



HB STOCKHOLDINGS LTD.

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

14th August , 2019

The Listing Department Bombay Stock Exchange Limited, Pheroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001 Scrip Code: 532216	The Vice President National Stock Exchange of India Limited, Exchange Plaza Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 Symbol: HBSL
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Sub: - Submission of 32nd Annual Report (2018 – 2019)

Dear Sir / Madam,

In due compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of Annual Report 2018-19 (both full and Abridged) along with the Notice of the AGM being dispatched to the Shareholders of the Company in the manner prescribed under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual Report (both full and Abridged) along with the Notice of the AGM has also been uploaded on the Company's website, <http://www.hbstockholdings.com>

You are requested to take the above information on record.

Thanking you,
Yours Faithfully,
For **HB Stockholdings Limited**

Rachit Tandon

RACHIT TANDON
(Company Secretary & Compliance Officer)

Encl: As Above



BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Rachit Tandon

CHIEF FINANCIAL OFFICER (CFO)

Mr. Mahesh Kumar Gupta

MANAGER

Mr. Jag Mohan Lal Suri (Executive Director - Operations)

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 32ND ANNUAL GENERAL MEETING OF HB STOCKHOLDINGS LIMITED WILL BE HELD AS FOLLOWS:

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

Day : Tuesday
Date : 17th September, 2019
Time : 03.00 P.M.
Place : GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram - 122 001 (Haryana)

to transact the following business/(s):

ORDINARY BUSINESS:

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS INCLUDING CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON.

To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019, including the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

2. 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 an 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.”

3. CONTINUATION OF THE APPOINTMENT OF 'G.C. AGARWAL & ASSOCIATES' CHARTERED ACCOUNTANTS (FRN 017851N), STATUTORY AUDITORS OF THE COMPANY.

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

“RESOLVED THAT pursuant to the amended provisions of Section 139(1) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in partial modification of the resolution passed by the Members of the Company at the 30th Annual General Meeting of the Company held on 26th September, 2017, the Company hereby dispenses with the requirement of annual ratification of appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

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.”

SPECIAL BUSINESS:

4. APPOINTMENT OF MR. JAG MOHAN LAL SURI AS MANAGER DESIGNATED AS EXECUTIVE DIRECTOR (OPERATIONS) OF THE COMPANY.

To consider and if thought fit, to pass the following resolution as Special 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. Jag Mohan Lal Suri, be and is hereby appointed as the Manager designated as Executive Director (Operations) being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 15th February, 2019 to 14th February, 2022 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 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.”

5. RE-APPOINTMENT OF MR. HARBANS LAL (DIN: 00076405) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mr. Harbans Lal (DIN: 00076405) who has already attained the age of seventy five years and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company for second term of five (5) consecutive years with effect from 23rd September, 2019 to 22nd September, 2024 and he shall not be liable to retire by rotation.

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.”

6. RE-APPOINTMENT OF MR. GULSHAN RAI (DIN: 00527181) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mr. Gulshan Rai (DIN: 000527181) who has already attained the age of seventy five years and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company for second term of five (5) consecutive years with effect from 23rd September, 2019 to 22nd September, 2024 and he shall not be liable to retire by rotation.

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.”

7. CONTINUATION OF DIRECTORSHIP OF MRS. ASHA MEHRA (DIN: 02658967) NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to Regulation 17(1A) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded for continuation of Directorship of Mrs. Asha Mehra (DIN: 02658967), who has already attained the age of seventy five years, as Non-Executive Independent Director of the Company.

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/
RACHIT TANDON
(Company Secretary)
Membership No: ACS-30169

Place : Gurugram
Date : 30th May, 2019

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON CANNOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.



2. **SHAREHOLDERS OF THE COMPANY HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONVERT THEIR HOLDINGS INTO DEMAT FORM.**
3. **SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO PROVIDE / UPDATE THEIR E-MAIL ID WITH THEIR DEPOSITORY PARTICIPANT (DP) / COMPANY'S REGISTRAR & SHARE TRANSFER AGENT (RTA), RCMC SHARE REGISTRY PRIVATE LIMITED FOR COMMUNICATION PURPOSES.**
4. 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 part of this Notice.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from **11th September, 2019 to 17th September, 2019** (Both days inclusive).
6. 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 declared dividend in the Annual General Meeting held in the year 2013 and since seven years has not been completed, no amounts has been transferred to Investor Education and Protection Fund (IEPF) Authority.

