup>th</sup> February, 2016 and 09<sup>th</sup> February, 2019 in terms of Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee consists of three Directors as members. All of whom are Non-Executive and Independent Directors including the Chairman of the

Committee. There was no change in the Constitution of the Committee during the period under review. The Nomination and Remuneration Committee comprises of following members:

- (i) Mr. Harbans Lal, Chairman (Independent Director)
- (ii) Mr. Gulshan Rai, Member (Independent Director)
- (iii) Mrs. Asha Mehra, Member (Independent Director)

The Company Secretary act as Secretary to the Committee.

**The Nomination and Remuneration Committee has been empowered, inter-alia, to carry out the following functions:**

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for performance evaluation of Independent Directors and the Board;
- 3) Devising a policy on Board diversity;
- 4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- 5) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- 6) Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- 7) To deal with any other matters related and / or incidental to the above or as may be assigned, in addition to the aforesaid by the Board from time to time.

During the year under review Two (2) Nomination and Remuneration Committee Meetings were held on 16<sup>th</sup> June, 2020 and 11<sup>th</sup> February, 2021 and the same were attended by all the committee members.

**Remuneration paid during the year ended 31<sup>st</sup> March, 2021 is as under:**

Director (s)	Relationship with other Director (s)	Sitting Fees (In ₹)	Salary & Perks (In ₹)	Commission, if any
Mr. Lalit Bhasin	N.A.	55,000	NIL	NIL
Mr. Anil Goyal	N.A.	101,000	NIL	NIL
Mr. Ashish Kapur	N.A.	30,000	NIL	NIL
Mr. Harbans Lal	N.A.	106,000	NIL	NIL
Mr. Gulshan Rai	N.A.	115,000	NIL	NIL
Mrs. Asha Mehra	N.A.	66,000	NIL	NIL

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board. The sitting fee for Board and the Committee meetings has been fixed by the Board of Directors within the overall ceiling limits laid down under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Brief outline / salient features of the Nomination and Remuneration Policy has been included in the Board's Report. The complete Nomination and Remuneration Policy of the Company is available on the website of the Company having following web-link, <https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>

## (C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors in their meeting held on 17<sup>th</sup> May, 2014 renamed the Committee as "Stakeholders Relationship Committee in terms of provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement.

The Board of Directors in their meeting held on 21<sup>st</sup> May, 2015 and 12<sup>th</sup> November, 2018 respectively had re-constituted the composition of Committee in terms of Regulation 20 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 178 of Companies Act, 2013.

Further, the Board of Directors in their meeting held on 09<sup>th</sup> February, 2019 revised the terms of reference of the Stakeholders Relationship Committee in terms of Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee (SRC) consists of three Directors as members. The Chairman of the Committee is a Non-Executive Director. The Stakeholders Relationship Committee comprises of following members:

- (i) Mr. Harbans Lal, Chairman (Independent Director)
- (ii) Mr. Anil Goyal, Member (Non-Executive- Non-Independent)
- (iii) Mrs. Asha Mehra, Member (Independent Director)

There was no change in the Constitution of the Committee during the period under review.

The Company Secretary acts as Secretary to the Committee who has also been designated as the Compliance Officer of the Company.

**The Stakeholders Relationship Committee has been empowered, *inter-alia*, to carry out the following functions:**

- To consider and approve the transfer, transmission and issue of fresh/duplicate share certificates.
- To review the status of dematerialization of company's shares and matters incidental thereto.
- To review and monitor the approval to the transfers and transmission made by the Director, under authority delegated to him from time to time.
- To consider, review and look into various aspects of interest of Shareholders, debenture holders and other security holders.
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by the Shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company.
- To deal with any other matter related and/or incidental to the shareholders.

Mr. Anil Goyal, Director has, however, been empowered to approve transfers up to 10,000 Equity Shares under one folio at a time.

During the year under review three (3) Stakeholders Relationship Committee Meetings were held on 6<sup>th</sup> July, 2020, 05<sup>th</sup> October, 2020, and 7<sup>th</sup> January, 2021 the same were attended by all the Committee members.

**Number of Shareholders Complaints received and redressed during the year 2020-2021:**

Nature of Grievance	Received	Disposed Off	Pending
Non-receipt of Dividend	04	04	NIL
Non-receipt of Annual Report	01	01	NIL
Transfer, Transmission, Issue of Share Certificate etc.	03	03	NIL
Complaints received through SEBI/ Stock Exchange	01	01	NIL
<b>Total</b>	<b>09</b>	<b>09</b>	<b>NIL</b>

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

The Board of Directors in their meeting held on 17<sup>th</sup> May, 2014 constituted the "Corporate Social Responsibility Committee" pursuant to the provisions of Section 135, Schedule VII of the Companies Act, 2013 and rules made thereunder. The Corporate Social Responsibility Committee consists of three Directors as members out of which one Director is an Independent Director. The Corporate Social Responsibility Committee comprises of following members:

- Mr. Lalit Bhasin, Chairman (Non-Executive- Non-Independent)
- Mr. Gulshan Rai, Member (Independent Director)
- Mr. Anil Goyal, Member (Non-Executive- Non-Independent)

There was no change in the Constitution of the Committee during the period under review.

**The Corporate Social Responsibility Committee has been empowered, *inter-alia*, to carry out the following functions:**

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Act;
- Recommend the amount of expenditure to be incurred on the activities undertaken by the Committee; and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

As per Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, If a company's CSR obligation is less than or upto Rs. 50 Lakh, then the Company shall not be required to constitute the CSR committee and the board of directors shall discharge all the function of the CSR committee as prescribed.

Pursuant to abovesaid amended CSR Rules and considering the specified threshold of CSR obligations, the Board of Directors in its meeting held on 21<sup>st</sup> June, 2021 has dissolved the CSR Committee and all the functions of the Committee shall be discharged by the Board of Directors.

#### (E) **BUSINESS RESTRUCTURING COMMITTEE**

The Board of Directors in their meeting held on 6<sup>th</sup> February, 2013 constituted the Business Restructuring Committee and further re-constituted the composition of the Committee in their meeting held on 21<sup>st</sup> May, 2015. There was no change in the constitution of Business Restructuring Committee during the year.

The Business Restructuring Committee comprises of following members:

- Mr. Gulshan Rai, Chairman (Non-Independent Director)
- Mr. Anil Goyal, Member (Non-Executive- Non-Independent)

The Business Restructuring Committee has been empowered, *inter-alia*, to carry out the following functions:

- To analyze all the available options of merger, demerger etc.;
- To appoint consultants and to obtain opinion of professionals dealing in said fields on various options available for re-organization of the business of group companies and to place the opinion obtained from the said professionals before the Board of Directors of the Company;
- To appoint Advocates & Legal Counsels for the drafting of Scheme of Amalgamation/ Arrangement;
- To appoint valuer for obtaining the valuation report;
- To place the Draft Scheme of Amalgamation/ Arrangement and valuation report before the Board of Directors of the Company;
- To restructure the Company's Capital / Fund base.

#### 8. **GENERAL BODY MEETINGS:**

Details of Annual General Meetings (AGM):

##### (i) **Location and time where the last three AGM's were held:**

Year	Type	Location	Date	Time
2019-20	AGM	Meeting held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	29-09-2020	03:00 P.M.
2018-19	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram - 122 001 (Haryana)	17-09-2019	03:00 P.M.
2017-18	AGM		27-09-2018	11.00 A.M.

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

S. No.	Subject Matter	AGM Reference and Date of passing
1	• Re-appointment of Mrs. Asha Mehra (DIN: 02658967) as an Independent Director of the Company.	33 <sup>rd</sup> AGM 29 <sup>th</sup> September, 2020
2	• Appointment of Mr. Jag Mohan Lal Suri As Manager Designated as Executive Director (Operations) of the Company • Re-Appointment of Mr. Harbans Lal (Din: 00076405) as an Independent Director of the Company • Re-Appointment of Mr. Gulshan Rai (DIN: 00527181) as an Independent Director of the Company • Continuation of Directorship of Mrs. Asha Mehra (DIN: 02658967) Non-Executive Independent Director of the Company	32 <sup>nd</sup> AGM 17 <sup>th</sup> September, 2019
3	None	31 <sup>st</sup> AGM 27 <sup>th</sup> September, 2018

E-voting facility was provided to all members pursuant to the provisions of Section 108 of the Companies Act, 2013, rules made there under and Regulation 44 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

##### (iii) **Whether any Special Resolutions passed last year through Postal: No**

##### (iv) **Whether any Special Resolution is proposed to be conducted through Postal Ballot: No**

#### 9. **MEANS OF COMMUNICATION**

- Quarterly Results:** Dissemination through Stock Exchange, Company's Website and through publication in newspaper as required under Regulation 47 of the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.
- Newspaper wherein results normally published:** Business Standard (English) all editions and Business Standard (Hindi) Delhi edition.
- Website where displayed:** www.hbstockholdings.com
- The website also displays Public Notices / Announcements containing important communications made to the National Stock Exchange of India Limited (NSE) & BSE Limited (BSE). As and when any presentation is made to institutional investors the same would be simultaneously uploaded on the Company's Website.

## 10. DISCLOSURES

- I. There have been no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the Financial Statements for the year ended 31<sup>st</sup> March, 2021 forming part of the Financial Statements (**Refer Note No. 28 of Financial Statements**). The Policy on Related Party Transactions has been uploaded on the website of the Company, having following web-link, <https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>.
- II. Except penalty imposed by National Stock Exchange of India Ltd., no penalty has been imposed nor any structures have been passed by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during the last three years.
- The National Stock Exchange of India Limited (NSE) has levied a fine of Rs. 5,36,900/- for non-compliance with the requirement of composition of the Board (The Board to have at least six directors with effect from 1<sup>st</sup> April, 2020) as stipulated by Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015. The Company has since complied with the requirement of said regulation by appointing Mr. Ashish Kapur as sixth director w.e.f 23<sup>rd</sup> July, 2020 and paid fine levied by the NSE on 19<sup>th</sup> November, 2020.
- III. The Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors has been uploaded on the website of the Company having following web-link, <https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>.
- IV. Mount Finance Limited, a Wholly Owned Subsidiary Company does not fall under 'Material Un-Listed Subsidiary' of the Company in terms of Regulation 24 of the SEBI Listing Regulations 2015.
- However, the Financial Results and the Investments (as and when made), are placed before the Audit Committee of the Company regularly for review. The Policy for determining Material Subsidiary is available on the website of the Company, having following web-link, <https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>.
- V. All the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance are being adhered to / complied with.
- VI. Mr. Mahesh Kumar Gupta, Chief Financial Officer (CFO) and Mr. Naresh Khanna, Manager (KMP) has given the Compliance Certificate on the review of Financial Statements, including Cash Flow Statement for the Financial Year ended 31<sup>st</sup> March, 2021 to the Board of Directors as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VII. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – **Not Applicable**.
- VIII. A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority is attached and forms an integral part of this report.
- IX. The Board of Directors has duly accepted the recommendation of its committee(s), wherever required in accordance with the provisions of applicable laws.
- X. Total fees paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditors is given as under:

Amount in ₹

Audit Fees	1,79,750
Tax Audit Fees	25,000
Limited Review Reports	30,000
Certification and others	49,000
<b>Total</b>	<b>2,83,750</b>

- XI. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given as under:

a. Number of complaints filed during the financial year	Nil
b. Number of complaints disposed of during the financial year	Nil
c. Number of complaints pending as on end of the financial year	Nil

- XII. The Company has adopted a code of conduct applicable to all Directors and Senior Management Personnel of the Company and the same has been available on the Company's website viz. [www.hbstockholdings.com](http://www.hbstockholdings.com). For the year under review, all Directors and Senior Management Personnel have confirmed their adherence to the provisions of said code.
- XIII. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## ADOPTION OF DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

- I. The Internal Auditor directly reports to the Audit Committee.

## 11. GENERAL SHAREHOLDER INFORMATION:

## I. Ensuing Annual General Meeting Date, Time and Venue:

The ensuing Annual General Meeting of the Company will be held through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) on **Wednesday, 29<sup>th</sup> September, 2021 at 03.00 P.M.** The deemed venue of the 34<sup>th</sup> AGM shall be the Registered Office of the Company.

II. Financial Year : 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.III. Date of Book Closure: 23<sup>rd</sup> September, 2021 to 29<sup>th</sup> September, 2021

## IV. Listing on Stock Exchanges:

The Company's Equity Shares are listed at BSE Limited (BSE) and at National Stock Exchange of India Limited (NSE), Mumbai. The Annual Listing Fee for the financial year 2021-22 has been paid to BSE and NSE respectively.

## V. Stock Code: The Company's scrip code is as follows with (ISIN: INE550B01022)

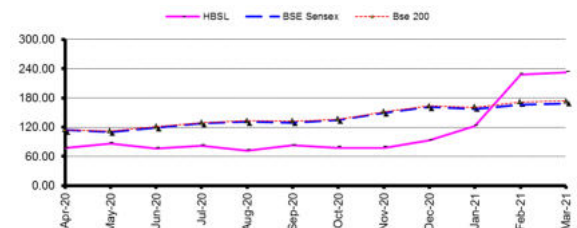
BSE 532216

NSE HBSL

## VI. Market Price Data: The monthly High, Low price of the Company's Equity Share during each month in the last financial year at BSE and NSE are as under:

Month(s)	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-20	7.20	5.12	5.35	2401	6.30	5.30	6.00	6510
May-20	6.77	5.18	6.00	10026	6.25	5.90	6.20	2959
Jun-20	6.30	4.80	5.27	30783	5.95	4.75	5.50	47345
Jul-20	5.96	4.75	5.67	20440	5.75	4.80	5.75	23020
Aug-20	5.99	4.90	5.00	13008	5.95	5.00	5.45	30130
Sep-20	6.44	4.75	5.77	30263	5.75	4.95	5.50	19251
Oct-20	6.38	5.04	5.40	11400	6.05	5.20	5.40	10964
Nov-20	6.13	5.14	5.41	25067	5.85	5.15	5.40	11793
Dec-20	7.66	5.50	6.50	24437	7.25	5.50	6.50	11041
Jan-21	9.87	6.00	8.50	80101	10.10	6.20	8.70	141033
Feb-21	15.83	8.00	15.83	131618	14.20	7.90	14.20	80820
Mar-21	23.85	15.80	16.15	155686	23.75	14.90	16.60	83161

## VII. Performance in Broad Based Indices



## Stock Performance-Absolute returns

Particulars	1 Year
	BSE
HB Stockholdings Limited	184.83
BSE Sensex	46.83
BSE 200	51.92

## VIII. Registrar and Share Transfer Agents:

RCMC Share Registry Pvt. Ltd.

B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020

Phone: 011 – 26387320, 26387321

Fax : 011 - 26387322

E-mail: [investor.services@rcmcindia.com](mailto:investor.services@rcmcindia.com)

**IX. Share Transfer System**

As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities.

Share Transfers are registered and returned within a period of fifteen days from the date of receipt, if the documents are clear in all respects. The authority for transfer of shares has been delegated to the Director for transfer of shares up to a fixed number beyond which the matters are placed before the Stakeholders Relationship Committee, which meets as and when required. As reported by Company's Registrar and Transfer Agent, all valid requests for transfer during the year under review were transferred within stipulated time limit.

**X. The distribution of shareholdings of the Company as on 31<sup>st</sup> March, 2021 is as under:**

Shareholding of value of Rs.	Shareholders		Shareholding		
	No. of Shares	% to total	Shares	Amount	% to total
Up to 5000	37014	98.45	1378263	13782630	19.31
5001-10000	300	0.80	208813	2088130	2.93
10001-20000	156	0.41	223227	2232270	3.13
20001-30000	48	0.13	121597	1215970	1.70
30001-40000	12	0.03	42747	427470	0.60
40001-50000	15	0.04	66857	668570	0.94
50001-100000	24	0.06	171302	1713020	2.40
100001 and above	26	0.07	4924859	49248590	69.00
<b>TOTAL</b>	<b>37595</b>	<b>100.00</b>	<b>7137665</b>	<b>71376650</b>	<b>100.00</b>

The category-wise distribution of Shareholdings is as follows:

Category	No of Shares held	% of Shareholding
<b>A. Promoters Holding</b>		
> Indian Promoter	3798335	53.22
> Foreign Promoters	Nil	0.00
<b>B. Public Shareholding (Institutions)</b>		
> Mutual Funds and UTI	105	0.00
> Banks/Financial Institutions	45	0.00
> Foreign Institutional Investors	Nil	0.00
<b>C. Public Shareholding (Non-Institutions)</b>		
> Indian Public:	2327251	32.61
> Bodies Corporate	193868	2.72
> NRIs	162347	2.27
> Clearing Members	15362	0.22
> Trusts	165	0.00
> NBFCs	30	0.00
> IEPF	639803	8.96
<b>Total</b>	<b>7137665</b>	<b>100.00</b>

**XI. Dematerialization of Share and Liquidity:**

The shares of the Company are tradeable compulsorily in the electronic form. The Company is a member of both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The ISIN allotted to the Company is INE550B01022. As at 31<sup>st</sup> March 2021, 67,00,655 Equity Shares of the Company are held in dematerialized form constituting 93.88% of the Company's subscribed share capital.