The Company strongly recommends Shareholders to encash / claim their respective dividend within the period given below from the Company's Registrar and Share Transfer Agents:

Financial Year	Last Date for claiming Dividend	Unclaimed Dividend (As on 31.03.2019) (In ₹)
2012-13	25 th September, 2020	24,28,469.00

Mr. Rachit Tandon, 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; <http://www.hbstockholdings.com/Investor%20Information/Listing%20Information/ig.html>

7. **THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) VIDE ITS CIRCULAR NO. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED 20TH APRIL, 2018 HAS DIRECTED ALL LISTED COMPANIES TO ENSURE THAT ANY PAYMENT OF DIVIDEND TO THE SHAREHOLDERS IS MADE THROUGH ELECTRONIC CHANNELS SUCH AS NECS/NEFT/RTGS. THE COMPANIES THROUGH THEIR REGISTRAR AND SHARE TRANSFER AGENTS (RTA) ARE FURTHER DIRECTED TO COLLECT COPY OF PAN AND BANK ACCOUNT DETAILS OF ALL SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM. IN VIEW OF THE SAME.**

(A) Members who hold shares in physical form are requested to:

- (i) Furnish their PAN and Bank Account details to the Company or Company's Registrar and Share Transfer Agent namely, RCMC Share Registry Pvt. Ltd. along with self-attested copy of PAN Card and cancelled "Name printed Cheque" in original or copy of Bank Passbook / Bank Statement duly attested by the Bank.
- (ii) Convert their holding into Demat Form.
- (iii) Provide / update their E-mail ID for communication purpose.

(B) Members who hold shares in demat form are requested to:

- (i) Update their Bank Account details with the Depository Participant (DP) to avoid any kind of rejection by the banker; and
- (ii) Provide / update their E-mail ID with the Depository Participant (DP) for communication purpose.

We wish to highlight the following benefits of receiving payments through the Electronic mode rather than receiving drafts / warrants in physical mode.

- ✓ Ensures timely credit of funds to the specified accounts.
- ✓ Ensures credits are done seamlessly without manual intervention.
- ✓ Eliminates postal/mailling delays.
- ✓ Saves your effort of safekeeping and depositing of physical drafts / warrants at a bank.
- ✓ Helps track receipt of payments from the bank statements.

In compliance with the requirement of the said Circular, members holding securities in physical form were separately communicated by the Company's Registrar and Share Transfer Agent vide three letters at their registered address. 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 with effect from 01st April, 2019, 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.

8. Members/Proxies are requested to bring Attendance Slips duly filled and signed in for attending the meeting.
9. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
10. Shareholders seeking any information with regard to Financial Statements are requested to write to the Company at least seven (7) days before the date of meeting so as to enable the management to keep the information ready.
11. Route map showing directions to reach the venue of the AGM is given at the end of this Annual Report as per the requirement of the Secretarial Standards-2 on "General Meeting".
12. Members are requested to:

- (a) Notify any change in their address to the Company including PIN CODE to the Registrar and Share Transfer Agent of the Company namely:

RCMC Share Registry Pvt. Ltd.
B-25/1, First Floor,
Okhla Industrial Area, Phase-II,
New Delhi – 110 020
Phone: 011 – 26387320, 26387321
Fax : 011 – 26387322
E-mail: investors.services@rcmcdelhi.com

- (b) Bring their copies of Annual Report with them to the meeting as the same will not be supplied again at the Meeting as a measure of economy.

13. The Company is implementing the "Green Initiative" to enable electronic delivery of Notices / Documents and Annual Reports to the Shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL / CDSL will be deemed to be your registered email address for serving Notices / Documents including those covered under Section 136 of the Companies Act, 2013.

Electronic copies of the Annual Report, Notice along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose email addresses are registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same.

In other cases, hard copy of the Abridged Annual Report i.e. Statement containing salient features of Balance Sheet and Profit & Loss Account including Notice, Attendance Slip and Proxy Form is being sent to the Members by the permitted mode. The members who are desirous of receiving the Full Annual Report may write to the Company's RTA for a copy of the same.

Members may note that Notice of the Annual General Meeting, Abridged Annual Report, Full Annual Report, Attendance Slip and Proxy Form are also available on the website of the Company, <http://www.hbstockholdings.com>

14. Voting through electronic means:

- (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their votes by electronic means on all the resolutions proposed to be considered in this Annual General Meeting from a remote location ("Remote e-voting").
- (ii) The Company has engaged the services of Karvy Fintech Pvt. Ltd. ("Karvy") to provide the facility of Remote e-voting.
- (iii) The facility for voting through Physical Ballot Papers shall be made available at the meeting and members attending the meeting, who have not already cast their vote by Remote e-voting shall be able to exercise their right to vote at the meeting through Ballot Papers.
- (iv) The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 10th September, 2019**, may cast their vote by remote e-voting / at the meeting.