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Audit of Reconciliation of Share Capital to reconcile the Total Admitted, Issued and Listed Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

**XII. The Company has no outstanding GDRs/ ADRs/ Warrants or any other instruments convertible into equity.****XIII. List of all credit ratings obtained by the Company along with any revisions thereto during the financial year: Not Applicable****XIV. Address for Correspondence:**

The Company Secretary  
HB Stockholdings Limited  
Plot No. 31, Echelon Institutional Area,  
Sector-32, Gurugram – 122 001, (Haryana)  
Ph.: 0124-4675500; Fax: 0124-4370985  
Email: corporate@hbstockholdings.com

**DIRECTOR'S DECLARATION ON CODE OF BUSINESS CONDUCT****THE MEMBERS OF  
HB STOCKHOLDINGS LIMITED  
GURUGRAM**

I, Anil Goyal, 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 HB Stockholdings Ltd

Sd/-  
ANIL GOYAL  
(Director)  
DIN: 00001938

Place: Gurugram  
Date: 21<sup>st</sup> June, 2021

**AUDITORS' CERTIFICATE FOR CORPORATE GOVERNANCE****THE MEMBERS OF  
HB STOCKHOLDINGS LIMITED  
GURUGRAM**

- We have examined the compliance of conditions of Corporate Governance by **HB STOCKHOLDINGS LIMITED** ("the Company"), for the financial year ended on **31<sup>st</sup> March, 2021**, as stipulated in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement entered into by the Company with the Stock Exchange.
- The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
- We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
- In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations during the period under review.
- We state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For G C Agarwal & Associates  
Chartered Accountants  
Firm Registration No: 017851N

Sd/-  
G C AGARWAL  
(Proprietor)

Place: New Delhi  
Date: 21<sup>st</sup> June, 2021

Membership No: 083820  
UDIN: 21083820AAAABM9702

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS OF  
HB STOCKHOLDINGS LIMITED**

(Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
HB Stockholdings Limited  
Plot No. 31, Echelon Institutional Area  
Sector – 32, Gurugram – 122001 (Haryana)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HB STOCKHOLDINGS LIMITED** having CIN: **L65929HR1985PLC033936** and having Registered Office at Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram - 122001, Haryana (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal - [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending **31<sup>st</sup> March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Government of India, or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Lalit Bhasin	00002114	16/08/1989
2	Mr. Anil Goyal	00001938	30/07/2005
3	Mr. Harbans Lal	00076405	28/01/2006
4	Mr. Gulshan Rai	00527181	30/10/2004
5	Mrs. Asha Mehra	02658967	30/03/2015
6	Mr. Ashish Kapur	00002320	23/07/2020

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of management of the Company. Our responsibility is to express opinion based on our verification. This certificate 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 A.N. Kukreja & Co.  
Company Secretaries

Sd/-  
(A.N. Kukreja)  
Proprietor

Place: New Delhi  
Date: 21<sup>st</sup> June, 2021

FCS 1070; CP 2318  
ICSI Unique Code: S1995DE014900  
UDIN: F001070C000490361



## INDEPENDENT AUDITORS' REPORT

To  
The Members of HB Stockholdings Limited  
Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone Financial Statements of **HB Stockholdings Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31<sup>st</sup> March, 2021, the standalone statement of Profit and Loss (including Other Comprehensive Income), standalone statement of Cash Flows and the standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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 Companies Act, 2013, as amended (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<sup>st</sup> March, 2021, its profit including Other Comprehensive Income, its Cash Flows and Changes in Equity for the year ended on that date.

### Basis of Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

### Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors report to be included in the Company's Annual report, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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 Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is

higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended 31<sup>st</sup> March, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other Legal and Regulatory Requirements

- 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, to the extent applicable.
- As required by Section 143 (3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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 **Annexure 'B'**.
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2021 on its financial position in its financial statements – Refer Note No 41.
    - The Company did not have any long-term contracts including derivative contracts as at 31<sup>st</sup> March, 2021.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - With respect to the matter to be included in the Auditor's Report under section 197(16):

The Company has not paid any managerial remuneration for the year ended 31<sup>st</sup> March, 2021 to its directors.

**FOR G. C. AGARWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO.: 017851N**

**PLACE: NEW DELHI**  
**DATED: 21<sup>ST</sup> JUNE, 2021**  
**UDIN: 21083820AAAABH4388**

**Sd/-**  
**(G C AGARWAL)**  
**PROPRIETOR**  
**(MEMBERSHIP NO. 083820)**

**Annexure – A to the Auditors' Report**

The annexure referred to in Independent Auditor's Report to the members of **HB Stockholdings Limited** on the standalone financial statements for the year ended on 31<sup>st</sup> March, 2021, 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, to the extent applicable to the Company. As per the information and explanation given to us, the Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.
5. The Company has not accepted any deposits from the public.
6. The nature of the company's business/activities is such that maintenance of Cost Records under Section 148(1) of the Act is not applicable to the company.
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and 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 31<sup>st</sup> March, 2021 for a period of more than six months from the date of becoming payable.
- b. According to the records of the Company, there are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan/ borrowing from bank. The Company does not have any loans or borrowings from any financial institution, government or debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans (vehicle loan) were utilized for the purpose for which they were obtained.
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 G. C. AGARWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO.: 017851N**

PLACE: NEW DELHI  
 DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
 (G C AGARWAL)  
 PROPRIETOR1  
 (MEMBERSHIP NO. 083820)

**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<sup>st</sup> March 2021 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<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR G. C. AGARWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO.: 017851N**

PLACE: NEW DELHI  
 DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
 (G C AGARWAL)  
 PROPRIETOR1  
 (MEMBERSHIP NO. 083820)



## BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Notes	As at 31st March, 2021 (In ₹)	As at 31st March, 2020 (In ₹)
<b>I. ASSETS</b>			
<b>Financial Assets</b>			
a. Cash and cash equivalents	4	12,873,118	3,915,975
b. Bank Balance other than (a) above	5	-	2,424,709
c. Loans	6	50,500,000	146,000,000
d. Investments	7	464,177,069	90,292,616
e. Other Financial Assets	8	48,002,733	70,713,484
<b>Non-Financial Assets</b>			
a. Current tax assets (Net)	9	661,536	1,840,937
b. Property, Plant and Equipment	10	6,897,635	8,369,565
c. Other non -financial assets	11	6,807,263	8,301,555
<b>TOTAL ASSETS</b>		<b>589,919,354</b>	<b>331,858,841</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
a. Borrowings	12	2,578,318	4,460,599
b. Other financial liabilities	13	34,207,991	3,851,444
<b>Non-Financial Liabilities</b>			
a. Current tax liabilities (Net)	14	814,284	-
b. Provisions	15	10,589,939	11,362,900
c. Other non-financial liabilities	16	46,554	63,308
<b>Equity</b>			
a. Equity Share Capital	17	76,808,293	76,808,293
b. Other Equity	18	464,873,975	235,312,297
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>589,919,354</b>	<b>331,858,841</b>

Significant accounting policies and notes to the Standalone Financial Statements

The accompanying notes form an integral part of the Standalone Financial Statements.

As Per our Report of even date attached

FOR G. C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 017851N

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
HB STOCKHOLDINGS LIMITED

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
MEMBERSHIP NO. : 083820

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
LALIT BHASIN  
(CHAIRMAN)  
DIN: 00002114

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
M. NO.: ACS43104

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Notes	For the Year ended 31st March, 2021 (In ₹)	For the Year ended 31st March, 2020 (In ₹)
<b>INCOME</b>			
<b>Revenue from Operations</b>			
(i) Interest Income	19	8,730,693	18,409,358
(ii) Dividend Income	20	1,553,080	1,230,970
(iii) Net Gain on fair value changes	21	104,844,754	-
(iv) Net Profit in Equity derivative trading/ Share Dealing		16,816,856	-
<b>I Total Revenue from operations</b>		<b>131,945,383</b>	<b>19,640,328</b>
<b>II Other Income</b>	22	<b>571,241</b>	<b>1,868,391</b>
<b>III Total Income (I+II)</b>		<b>132,516,624</b>	<b>21,508,719</b>
<b>EXPENSES</b>			
(i) Finance Costs	23	292,497	427,858
(ii) Employee Benefits Expenses	24	4,457,838	5,542,894
(iii) Depreciation and amortisation expense	10	1,538,827	1,881,842
(iv) Others expenses	25	8,493,348	10,431,962
(v) Net loss on fair value changes	21	-	61,089,489
(vi) Net loss in Equity derivative trading/ Share Dealing		-	15,070,336
<b>IV Total Expenses (IV)</b>		<b>14,782,510</b>	<b>94,444,382</b>
<b>V Profit/ (Loss) Before Tax (III-IV)</b>		<b>117,734,114</b>	<b>(72,935,663)</b>
<b>VI Tax Expense</b>			
(i) Current Tax		-	-
(ii) Tax for earlier years		-	55,694
(iii) Deferred Tax (credit) / charge		(310,005)	-
<b>Total Tax Expense (VI)</b>		<b>(310,005)</b>	<b>55,694</b>
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>118,044,119</b>	<b>(72,991,357)</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Net change in Fair Value of Investments carried at FVTOCI	26	112,393,346	-
- Remeasurement gain/ (losses) on defined benefit plan		297,967	(375,742)
- Income tax effect on above		(1,173,756)	-
<b>Other Comprehensive Income for the year, net of tax</b>		<b>111,517,557</b>	<b>(375,742)</b>
<b>Total Comprehensive Income for the year (VII +VIII)</b>		<b>229,561,677</b>	<b>(73,367,099)</b>
<b>IX Earnings per Equity Share of face value of Rs. 10 each (previous year Rs. 10 each)</b>	27		
Basic (Rs.)		16.54	(10.23)
Diluted (Rs.)		16.54	(10.23)

Significant accounting policies and notes to the 1-49 Standalone Financial Statements

The accompanying notes form an integral part of the Standalone Financial Statements.

As Per our Report of even date attached

FOR G. C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 017851N

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
HB STOCKHOLDINGS LIMITED

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
MEMBERSHIP NO. : 083820

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
LALIT BHASIN  
(CHAIRMAN)  
DIN: 00002114

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
M. NO.: ACS43104

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	For the year ended 31 March, 2021 (In ₹)	For the year ended 31 March, 2020 (In ₹)
<b>A. CASH FLOW FROM OPERATION ACTIVITIES</b>		
Profit before tax	117,734,114	(72,935,663)
Adjustment for :		
Depreciation	1,538,827	1,881,842
Finance Cost	292,497	427,858
<b>Cash generated from operation before Working Capital Changes</b>	<b>119,565,438</b>	<b>(70,625,963)</b>
<b>Working Capital Changes</b>		
Increase/ (decrease) in loans and advances	95,500,000	12,500,000
Increase/ (decrease) in other financial assets	22,710,751	(3,273,061)
Increase/ (decrease) in other non-financial assets	1,494,292	(1,279,786)
Increase/(decrease) in other financial liabilities	32,781,256	113,649
Increase/(decrease) in Investment/ Financial assets	(218,996,841)	48,578,798
(Increase)/decrease in provisions	(474,994)	(347,997)
(Increase)/decrease in other non financial liabilities	(16,754)	16,570
<b>Cash Flows before OCI and Tax</b>	<b>52,563,148</b>	<b>(14,317,790)</b>
Income Tax paid	(1,129,934)	646,353
<b>NET CASH FLOW FROM/ (USED) OPERATING ACTIVITIES</b>	<b>53,693,084</b>	<b>(14,964,143)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(66,897)	(25,085)
Purchase of Investment	(48,854,966)	-
Sale of Investment	6,360,700	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(42,561,163)</b>	<b>(25,085)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings	(1,882,281)	(1,742,546)
Interest Paid	(292,497)	(427,858)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,174,778)</b>	<b>(2,170,404)</b>
<b>NET INCREASE/ DECREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>8,957,143</b>	<b>(17,159,632)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>3,915,975</b>	<b>21,075,606</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>12,873,118</b>	<b>3,915,975</b>

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

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

## Change in Liability arising from Financing Activities

(Amount in ₹)

Particulars	Borrowings (Refer Note No. 12)
Balance as on 1st April 2020	4460599
Proceeds/ Repayments of borrowing	(1882281)
Non cash change (Fair Value)	0
Balance as on 31st March 2021	2578318

The accompanying notes form an integral part of the Standalone Financial Statements.

## As Per our Report of even date attached

FOR G. C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 017851N

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
HB STOCKHOLDINGS LIMITED

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
MEMBERSHIP NO. : 083820

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
LALIT BHASIN  
(CHAIRMAN)  
DIN: 00002114

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
M. NO.: ACS43104

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

## STANDALONE STATEMENT OF CHANGES IN EQUITY

## a. Equity Share Capital

Particulars	Number of Shares	(Amount in ₹)
<b>As at April 01, 2019</b>	7,137,665	71,376,650
Changes in Equity share capital during the year	-	-
<b>As at March 31, 2020</b>	7,137,665	71,376,650
Changes in Equity share capital during the year	-	-
<b>As at March 31, 2021</b>	<b>7,137,665</b>	<b>71,376,650</b>

## b. Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Statutory Reserve	Securities Premium	Retained Earnings		
<b>Balance as at April 01, 2019</b>	163,961,174	230,763,189	(86,728,369)	683,402	308,679,396
Profit for the year	-	-	(72,991,356)	-	(72,991,356)
Other Comprehensive Income (net of tax)	-	-	-	(375,742)	(375,742)
Transferred to/(from)	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>163,961,174</b>	<b>230,763,189</b>	<b>(159,719,725)</b>	<b>307,660</b>	<b>235,312,298</b>
<b>Balance as at March 31, 2020</b>	163,961,174	230,763,189	(159,719,725)	307,660	235,312,298
<b>Balance as at April 01, 2020</b>	163,961,174	230,763,189	(159,719,725)	307,660	235,312,298
Profit for the year	-	-	118,044,119	-	118,044,119
Other Comprehensive Income for the year	-	-	-	111,517,557	111,517,557
Transferred to/(from)	23,608,824	-	(23,370,023)	(238,801)	-
<b>Total Comprehensive Income for the year</b>	<b>140,352,350</b>	<b>230,763,189</b>	<b>(65,045,628)</b>	<b>111,586,416</b>	<b>464,873,975</b>
<b>Balance as at March 31, 2021</b>	<b>140,352,350</b>	<b>230,763,189</b>	<b>(65,045,628)</b>	<b>111,586,416</b>	<b>464,873,975</b>

Significant accounting policies and notes to the Standalone Financial Statements 1-49

The accompanying notes form an integral part of the Standalone Financial Statements.

## As Per our Report of even date attached

FOR G. C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
MEMBERSHIP NO. : 083820

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
HB STOCKHOLDINGS LIMITED

Sd/-  
LALIT BHASIN  
(CHAIRMAN)  
DIN: 00002114

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
M. NO.: ACS43104

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**
**1. COMPANY INFORMATION / OVERVIEW**

The Company is Public Limited Company incorporated and domiciled in India having its registered office at Gurugram, India. The Company is a Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company registered with Reserve Bank of India. Equity Share of the Company are listed on National Stock Exchange of India Limited and BSE Limited.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**
**(A) Compliance with Ind As**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

**(B) Presentation of financial statements**

The Balance Sheet, the statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

**(C) Basis of preparation**

The Financial Statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair values at the end of each reporting as explained in the accounting policies below.

**3. SIGNIFICANT ACCOUNTING POLICIES**
**3.1 Use of estimates and judgement**

The preparation of financial statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, liabilities and disclosures of contingent assets and liabilities at the end of the reporting period. The actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

**A) Effective Interest Rate (EIR) Method**

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

**B) Impairment of loans portfolio**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

**C) Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**D) Fair value measurement:**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to

these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**E) Other Estimates:**

These include contingent liabilities, useful lives of tangible and intangible assets etc.

**3.2 Financial Instruments**
**A. Initial Recognition and measurement**

All financial assets and financial liabilities are recognised when the company become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

**B. Classification and Subsequent measurement of financial assets**

The Company classifies its financial assets into various measurements categories. The classification depends on the contractual terms of the financial assets' cash flows and the company's business model for managing financial assets.

**a. Amortised Cost**

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b. FVOCI- Debt Instruments**

A debt instruments in nature of financial asset is measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c. FVOCI- Equity Instruments**

Equity instruments in nature of financial assets are measured at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**d. FVTPL**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

**Subsequent Measurement of financial assets**

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

#### C. Financial Liabilities and equity instruments

##### Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

##### Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

#### D. Derecognition

##### Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

##### Financial Liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

#### E. Off-setting

"Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

#### F. Impairment

The Company recognises lifetime Expected Credit Losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

#### G. Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

#### 3.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

#### 3.4 Property, Plant and Equipments (PPE)

Property, Plant and Equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-

refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Particulars	Useful life
Furniture & Fixture	10 years
Office Equipment	5 years
Server and Networking	6 years
Computer	3 years
Building	30 years
Vehicles	8 years

Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

#### 3.5 Intangible assets

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their estimated useful lives.

#### 3.6 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.

#### 3.7 Investments in Subsidiaries and Associates

Investments in subsidiaries and associate are measured at cost less accumulated impairment, if any.

#### 3.8 Provisions

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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.

### 3.9 Revenue recognition

#### A) Recognition of interest income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognised over the tenure of the instrument so as to provide a constant periodic rate of return.

#### B) Fees and commission income

Fee based income are recognised when they become measurable and when it is probable to expect their ultimate collection.

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

#### C) Dividend and interest income on investments

- Dividends are recognised in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

-Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### 3.10 Employee Benefits

#### A) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### B) Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of Profit and Loss.

#### C) Gratuity

The Company's liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

#### Remeasurement gains/ losses-

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of Profit and Loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

#### D) Superannuation Fund

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of profit and loss. The Company has no obligation to the scheme beyond its contributions.

#### E) Leave encashment / Compensated Absences/ Sick Leave

The Company provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

### 3.11 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits mobilised, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

### 3.12 Taxation - Current and Deferred Tax

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### A) Current Tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### B) Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 3.13 Leases

#### As a lessee

The Company has applied Ind AS 116. For these short term and low value leases, the company recognizes the lease payments as an expense in the Statement of Profit and Loss on a Straight line basis over the term of lease.

### 3.14 Exceptional items

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

### 3.15 Earning Per Share

The Company reports basic and diluted earnings per equity share. Basic earnings per equity share have computed by dividing net profit/loss attributable to the Equity Shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

### 3.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**4. CASH AND CASH EQUIVALENT (Amount in ₹)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on Hand	535,844	541,170
<b>Balance with Banks</b>		
- In current and deposit account	10,837,274	1,374,805
- Cheques on Hand	1,500,000	2,000,000
<b>Total</b>	<b>12,873,118</b>	<b>3,915,975</b>

**5. BANK BALANCE OTHER THAN ABOVE (Amount in ₹)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Earmarked balances with Banks-</b>		
- Unclaimed dividend accounts	-	2,424,709
<b>Total</b>	<b>-</b>	<b>2,424,709</b>

**6. LOANS (Amount in ₹)**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>A) Loans (at amortised cost) :</b>		
<b>Others:</b>		
Inter Corporate Loans - Standard*	40,500,000	136,000,000
Inter Corporate Loans & Deposits -Doubtful	10,000,000	10,000,000
<b>Total (Gross)</b>	<b>50,500,000</b>	<b>146,000,000</b>
Less: Impairment loss allowance	-	-
<b>Total (Net)</b>	<b>50,500,000</b>	<b>146,000,000</b>
<b>B) i) Secured by Tangible Assets</b>	<b>-</b>	<b>-</b>
ii) Unsecured	50,500,000	146,000,000
<b>Total (Gross)</b>	<b>50,500,000</b>	<b>146,000,000</b>
Less: Impairment loss allowance	-	-
<b>Total (Net)</b>	<b>50,500,000</b>	<b>146,000,000</b>

**7. INVESTMENTS**

S No.	Name of the Company	Face Value	As at 31st March, 2021		As at 31st March, 2020	
		(Rs.)	Qty.(Nos.)	Amount in Rs.	Qty.(Nos.)	Amount in Rs.
(A) INVESTMENTS IN EQUITY INSTRUMENTS						
(a) Quoted Instrument fully paid up Equity Shares(At FVTPL)						
1	AMRIT CORPORATION LIMITED	10	132	91,080	132	80,329
2	ARVIN LIQUID GASES LIMITED*	10	10000	--	10000	--
3	BHARAT HOTELS LIMITED	10	300	-	300	-
4	BHARTI AIRTEL LIMITED	5	1000	517,300	--	--
5	CENTURY TEXTILES AND INDUSTRIES LIMITED	10	986	458,194	--	--
6	CMI LIMITED	10	50000	2,095,000	--	--
7	CRISIL LIMITED	1	200	367,230	--	--
8	COAL INDIA LIMITED	10	3250	423,800	3250	455,000
9	DWARIKESH SUGAR INDUSTRIES LTD.	1	72500	2,233,000	72500	1,196,250
10	DOLPHIN OFFSHORE ENTERPRISES I LIMITED	10	10000	41,800	10000	48,100
11	DCM SHRIRAM LIMITED	2	45726	22,888,149	50726	10,908,626
12	EIH LIMITED	2	52601	4,876,113	47601	3,132,146
13	EVEREST INDUSTRIES LIMITED	10	2796	800,774	--	--
14	FOODS & INNS LIMITED	1	136200	7,409,280	136200	4,692,090
15	FINOLEX INDUSTRIES LIMITED	10	5000	3,185,000	--	--
16	GVK POWER & INFRA LTD.	1	60000	141,000	60000	133,200
17	GRAPHITE INDIA LIMITED	2	2500	1,279,750	--	--
18	HINDUSTAN ENGINEERING & INDS. LTD.*	10	108	--	108	--
19	HARYANA PETROCHEMICALS LIMITED*	10	9050	--	9050	--
20	HARYANA LEATHER CHEMICALS LTD.	10	31347	909,063	31347	620,671
21	HB ESTATE DEVELOPERS LIMITED	10	125400	1,284,096	125400	711,018
22	HB PORTFOLIO LIMITED	10	60000	1,143,000	60000	675,000
23	HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED	1	35000	882,000	35000	315,700

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>C) i) Loans in India</b>		
a) Public Sector	-	-
b) Others	50,500,000	146,000,000
<b>Total (Gross)</b>	<b>50,500,000</b>	<b>146,000,000</b>
Less: Impairment loss allowance	-	-
<b>Total (Net) -C (i)</b>	<b>50,500,000</b>	<b>146,000,000</b>
<b>ii) Loans outside India</b>	<b>-</b>	<b>-</b>
Less: Impairment loss allowance	-	-
<b>Total (Net) -C (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (Net) -C (i + ii)</b>	<b>50,500,000</b>	<b>146,000,000</b>

Note:- Provision for Sub-Standard and doubtful assets has been separately shown in Note No. 15 (Short term Provisions) instead of netting it from the value of asset. This is being done as required by "Non-Banking Financial Company -Non-Systemically Important NonDeposit taking Company (Reserve Bank) Directions, 2016.

**Credit quality of assets**

The table below shows the credit quality and the maximum exposure to credit risk based on year end stage classification.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Low credit risk- <b>Stage I</b>	40,500,000	136,000,000
Significant increase in credit risk- <b>Stage II</b>	-	-
Credit impaired- <b>Stage III</b>	10,000,000	10,000,000
	<b>50,500,000</b>	<b>146,000,000</b>

1. The amount presented are net of impairment loss allowance.

2. There are no changes in the impairment loss allowances during the period.





S No.	Name of the Company	Face Value	As at 31st March, 2021		As at 31st March, 2020	
		(Rs.)	Qty.(Nos.)	Amount in Rs.	Qty.(Nos.)	Amount in Rs.
24	HOTLINE GLASS LIMITED*	10	166382	--	166382	--
25	HUHTAMAKI INDIA LIMITED	2	5000	1,401,500	--	--
26	ICP SECURITIES LIMITED*	10	1800	--	1800	--
27	ISPAT PROFILES INDIA LIMITED*	10	10000	--	10000	--
28	INDIA GLYCOLS LIMITED	10	1000	416,800	--	--
29	INEOS STYROLUTION INDIA LIMITED	10	3000	2,807,400	--	--
30	IST LIMITED	10	128032	48,652,160	114682	32,110,960
31	JK PAPER LTD.	10	7000	1,049,300	14015	1,044,818
32	JAI CORP LTD.	1	13000	1,097,850	13000	657,150
33	JAI PRAKASH ASSOCIATES LTD.	2	9208773	63,264,271	6613904	7,076,877
34	JAYPEE INFRATECH LTD.	10	60000	93,000	60000	38,400
35	JP POWER VENTURES LTD.	10	2495000	8,183,600	1695000	1,101,750
36	KIRAN OVERSEAS EXPORTS LIMITED*	10	10000	--	10000	--
37	LCC INFOTECH LIMITED*	2	56300	--	56300	--
38	LT FOODS LIMITED	1	5000	291,250	5000	99,750
39	LUNAR DIAMONDS LIMITED*	10	21000	--	21000	--
40	MAWANA SUGARS LTD.	10	10000	361,500	10000	226,000
41	MERCATOR LTD.	1	50000	40,500	50000	26,000
42	MMTC LIMITED	1	38750	1,643,000	48750	602,063
43	NAHAR CAPITAL AND FINANCIAL SERVICES LTD.	10	3000	316,950	3000	154,350
44	NBCC (INDIA) LIMITED	1	22000	640,200	22000	359,700
45	NUCHEM LIMITED*	10	64755	--	64755	--
46	ORISSA EXTRUSIONS LIMITED*	10	10728	--	10728	--
47	OLECTRA GREENTECH LIMITED	10	8000	1,729,600	--	--
48	OIL INDIA LTD.	10	4500	551,925	4500	372,150
49	OSWAL AGRO MILLS LTD.	10	30000	307,500	30000	123,900
50	PATHREJA FORGINGS LIMITED*	10	1000	--	1000	--
51	PRISM MILLS LIMITED*	10	10000	--	10000	--
52	PUNJAB WIRELESS LIMITED*	10	100	--	100	--
53	RAMA VISION LIMITED*	10	--	--	18300	58,560
54	RELIANCE INDUSTRIES LTD.	10	--	--	350	389,358
55	SAJJAN UDYOG EXPORTS LIMITED*	10	23600	--	23600	--
56	SAREGAMA INDIA LIMITED	10	100	159,410	5000	981,250
57	SAVANI FINANCIALS LIMITED*	10	7000	--	7000	--
58	SHREYANS INDUSTRIES LIMITED*	10	5600	--	5600	--
59	SATIN CREDITCARE NETWORKS LTD.	10	10000	857,000	10000	638,000
60	SRI VASAVI INDUSTRIES LIMITED*	10	10890	--	10890	--
61	GLOBAL STONE INDIA LIMITED*	10	2000	--	2000	--
62	SUMMIT SECURITIES LTD.	10	--	--	2856	785,400
63	THE NEW INDIA ASSURANCE CO LIMITED	10	7000	1,080,450	--	--
64	TIME TECHNOPLAST LIMITED	1	20000	1,207,000	--	--
65	UNITECH LTD.	2	1900000	3,154,000	1900000	2,204,000
66	U P HOTELS LIMITED*	10	45697	8,090,561	45697	8,090,561
67	UTI ASSET MANAGEMENT CO LIMITED	10	15000	8,739,000	--	--
68	VEDANTA LTD.	1	4250	971,763	4250	275,188
69	VENUS REMEDIES LIMITED	10	15000	4,119,000	--	--
70	VODAPHONE IDEA LIMITED	10	100000	925,000	--	--
71	WELSPUN ENTERPRISES LIMITED	10	--	--	20000	818,000
72	YES BANK LTD	2	--	--	35200	790,240
<b>TOTAL (a)</b>			<b>15324353</b>	<b>213,177,121</b>	<b>11778273</b>	<b>81,992,556</b>
<b>(b) Quoted Instrument fully paid up Equity Shares (At FVTOCI)</b>						
1	GLENMARK PHARMACEUTICALS LIMITED	1	5000	2,322,750	--	--
2	GREAVES COTTON LIMITED	2	20400	2,607,120	--	--
3	IOL CHEMICALS ABD PHARMACEUTICALS LIMITED	10	5473	3,013,434	--	--
4	PUNJAB NATIONAL BANK	2	50000	1,832,500	--	--
5	RELIANCE INDUSTRIES LIMITED	10	72440	145,111,808	--	--
<b>TOTAL (b)</b>			<b>153313</b>	<b>154,887,612</b>	<b>0</b>	<b>0</b>
<b>(c) Quoted Partly Paid up Equity Shares (At FVTPL)</b>						
1	RELIANCE INDUSTRIES LIMITED	10	26	28,353	--	--
2	SATIN CREDITCARE NETWORKS LTD.	10	4500	202,500	172	--
<b>TOTAL (c)</b>			<b>4526</b>	<b>230,853</b>	<b>172</b>	<b>0</b>



S No.	Name of the Company	Face Value	As at 31st March, 2021		As at 31st March, 2020	
		(Rs.)	Qty.(Nos.)	Amount in Rs.	Qty.(Nos.)	Amount in Rs.
(d ) Unquoted Fully Paid up Equity Shares (At FVTPL)		10				
1	KESORAM TEXTILE LIMITED		172	--	172	--
TOTAL (d)			172	0	172	0
(e) Unquoted Fully Paid up Equity Shares in Wholly Owned Subsidiary (At Cost)		10				
1	MOUNT FINANCE LIMITED		830006	8,300,060	830006	8,300,060
TOTAL (e)			830006	8,300,060	830006	8,300,060
TOTAL INVESTMENTS IN EQUITY -A (a+b+c+d+e)			16312370	376,595,646	12608623	90,292,616
(B) INVESTMENTS IN PREFERENCE INSTRUMENTS						
(a) Unquoted 9% Redeemable Preference Shares (Units) (At Cost)						
1	HB ESTATE DEVELOPERS LTD SERIES 2 TRANCH 2	100	275000	27,504,125		
2	HB ESTATE DEVELOPERS LTD SERIES 2 TRANCH 3	100	550000	55,008,250	--	--
TOTAL INVESTMENTS IN PREFERENCE -B			825000	82,512,375	0	0
(C) INVESTMENTS IN MUTUAL FUNDS						
(a ) Quoted Mutual Funds (Units) (At FVTPL)						
1	NIPPON INDIA MUTUAL FUND ETF LIQUID BeES	1000	2533	2,533,234		
2	DSP MUTUAL FUND LIQUID ETF	1000	2536	2,535,814	--	--
TOTAL INVESTMENTS IN MUTUAL FUNDS -C			5069	5,069,048	0	-
TOTAL INVESTMENTS (A+B+C)			17142439	464,177,069	12608623	90,292,616

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount in ₹	Amount in ₹
Aggregate cost of quoted investment	318,983,485	242,554,268
Carrying amount/ fair value of quoted investment	373,364,634	81,992,556
Aggregate cost of unquoted investment	90,812,435	8,300,060

(\*) Listed but not quoted

1. All above investments are in India itself

#### 8. OTHER FINANCIAL ASSETS (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security Deposits*	34,523,500	34,523,500
Interest accrued on loans / Inter Corporate Deposits	4,705,100	5,739,279
Advance to others	7,000,000	20,000,000
Advance to related parties	1,774,133	10,450,705
<b>Total</b>	<b>48,002,733</b>	<b>70,713,484</b>

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

#### 9. CURRENT TAX ASSETS (NET) (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Tax deducted at source [(Net of provision for Income tax Rs. 49,467/- (Previous year Rs. Nil/-)]	661,536	1,840,937
<b>Total</b>	<b>661,536</b>	<b>1,840,937</b>

The components of Income Tax expenses : (Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current tax	-	-
Adjustments in respect of current income tax of prior years	-	55,694
Deferred tax relating to origin and reversal of temporary differences	(310,005)	-
<b>Income tax expense reported in statement of profit and loss</b>	<b>(310,005)</b>	<b>55,694</b>
<b>Income tax recognised on Other Comprehensive Income (OCI)</b>		
Deferred tax related to items recognised in OCI during the period:		
- Realised gain on equity instruments at FVTOCI	(1,124,289)	-
- Income tax on realised gain on sale of equity instruments at FVTOCI	(49,467)	-
<b>Income tax charged to OCI</b>	<b>(1,173,756)</b>	<b>-</b>

#### Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Accounting Profit Before Tax	117,734,114	-72,935,663
Applicable Statutory Enacted Income Tax Rate	25.17%	29.12%
Computed Tax Expenses	29,631,322	-
- Adjustments due to brought forward losses as per tax laws	(29,540,752)	-
- Non-deductible tax expenses (net)	(90,570)	-
- Adjustments recognised in relation to tax of prior years	-	55,694
- Deferred tax relating to origination and reversal of temporary differences	(310,005)	-
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>(310,005)</b>	<b>55,694</b>

#### 10. PROPERTY, PLANT & EQUIPMENT (Amount in ₹)

Particulars	Air Conditioners	Office Equipment	Vehicles	Data Processing Machine	Total
<b>GROSS BLOCK</b>					
As at 31st March, 2020	718,555	2,229,262	17,956,623	564,105	21,468,545
Additions during the year	-	24,100	-	42,797	66,897
Deletions during the year	-	-	-	-	-
<b>As at 31st March, 2021</b>	<b>718,555</b>	<b>2,253,362</b>	<b>17,956,623</b>	<b>606,902</b>	<b>21,535,442</b>
<b>ACCUMULATED DEPRECIATION</b>					
As at 31st March, 2020	710,839	2,106,298	9,737,799	544,044	13,098,980
Additions during the year	-	39,933	1,485,164	13,730	1,538,827
Adjustment during the year	-	-	-	-	-
<b>As at 31st March, 2021</b>	<b>710,839</b>	<b>2,146,231</b>	<b>11,222,963</b>	<b>557,774</b>	<b>14,637,807</b>
<b>NET BLOCK</b>					
As at 31st March, 2021	7,716	107,131	6,733,660	49,128	6,897,635
As at 31st March, 2020	7,716	122,964	8,218,824	20,061	8,369,565

## 11. OTHER NON FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Prepaid Expenses	3,209,316	2,438,140
Recoverable from Tax Authorities	3,597,947	5,863,415
<b>Total</b>	<b>6,807,263</b>	<b>8,301,555</b>

## 12. BORROWINGS

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(A) In India</b>		
At amortised cost:		
Term loan from Bank	2,578,318	4,460,599
Outside India	-	-
<b>(B) Out of above</b>		
Secured against Hypothecation of Vehicle financed	2,578,318	4,460,599
Unsecured	-	-
<b>Total</b>	<b>2,578,318</b>	<b>4,460,599</b>

(\*) The Loan taken are at Interest rate of 8.25%

- Maturity Profile of Secured Term Loan from banks are as under:			
Particulars	0-1 Years	1-2 Years	2-3 Years
- Vehicle Loan from HDFC Bank	2,039,760	538,558	Nil

## 13. OTHER FINANCIAL LIABILITIES

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unpaid Dividends*	-	2,424,709
Expenses payable	34,207,991	1,426,735
<b>Total</b>	<b>34,207,991</b>	<b>3,851,444</b>

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

## 14. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Deferred tax liability in relation to:</b>		
Financial Assets carried at fair valued through Other Comprehensive Income	1,124,289	-
<b>(A)</b>	<b>1,124,289</b>	<b>-</b>
Deferred tax assets		
Difference between Depreciation as per Books of Account and the Income Tax Act, 1961	310,005	-
<b>(B)</b>	<b>310,005</b>	<b>-</b>
<b>Net Deferred Tax liabilities (A) - (B)</b>	<b>814,284</b>	<b>-</b>

## 15. PROVISIONS

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<u>Provision for Employee Benefits</u>		
Leave Encashment	254,749	559,003
<u>Others</u>		
Contingent provision against Standard Assets	335,190	803,897
Sub Standard & Doubtful Assets	10,000,000	10,000,000
<b>Total</b>	<b>10,589,939</b>	<b>11,362,900</b>

## 16. OTHER NON-FINANCIAL LIABILITIES

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Dues Payable	46,554	63,308
<b>Total</b>	<b>46,554</b>	<b>63,308</b>

## 17. EQUITY SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>a. Authorised:</b>		
2,50,00,000 Equity shares of Rs. 10/- each	250,000,000	250,000,000
100,00,000 Redeemable Preference Shares of Rs. 10/- each	100,000,000	100,000,000
<b>Total</b>	<b>350,000,000</b>	<b>350,000,000</b>
<b>b. Issued</b>		
87,88,704 Equity Shares Of Rs. 10/- Each	87,887,040	87,887,040
<b>Total</b>	<b>87,887,040</b>	<b>87,887,040</b>
<b>c. Subscribed and Paid up</b>		
71,37,665 Equity Shares Of Rs. 10/- Each fully paid up	71,376,650	71,376,650
<b>Total</b>	<b>71,376,650</b>	<b>71,376,650</b>
Add: Forfeited shares 1651039 (Other than Directors)	5,431,643	5,431,643
<b>Total</b>	<b>76,808,293</b>	<b>76,808,293</b>

## d. Reconciliation of number of equity shares outstanding at the beginning and end of the year :

Particulars	Number of Shares	Amount in ₹
<b>As At April 01, 2019</b>	<b>7137665</b>	<b>71,376,650</b>
Issued during the year	-	-
<b>As At March 31, 2020</b>	<b>7137665</b>	<b>71,376,650</b>
Issued during the year	-	-
<b>As At March 31, 2021</b>	<b>7137665</b>	<b>71,376,650</b>

## e. Terms / Rights attached to the Equity Shares

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. In the event of the Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the FY 2017-18, pursuant to scheme of arrangement between the Company and HB Portfolio Ltd and HB Estate Developers Ltd, the issued and Paid up Equity Share Capital of the Company was reduced by reducing the Face Value of the Equity Shares from Rs. 10/- fully paid up to Rs. 3/- each fully paid. As a result, the issued and Paid up Equity Share Capital was reduced from Rs. 23,79,22,180 comprising of 2,37,92,218 shares of Rs. 10/- each to Rs. 7,13,76,654 comprising of 2,37,92,218 shares of Rs. 3/- each. Simultaneously, 10 (Ten) equity shares of Rs. 3 each fully paid up stood consolidated into 3 (three) fully paid-up share of Rs. 10/- each resulting in 71,37,665 fully paid-up Equity Shares of Rs. 10/- each after ignoring fractional shares.