- (v) Any person who acquires Shares of the Company and becomes member of the Company after dispatch of the Notice and holding Shares as on the **cut-off date i.e. 10th September, 2019** may obtain the login Id and password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote.
- (vi) **The Remote e-voting period commences on 14th September, 2019 (09.00 A.M) and ends on 16th September, 2019 (05.00 P.M).** The Remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (vii) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The Members who have cast their vote by Remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (viii) **Ms. Jyoti Sharma, Company Secretary in Whole-time Practice (Membership No.: 8843, C.P. No.: 10196) failing her Ms. Purni 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 & polling process in a fair and transparent manner.**
- (ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.
- (x) The Company shall submit to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange (NSE), within forty eight hours of the conclusion of the meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, www.hbstockholdings.com and on Karvy's website, <https://evoting.karvy.com> immediately after the declaration of results.
- (xi) In case of any queries pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website, <https://evoting.karvy.com> or call their Toll Free No. 1800-345-4001 for any further clarification.
- (xii) The instructions for availing the Remote e-voting facility indicating the process and manner of e-voting are given as hereunder.
- **In case a Member receives notice through e-mail from Karvy [for Members whose email IDs are registered with the Company / Depository Participants]:**
- Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - Enter the login credentials (i.e. User ID and Initial Password provided by Karvy in e-mail). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - After entering these details appropriately, click on "LOGIN".
 - You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - You need to login again with the new credentials.
 - On successful login, the system will prompt you to select the E-Voting Event Number for HB Stockholdings Limited.
 - On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- (h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the **Scrutinizer at e-mail ID: legal2015js@gmail.com** with a copy to **Karvy at e-mail ID: evoting@karvy.com**. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
- **In case a Member receives Notice in physical form [for Members whose email IDs are not registered with the Company / Depository Participants]:**
- User ID and Initial Password as given in the e-voting notice sent along with the Annual Report.
 - Please follow all steps given hereinabove, to cast your vote.
15. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
16. 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 Companies Act, 2013 shall be available for inspection by the members at the Annual General Meeting.
17. 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] are as under:



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

Name of the Director	(1) MR. LALIT BHASIN	(2) MR. HARBANS LAL
Directors Identification Number (DIN)	00002114	00076405
Date of Birth	14 th August, 1968	28 th February, 1942
Date of First Appointment on the Board	16 th August, 1989	28 th January, 2006
Profile / Expertise in Specific functional Areas.	Mr. Lalit Bhasin, Director (Chairman) is a commerce graduate from Shri Ram College of Commerce, Delhi University. He brings with him nearly three decades of expertise in the field of management, hospitality, investments and capital market.	Mr. Harbans Lal is a seasoned banking professional with more than 37 years of extensive experience in the field of corporate lending and industrial rehabilitation. He retired from the State Bank of India (SBI) as Chief General Manager (Delhi Circle). He had also held position of nominee director on the Board of Delhi Stock Exchange, Petronet LNG Ltd. and Gujarat Biotech Ltd. Presently, he is serving on the Arbitration Panel of Multi Commodity Exchange of India Ltd. (MCX), NCDEX and Indian Council of Arbitration.
Qualifications	B.Com	M.A (Public Administration) & C.A.I.I.B. (Associate of Institute of Bankers)
List of Directorship in other Companies	Listed Companies: 1. HB Portfolio Ltd. 2. HB Estate Developers Ltd. 3. HB Leasing & Finance Co. Ltd. 4. CHL Ltd. Other Companies: 5. Taurus Asset Management Co. Ltd. 6. RRB Master Securities Delhi Ltd. 7. RRB House Finance Pvt. Ltd. 8. Pal Properties (India) Pvt. Ltd. 9. HB Financial Consultants Pvt. Ltd. 10. ALMR Gems & Trading Pvt. Ltd.	Listed Companies: None Other Companies: 1. Taurus Asset Management Co. Ltd.
Membership of Committee of the Board in other Companies.	Audit Committee 1. HB Leasing & Finance Co. Ltd. (Member) 2. CHL Ltd. (Member) Stakeholders Relationship Committee 3. HB Leasing & Finance Co. Ltd. (Chairman) 4. CHL Limited (Member) Nomination and Remuneration Committee 5. HB Leasing & Finance Co. Ltd. (Member) 6. CHL Ltd. (Member) CSR Committee 7. Taurus Asset Management Co. Ltd. (Chairman)	Audit Committee 1. Taurus Asset Management Co. Ltd. (Chairman)
No. of Equity Shares held	3678691	Nil
No. of Board Meetings attended/ entitled to attend during the year	4/4	4/4
Whether related to any Board Members, Manager or KMP of the Company	No	No