## f. Shareholders holding more than 5% Equity Shares in the Company:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Mr. Lalit Bhasin	3,678,691	51.54%	3,678,691	51.54%

## 18. OTHER EQUITY

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>a. Securities Premium</b>		
Opening Balance	230,763,189	230,763,189
Closing Balance	230,763,189	230,763,189
<b>b. Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)</b>		
Opening Balance	163,961,174	163,961,174
Addition during the year	23,608,824	-
Closing Balance	187,569,998	163,961,174
<b>c. Other Comprehensive Income</b>		
Opening Balance	307,660	683,402
Add: Remeasurement gain/ (losses) on defined benefit plan	297,967	(375,742)
Add: Fair value changes of Investments at FVTOCI	112,393,346	-
Add: Tax Effects of above	(1,173,756)	-
Less: Reclassification of Realised Gain on sale of investments to retained earning	(238,801)	-
<b>Closing Balance</b>	<b>111,586,416</b>	<b>307,660</b>
<b>d. Retained Earning</b>		
Opening Balance	(159,719,725)	(86,728,369)
Add: Profit for the current year	118,044,119	(72,991,356)
Add: Reclassification of Realised Gain on sale of investments from OCI	238,801	-
Less: Transferred to Statutory Reserves	(23,608,824)	-
Closing Balance	(65,045,628)	(159,719,725)
<b>TOTAL OTHER EQUITY</b>	<b>464,873,975</b>	<b>235,312,298</b>

## Description of the nature and purpose of Other Equity

**Securities Premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**Statutory Reserve**

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

**Other Comprehensive Income****Equity Instruments through Other Comprehensive income**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Remeasurement gain/ (losses) on defined benefit plan**

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of other comprehensive income.

**Retained Earnings**

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves. Debit balance in retained earnings represents balance of accumulated losses.

## 19. INTEREST INCOME (ON FINANCIAL ASSETS, MEASURES AT AMORTISED COST)

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Loans / Inter Corporate Deposit	8,730,693	18,409,358
<b>Total</b>	<b>8,730,693</b>	<b>18,409,358</b>

## 20. DIVIDEND

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Dividend income from investment	1,553,080	1,230,970
<b>Total</b>	<b>1,553,080</b>	<b>1,230,970</b>

## 21. NET LOSS ON FAIR VALUE CHANGES

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Net gain/ (loss) on financial instruments measured at fair value through profit or loss</b>		
Realised gain/(loss) on equity instruments at FVTPL	2,006,971	352,331
Unrealised gain/(loss) on equity instruments at FVTPL	102,837,783	(61,441,820)
<b>Total</b>	<b>104,844,754</b>	<b>(61,089,489)</b>

## 22. OTHER INCOME

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Excess Provision/old balances written back	-	1,771,676
Interest on Income Tax Refund	102,534	56,910
Contingent Provision on Standard Assets written back	468,707	39,805
<b>Total</b>	<b>571,241</b>	<b>1,868,391</b>

## 23. FINANCE COST ( ON BORROWINGS, AT AMORTISED COST)

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Loans	292,497	427,858
<b>Total</b>	<b>292,497</b>	<b>427,858</b>

## 24. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and Benefits	3,964,282	4,877,845
Contribution to Provident fund and superannuation fund	317,168	462,375
Gratuity	39,682	14,619
Staff welfare	136,706	188,055
<b>Total</b>	<b>4,457,838</b>	<b>5,542,894</b>

## 25. OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rent/Facility Charges	1,172,148	1,170,914
Vehicle Running and Maintenance	737,000	1,717,833
Insurance	197,666	233,833
Communication	402,573	155,956
CSR Expenses	245,000	650,000
Travelling and Conveyance	1,418,836	2,131,060
Printing and Stationery	324,546	744,964
Office Repairs and Maintenance	104,460	76,862
Depository and custodial	121,991	67,540
Subscription and Membership	201,838	193,055
Legal and Professional	1,226,012	769,699
Advertisement & Publicity	364,052	366,266
Listing Fees	540,000	540,000
Business Promotion	345,206	686,994
Miscellaneous	351,520	244,906
<b>Auditor's Remuneration</b>		
-Audit Fees	165,000	165,000
-Tax Audit Fees	25,000	25,000
-Limited Review Reports	30,000	40,000
-Certification and others	47,500	54,000
Directors Sitting Fees	473,000	398,080
<b>Total</b>	<b>8,493,348</b>	<b>10,431,962</b>



## 26. NET GAIN ON FAIR VALUE CHANGES THROUGH OCI (Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Net gain/(loss) on financial instruments measured at fair value through OCI</b>		
Realised gain/(loss) on equity instruments at FVTOCI	288,268	-
Unrealised gain/(loss) on equity instruments at FVTOCI	112,105,078	-
<b>Total</b>	<b>112,393,346</b>	<b>-</b>

## 27. EARNING PER SHARE (EPS) (Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit/(Loss) for the year (Amount in Rs.)	118,044,119	(72,991,357)
Weighted average number of Equity Shares used in computing basic EPS	7,137,665	7,137,665
Weighted average number of Equity Shares used in computing diluted EPS	7,137,665	7,137,665
<b>Basic Earnings Per Share (Rs.)</b>	<b>16.54</b>	<b>(10.23)</b>
<b>Diluted Earnings Per Share (Rs.)</b>	<b>16.54</b>	<b>(10.23)</b>
Face Value per share (Rs.)	10	10

## 28. RELATED PARTY DISCLOSURES

As per Ind AS 24 on 'Related Party Disclosures', the related parties of the Company are as follows:

## a) Key Managerial Personnel:

1. Mr. Rupesh Kumar, (Company Secretary w.e.f. 16th June, 2020)
2. Mr. Rachit Tandon (Company Secretary upto 31st January, 2020)
3. Mr. Mahesh Kumar Gupta, Chief Financial Officer
4. Late Mr. Jag Mohan Lal Suri, (Manager - upto 14th December, 2020)

## b) Person having control/significant influence /major shareholders

1. Mr. Lalit Bhasin

## c) Wholly Owned Subsidiary Company

1. RRB Master Securities Delhi Ltd.

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

1. RRB Master Securities Delhi Ltd.

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

1. HB Estate Developers Ltd.
2. HB Securities Ltd.

## f) Transactions during the financial year ended 31.03.2021 with Related Parties as under :

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2021	For the year ended 31.03.2020
i	RRB Master Securities Delhi Ltd.	Advances given (net)	1,674,133	10,450,705
		Purchase of Investment through them	85,610,121	7,773,993
		Sale of Investment through them	55,728,139	6,914,402
		Net Turnover of Derivative Trading/Difference in share trading	16,816,856	15,070,336
		Receivable at the year end in respect of Loans & Advances	1,674,133	10,450,705

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2021	For the year ended 31.03.2020
ii	HB Estate Developers Ltd.	Rent/ Facility Charges Paid (including GST)	1,016,263	1,016,263
		Receivable at the year end in respect of Loans & Advances	34,500,000	34,500,000
iii	HB Securities Ltd.	Depository Charges	37,467	5,356
iv	Mount Finance Ltd.	Advance paid	100,000	Nil
		Receivable at the year end in respect of Loans & Advances	100,000	Nil
v	Mr. Lalit Bhasin	Sitting Fees paid	55,000	35,000
vi	Mr. Rachit Tandon	Remuneration & other services	Nil	591,493
vii	Late Mr. Jag Mohan Lal Suri	Remuneration & other services	1,027,689	1,905,500
viii	Mr. Mahesh Kumar Gupta	Remuneration & other services	1,710,199	2,130,400
ix	Mr. Rupesh Kumar	Remuneration & other services	523,033	Nil

## 29. RETIREMENT BENEFIT OBLIGATIONS

Disclosure in respect of Employee Benefits pursuant to Ind AS-19.

## A) Defined Contributions Plans:

The Company has recognised following expenses in respect of the defined contribution plans:

Particulars	Current Year	Previous Year
	Amount (₹)	Amount (₹)
Company Contribution to Provident Fund	249,668	327,375
Company Contribution to Superannuation Fund	67,500	135,000

## B) Defined Benefit Plans:

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2021 and March 31, 2020, being the respective measurement dates:

## (i) Movement in defined benefit obligation

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Present value of obligation -at the beginning of the period</b>	<b>1,081,760</b>	812,206	<b>559,003</b>	491,453
Interest cost	75,723	56,854	39,130	34,402
Current service cost	57,833	51,639	19,491	25,347
Benefits paid	-	-	(370,667)	-113,006
Remeasurements - actuarial (gain)/ loss	(202,443)	161,061	7,792	120,807
<b>Present value of obligation -at the end of the period</b>	<b>1,012,873</b>	1,081,760	<b>254,749</b>	559,003

## (ii) Movement in Plan Assets – Gratuity

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Fair value of plan assets at beginning of year	1,341,056	1,341,056	-	-
Expected return on plan assets	93,874	93,874	-	-
Employer contributions	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain / (loss)	103,316	(93,874)	-	-
Fair value of plan assets at end of year*	1,538,246	1,341,056	-	-

(\*) 100% of fund is managed by Insurance Company

## (iii) The amount to be recognised in the Balance Sheet

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Present value of obligation-at the end of the period	1,012,873	1,081,760	254,749	559,003
Fair value of plan assets at end of year	1,538,246	1,341,056	-	-
Net liability/(asset) recognized in Balance Sheet	(525,373)	(259,296)	254,749	559,003
Funded Status- Surplus/ (Deficit)	525,373	259,296	(254,749)	(559,003)

## (iv) Expense recognised in the statement of Profit and Loss

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Interest cost	75,723	56,854	39,130	34,402
Current Service cost	57,833	51,639	19,491	25,347
Expected return on plan assets	(93,874)	(93,874)	-	-
Expenses to be recognised in P&L	39,682	14,619	58,621	59,749

## (v) Recognised in Other Comprehensive Income

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(220,039)	(474,974)	(87,621)	(208,428)
Remeasurement - Actuarial (gain)/loss -Obligation	(202,443)	161,061	7,792	120,807
Remeasurement - Actuarial (gain)/loss -Plan assets	(103,316)	93,874	-	-
Total Actuarial (gain)/loss	(305,759)	254,935	7,792	120,807
Cumulative unrecognized actuarial (gain)/loss opening. C/F	(525,798)	(220,039)	(79,829)	(87,621)

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

(Amount in ₹)

Weighted average actuarial assumptions	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Discount Rate	7.00 % per annum	7.00 % per annum	7.00 % per annum	7.00 % per annum
Expected Rate of increase in salary	5.00 % per annum	5.00 % per annum	5.00 % per annum	5.00 % per annum
Mortality rate	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Withdrawal Rate- 18 to 30 Years	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
- 30 to 44 Years	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.
- 44 to 70 Years	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

## (vii) Sensitivity Analysis

For the year ended March 31, 2021

Particulars	Change in assumption	Effect on Gratuity	Effect on leave encashment
Discount Rate	+1%	890,524	223,769
	-1%	1,157,606	291,524
Salary Growth Rate	+1%	1,159,116	291,909
	-1%	887,284	222,948
Attrition Rate	+1%	1,035,885	260,874
	-1%	986,931	247,847

## (viii) Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(Amount in ₹)

Particulars	Gratuity	Leave encashment
01 Apr 2021 to 31 Mar 2022	33,414	8,754
01 Apr 2022 to 31 Mar 2023	10,441	245,995
01 Apr 2022 to 31 Mar 2024	10,441	-
01 Apr 2022 to 31 Mar 2025	10,492	-
01 Apr 2025 Onwards	948,085	-

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

## CONTINGENT LIABILITIES:

- Income Tax demand disputed Nil/- (Previous year Rs. 25,27,133/-) 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.
- Amount payable in respect of partly paid up shares: Rs. 92,011/- (Previous Year Rs. Nil)

## 31. QUANTITATIVE DETAILS

Quantitative information in respect of Investments in securities:

## EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount ₹	Qty.(Nos.)	Amount ₹
Opening Balance	11,778,445	81,992,556	7,787,297	130,571,354
Purchases/conversions	4,755,031	74,177,918	4,065,148	19,425,093
Sales/Conversions/Transfer*	1,204,425	47,601,928	74,000	6,914,402
Closing Balance	15,329,051	213,407,974	11,778,445	81,992,556

## MUTUAL FUND UNITS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount ₹	Qty.(Nos.)	Amount ₹
Opening Balance	Nil	Nil	Nil	Nil
Purchases/conversions	16,191	20,079,293	Nil	Nil
Sales/Conversions/Transfer*	11,122	15,015,571	Nil	Nil
Closing Balance	5,069	5,069,048	Nil	Nil

**32. 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, 2021 and 31st March, 2020.

**33. 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**

Particulars	Outstanding Balance as on 31.03.2021	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2020	Max. Balance outstanding during the previous Year
i. Loans & Advances in the nature of loans to Subsidiary.	Nil	Nil	Nil	Nil
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 186 of the Companies Act, 2013	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

**34. DISCLOSURE RELATING TO OUTSTANDING DERIVATIVE EXPOSURES IN SECURITIES**

- a) Cash Margin amounting to Rs. 16,74,133/- (Rs. 1,04,50,705/-) 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 31st March, 2021:

Name of Equity Stock Future	No. of Contracts	Units (In Nos.) Long	Units (In Nos.) (Short)
Bandhan Bank	6	1800	Nil
	Nil	Nil	Nil
BPCL	8	1800	Nil
	Nil	Nil	Nil
Canara Bank	2	5400	Nil
	Nil	Nil	Nil
Glenmark Pharma	6	1150	Nil
	Nil	Nil	Nil
HCL Technologies Ltd	12	700	Nil
	Nil	Nil	Nil
Hind Petro Ltd	7	2700	Nil
	Nil	Nil	Nil
L&T Finance Holding Ltd	1	8924	Nil
	Nil	Nil	Nil
Lupin Laboratories Ltd	3	850	Nil
	Nil	Nil	Nil
Punjab National Bank	1	16000	Nil
	Nil	Nil	Nil
Sun PharmacEuticals Ltd	8	1400	Nil
	Nil	Nil	Nil
Tata Motors Ltd	8	2850	Nil
	Nil	Nil	Nil
Hero Motors Co Ltd.	Nil	Nil	Nil
	18	200	Nil
ITC Limited	31	3200	Nil
	20	2400	Nil

Name of Equity Stock Future	No. of Contracts	Units (In Nos.) Long	Units (In Nos.) (Short)
Bharti Airtel Limited	Nil	Nil	Nil
	5	1851	Nil
GMR Infrastructure Limited	8	22500	Nil
	6	45000	Nil
L&T Ltd	Nil	Nil	Nil
	6	375	Nil
Reliance Industries Ltd	11	250	Nil
	4	500	Nil

**35. CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company has adequate cash and bank balances. The company monitors its capital by careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any significant amount of debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

**36. FINANCIAL RISK MANAGEMENT****Financial risk factors**

The Company's principal financial liabilities, comprise borrowings and other payables. The main purpose of these financial liabilities is to purchase certain fixed assets and other liabilities incurred during the ordinary course of Company's operations. The Company's principal financial assets include Investments, inter corporate deposits, loans, cash and cash equivalents and other receivables. The Company's activities expose it to a variety of financial risks:

**I. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments.

The company is exposed to market risk primarily related to the market value of its investments.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of Financial Instruments will fluctuate because of change in market interest rates. The company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

**Currency risk**

Currently Company does not have transaction in foreign currencies and hence the company is not exposed to currency risk.

**Equity Price Risk****(a) Exposure**

The company is exposed to equity price risk arising from Investments held by the company and classified in the balance sheet as fair value through P&L. To manage its price risk arising from investment in equity securities, the company diversifies its portfolio.

The majority of the company's equity instruments are listed on the Bombay Stock Exchange (BSE) or the National Stock Exchange (NSE) in India.

**(b) Sensitivity analysis- Equity price risk**

The table below summarise the impact of increase/ decrease of the index on the company's equity and the profit for the period. The analysis is based on the assumption that the equity/ index had increased by 2% or decreased by 2% with all other variable held constant, and that all the company's equity instruments moved in line with the Index.

(Amount in ₹)

Particulars	Impact on Profit & Loss for the year ended 31st March 2020	
	31-Mar-21	31-Mar-20
NSE/ BSE Index - Increase by 2 %	4,268,159	1,639,851
NSE/ BSE Index - Decrease by 2 %	(4,268,159)	(1,639,851)

**II. Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities towards inter corporate loans where no significant impact on credit risk has been identified.

**III. Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities:

(Amount in ₹)				(Amount in ₹)			
As at 31st March, 2021	Within 12 Months	After 12 Months	Total	As at 31st March, 2020	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>				<b>Financial Assets</b>			
Cash and cash equivalents	12,873,118	-	12,873,118	Cash and cash equivalents	3,915,975	-	3,915,975
Bank Balance other than above	-	-	-	Bank Balance other than above	2,424,709	-	2,424,709
Loans	50,500,000	-	50,500,000	Loans	146,000,000	-	146,000,000
Investments	218,477,022	245,700,047	464,177,069	Investments	90,292,616	8,300,060	98,592,676
Other Financial Assets	48,002,733	-	48,002,733	Other Financial Assets	70,713,484	-	70,713,484
<b>Total</b>	<b>329,852,873</b>	<b>245,700,047</b>	<b>575,552,920</b>	<b>Total</b>	<b>313,346,784</b>	<b>8,300,060</b>	<b>321,646,844</b>
<b>Financial Liabilities</b>				<b>Financial Liabilities</b>			
Borrowings	2,039,760	538,558	2,578,318	Borrowings	1,885,305	2,575,294	4,460,599
Other financial liabilities	34,207,991	-	34,207,991	Other financial liabilities	3,851,444	-	3,851,444
<b>Total</b>	<b>36,247,751</b>	<b>538,558</b>	<b>36,786,309</b>	<b>Total</b>	<b>5,736,749</b>	<b>2,575,294</b>	<b>8,312,043</b>

### 37. MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

The table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled:

(Amount in ₹)						
Particulars	31st March, 2021			31st March, 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	12,873,118	-	12,873,118	3,915,975	-	3,915,975
Bank Balance other than above	-	-	-	2,424,709	-	2,424,709
Loans	50,500,000	-	50,500,000	146,000,000	-	146,000,000
Investments	218,477,022	245,700,047	464,177,069	81,992,556	8,300,060	90,292,616
Other Financial Assets	48,002,733	-	48,002,733	70,713,484	-	70,713,484
<b>Non-Financial Assets</b>						
Property, Plant and Equipment	6,897,635	-	6,897,635	8,369,565	-	8,369,565
Current tax assets	661,536	-	661,536	1,840,937	-	1,840,937
Other non-financial assets	6,807,263	-	6,807,263	8,301,555	-	8,301,555
<b>TOTAL ASSETS</b>	<b>344,219,306</b>	<b>245,700,047</b>	<b>589,919,353</b>	<b>323,558,782</b>	<b>8,300,060</b>	<b>331,858,842</b>
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
Borrowings	2,039,760	538,558	2,578,318	1,885,305	2,575,294	4,460,599
Other financial liabilities	34,207,991	-	34,207,991	3,851,444	-	3,851,444
<b>Non Financial Liabilities</b>						
Current tax liabilities (Net)	814,284	-	814,284	-	-	-
Provisions	9,355,731	1,234,208	10,589,939	11,096,406	266,494	11,362,900
Other non-financial liabilities	46,554	-	46,554	63,308	-	63,308
<b>TOTAL LIABILITIES</b>	<b>46,464,319</b>	<b>1,772,766</b>	<b>48,237,086</b>	<b>16,896,463</b>	<b>2,841,788</b>	<b>19,738,251</b>

### 38. FAIR VALUES

The management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

### 39. FAIR VALUE HIERARCHY

The company determines fair values of its financial instruments according to the following hierarchy:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use Inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021:

(Amount in ₹)									
Particulars	Amortised cost	Fair value through OCI	Fair value through P&L	Total carrying value	Total Fair Value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	12,873,118	-	-	12,873,118	12,873,118	-	-	-	-
Bank Balance other than above	-	-	-	-	-	-	-	-	-
Loans	50,500,000	-	-	50,500,000	50,500,000	-	-	-	-
Investments									
-Quoted shares	-	154,887,612	218,477,022	373,364,634	373,364,634	373,364,634	-	-	373,364,634
-Unquoted shares	82,512,375	-	-	82,512,375	82,512,375	-	-	-	-
-Subsidiary	8,300,060	-	-	8,300,060	8,300,060	-	-	-	-
Other Financial Assets	48,002,733	-	-	48,002,733	48,002,733	-	-	-	-
	<b>202,188,286</b>	<b>154,887,612</b>	<b>218,477,022</b>	<b>575,552,920</b>	<b>575,552,920</b>	<b>373,364,634</b>	-	-	<b>373,364,634</b>
<b>Financial Liabilities</b>									
Borrowings	2,578,318	-	-	2,578,318	2,578,318	-	-	-	-
Other financial liabilities	34,207,991	-	-	34,207,991	34,207,991	-	-	-	-
	<b>36,786,309</b>	-	-	<b>36,786,309</b>	<b>36,786,309</b>	-	-	-	-



The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020:

(Amount in ₹)

Particulars	Amortised cost	Fair value through OCI	Fair value through P&L	Total carrying value	Total Fair Value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	3,915,975	-	-	3,915,975	3,915,975	-	-	-	-
Bank Balance other than above	2,424,709	-	-	2,424,709	2,424,709	-	-	-	-
Loans	146,000,000	-	-	146,000,000	146,000,000	-	-	-	-
Investments									
-Quoted shares	-	-	81,992,556	81,992,556	81,992,556	81,992,556	-	-	81,992,556
-Unquoted shares	-	-	-	-	-	-	-	-	-
-Subsidiary	8,300,060	-	-	8,300,060	8,300,060	-	-	-	-
Other Financial Assets	70,713,484	-	-	70,713,484	70,713,484	-	-	-	-
	<b>231,354,228</b>	<b>-</b>	<b>81,992,556</b>	<b>313,346,784</b>	<b>313,346,784</b>	<b>81,992,556</b>	<b>-</b>	<b>-</b>	<b>81,992,556</b>
<b>Financial Liabilities</b>									
Borrowings	4,460,599	-	-	4,460,599	4,460,599	-	-	-	-
Other financial liabilities	3,851,444	-	-	3,851,444	3,851,444	-	-	-	-
	<b>8,312,043</b>	<b>-</b>	<b>-</b>	<b>8,312,043</b>	<b>8,312,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**40. SCHEDULE AS REQUIRED IN TERMS OF PARAGRAPH 18 OF "NON-BANKING FINANCIAL COMPANY -NON-SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016:**

(₹ in Lakhs)

Particulars	Amount outstanding	Amount overdue
<b>LIABILITIES SIDE :</b>		
<b>(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
(a) Debentures : Secured	Nil	Nil
	(Nil)	(Nil)
: Unsecured	Nil	Nil
	(Nil)	(Nil)
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	Nil	Nil
	(Nil)	(Nil)
(c) Term Loans	Nil	Nil
	(Nil)	(Nil)
(d) Inter- Corporate Loans and Borrowing	Nil	Nil
	(Nil)	(Nil)
(e) Commercial Paper	Nil	Nil
	(Nil)	(Nil)
(f) Public Deposits	Nil	Nil
	(Nil)	(Nil)
(g) Other Loans (Vehicle Loan)	25.78	Nil
	(44.61)	(Nil)
<b>(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid:</b>		
(a) In the form of Unsecured Debentures	Nil	Nil
	(Nil)	(Nil)
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(Nil)	(Nil)
(c) Other Public Deposits	Nil	Nil
	(Nil)	(Nil)

**ASSETS SIDE :**

(₹ in Lakhs)

<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>	<b>Amount outstanding *</b>
(a) Secured	Nil
	(Nil)
(b) Unsecured	2091.52
	(2183.50)
* Net of Provisions and includes security deposits etc	
<b>(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities</b>	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil
	(Nil)
(b) Operating lease	Nil
	(Nil)
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	Nil
	(Nil)
(b) Repossessed Assets	Nil
	(Nil)

(iii) Other loans counting towards AFC activities	Nil
	(Nil)
(a) Loans where assets have been repossessed	Nil
	(Nil)
(b) Loans other than (a) above	Nil
	(Nil)
<b>(5) Break-up of Investments :</b>	-
<b>Current Investments</b>	
<b>1. Quoted :</b>	
(i) Shares : (a) Equity	2134.08
	(819.93)
(b) Preference	Nil
	(Nil)
(ii) Debentures and Bonds	Nil
	(Nil)
(iii) Units of mutual funds	50.69
	(Nil)
(iv) Government Securities	50.69
	(Nil)
(v) Others (please specify)	Nil
	(Nil)

<b>2. Unquoted :</b>	
(i) Shares : (a) Equity	Nil
	(Nil)
(b) Preference	Nil
	(Nil)
(ii) Debentures and Bonds	Nil
	(Nil)
(iii) Units of mutual funds	Nil
	(Nil)
(iv) Government Securities	Nil
	(Nil)
(v) Others (please specify)	Nil
	(Nil)

<b>Long Term investments</b>	
<b>1. Quoted :</b>	
(i) Shares : (a) Equity	1548.88
	(Nil)
(b) Preference	Nil
	(Nil)
(ii) Debentures and Bonds	Nil
	(Nil)
(iii) Units of mutual funds	Nil
	(Nil)
(iv) Government Securities	Nil
	(Nil)
(v) Others (please specify)	Nil
	(Nil)



<b>2. Unquoted :</b>	
(i) Shares : (a) Equity	83.00 (83.00)
(b) Preference	825.12 (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)

**(6) Borrower group-wise classification of assets financed as in (3) and (4) above:**  
(₹ in Lakhs)

Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
(a) Subsidiaries	Nil (Nil)	1 (Nil)	1 (Nil)
(b) Companies in the same group	Nil (Nil)	361.74 (449.51)	361.74 (449.51)
(c) Other Related Parties	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>2. Other than Related Parties</b>	Nil (Nil)	548.36 (1642.01)	548.36 (1642.01)
<b>Total</b>	<b>Nil (Nil)</b>	<b>911.10 (2091.52)</b>	<b>911.10 (2091.52)</b>

**(7) Investor group-wise classification of all investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted):\***  
(₹ in Lakhs)

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
<b>1. Related Parties</b>		
(a) Subsidiaries	Nil (Nil)	83.00 (83.00)
(b) Companies in the same group*	849.40 (13.86)	849.40 (13.86)
(c) Other Related Parties	Nil (Nil)	Nil (Nil)
<b>2. Other than Related Parties</b>	3709.37 (806.07)	3709.37 (806.07)
<b>Total</b>	<b>4558.77 (819.93)</b>	<b>4641.77 (902.93)</b>

**(8) Other Information**

Particulars	(₹ in Lakhs)
(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)

**41. LITIGATION**

The Company is in appeal in respect of various income tax matters. The Contingent liability in respect thereof is disclosed in note no. 30. 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.

**42. LEASE**

Expenses recognised in the statement of profit & loss in respect of short term lease for Rs. 11,72,148/- (PY Rs. 11,70,914/-)

**43. SEGMENT REPORTING**

In the opinion of Management there are no separate reportable segments as per Indian Accounting Standard (Ind AS-108).

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

**45. The Company is required to spent Rs. Nil (Previous year Rs. 6,45,244/-) on Corporate Social Responsibility(CSR) activities during the year. Amount spent during the year Rs. 2,50,000/- (Previous Year Rs. 6,50,000/-).**

**46. Due to the outbreak of COVID-19 globally and in India, the Company's management has made an initial assessment of likely adverse impact on the economic environment in general, business, and financial risks upto the date of financial statements and conclude that there is no material impact on the long-term performance of the Company.**

However, the Company will continue to monitor any material changes to the future economic conditions.

**47. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from 01 April 2020.

**48. Certain investments in securities being physical not available were written off in the earlier years. Some of these investments have been retrieved/ recovered during the year and, therefore the same has been accounted for in the books of accounts accordingly.**

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

**As Per our Report of even date attached**

**FOR G. C. AGARWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
Firm Registration Number : 017851N

**FOR AND ON BEHALF OF THE**  
**BOARD OF DIRECTORS OF**  
**HB STOCKHOLDINGS LIMITED**

Sd/-  
**G C AGARWAL**  
(PROPRIETOR)  
MEMBERSHIP NO. : 083820

Sd/-  
**ANIL GOYAL**  
(DIRECTOR)  
DIN: 00001938

Sd/-  
**LALIT BHASIN**  
(CHAIRMAN)  
DIN: 00002114

**PLACE: NEW DELHI**  
**DATED: 21<sup>ST</sup> JUNE, 2021**

**PLACE: GURUGRAM**  
**DATED: 21<sup>ST</sup> JUNE, 2021**

**PLACE: NEW DELHI**  
**DATED: 21<sup>ST</sup> JUNE, 2021**

Sd/-  
**MAHESH KUMAR GUPTA**  
(CHIEF FINANCIAL OFFICER)

Sd/-  
**RUPESH KUMAR**  
(COMPANY SECRETARY)  
M. NO.: ACS43104

**PLACE: NEW DELHI**  
**DATED: 21<sup>ST</sup> JUNE, 2021**

**PLACE: GURUGRAM**  
**DATED: 21<sup>ST</sup> JUNE, 2021**

## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,  
**The Members**  
**HB Stockholdings Limited**  
**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

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"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021, the consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flows Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2021, its Consolidated Profit including Other Comprehensive Income, their Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended.

**Basis of Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

**Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

**Information other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including Other Comprehensive Income, Consolidated Cash Flows and Consolidated Statement of Changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group 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.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31<sup>st</sup> March, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law 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.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of respective Companies included in the Group, none of the directors of the Group Companies is disqualified as on 31<sup>st</sup> March, 2021 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:
  - i. The Consolidated Financial Statements disclosed the impact of pending litigations on the consolidated financial position of the Group – Refer Note 40 to the Consolidated Financial Statements;
  - ii. The Group 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 Group Company.
- (h) With respect to the matter to be included in the Auditor's Report under Section 197(16):  
The Group has not paid any managerial remuneration for the year ended 31<sup>st</sup> March, 2021 to its directors.

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

Sd/-  
**G. C. AGARWAL**  
(PROPRIETOR)  
(Membership No. 083820)  
UDIN: 21083820AAAABI4606

PLACE : NEW DELHI  
DATED : 21<sup>ST</sup> JUNE, 2021

**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<sup>st</sup> March, 2021, We have audited the internal financial controls over financial reporting of **HB Stockholdings Limited** ("the Holding Company") and its Subsidiary Company, which is a Company 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 Company, 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<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

PLACE : NEW DELHI  
DATED : 21<sup>ST</sup> JUNE, 2021



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Notes	As at 31st March, 2021 (In ₹)	As at 31st March, 2020 (In ₹)
<b>I. ASSETS</b>			
<b>Financial Assets</b>			
a. Cash and cash equivalents	4	13,002,627	4,037,474
b. Bank Balance other than (a) above	5	-	2,424,709
c. Loans	6	50,500,000	146,000,000
d. Investments	7	455,877,009	81,992,556
e. Other Financial Assets	8	47,923,073	70,733,824
<b>Non-Financial Assets</b>			
a. Current tax assets (Net)	9	661,535	1,840,937
b. Property, Plant and Equipment	10	7,803,055	9,602,104
c. Other non -financial assets	11	7,008,513	8,502,805
<b>TOTAL ASSETS</b>		<b>582,775,814</b>	<b>325,134,409</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial Liabilities</b>			
a. Borrowings	12	2,578,318	4,460,599
b. Other financial liabilities	13	37,222,741	6,766,194
<b>Non-Financial Liabilities</b>			
a. Current tax liabilities (Net)	14	814,284	-
b. Provisions	15	10,589,939	11,362,900
c. Other non-financial liabilities	16	46,554	63,308
<b>Equity</b>			
a. Equity Share Capital	17	76,808,293	76,808,293
b. Other Equity	18	454,715,685	225,673,115
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>582,775,814</b>	<b>325,134,409</b>
Significant accounting policies and notes to the Consolidated Financial Statements	1-49		

The accompanying notes form an integral part of the Consolidated Financial Statements.  
As Per our Report of even date attached

FOR G. C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 017851N

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
HB STOCKHOLDINGS LIMITED

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
MEMBERSHIP NO. : 083820

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
LALIT BHASIN  
(CHAIRMAN)  
DIN: 00002114

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
M. NO.: ACS43104

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	Notes	For the Year ended 31st March, 2021 (In ₹)	For the Year ended 31st March, 2020 (In ₹)
<b>INCOME</b>			
<b>Revenue from Operations</b>			
(i) Interest Income	19	8,730,693	18,409,358
(ii) Dividend Income	20	1,553,080	1,230,970
(iii) Net Gain on fair value changes	21	104,844,754	-
(iv) Net Profit in Equity derivative trading/ Share Dealing		16,816,856	-
<b>I Total Revenue from operations</b>		<b>131,945,383</b>	<b>19,640,328</b>
<b>II Other Income</b>	22	<b>571,241</b>	<b>1,868,391</b>
<b>III Total Income (I+II)</b>		<b>132,516,624</b>	<b>21,508,719</b>
<b>EXPENSES</b>			
(i) Finance Costs	23	292,497	427,858
(ii) Employee Benefits Expenses	24	4,457,838	5,542,894
(iii) Depreciation and amortisation expense	10	1,865,946	2,208,961
(iv) Others expenses	25	8,685,336	10,597,078
(v) Net loss on fair value changes	21	-	61,089,489
(vi) Net loss in Equity derivative trading/ Share Dealing		-	15,070,336
<b>IV Total Expenses (IV)</b>		<b>15,301,617</b>	<b>94,936,616</b>
<b>V Profit/ (Loss) Before Tax (III-IV)</b>		<b>117,215,007</b>	<b>(73,427,897)</b>
<b>VI Tax Expense</b>			
(i) Current Tax		-	-
(ii) Tax for earlier years		-	55,694
(iii) Deferred Tax (credit) / charge		(310,005)	-
<b>Total Tax Expense (VI)</b>		<b>(310,006)</b>	<b>55,694</b>
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>117,525,013</b>	<b>(73,483,591)</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Net change in Fair Value of Investments carried at FVTOCI	26	112,393,346	-
- Remeasurement gain/ (losses) on defined benefit plan		297,967	(375,742)
- Income tax effect on above		(1,173,756)	-
<b>Other Comprehensive Income for the year, net of tax</b>		<b>111,517,557</b>	<b>(375,742)</b>
<b>Total Comprehensive Income for the year (VII +VIII)</b>		<b>229,042,570</b>	<b>(73,859,333)</b>
<b>IX Earnings per Equity Share of face value of Rs. 10 each (previous year Rs. 10 each)</b>	27		
Basic (Rs.)		16.47	(10.30)
Diluted (Rs.)		16.47	(10.30)
Significant accounting policies and notes to the Consolidated Financial Statements	1-49		

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

As Per our Report of even date attached

FOR G. C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 017851N

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
HB STOCKHOLDINGS LIMITED

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
MEMBERSHIP NO. : 083820

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

Sd/-  
LALIT BHASIN  
(CHAIRMAN)  
DIN: 00002114

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
M. NO.: ACS43104

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

Particulars	For the year ended 31 March, 2021 (In ₹)	For the year ended 31 March, 2020 (In ₹)
<b>A. CASH FLOW FROM OPERATION ACTIVITIES</b>		
Profit before tax	117,215,007	(73,427,897)
Adjustment for :		
Depreciation	1,865,946	2,208,961
Finance Cost	292,497	427,858
<b>Cash generated from operation before Working Capital Changes</b>	<b>119,373,450</b>	<b>(70,791,078)</b>
<b>Working Capital Changes</b>		
Increase/ (decrease) in loans and advances	95,500,000	12,500,000
Increase/ (decrease) in other financial assets	22,810,751	(3,273,061)
Increase/ (decrease) in other non-financial assets	1,494,292	(1,279,786)
Increase/(decrease) in other financial liabilities	32,881,256	313,649
Increase/(decrease) in Investment/ Financial assets	(218,996,841)	48,578,798
(Increase) /decrease in provisions	(474,994)	(347,997)
(Increase) /decrease in other non financial liabilities	(16,754)	16,570
<b>Cash Flows before OCI and Tax</b>	<b>52,571,161</b>	<b>(14,282,904)</b>
Income Tax paid	(1,129,935)	646,353
<b>NET CASH FLOW FROM/ (USED) OPERATING ACTIVITIES</b>	<b>53,701,095</b>	<b>(14,929,257)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(66,897)	(25,085)
Purchase of Investment	(48,854,966)	-
Sale of Investment	6,360,700	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(42,561,163)</b>	<b>(25,085)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings	(1,882,281)	(1,742,546)
Interest Paid	(292,497)	(427,858)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,174,778)</b>	<b>(2,170,404)</b>
<b>NET INCREASE/ DECREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>8,965,154</b>	<b>(17,124,745)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>4,037,474</b>	<b>21,162,219</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>13,002,628</b>	<b>4,037,474</b>

Note: 1. Consolidated Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statement).  
2. Cash and Cash Equivalents consist of cash in hand balances with banks.