Name of the Director	(3) MR. GULSHAN RAI	(4) MRS. ASHA MEHRA
Directors Identification Number (DIN)	00527181	02658967
Date of Birth	01st April, 1934	08th August, 1940
Date of First Appointment on the Board	30th October, 2004	30th March, 2015
Profile / Expertise in Specific functional Areas.	Mr. Gulshan Rai is a Chartered Accountant having over 55 years' of rich experience in the field of Financial Management, Tax Planning, Management Control Systems, Corporate Planning & Business Restructuring. He has expertise in International business operations of Indian Companies abroad and vice-versa in planning restructuring and setting up of branches / 100% owned subsidiaries of foreign entities in India and of Indian companies, overseas.	She has held various prestigious positions with Government of India like Assistant/ Deputy Commissioner of Income Tax, Deputy Director, Income Tax, Commissioner of Income Tax, New Delhi, Chief Commissioner of Income Tax, Rajasthan, Member, Central Board of Direct Taxes (CBDT) etc. She has also worked as Member and Chairperson of Income Tax Settlement Commission, Principal Bench, New Delhi.
Qualifications	B.Com (Hons), FCA	Post Graduate, & Post Graduate Diploma in Tax Management, 1972
List of Directorship in other Companies	None	Listed Companies: 1. HB Estate Developers Ltd.
Membership of Committee of the Board in other Companies.	None	Audit Committee 1. HB Estate Developers Ltd (Chairperson) Nomination and Remuneration Committee 2. HB Estate Developers Ltd (Chairperson) CSR Committee 3. HB Estate Developers Ltd (Chairperson).
No. of Equity Shares held	Nil	Nil
No. of Board Meetings attended/ entitled to attend during the year	4/4	4/4
Whether related to any Board Members, Manager or KMP of the Company	No	No

BY ORDER OF THE BOARD
FOR HB STOCKHOLDINGS LIMITED

Sd/-
RACHIT TANDON
(Company Secretary)
Membership No: ACS-30169

Place: Gurugram
Date: 30th May, 2019



EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”)

ITEM NO. 4

Mr. Jag Mohan Lal Suri, aged 81 years has done Mechanical Engineering (B.E.). He has more than three decades of rich experience in corporate, operational and managerial field. He has been associated with the Company as Whole-time Director since 1999. He was appointed as Executive Director (Operations) upon his cessation as Whole-time Director in the year 2015.

Pursuant to the provisions of Sec 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.

Considering his knowledge, background, extensive experience and contributions made by him during his tenure and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 09th February, 2019, appointed Mr. Jag Mohan Lal Suri as Manager designated as Executive Director (Operations) being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 15th February, 2019 to 14th February, 2022 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:

- a) Basic Salary: Rs. 9,00,000/- (Rupees Nine Lakhs Only) per annum.
- b) Housing: The expenditure by the company on hiring accommodation for the Manager will be subject to the ceiling of 60% of the basic salary (i.e. 5,40,000/- per annum).
- c) Reimbursement of Medical Expenses: Reimbursement of medical expenses (incurred for self and family) subject to a ceiling of Rs. 75,000/- (Rupees Seventy Five Thousand only) per annum.
- d) Leave Travel Concession: Expenses incurred for self and family subject to a ceiling of Rs. 75,000/- per annum.
- e) Provident Fund and Superannuation Fund: Company's contribution towards Provident Fund, subject to a ceiling, as prescribed under the provisions of law applicable in this regard.
- f) Car and Telephone: The Company shall provide car for company's business and telephone at the residence/mobile phones.
- g) Personal Accident Insurance: Premium subject to a maximum of Rs. 10,000/- per annum.
- h) Leave: Earned / Privilege leave, not exceeding one month for every eleven months of service, on full salary and allowance.
- i) Accumulated Leave Encashment: In accordance with the policy of the Company, leaves accumulated and not availed of, in excess of 90 days as at the end of every financial year shall be encashed yearly on the basis of basic salary drawn as at the end of the said financial year and the balance un-encashed accumulated leaves may be encashed at the time of ceasing to be Manager of the Company.
- j) Apart from the aforesaid salary, perquisite, allowances and benefits, the Manager will be entitled to reimbursement of expenses incurred in connection with business of the company.
- k) The appointment may be terminated by three months' notice on either side or in lieu thereof three months full salary, allowances, perquisites and benefits.

The above Remuneration shall be payable as minimum remuneration to the Manager 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. Jag Mohan Lal Suri 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..