## Change in Liability arising from Financing Activities

(Amount in ₹)

Particulars	Borrowings (Refer Note No. 12)
Balance as on 1st April 2020	4,460,599
Proceeds/ Repayments of borrowing	(1,882,281)
Non cash change (Fair Value)	-
Balance as on 31st March 2021	2,578,318

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

AAs Per our Report of even date attached

FOR G. C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 017851N

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Sd/-  
MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
M. NO.: ACS43104

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

## STANDALONE STATEMENT OF CHANGES IN EQUITY

## a. Equity Share Capital

Particulars	Number of Shares	(Amount in ₹)
<b>As at April 01, 2019</b>	7137665	71,376,650
Changes in Equity share capital during the year	-	-
<b>As at March 31, 2020</b>	7137665	71,376,650
Changes in Equity share capital during the year	-	-
<b>As at March 31, 2021</b>	7137665	71,376,650

## b. Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Statutory Reserve	Securities Premium	Retained Earnings		
<b>Balance as at April 01, 2019</b>	163,961,174	230,763,189	(95,875,317)	683,402	299,532,448
Profit for the year	-	-	(73,483,591)	-	(73,483,591)
Other comprehensive income for the year	-	-	-	(375,742)	(375,742)
Transferred to/(from)	-	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>163,961,174</b>	<b>230,763,189</b>	<b>(169,358,908)</b>	<b>307,660</b>	<b>225,673,115</b>
<b>Balance as at March 31, 2020</b>	163,961,174	230,763,189	(169,358,908)	307,660	225,673,115
<b>Balance as at April 01, 2020</b>	163,961,174	230,763,189	(169,358,908)	307,660	225,673,115
Profit for the year	-	-	117,525,013	-	117,525,013
Other comprehensive income for the year	-	-	-	111,517,557	111,517,557
Transferred to/(from)	23,505,003	-	(23,266,202)	(238,801)	-
<b>Total comprehensive income for the year</b>	<b>140,456,171</b>	<b>230,763,189</b>	<b>(75,100,096)</b>	<b>111,586,416</b>	<b>454,715,685</b>
<b>Balance as at March 31, 2021</b>	140,456,171	230,763,189	(75,100,096)	111,586,416	454,715,685

Significant accounting policies and notes to the Consolidated Financial Statements 1-49

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

As Per our Report of even date attached

FOR G. C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
MEMBERSHIP NO. : 083820

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MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
HB STOCKHOLDINGS LIMITED

Sd/-  
LALIT BHASIN  
(CHAIRMAN)  
DIN: 00002114

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
M. NO.: ACS43104

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2021**
**1. COMPANY INFORMATION / OVERVIEW**

The Company is public limited company incorporated and domiciled in India having its registered office at Gurugram, India. The Company is a Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company registered with Reserve Bank of India. Equity Share of the Company are listed on National Stock Exchange of India Limited and BSE Limited.

**2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**
**(A) Compliance with Ind AS**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. Any directions issued by the RBI or other regulators are implemented as and when they become applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

**(B) Presentation of financial statements**

The Balance Sheet, the statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind AS. The statement of Cash Flows has been presented as per the requirements of Ind AS 7 Statement of Cash Flows.

**(C) Basis of preparation**

The Consolidated Financial Statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair values at the end of each reporting as explained in the accounting policies below.

**(D) Principles of Consolidation**

- (i) The Consolidated Financial Statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The Financial Statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the Financial Statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.
- (ii) The Consolidated Financial Statements include results of the subsidiaries of HB Stockholdings Limited (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Name of the Company	Country of incorporation	Proportion of ownership as at reported date	Consolidated as
Mount Finance Limited	India	100%	Subsidiary

**3. SIGNIFICANT ACCOUNTING POLICIES**
**3.1 Use of estimates and judgement**

The preparation of Consolidated Financial Statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Accounting policies of the group require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and may have a material impact on the Company's financial condition, changes in financial condition or results of operations. Critical accounting estimates could also involve estimates where management could have reasonably used another estimate in the current accounting period. The critical policies that involves critical accounting estimates includes valuation of financial instruments, impairment of financial assets, recognition of interest income/expenses using Effective Interest Rate (EIR) method and deferred tax. Management believes that the estimates used in the preparation of the Company's financial statements are prudent and reasonable.

**A) Effective Interest Rate (EIR) Method**

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

**B) Impairment of loans portfolio**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

**C) Defined employee benefit assets and liabilities**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**D) Fair value measurement**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**E) Other Estimates**

These include contingent liabilities, useful lives of tangible and intangible assets etc.

**3.2 Financial Instruments**
**A) Initial Recognition and measurement**

All financial assets and financial liabilities are recognised when the company become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Statement of profit and loss.

**B) Classification and Subsequent measurement of financial assets**

The Company classifies its financial assets into various measurements categories. The classification depends on the contractual terms of the financial assets' cash flows and the company's business model for managing financial assets.

**a. Amortised Cost**

A financial asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**b. FVOCI- Debt Instruments**

A debt instruments in nature of financial asset is measured at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**c. FVOCI- Equity Instruments**

Equity instruments in nature of financial assets are measured at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

**d. FVTPL**

A financial asset which is not classified in any of the above categories are measured at FVTPL.

### Subsequent Measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of profit and loss.

## C. Financial Liabilities and equity instruments

### Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

### Financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of profit and loss. Any gain or loss on derecognition is also recognised in Statement of profit and loss.

## D. Derecognition

### Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

### Financial Liabilities

A financial liability is derecognised when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognised in Statement of profit and loss.

## E. Off-setting

"Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## F. Impairment

The Company recognises lifetime Expected Credit Losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

## G. Write-offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

## 3.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts if any, as they are considered an integral part of the Company's cash management.

## 3.4 Property, Plant and Equipments (PPE)

Property, Plant and Equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Advances paid towards the acquisition of fixed assets, outstanding at each reporting date are shown under other non-financial assets. The cost of property, plant and equipment not ready for its intended use at each reporting date are disclosed as capital work-in-progress.

Subsequent expenditure related to the asset are added to its carrying amount or recognised as a separate asset only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation on PPE is provided on straight-line basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Particulars	Useful life
Furniture & Fixture	10 years
Office Equipment	5 years
Server and Networking	6 years
Computer	3 years
Building	30 years
Vehicles	8 years

Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognised.

## 3.5 Intangible assets

Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 36 months which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their estimated useful lives.

## 3.6 Impairment of assets other than financial assets

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognised in Statement of profit and loss.



### 3.7 Provisions :

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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.

### 3.8 Revenue recognition

#### A) Recognition of interest income on loans

Interest income is recognised in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest income in the Statement of profit and loss.

The Group calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

Additional interest and interest on trade advances, are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income from bill discounting is recognised over the tenure of the instrument so as to provide a constant periodic rate of return.

#### B) Rental income

Income from operating leases is recognised in the Statement of profit and loss as per contractual rentals unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

#### C) Dividend and interest income on investments :

- Dividends are recognised in Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

-Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### 3.9 Employee Benefits

#### A) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### B) Contribution to provident fund and ESIC

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of Profit and Loss.

#### C) Gratuity

The Group liability towards gratuity scheme is determined by independent actuaries, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. Past services are recognised at the earlier of the plan amendment / curtailment and recognition of related restructuring costs/ termination benefits.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

#### Remeasurement gains/ losses

Remeasurement of defined benefit plans, comprising of actuarial gains / losses, return on plan assets excluding interest income are recognised immediately in

the balance sheet with corresponding debit or credit to Other Comprehensive Income (OCI). Remeasurements are not reclassified to Statement of Profit and Loss in the subsequent period.

Remeasurement gains or losses on long-term compensated absences that are classified as other long-term benefits are recognised in Statement of profit and loss.

#### D) Superannuation Fund

The Group makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of profit and loss. The Company has no obligation to the scheme beyond its contributions.

#### E) Leave encashment / Compensated Absences/ Sick Leave

The Group provides for the encashment / availment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

### 3.10 Finance costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits mobilised, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

### 3.11 Taxation - Current and Deferred Tax

Income tax expense comprises of current tax and deferred tax. It is recognised in Statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### A) Current Tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### B) Deferred Tax

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 3.12 Leases

#### As a lessee

The Company has applied Ind AS 116. For these short term and low value leases, the company recognizes the lease payments as an expense in the Statement of Profit and Loss on a Straight line basis over the term of lease.

### 3.13 Exceptional items

When items of income and expenses within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such items is disclosed separately as Exceptional items.

### 3.14 Earning Per Share

The Group reports basic and diluted earnings per equity share. Basic earnings per equity share have computed by dividing net profit/loss attributable to the Equity Shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders after giving impact of dilutive potential equity shares for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

### 3.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 4. CASH AND CASH EQUIVALENT (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on Hand	549,418	554,744
<b>Balance with Banks</b>		
- In current and deposit account	10,953,209	1,482,730
- Cheques on Hand	1,500,000	2,000,000
<b>Total</b>	<b>13,002,627</b>	<b>4,037,474</b>

## 5. BANK BALANCE OTHER THAN ABOVE (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Earmarked balances with Banks-</b>		
- Unclaimed dividend accounts	-	2,424,709
<b>Total</b>	<b>-</b>	<b>2,424,709</b>

## 6. LOANS (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>A) Loans (at amortised cost) :</b>		
<b>Others:</b>		
Inter Corporate Loans - Standard*	40,500,000	136,000,000
Inter Corporate Loans & Deposits -Doubtful	10,000,000	10,000,000
<b>Total (Gross)</b>	<b>50,500,000</b>	<b>146,000,000</b>
Less: Impairment loss allowance	-	-
<b>Total (Net)</b>	<b>50,500,000</b>	<b>146,000,000</b>
<b>B) i) Secured by Tangible Assets</b>	<b>-</b>	<b>-</b>
ii) Unsecured	50,500,000	146,000,000
<b>Total (Gross)</b>	<b>50,500,000</b>	<b>146,000,000</b>
Less: Impairment loss allowance	-	-
<b>Total (Net)</b>	<b>50,500,000</b>	<b>146,000,000</b>

## 7. INVESTMENTS

Name of the Company	Face Value	As at 31st March, 2021		As at 31st March, 2020	
	(Rs.)	Qty.(Nos.)	Amount in Rs.	Qty.(Nos.)	Amount in Rs.
<b>(A) INVESTMENTS IN EQUITY INSTRUMENTS</b>					
<b>(a) Quoted Instrument fully paid up Equity Shares(At FVTPL)</b>					
AMRIT CORPORATION LIMITED	10	132	91,080	132	80,329
ARVIN LIQUID GASES LIMITED*	10	10000	--	10000	--
BHARAT HOTELS LIMITED	10	300	--	300	--
BHARTI AIRTEL LIMITED	5	1000	517,300	--	--
CENTURY TEXTILES AND INDUSTRIES LIMITED	10	986	458,194	--	--
CMI LIMITED	10	50000	2,095,000	--	--
CRISIL LIMITED	1	200	367,230	--	--
COAL INDIA LIMITED	10	3250	423,800	3250	455,000
DWARIKESH SUGAR INDUSTRIES LTD.	1	72500	2,233,000	72500	1,196,250
DOLPHIN OFFSHORE ENTERPRISES I LIMITED	10	10000	41,800	10000	48,100
DCM SHRIRAM LIMITED	2	45726	22,888,149	50726	10,908,626
EIH LTD.	2	52601	4,876,113	47601	3,132,146
EVEREST INDUSTRIES LIMITED	10	2796	800,774	--	--
FOODS & INNS LIMITED	1	136200	7,409,280	136200	4,692,090
FINOLEX INDUSTRIES LIMITED	10	5000	3,185,000	--	--
GVK POWER & INFRA LTD.	1	60000	141,000	60000	133,200
GRAPHITE INDIA LIMITED	2	2500	1,279,750	--	--
HINDUSTAN ENGINEERING & INDS. LTD.*	10	108	--	108	--
HARYANA PETROCHEMICALS LIMITED*	10	9050	--	9050	--
HARYANA LEATHER CHEMICALS LTD.	10	31347	909,063	31347	620,671
HB ESTATE DEVELOPERS LIMITED	10	125400	1,284,096	125400	711,018
HB PORTFOLIO LIMITED	10	60000	1,143,000	60000	675,000
HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED	1	35000	882,000	35000	315,700

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>C) i) Loans in India</b>		
a) Public Sector	-	-
b) Others	50,500,000	146,000,000
<b>Total (Gross)</b>	<b>50,500,000</b>	<b>146,000,000</b>
Less: Impairment loss allowance	-	-
<b>Total (Net) -C (i)</b>	<b>50,500,000</b>	<b>146,000,000</b>
<b>ii) Loans outside India</b>	-	-
Less: Impairment loss allowance	-	-
<b>Total (Net) -C (ii)</b>	<b>-</b>	<b>-</b>
<b>Total (Net) -C (i + ii)</b>	<b>50,500,000</b>	<b>146,000,000</b>

Note:- Provision for Sub-Standard and doubtful assets has been separately shown in Note No. 15 (Short term Provisions) instead of netting it from the value of asset. This is being done as required by "Non-Banking Financial Company -Non-Systemically Important NonDeposit taking Company (Reserve Bank) Directions, 2016.

## Credit quality of assets

The table below shows the credit quality and the maximum exposure to credit risk based on year end stage classification.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Low credit risk- <b>Stage I</b>	40,500,000	136,000,000
Significant increase in credit risk- <b>Stage II</b>	-	-
Credit impaired- <b>Stage III</b>	10,000,000	10,000,000
	<b>50,500,000</b>	<b>146,000,000</b>

1. The amount presented are net of impairment loss allowance.
2. There are no changes in the impairment loss allowances during the period.



Name of the Company	Face Value	As at 31st March, 2021		As at 31st March, 2020	
	(Rs.)	Qty.(Nos.)	Amount in Rs.	Qty.(Nos.)	Amount in Rs.
HOTLINE GLASS LIMITED*	10	166382	--	166382	--
HUHTAMAKI INDIA LIMITED	2	5000	1,401,500	--	--
ICP SECURITIES LIMITED*	10	1800	--	1800	--
ISPAT PROFILES INDIA LIMITED*	10	10000	--	10000	--
INDIA GLYCOLS LIMITED	10	1000	416,800	--	--
INEOS STYROLUTION INDIA LIMITED	10	3000	2,807,400	--	--
IST LIMITED	10	128032	48,652,160	114682	32,110,960
JK PAPER LTD.	10	7000	1,049,300	14015	1,044,818
JAI CORP LTD.	1	13000	1,097,850	13000	657,150
JAI PRAKASH ASSOCIATES LTD.	2	9208773	63,264,271	6613904	7,076,877
JAYPEE INFRATECH LTD.	10	60000	93,000	60000	38,400
JP POWER VENTURES LTD.	10	2495000	8,183,600	1695000	1,101,750
KIRAN OVERSEAS EXPORTS LIMITED*	10	10000	--	10000	--
LCC INFOTECH LIMITED*	2	56300	--	56300	--
LT FOODS LIMITED	1	5000	291,250	5000	99,750
LUNAR DIAMONDS LIMITED*	10	21000	--	21000	--
MAWANA SUGARS LTD.	10	10000	361,500	10000	226,000
MERCATOR LTD.	1	50000	40,500	50000	26,000
MMTC LIMITED	1	38750	1,643,000	48750	602,063
NAHAR CAPITAL AND FINANCIAL SERVICES LTD.	10	3000	316,950	3000	154,350
NBCC (INDIA) LIMITED	1	22000	640,200	22000	359,700
NUCHEM LIMITED*	10	64755	--	64755	--
ORISSA EXTRUSIONS LIMITED*	10	10728	--	10728	--
OLECTRA GREENTECH LIMITED	10	8000	1,729,600	--	--
OIL INDIA LTD.	10	4500	551,925	4500	372,150
OSWAL AGRO MILLS LTD.	10	30000	307,500	30000	123,900
PATHREJA FORGINGS LIMITED*	10	1000	--	1000	--
PRISM MILLS LIMITED*	10	10000	--	10000	--
PUNJAB WIRELESS LIMITED*	10	100	--	100	--
RAMA VISION LIMITED*	10	--	--	18300	58,560
RELIANCE INDUSTRIES LTD.	10	--	--	350	389,358
SAJJAN UDYOG EXPORTS LIMITED*	10	23600	--	23600	--
SAREGAMA INDIA LIMITED	10	100	159,410	5000	981,250
SAVANI FINANCIALS LIMITED*	10	7000	--	7000	--
SHREYANS INDUSTRIES LIMITED*	10	5600	--	5600	--
SATIN CREDITCARE NETWORKS LTD.	10	10000	857,000	10000	638,000
SRI VASAVI INDUSTRIES LIMITED*	10	10890	--	10890	--
GLOBAL STONE INDIA LIMITED*	10	2000	--	2000	--
SUMMIT SECURITIES LTD.	10	--	--	2856	785,400
THE NEW INDIA ASSURANCE CO LIMITED	10	7000	1,080,450	--	--
TIME TECHNOPLAST LIMITED	1	20000	1,207,000	--	--
UNITECH LTD.	2	1900000	3,154,000	1900000	2,204,000
U P HOTELS LIMITED*	10	45697	8,090,561	45697	8,090,561
UTI ASSET MANAGEMENT CO LIMITED	10	15000	8,739,000	--	--
VEDANTA LTD.	1	4250	971,763	4250	275,188
VENUS REMEDIES LIMITED	10	15000	4,119,000	--	--
VODAPHONE IDEA LIMITED	10	100000	925,000	--	--
WELSPUN ENTERPRISES LIMITED	10	--	--	20000	818,000
YES BANK LTD	2	--	--	35200	790,240
<b>TOTAL (a)</b>		<b>15324353</b>	<b>213,177,121</b>	<b>11778273</b>	<b>81,992,556</b>
<b>(b) Quoted Instrument fully paid up Equity Shares(At FVTOCI)</b>					
GLENMARK PHARMACEUTICALS LIMITED	1	5000	2,322,750	--	--
GREAVES COTTON LIMITED	2	20400	2,607,120	--	--
IOL CHEMICALS ABD PHARMACEUTICALS LIMITED	10	5473	3,013,434	--	--
PUNJAB NATIONAL BANK	2	50000	1,832,500	--	--
RELIANCE INDUSTRIES LIMITED	10	72440	145,111,808	--	--
<b>TOTAL (b)</b>		<b>153313</b>	<b>154,887,612</b>	<b>0</b>	<b>0</b>
<b>(c) Quoted Partly Paid up Equity Shares(At FVTPL)</b>					
RELIANCE INDUSTRIES LIMITED	10	26	28,353	--	--
SATIN CREDITCARE NETWORKS LTD.	10	4500	202,500	172	--
<b>TOTAL (c)</b>		<b>4526</b>	<b>230,853</b>	<b>172</b>	<b>0</b>