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

I. GENERAL INFORMATION

(1)	Nature of Industry	Investment in Securities
(2)	Date or expected date of Commencement of Production	Existing Company. The Company is not engaged in any manufacturing activities and is only engaged in making proprietary investment and financing.
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.	N.A.

(4)	Financial Performance based on given indicators – (Amount In ₹)		
	Particulars	FY 2018-19	FY 2017-18
	Total Sales and Other Income	(3,61,42,232)	2,02,94,767
	Profit Before Depreciation, Interest and Taxes	5,81,64,028	28,00,386
	Provision for Depreciation	19,52,831	15,46,820
	Interest	5,59,808	4,41,544
	Provision for Taxation	21,53,039	41,98,919
	Net Profits/(Loss)	(57804428)	(5010941)
(5)	Foreign Investments or collaborators, if any.	Nil	

II. INFORMATION ABOUT THE APPOINTEE

(1)	Background details	Mr. Jag Mohan Lal Suri, aged 81 years has done Mechanical Engineering (B.E.). He has more than three decades of rich experience in corporate, operational and managerial field.
(2)	Past remuneration	₹ 16,00,000/-
(3)	Recognition or awards	None
(4)	Job profile and his suitability	Being the Key Managerial Personnel (KMP), the job profile essentially requires a person who is innovative, self- motivated and result oriented. Mr. Jag Mohan Lal Suri with his long term commitment and association with the Company and his vast experience is most suitable for this job.
(5)	Remuneration proposed	Remuneration as detailed in the explanatory statement set forth hereinabove.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. Having regard to the type of industry, trends in the industry, the responsibilities, academic background and capabilities, the Company believes that the remuneration proposed is appropriate.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He does not have any other pecuniary relationship with the Company nor is he related to or has pecuniary relationship with any of the Managerial Personnel of the Company.



III. OTHER INFORMATION

(1)	Reasons of loss or inadequate profits	The Disinvestment/Investment activity of the Company was curtailed due to extreme volatile market conditions.
(2)	Steps taken or proposed to be taken for improvement	<p>The process of improving the profitability is an ongoing process which shall be adhered to by taking the following steps:-</p> <ul style="list-style-type: none"> • Professionalise the management of operations. • Additional recruitment of staff in areas of investment management, research, operations and new business development. • Review current HR & compensation policies and bring them in line with market practice. • Review and modify current accounting and investment management systems, processes and controls as well as the IT systems supporting them. • Reduce concentration risk of the investment portfolio, exit from all non-remunerative investments except where there is a strategic intent and also appoint professional outside money managers for a part of the portfolio to inject competition and external benchmarking.
(3)	Expected increase in productivity and profits in measurable terms.	Increased return on the Investment Portfolio leading to enhanced Stakeholder value.

Mr. Jag Mohan Lal Suri had been actively involved in the area of corporate administration, management and operational functions of the Company. The Board recommends to the Shareholders that the appointment of Mr. Jag Mohan Lal Suri as Manager designated as Executive Director (Operations) 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 Special Resolution at Item No. 4 of the Notice for the approval of the Members.

Except Mr. Jag Mohan Lal Suri and / or their 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).

ITEM NO. 5 & 6:

Mr. Harbans Lal (DIN: 00076405) and Mr. Gulshan Rai (DIN: 00527181) were appointed as Non-Executive Independent Directors of the Company for a term of five (5) consecutive years by the Shareholders in their Annual General Meeting held in the year 2014 pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and rules made thereunder ("the Act") read with Schedule IV to the Act and Clause 49 of the erstwhile Listing Agreement entered into with the Stock Exchange.

In terms of the said provisions, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director. Pursuant to Regulation 17(1A) of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015, as amended, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a Special resolution is passed to that effect.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting(s) held on 09th February, 2019 and 30th May, 2019 considered and recommended the re-appointment of Mr. Harbans Lal (DIN: 00076405) aged 77 years and Mr. Gulshan Rai (DIN: 00527181) aged 85 years as Non-Executive Independent Directors of the Company for second term of five consecutive years pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and are not

debarred from holding the office of director by virtue of any SEBI Order or any other such authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing their candidature for the office of Director.

In the opinion of the Board, Mr. Harbans Lal and Mr. Gulshan Rai fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management. They are not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copy of Draft letter for their re-appointment as Non-Executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Harbans Lal and Mr. Gulshan Rai are given in Notes forming part of the Notice.

The Board recommends to the Shareholders that the association of Mr. Harbans Lal and Mr. Gulshan Rai would be beneficial to the Company based on their performance evaluation, knowledge, background, extensive experience and contributions made by them during their tenure, it is desirable to re-appoint them as Non-Executive Independent Directors of the Company for second term of five consecutive years. The Board recommends the Special Resolution(s) at Item No. 5 & 6 of the Notice for the approval of the Members.

Except Mr. Harbans Lal and Mr. Gulshan Rai and / or their 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).

ITEM NO. 7:

Mrs. Asha Mehra (DIN: 02658967), aged 79 years, was appointed as Non-Executive Independent Directors of the Company for a term of five (5) consecutive years by the Shareholders in their Annual General Meeting held on 09th September, 2015 and she shall hold office upto 08th September, 2020. Mrs. Asha Mehra is highly experienced in Taxation field and has successfully contributed towards the growth of the Company.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 09th February, 2019 considered and recommended for the continuation of directorship of Mrs. Asha Mehra as Non-Executive Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mrs. Asha Mehra are given in Notes forming part of the Notice.

In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

The Board recommends to the Shareholders that the association of Mrs. Asha Mehra would be beneficial to the Company considering her knowledge, background, extensive experience and contributions made by her during her tenure and it is desirable to continue her Directorship as Non-Executive Independent Director of the Company. The Board recommends the Special Resolution at Item No. 7 of the Notice for the approval of the Members.

Except Mrs. Mrs. Asha Mehra and / or her 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.

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

**Sd/-
RACHIT TANDON
(Company Secretary)
Membership No: ACS-30169**

**Place: Gurugram
Date: 30th May, 2019**



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 32nd Annual Report together with the Audited Financial Statement for the Financial Year ended 31st March, 2019.

FINANCIAL RESULTS

The summarized financial results of the Company during the year under review are as under:-
(Amount In ₹)

PARTICULARS	Standalone		Consolidated	
	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
Total Revenue	(3,61,42,232)	2,02,94,767	(3,61,29,732)	2,02,94,767
Expenditure	1,69,96,518	1,91,18,425	1,72,42,997	1,92,82,579
Finance Cost	5,59,808	4,41,544	5,59,808	4,41,544
Depreciation	19,52,831	15,46,820	22,79,871	18,73,860
Profit/(Loss) for the year before Tax	(5,56,51,389)	(8,12,022)	(5,62,12,408)	(13,03,216)
Tax Expense	21,53,039	41,98,919	21,53,039	41,98,919
Profit/(Loss) for the year after Tax	(5,78,04,428)	(50,10,941)	(5,83,65,447)	(55,02,135)
Appropriations				
Statutory Reserve Fund	0.00	0.00	0.00	0.00
Add: Adjustment (From 01/04/2015 to 31/03/2017) *	0.00	1,60,55,626	0.00	1,60,55,626
General Reserve	0.00	0.00	0.00	0.00
Balance Brought Forward	(2,55,82,318)	4,36,51,127	(3,41,68,248)	7,37,17,808
Add: Adjustment (From 01/04/2015 to 31/03/2017) *	0.00	(8,02,78,130)	0.00	(11,84,39,547)
Accumulated Profits/(Loss)	(8,33,86,746)	(2,55,82,318)	(9,25,33,695)	(3,41,68,248)

(*) Pursuant to the Scheme of Arrangement.

DIVIDEND

In view of the brought forward losses and current year loss, the Board of Directors regrets their inability to recommend any Dividend for the Financial Year 2018-2019.

TRANSFER TO GENERAL RESERVE

The Board of Directors of your Company has decided not to transfer any amount to the General Reserve for the year under review.

PERFORMANCE REVIEW & OUTLOOK

The Company posted Total Revenue of ₹ (3,61,42,232) and Net Loss after tax of ₹ (5,78,04,428) for the Financial Year ended 31st March, 2019. The financial figures for the current year are not comparable with previous year due to accounting effect given in the Financial Statements for the Financial Year ended 31st March, 2018 from the Appointed Date(s) i.e. 01st April, 2015 & 03rd April, 2015 pursuant to the sanction of the Scheme of Arrangement ('the Scheme') between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956.

There is a very huge market to be served, which needs an efficient last mile delivery of credit, thus creating enormous opportunity for all the financial institutions and NBFCs in special. The company continues to pursue the strategy of searching diversified investment opportunity, thus giving the distinct edge from the risk management and scalability perspective. The focus across the product is of catering to the lower and the middle income segment, which is the key driver of our economy.

The Indian economy in FY 2018-19 started with a healthy 8.2% growth in the first quarter on the back of domestic resilience. Growth eased to 7.3% in the subsequent quarter due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee depreciated because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

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

SCHEME OF ARRANGEMENT

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

The Scheme came into effect on 30th January, 2018 from the Appointed Date(s) i.e. 01st April, 2015 & 03rd April, 2015 in a manner more particularly defined in the Scheme.