Name of the Company	Face Value	As at 31st March, 2021		As at 31st March, 2020	
	(Rs.)	Qty.(Nos.)	Amount in Rs.	Qty.(Nos.)	Amount in Rs.
<b>(d) Unquoted Fully Paid up Equity Shares(At FVTPL)</b>					
KESORAM TEXTILE LIMITED	10	172	--	172	--
<b>TOTAL (d)</b>		<b>172</b>	<b>-</b>	<b>172</b>	<b>-</b>
<b>TOTAL INVESTMENTS IN EQUITY -A (a+b+c+d)</b>		<b>15482364</b>	<b>368,295,586</b>	<b>11778617</b>	<b>81,992,556</b>
<b>(B) INVESTMENTS IN PREFERENCE INSTRUMENTS</b>					
<b>(a) Unquoted 9% Redeemable Preference Shares (Units) (At Cost)</b>					
HB ESTATE DEVELOPERS LTD SERIES 2 TRANCH 2	100	275000	27,504,125		
HB ESTATE DEVELOPERS LTD SERIES 2 TRANCH 3	100	550000	55,008,250	--	--
<b>TOTAL INVESTMENTS IN PREFERENCE -B</b>		<b>825000</b>	<b>82,512,375</b>	<b>0</b>	<b>-</b>
<b>(C) INVESTMENTS IN MUTUAL FUNDS</b>					
<b>(a) Quoted Mutual Funds (Units) (At FVTPL)</b>					
NIPPON INDIA MUTUAL FUND ETF LIQUID BeES	1000	2533	2,533,234		
DSP MUTUAL FUND LIQUID ETF	1000	2536	2,535,814	--	--
<b>TOTAL INVESTMENTS IN MUTUAL FUNDS -C</b>		<b>5069</b>	<b>5,069,048</b>	<b>0</b>	<b>-</b>
<b>TOTAL INVESTMENTS (A+B+C)</b>		<b>16312433</b>	<b>455,877,009</b>	<b>11778617</b>	<b>81,992,556</b>

Particulars	As at 31st March, 2021	As at 31st March, 2020
	Amount in ₹	Amount in ₹
Aggregate cost of quoted investment	318,983,485	242,554,268
Carrying amount/ fair value of quoted investment	373,364,634	81,992,556
Aggregate cost of unquoted investment	82,512,375	-

(\*) Listed but not quoted

1. All above investments are in India itself

#### 8. OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Security Deposits*	34,543,840	34,543,840
Interest accrued on loans / Inter Corporate Deposits	4,705,100	5,739,279
Advance to others	7,000,000	20,000,000
Advance to related parties	1,674,133	10,450,705
<b>Total</b>	<b>47,923,073</b>	<b>70,733,824</b>

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

#### 9. CURRENT TAX ASSETS (NET)

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Tax deducted at source [Net of provision for Income tax Rs. 49,467/- (Previous year Rs. Nil/-)]	661,535	1,840,937
<b>Total</b>	<b>661,535</b>	<b>1,840,937</b>

The components of Income Tax expenses :

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current tax	0	0
Adjustments in respect of current income tax of prior years	-	55,694
Deferred tax relating to origin and reversal of temporary differences	(310,005)	-
<b>Income tax expense reported in statement of profit and loss</b>	<b>(310,005)</b>	<b>55,694</b>
<b>Income tax recognised on other comprehensive income (OCI)</b>		
Deferred tax related to items recognised in OCI during the period:	(1,124,289)	-
- Realised gain on equity instruments at FVTOCI	(49,467)	-
- Income tax on realised gain on sale of equity instruments at FVTOCI		
<b>Income tax charged to OCI</b>	<b>(1,173,756)</b>	<b>-</b>

#### Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2021 and year ended March 31, 2020 is, as follows:

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Accounting Profit Before Tax	117,215,007	-73,427,897
Applicable Statutory Enacted Income Tax Rate	25.17%	29.12%
Computed Tax Expenses	29,500,673	-
- Adjustments due to brought forward losses as per tax laws	(29,492,432)	-
- Non-deductible tax expenses (net)	(8,241)	-
- Adjustments recognised in relation to tax of prior years	-	55,694
- Deferred tax relating to origination and reversal of temporary differences	(310,005)	-
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>(310,005)</b>	<b>55,694</b>

#### 10. PROPERTY, PLANT & EQUIPMENT

(Amount in ₹)

Particulars	Flat	Air Conditioners	Office Equipment	Vehicles	Data Processing Machine	Total
<b>GROSS BLOCK</b>						
As at 31st March, 2020	4,823,385	996,578	2,478,637	17,956,623	564,105	26,819,328
Additions during the year	-	-	24,100	-	42,797	66,897
Deletions during the year	-	-	-	-	-	-
<b>As at 31st March, 2021</b>	<b>4,823,385</b>	<b>996,578</b>	<b>2,502,737</b>	<b>17,956,623</b>	<b>606,902</b>	<b>26,886,225</b>
<b>ACCUMULATED DEPRECIATION</b>						
As at 31st March, 2020	3,617,216	974,961	2,343,204	9,737,799	544,044	17,217,224
Additions during the year	327,119	-	39,933	1,485,164	13,730	1,865,946
Adjustment during the year	-	-	-	-	-	-
<b>As at 31st March, 2021</b>	<b>3,944,335</b>	<b>974,961</b>	<b>2,383,137</b>	<b>11,222,963</b>	<b>557,774</b>	<b>19,083,170</b>
<b>NET BLOCK</b>						
As at 31st March, 2021	879,050	21,617	119,600	6,733,660	49,128	7,803,055
As at 31st March, 2020	1,206,169	21,617	135,433	8,218,824	20,061	9,602,104



## 11. OTHER NON FINANCIAL ASSETS (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Prepaid Expenses	3,209,316	2,438,140
Recoverable from Tax Authorities	3,799,197	6,064,665
<b>Total</b>	<b>7,008,513</b>	<b>8,502,805</b>

## 12. BORROWINGS (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(A) In India</b>		
At amortised cost:		
Term loan from Bank	2,578,318	4,460,599
Outside India	-	-
<b>(B) Out of above</b>		
Secured against Hypothecation of Vehicle financed	2,578,318	4,460,599
Unsecured	-	-
<b>Total</b>	<b>2,578,318</b>	<b>4,460,599</b>

(\*) The Loan taken are at Interest rate of 8.25%

- Maturity Profile of Secured Term Loan from banks are as under:			
Particulars	0-1 Years	1-2 Years	2-3 Years
- Vehicle Loan from HDFC Bank	2,039,760	538,558	Nil

## 13. OTHER FINANCIAL LIABILITIES (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unpaid Dividends*	-	2,424,709
Expenses payable	34,222,741	1,441,485
Advance from customers and others	3,000,000	2,900,000
<b>Total</b>	<b>37,222,741</b>	<b>6,766,194</b>

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

## 14. DEFERRED TAX LIABILITIES (NET) (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Deferred tax liability in relation to:</b>		
Financial Assets carried at fair valued through Other Comprehensive Income	1,124,289	-
<b>(A)</b>	<b>1,124,289</b>	<b>-</b>
Deferred tax assets		
Diffrence between Depreciation as per Books of Account and the Income Tax Act, 1961	310,005	-
<b>(B)</b>	<b>310,005</b>	<b>-</b>
<b>Net Deferred Tax liabilities (A) - (B)</b>	<b>814,284</b>	<b>-</b>

## 15. PROVISIONS (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<u>Provision for Employee Benefits</u>		
Leave Encashment	254,749	559,003
<u>Others</u>		
Contingent provision against Standard Assets	335,190	803,897
Sub Standard & Doubtful Assets	10,000,000	10,000,000
<b>Total</b>	<b>10,589,939</b>	<b>11,362,900</b>

## 16. OTHER NON-FINANCIAL LIABILITIES (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Dues Payable	46,554	63,308
<b>Total</b>	<b>46,554</b>	<b>63,308</b>

## 17. EQUITY SHARE CAPITAL (Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>a. Authorised:</b>		
2,50,00,000 Equity shares of Rs. 10/- each	250,000,000	250,000,000
100,00,000 Redeemable Preference Shares of Rs. 10/- each	100,000,000	100,000,000
<b>Total</b>	<b>350,000,000</b>	<b>350,000,000</b>
<b>b. Issued</b>		
87,88,704 Equity Shares Of Rs. 10/- Each	87,887,040	87,887,040
<b>Total</b>	<b>87,887,040</b>	<b>87,887,040</b>
<b>c. Subscribed and Paid up</b>		
71,37,665 Equity Shares Of Rs. 10/- Each fully paid up	71,376,650	71,376,650
<b>Total</b>	<b>71,376,650</b>	<b>71,376,650</b>
Add: Forfeited shares 16,51,039 (Other than Directors)	5,431,643	5,431,643
<b>Total</b>	<b>76,808,293</b>	<b>76,808,293</b>

## d. Reconciliation of number of equity shares outstanding at the beginning and end of the year :

Particulars	Number of Shares	Amount in ₹
<b>As At April 01, 2019</b>	<b>7,137,665</b>	<b>71,376,650</b>
Issued during the year	-	-
<b>As At March 31, 2020</b>	<b>7,137,665</b>	<b>71,376,650</b>
Issued during the year	-	-
<b>As At March 31, 2021</b>	<b>7,137,665</b>	<b>71,376,650</b>

## e. Terms / Rights attached to the Equity Shares

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. In the event of the Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the FY 2017-18, pursuant to scheme of arrangement between the Company and HB Portfolio Ltd and HB Estate Developers Ltd, the issued and paid up Equity Share Capital of the Company was reduced by reducing the Face Value of the Equity Shares from Rs. 10/- fully paid up to Rs. 3/- each fully paid. As a result, the issued and paid up Equity Share Capital was reduced from Rs. 23,79,22,180 comprising of 2,37,92,218 shares of Rs. 10/- each to Rs. 7,13,76,654 comprising of 2,37,92,218 shares of Rs. 3/- each. Simultaneously, 10 (Ten) Equity Shares of Rs. 3 each fully paid up stood consolidated into 3 (three) fully paid-up share of Rs. 10/- each resulting in 71,37,665 fully paid-up Equity Shares of Rs. 10/- each after ignoring fractional shares.

## f. Shareholders holding more than 5% Equity Shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Mr. Lalit Bhasin	3,678,691	51.54%	3,678,691	51.54%

## 18. OTHER EQUITY

(Amount in ₹)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>a. Securities Premium</b>		
Opening Balance	230,763,189	230,763,189
Closing Balance	230,763,189	230,763,189
<b>b. Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)</b>		
Opening Balance	163,961,174	163,961,174
Addition during the year	23,505,003	-
Closing Balance	187,466,177	163,961,174
<b>c. Other Comprehensive Income</b>		
Opening Balance	307,660	683,402
Add: Remeasurement gain/ (losses) on defined benefit plan	297,967	(375,742)
Add: Fair value changes of Investments at FVTOCI	112,393,346	0
Add: Tax Effects of above	(1,173,756)	0
Less: Reclassification of Realised Gain on sale of investments to retained earning	(238,801)	0
<b>Closing Balance</b>	<b>111,586,416</b>	<b>307,660</b>
<b>d. Retained Earning</b>		
Opening Balance	(169,358,908)	(95,875,317)
Add: Profit for the current year	117,525,013	(73,483,591)
Add: Reclassification of Realised Gain on sale of investments from OCI	238,801	0
Less: Transferred to Statutory Reserves	(23,505,003)	0
Closing Balance	(75,100,096)	(169,358,908)
<b>TOTAL OTHER EQUITY</b>	<b>454,715,685</b>	<b>225,673,115</b>

## Description of the nature and purpose of Other Equity

**Securities Premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**Statutory Reserve**

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.

**Other Comprehensive Income-Remeasurement gain/ (losses) on defined benefit plan****Equity Instruments through Other Comprehensive income**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Remeasurement gain/ (losses) on defined benefit plan**

The Company recognises change on account of remeasurement of the net defined benefit liability/(asset) as part of other comprehensive income.

**Retained Earnings**

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves. Debit balance in retained earnings represents balance of accumulated losses.

## 19. INTEREST INCOME (ON FINANCIAL ASSETS, MEASURES AT AMORTISED COST)

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Loans / Inter Corporate Deposit	8,730,693	18,409,358
<b>Total</b>	<b>8,730,693</b>	<b>18,409,358</b>

## 20. DIVIDEND

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Dividend income from investment	1,553,080	1,230,970
<b>Total</b>	<b>1,553,080</b>	<b>1,230,970</b>

## 21. NET GAIN / (LOSS) ON FAIR VALUE CHANGES

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Net gain/ (loss) on financial instruments measured at fair value through profit or loss</b>		
Realised gain/(loss) on equity instruments at FVTPL	2,006,971	352,331
Unrealised gain/(loss) on equity instruments at FVTPL	102,837,783	-61,441,820
<b>Total</b>	<b>104,844,754</b>	<b>-61,089,489</b>

## 22. OTHER INCOME

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Excess Provision/old balances written back	-	1,771,676
Interest on Income Tax Refund	102,534	56,910
Contingent Provision on Standard Assets written back	468,707	39,805
<b>Total</b>	<b>571,241</b>	<b>1,868,391</b>

## 23. FINANCE COST (ON BORROWINGS, AT AMORTISED COST)

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Loans	292,497	427,858
<b>Total</b>	<b>292,497</b>	<b>427,858</b>

## 24. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salaries and Benefits	3,964,282	4,877,845
Contribution to Provident fund and superannuation fund	317,168	462,375
Gratuity	39,682	14,619
Staff welfare	136,706	188,055
<b>Total</b>	<b>4,457,838</b>	<b>5,542,894</b>

## 25. OTHER EXPENSES

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rent/Facility Charges	1,172,148	1,170,914
Vehicle Running and Maintenance	737,000	1,717,833
Insurance	197,666	233,833
Communication	402,573	155,956
CSR Expenses	245,000	650,000
Travelling and Conveyance	1,418,836	2,131,060
Printing and Stationery	324,546	744,964
Office Repairs and Maintenance	233,206	205,362
Depository and custodial	150,674	67,540
Subscription and Membership	201,838	193,055
Legal and Professional	1,238,697	784,803
Advertisement & Publicity	364,052	366,266
Listing Fees	540,000	540,000
Business Promotion	345,206	686,994
Miscellaneous	357,144	251,668
<b>Auditor's Remuneration</b>		
-Audit Fees	179,750	179,750
-Tax Audit Fees	25,000	25,000
-Limited Review Reports	30,000	40,000
-Certification and others	49,000	54,000
Directors Sitting Fees	473,000	398,080
<b>Total</b>	<b>8,685,336</b>	<b>10,597,078</b>

## 26. NET GAIN ON FAIR VALUE CHANGES THROUGH OCI (Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Net gain/ (loss) on financial instruments measured at fair value through OCI</b>		
Realised gain/(loss) on equity instruments at FVTOCI	288,268	-
Unrealised gain/(loss) on equity instruments at FVTOCI	112,105,078	-
<b>Total</b>	<b>112,393,346</b>	<b>-</b>

## 27. EARNING PER SHARE (EPS) (Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit/(Loss) for the year (Amount in Rs.)	117,525,013	(73,483,591)
Weighted average number of Equity Shares used in computing basic EPS	7,137,665	7,137,665
Weighted average number of Equity Shares used in computing diluted EPS	7,137,665	7,137,665
<b>Basic Earnings per share (Rs.)</b>	<b>16.47</b>	<b>(10.30)</b>
<b>Diluted Earnings per share (Rs.)</b>	<b>16.47</b>	<b>(10.30)</b>
Face value per share (Rs.)	10.00	10.00

## 28. RELATED PARTY DISCLOSURES

As per Ind AS 24 on 'Related Party Disclosures', the related parties of the Company are as follows:

## a) Key Managerial Personnel:

1. Mr. Rupesh Kumar, (Company Secretary w.e.f. 16th June, 2020)
2. Mr. Rachit Tandon (Company Secretary upto 31st January, 2020)
3. Mr. Mahesh Kumar Gupta, Chief Financial Officer
4. Late Mr. Jag Mohan Lal Suri, (Manager - upto 14th December, 2020)

## b) Person having control/significant influence /major shareholders

1. Mr. Lalit Bhasin

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

1. RRB Master Securities Delhi Ltd.

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

1. HB Estate Developers Ltd.
2. HB Securities Ltd.

## e) Transactions during the financial year ended 31.03.2021 with Related Parties as under :

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2021	For the year ended 31.03.2020
i	RRB Master Securities Delhi Ltd.	Advances given (net)	1,674,133	10,450,705
		Purchase of Investment through them	85,610,121	7,773,993
		Sale of Investment through them	55,728,139	6,914,402
		Net Turnover of Derivative Trading/Difference in share trading	16,816,856	15,070,336
		Receivable at the year end in respect of Loans & Advances	1,674,133	10,450,705

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2021	For the year ended 31.03.2020
ii	HB Estate Developers Ltd.	Rent/ Facility Charges Paid (including GST)	1,016,263	1,016,263
		Receivable at the year end in respect of Loans & Advances	34,500,000	34,500,000
iii	HB Securities Ltd.	Depository Charges	37,467	5,356
iv	Mr. Lalit Bhasin	Sitting Fees paid	55,000	35,000
v	Mr. Rachit Tandon	Remuneration & other services	Nil	591,493
vi	Late Mr. Jag Mohan Lal Suri	Remuneration & other services	1,027,689	1,905,500
vii	Mr. Mahesh Kumar Gupta	Remuneration & other services	1,710,199	2,130,400
viii	Mr. Rupesh Kumar	Remuneration & other services	523,033	Nil

## 29. RETIREMENT BENEFIT OBLIGATIONS

Disclosure in respect of Employee Benefits pursuant to Ind AS-19.

## A) Defined Contributions Plans

The company has recognised following expenses in respect of the defined contribution plans:

Particulars	Current Year	Previous Year
	Amount (₹)	Amount (₹)
Company Contribution to Provident Fund	249,668	327,375
Company Contribution to Superannuation Fund	67,500	135,000

## B) Defined Benefit Plans

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of 31st March, 2021 and 31st March, 2020, being the respective measurement dates:

## (i) Movement in defined benefit obligation

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Present value of obligation -at the beginning of the period</b>	<b>1,081,760</b>	812,206	<b>559,003</b>	491,453
Interest cost	75,723	56,854	39,130	34,402
Current service cost	57,833	51,639	19,491	25,347
Benefits paid	-	-	(370,667)	(113,006)
Remeasurements - actuarial (gain)/ loss	(202,443)	161,061	7,792	120,807
<b>Present value of obligation -at the end of the period</b>	<b>1,012,873</b>	1,081,760	<b>254,749</b>	559,003

## (ii) Movement in Plan Assets – Gratuity

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Fair value of plan assets at beginning of year	1,341,056	1,341,056	-	-
Expected return on plan assets	93,874	93,874	-	-
Employer contributions	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gain / (loss)	103,316	(93,874)	-	-
Fair value of plan assets at end of year*	1,538,246	1,341,056	-	-

(\*) 100% of fund is managed by Insurance Company

## (iii) The amount to be recognised in the Balance Sheet

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Present value of obligation-at the end of the period	1,012,873	1,081,760	254,749	559,003
Fair value of plan assets at end of year	1,538,246	1,341,056	-	-
Net liability/(asset) recognized in Balance Sheet	(525,373)	(259,296)	254,749	559,003
Funded Status- Surplus/ (Deficit)	525,373	259,296	(254,749)	(559,003)

## (iv) Expense recognised in the statement of Profit and Loss

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Interest cost	75,723	56,854	39,130	34,402
Current Service cost	57,833	51,639	19,491	25,347
Expected return on plan assets	(93,874)	(93,874)	-	-
Expenses to be recognised in P&L	39,682	14,619	58,621	59,749

## (v) Recognised in Other Comprehensive Income

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(220,039)	(474,974)	(87,621)	(208,428)
Remeasurement - Actuarial (gain)/loss -Obligation	(202,443)	161,061	7,792	120,807
Remeasurement - Actuarial (gain)/loss -Plan assets	(103,316)	93,874	-	-
Total Actuarial (gain)/loss	(305,759)	254,935	7,792	120,807
Cumulative unrecognized actuarial (gain)/loss opening. C/F	(525,798)	(220,039)	(79,829)	(87,621)

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

(Amount in ₹)

Weighted average actuarial assumptions	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Discount Rate	7.00 % per annum	7.00 % per annum	7.00 % per annum	7.00 % per annum
Expected Rate of increase in salary	5.00 % per annum	5.00 % per annum	5.00 % per annum	5.00 % per annum
Mortality rate	IALM 2012-14	IALM 2012-14	IALM 2012-14	IALM 2012-14
Withdrawal Rate- 18 to 30 Years	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
- 30 to 44 Years	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.
- 44 to 70 Years	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.

The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

## (vii) Sensitivity Analysis

For the year ended March 31, 2020

Particulars	Change in assumption	Effect on Gratuity	Effect on leave encashment
Discount Rate	+1%	890,524	223,769
	-1%	1,157,606	291,524
Salary Growth Rate	+1%	1,159,116	291,909
	-1%	887,284	222,948
Attrition Rate	+1%	1,035,885	260,874
	-1%	986,931	247,847

## (viii) Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

(Amount in ₹)

Particulars	Gratuity	Leave encashment
01 Apr 2021 to 31 Mar 2022	33,414	8,754
01 Apr 2022 to 31 Mar 2023	10,441	245,995
01 Apr 2022 to 31 Mar 2024	10,441	-
01 Apr 2022 to 31 Mar 2025	10,492	-
01 Apr 2025 Onwards	948,085	-

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

## CONTINGENT LIABILITIES:

- Income Tax demand disputed Nil/- (Previous year Rs. 25,27,133/-) 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.
- Amount payable in respect of partly paid up shares Rs.92,011/- (Previous Year Rs. Nil)

## 31. QUANTITATIVE DETAILS

Quantitative information in respect of Investments in securities:

## EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount ₹	Qty.(Nos.)	Amount ₹
Opening Balance	11778445	81,992,556	7787297	130,571,354
Purchases/conversions	4755031	74,177,918	4065148	19,425,093
Sales/Conversions/Transfer*	1204425	47,601,928	74000	6,914,402
Closing Balance	15329051	213,407,974	11778445	81,992,556

## MUTUAL FUND UNITS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount ₹	Qty.(Nos.)	Amount ₹
Opening Balance	Nil	Nil	Nil	Nil
Purchases/conversions	16191	20,079,293	Nil	Nil
Sales/Conversions/Transfer*	11122	15,015,571	Nil	Nil
Closing Balance	5069	5,069,048	Nil	Nil



**32. 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, 2021 and 31st March, 2020.

**33. 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**

Particulars	Outstanding Balance as on 31.03.2021	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2020	Max. Balance outstanding during the previous Year
i. Loans & Advances in the nature of loans to Associates.	Nil	Nil	Nil	Nil
ii. Loans & Advances in the nature of loans where there is no repayment schedule, no interest or interest below Section 186 of the Companies Act, 2013	Nil	Nil	Nil	Nil
iii. Loans & Advances in the nature of loans to firms/companies in which directors are interested.	Nil	Nil	Nil	Nil
iv. 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

**34. DISCLOSURE RELATING TO OUTSTANDING DERIVATIVE EXPOSURES IN SECURITIES**

- Cash Margin amounting to Rs. 16,74,133/- (Rs. 1,04,50,705/-) on Equity Derivative instruments contracts has been paid and outstanding as at the end of previous year.
- Detail of Open Interest in Equity Stock Futures Contracts as at the year-end 31st March, 2021

Name of Equity Stock Future	No. of Contracts	Units (In Nos.) Long	Units (In Nos.) (Short)
Bandhan Bank	6	1800	Nil
	Nil	Nil	Nil
BPCL	8	1800	Nil
	Nil	Nil	Nil
Canara Bank	2	5400	Nil
	Nil	Nil	Nil
Glenmark Pharma	6	1150	Nil
	Nil	Nil	Nil
HCL Technologies Ltd	12	700	Nil
	Nil	Nil	Nil
Hind Petro Ltd	7	2700	Nil
	Nil	Nil	Nil
L&T Finance Holding Ltd	1	8924	Nil
	Nil	Nil	Nil
Lupin Laboratories Ltd	3	850	Nil
	Nil	Nil	Nil
Punjab National Bank	1	16000	Nil
	Nil	Nil	Nil
Sun Pharmaceuticals Ltd	8	1400	Nil
	Nil	Nil	Nil
Tata Motors Ltd	8	2850	Nil
	Nil	Nil	Nil
Hero Motors Co Ltd.	Nil	Nil	Nil
	18	200	Nil
ITC Limited	31	3200	Nil
	20	2400	Nil
Bharti Airtel Limited	Nil	Nil	Nil
	5	1851	Nil
GMR Infrastructure Limited	8	22500	Nil
	6	45000	Nil

Name of Equity Stock Future	No. of Contracts	Units (In Nos.) Long	Units (In Nos.) (Short)
L&T Ltd	Nil	Nil	Nil
	6	375	Nil
Reliance Industries Ltd	11	250	Nil
	4	500	Nil

**35. CAPITAL MANAGEMENT**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company has adequate cash and bank balances. The Company monitors its capital by careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any significant amount of debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

**36. FINANCIAL RISK MANAGEMENT****Financial risk factors**

The Company's principal financial liabilities, comprise borrowings and other payables. The main purpose of these financial liabilities is to purchase certain fixed assets and other liabilities incurred during the ordinary course of Company's operations. The Company's principal financial assets include Investments, inter corporate deposits, loans, cash and cash equivalents and other receivables. The Company's activities expose it to a variety of financial risks:

**I. Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments.

The company is exposed to market risk primarily related to the market value of its investments.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of Financial Instruments will fluctuate because of change in market interest rates. The company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

**Currency risk**

Currently Company does not have transaction in foreign currencies and hence the company is not exposed to currency risk.

**Equity Price Risk****(a) Exposure**

The Company is exposed to equity price risk arising from Investments held by the company and classified in the balance sheet as fair value through P&L. To manage its price risk arising from investment in equity securities, the company diversifies its portfolio.

The majority of the company's equity instruments are listed on the Bombay Stock Exchange (BSE) or the National Stock Exchange (NSE) in India.

**(b) Sensitivity analysis- Equity price risk**

The table below summarise the impact of increase/ decrease of the index on the company's equity and the profit for the period. The analysis is based on the assumption that the equity/ index had increased by 2% or decreased by 2% with all other variable held constant, and that all the company's equity instruments moved in line with the Index.

(Amount in ₹)

Particulars	Impact on Profit & Loss for the year ended 31st March 2020	
	31-Mar-21	31-Mar-20
NSE/ BSE Index - Increase by 2 %	4,268,159	1,639,851
NSE/ BSE Index - Decrease by 2 %	(4,268,159)	(1,639,851)

**II. Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its financing activities towards inter corporate loans where no significant impact on credit risk has been identified.

**III. Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities.

(Amount in ₹)				(Amount in ₹)			
As at 31st March, 2021	Within 12 Months	After 12 Months	Total	As at 31st March, 2020	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>				<b>Financial Assets</b>			
Cash and cash equivalents	13,002,627	-	13,002,627	Cash and cash equivalents	4,037,474	-	4,037,474
Bank Balance other than above	-	-	-	Bank Balance other than above	2,424,709	-	2,424,709
Loans	50,500,000	-	50,500,000	Loans	146,000,000	-	146,000,000
Investments	218,477,022	237,399,987	455,877,009	Investments	81,992,556	-	81,992,556
Other Financial Assets	47,923,073	-	47,923,073	Other Financial Assets	70,733,824	-	70,733,824
<b>Total</b>	<b>329,902,722</b>	<b>237,399,987</b>	<b>567,302,709</b>	<b>Total</b>	<b>305,188,563</b>	<b>-</b>	<b>305,188,563</b>
<b>Financial Liabilities</b>				<b>Financial Liabilities</b>			
Borrowings	2,039,760	538,558	2,578,318	Borrowings	1,885,305	2,575,294	4,460,599
Other financial liabilities	37,222,741	-	37,222,741	Other financial liabilities	6,766,194	-	6,766,194
<b>Total</b>	<b>39,262,501</b>	<b>538,558</b>	<b>39,801,059</b>	<b>Total</b>	<b>8,651,499</b>	<b>2,575,294</b>	<b>11,226,793</b>

### 37. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled

(Amount in ₹)						
Particulars	31st March, 2021			31st March, 2020		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>ASSETS</b>						
<b>Financial Assets</b>						
Cash and cash equivalents	13,002,627	-	13,002,627	4,037,474	-	4,037,474
Bank Balance other than above	-	-	-	2,424,709	-	2,424,709
Loans	50,500,000	-	50,500,000	146,000,000	-	146,000,000
Investments	218,477,022	237,399,987	455,877,009	81,992,556	-	81,992,556
Other Financial Assets	47,923,073	-	47,923,073	70,733,824	-	70,733,824
<b>Non-Financial Assets</b>						
Property, Plant and Equipment	7,803,055	-	7,803,055	9,602,104	-	9,602,104
Current tax assets	661,535	-	661,535	1,840,937	-	1,840,937
Other non -financial assets	7,008,513	-	7,008,513	8,502,805	-	8,502,805
<b>TOTAL ASSETS</b>	<b>345,375,826</b>	<b>237,399,987</b>	<b>582,775,813</b>	<b>325,134,410</b>	<b>-</b>	<b>325,134,410</b>
<b>LIABILITIES</b>						
<b>Financial Liabilities</b>						
Borrowings	2,039,760	538,558	2,578,318	1,885,305	2,575,294	4,460,599
Other financial liabilities	37,222,741	-	37,222,741	6,766,194	-	6,766,194
<b>Non Financial Liabilities</b>						
Current tax liabilities (Net)	814,284	-	814,284	-	-	-
Provisions	9,355,731	1,234,208	10,589,939	11,096,406	266,494	11,362,900
Other non-financial liabilities	46,554	-	46,554	63,308	-	63,308
<b>TOTAL LIABILITIES</b>	<b>49,479,070</b>	<b>1,772,766</b>	<b>51,251,836</b>	<b>19,811,213</b>	<b>2,841,788</b>	<b>22,653,001</b>

### 38. FAIR VALUES

The management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

### 39. FAIR VALUE HIERARCHY

The company determines fair values of its financial instruments according to the following hierarchy:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use Inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021:

(Amount in ₹)						(Amount in ₹)			
Particulars	Amortised cost	Fair value through OCI	Fair value through P&L	Total carrying value	Total Fair Value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	13,002,627	-	-	13,002,627	13,002,627	-	-	-	-
Bank Balance other than above	-	-	-	-	-	-	-	-	-
Loans	50,500,000	-	-	50,500,000	50,500,000	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
-Quoted shares	-	154,887,612	218,477,022	373,364,634	373,364,634	373,364,634	-	-	373,364,634
-Unquoted shares	82,512,375	-	-	82,512,375	82,512,375	-	-	-	-
Other Financial Assets	47,923,073	-	-	47,923,073	47,923,073	-	-	-	-
	<b>193,938,075</b>	<b>154,887,612</b>	<b>218,477,022</b>	<b>567,302,709</b>	<b>567,302,709</b>	<b>373,364,634</b>	<b>-</b>	<b>-</b>	<b>373,364,634</b>
<b>Financial Liabilities</b>									
Borrowings	2,578,318	-	-	2,578,318	2,578,318	-	-	-	-
Other financial liabilities	37,222,741	-	-	37,222,741	37,222,741	-	-	-	-
	<b>39,801,059</b>	<b>-</b>	<b>-</b>	<b>39,801,059</b>	<b>39,801,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020:

(Amount in ₹)

Particulars	Amortised cost	Fair value through OCI	Fair value through P&L	Total carrying value	Total Fair Value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	4,037,474	-	-	4,037,474	4,037,474	-	-	-	-
Bank Balance other than above	2,424,709	-	-	2,424,709	2,424,709	-	-	-	-
Loans	146,000,000	-	-	146,000,000	146,000,000	-	-	-	-
Investments									
-Quoted shares	-	-	81,992,556	81,992,556	81,992,556	81,992,556	-	-	81,992,556
-Unquoted shares	-	-	-	-	-	-	-	-	-
Other Financial Assets	70,733,824	-	-	70,733,824	70,733,824	-	-	-	-
	<b>223,196,007</b>	<b>-</b>	<b>81,992,556</b>	<b>305,188,563</b>	<b>305,188,563</b>	<b>81,992,556</b>	<b>-</b>	<b>-</b>	<b>81,992,556</b>
<b>Financial Liabilities</b>									
Borrowings	4,460,599	-	-	4,460,599	4,460,599	-	-	-	-
Other financial liabilities	6,766,194	-	-	6,766,194	6,766,194	-	-	-	-
	<b>11,226,793</b>	<b>-</b>	<b>-</b>	<b>11,226,793</b>	<b>11,226,793</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 40. LITIGATION

The Company is in appeal in respect of various income tax matters. The Contingent liability in respect thereof is disclosed in note no. 30. 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.

#### 41. LEASE

Expenses recognised in the statement of profit & loss in respect of short term lease for Rs. 11,72,148/- (PY Rs. 11,70,914/-)

#### 46. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATIONS OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

Name of the entity in the	Net Assets i.e Total assets minus total Liabilities		Share in Profit/ Loss		Shares in other Comprehensive income	Amount	Shares in total Comprehensive income	Amount
	As % of consolidated net assets	Amount	As % of consolidated Profit/Loss	Amount				
1	2	3	4	5				
<b>Parent</b>								
HB Stockholding Ltd.	100.35 (100.44)	533,382,208 (303,820,532)	100.44 (99.33)	118,044,120 (73367098)	100.00 (100.00)	111,517,557 (375742)	100.23 (99.33)	229,561,677 (73367099)
<b>Subsidiary (Indian)</b>								
Mount Finance Ltd.	(0.35) (0.44)	(1,858,230) (1339124)	-0.44 (0.67)	(519,107) (-492235)	0.00 (0.00)	- (0.00)	-0.23 (0.67)	(519,107) (492235)
Total	100.00 (100.00)	531,523,978 (302,481,408)	100.00 (100.00)	117,525,013 (73859333)	100.00 (100.00)	111,517,557 (375742)	100.00 (100.00)	229,042,570 (73859334)

(\*) Figure in bracket relates to previous year.

#### 47. STANDARDS ISSUED BUT NOT YET EFFECTIVE

There are neither new standards nor amendments to existing standards which are effective for the annual period beginning from 01 April 2020.

48. Certain investments in securities being physical not available were written off in the earlier years. Some of these investments have been retrieved/ recovered during the year and, therefore the same has been accounted for in the books of accounts accordingly.

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

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

As Per our Report of even date attached

FOR G. C. AGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration Number : 017851N

Sd/-  
G C AGARWAL  
(PROPRIETOR)  
MEMBERSHIP NO. : 083820

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

FOR AND ON BEHALF OF THE  
BOARD OF DIRECTORS OF  
HB STOCKHOLDINGS LIMITED

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN: 00001938

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
LALIT BHASIN  
(CHAIRMAN)  
DIN: 00002114

PLACE: NEW DELHI  
DATED: 21<sup>ST</sup> JUNE, 2021

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
M. NO.: ACS43104

PLACE: GURUGRAM  
DATED: 21<sup>ST</sup> JUNE, 2021



## Form AOC-1

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

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

## Part "A": Subsidiaries:

(Amount In ₹)

S. No.	Particulars	
1.	Name of the Subsidiary	Mount Finance Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	N.A.
4.	Share Capital	83,00,060
5.	Reserves and Surplus	(1,01,58,290)
6.	Total Assets	12,56,520
7.	Total Liabilities	12,56,520
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit/(Loss) Before Taxation	(5,19,107)
11.	Provision for taxation/ Deferred Tax	Nil
12.	Profit After Taxation	(5,19,107)
13.	Proposed Dividend	Nil
14.	% of Shareholding (Equity)	100%

## Notes:

- Names of Subsidiaries which are yet to commence operations: N.A.
- Names of Subsidiaries which have been liquidated or sold during the year: N.A.

## Part "B": Associates and Joint Venture: Not Applicable

FOR AND ON BEHALF OF THE BOARD  
HB STOCKHOLDINGS LIMITED

Sd/-  
ANIL GOYAL  
(DIRECTOR)  
DIN:00001938  
PLACE: GURUGRAM  
DATE : 21<sup>ST</sup> JUNE, 2021

Sd/-  
LALIT BHASIN  
(CHAIRMAN)  
DIN: 00002114  
PLACE: NEW DELHI  
DATE : 21<sup>ST</sup> JUNE, 2021

Sd/-  
MAHESH KUMAR GUPTA  
(CHIEF FINANCIAL OFFICER)  
PLACE: NEW DELHI  
DATE : 21<sup>ST</sup> JUNE, 2021

Sd/-  
RUPESH KUMAR  
(COMPANY SECRETARY)  
ACS-43104  
PLACE: GURUGRAM  
DATE : 21<sup>ST</sup> JUNE, 2021



## **HB STOCKHOLDINGS LIMITED**

Plot No. 31, Echelon Institutional Area,  
Sector-32, Gurugram - 122 001, Haryana  
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Email: [corporate@hbstockholdings.com](mailto:corporate@hbstockholdings.com)  
CIN: L65929HR1985PLC033936