The Copy of Scheme of Arrangement along with all other documents are available on the Company's website at following weblink

<http://www.hbstockholdings.com/Investor%20Information/schemes/scheme%20of%20arrangement.pdf>

STATUTORY STATEMENTS

(i) Share Capital

The Paid up Equity Share Capital as on 31st March, 2019 stood at ₹ 7,13,76,650/- comprising of 7137665 Equity Shares of ₹ 10/- each. During the year under review, the Company has neither issued any Shares with differential voting rights nor granted stock options nor sweat equity.

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 Board Meetings were convened and held. The details of such meeting(s) are given in the Corporate Governance Report. The maximum interval between any two meeting(s) did not exceed 120 days, as prescribed in the Companies Act, 2013.

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) Change in the Nature of Business

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

(viii) 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.

(ix) 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.

(x) 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 31st March, 2019:

Name of the Company	As on 31.03.2019	
	No. of Shares	% of holding
1. Mount Finance Limited	830006	100.00%

Note(s):

A separate statement containing the salient features of the Financial Statement of the Company's Subsidiaries 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 Companies will be made available upon request by any Member of the Company interested in obtaining the same. The Financial Statements of the Subsidiary Companies 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 weblink, <http://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>

(ii) Joint Ventures

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

(iii) Associate Companies

In terms of Sec 2(6) of the Companies Act, 2013, 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 Auditor's confirming compliance(s) forms an integral part of this report.



WHISTLE BLOWER POLICY – VIGIL MECHANISM

In terms of the provisions of Sec 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors is available on the website of the Company having following weblink,

<http://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 Sec 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,

<http://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. 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 11th February, 2016 has adopted a Policy for Preservation of Documents & Archival thereof, classifying them in two categories as follows:

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

The said Policy is available on the website of the Company having following web link,

<http://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 HARRASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace. The Board of Directors in their meeting held on 17th May, 2014 constituted the Internal Complaint Committee and thereafter re-constituted on 30th May, 2019. 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:

- (i) Mrs. Banmala Jha, Presiding Officer (Sr. V.P Legal – HB Estate Developers Ltd.)
- (ii) Mrs. Renu Gupta, Member
- (iii) Mr. Mahesh Gupta, Member (Chief Financial Officer)
- (iv) Mr. Rachit Tandon, Member (Company Secretary)

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 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

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,

<http://www.hbstockholdings.com/Investor%20Information/CSR/index.html>

No changes have been made to the CSR Policy of the Company during the year under review.

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 a part of the CSR initiatives, your Company has undertaken CSR activity and contributes towards Prime Minister National Relief Fund in accordance with Schedule VII of the Companies Act, 2013 during the financial year 2018-2019. The report on CSR activities is attached as "ANNEXURE – I" forming part of this report.

AUDITORS

(i) Statutory Auditors

The Shareholders in the 30th Annual General Meeting held on 26th 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 30th Annual General Meeting to the conclusion of 35th Annual General Meeting to be held in the year 2022.

As per the amended provisions of Sec 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. Accordingly, the resolution is proposed for the approval of members at the ensuing Annual General Meeting to dispense with the requirement of annual ratification of appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

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 – II".

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

- 1) *The Company did not have Managing Director, or Chief Executive Officer or Manager and in their absence a whole time director since 1.12.2016. Executive Director (Operations) of the Company has been appointed as Manager of the Company on 15.02.2019 for a period of three years, in compliance with Section 203 of the Act.*

Director's Comment: No comments required as the Auditors observation is self explanatory in itself.



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 (Chairman) 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.

Mr. Jag Mohan Lal Suri, has been appointed as the Manager designated as Executive Director (Operations) being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 15th February, 2019 to 14th February, 2022 in terms of provisions of Section 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.

Mr. Harbans Lal (DIN: 00076405) aged 77 years and Mr. Gulshan Rai (DIN: 000527181) aged 85 years are proposed to be re-appointed as Non-Executive Independent Directors for second term of five consecutive years. The Company has received a declaration to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and are not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. In the opinion of the Board, Mr. Harbans Lal and Mr. Gulshan Rai fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends to the Shareholders that the association of Mr. Harbans Lal and Mr. Gulshan Rai would be beneficial to the Company based on their performance evaluation, considering their knowledge, background, extensive experience and contributions made by them during their tenure and it is desirable to re-appoint them as Non-Executive Independent Directors of the Company for second term of five consecutive years.

It is proposed to continue the Directorship of Mrs. Asha Mehra (DIN: 02658967), Non-Executive Independent Director of the Company in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. She is 79 years old and associated with the Company since 2015. She is highly experienced in Corporate Taxation and has successfully contributed towards the growth of the Company. The Company has received a declaration to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. On the recommendation of the Nomination and Remuneration Committee, the Board recommends to the Shareholders that the association of Mrs. Asha Mehra would be beneficial to the Company considering her knowledge, background, extensive experience and contributions made by her during her tenure and it is desirable to continue her Directorship as Non-Executive Independent Director of the Company.

Mr. Anil Kumar Mittal has resigned from the position of the Company Secretary with effect from 15th February, 2019.

Mr. Rachit Tandon (M. No. A-30169) has been appointed as the Company Secretary and Compliance Officer being the Key Managerial Personnel of the Company w.e.f. 15th February, 2019 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.

Following changes have been made in the Nomination and Remuneration Policy of the Company as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

- 1) The Nomination and Remuneration Committee to recommend to the Board, all remuneration, in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management.
- 2) **“Senior Management”** means officers / personnel of the Company who are members of the core management team excluding Board of Directors comprising all members of management one level below the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- 3) The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- 4) The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-
 - (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the company, whichever is higher; or
 - (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the company:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.
- 5) The approval of shareholders by special resolution shall be obtained every year, in which 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, giving details of the remuneration thereof.

The complete Nomination and Remuneration Policy of the Company is available on the website of the Company having following weblink, <http://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 provisions of Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable, as there are no such employee who were drawing / in receipt of remuneration of prescribed amount during the period under review.



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

- (i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year; and
- (ii) 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	N.A.	Nil
7.	Mr. Anil Kumar Mittal*	Company Secretary	N.A.	Nil
8.	Mr. Rachit Tandon**	Company Secretary	N.A.	Nil
9.	Mr. Jag Mohan Lal Suri***	Manager	N.A.	Nil

(*) Resigned w.e.f 15th February, 2019.

(**) Appointed as Company Secretary w.e.f. 15th February, 2019

(***) Appointed as Manager w.e.f. 15th February, 2019

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

- (iii) There is no increase in the median remuneration of employees in current financial year as compared to previous financial year.
- (iv) There are six permanent employees on the rolls of the Company as on 31st March, 2019.
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year as compared to the percentile increase in the managerial remuneration: Nil
- (vi) The key parameters for any variable component of remuneration availed by the directors: Not Applicable
- (vii) The remuneration paid to the Directors / Key Managerial Personnel (KMP) is in accordance with the remuneration policy of the Company.

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).

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section (3) of Section 92 in **Form MGT-9** is enclosed as a part of this report as **“ANNEXURE – III”**.

The Annual Return (Form MGT-7) filed by the Company for FY 2017-18 with the Registrar of Companies is available on the website of the Company having following web link, <http://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

Sd/
LALIT BHASIN
(Chairman)
DIN: 00002114

Place : Gurugram
Date : 30th May, 2019

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

ANNEXURE – “I”

(A) Average Net Profits and prescribed CSR expenditure:

(Amount in ₹)

Particulars	
Average net profits of the Company for last three financial years	2,86,91,057
Prescribed CSR expenditure	5,73,821

(B) Details of CSR spent during the financial year:

Particulars	
Total amount spent during the financial year	6,00,000
Total	6,00,000
Amount unspent, if any	Nil

(C) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1.	Contribution towards Prime Minister National Relief Fund	-	NA	6,00,000	6,00,000	6,00,000	Amount remitted directly to the Prime Minister National Relief Fund
Total				6,00,000	6,00,000	6,00,000	

Responsibility Statement

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

For HB Stockholdings Limited

For HB Stockholdings Limited

Sd/
ANIL GOYAL
(Director)

Sd/
LALIT BHASIN
(Chairman – CSR Committee)



**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019**

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

To,
The Members of
HB Stockholdings Limited

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

Based on our verification of the **HB Stockholdings Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2019** complied with statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by HB Stockholdings Limited for the financial year ended on **31st March, 2019** 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* and
 - (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 2018-19 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.
 - (i) 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;
 - (b) Credit Information Companies (Regulation) Act, 2005.

The Company is an NBFC-ND and holds valid Certificate of Registration No. 14.01345 dated 26.07.2000 issued under Section 45IA of the Reserve Bank of India Act, 1934. The Company has complied with the provisions of above Act, Directions, Guidelines, standards and instructions issued by Reserve Bank of India to the extent applicable.
 - (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 the following:
- The Company did not have Managing Director, or Chief Executive Officer or Manager and in their absence a whole time director since 1.12.2016. Executive Director (Operations) of the Company has been appointed as Manager of the Company on 15.02.2019 for a period of three years, in compliance with Section 203 of the Act.*
4. We further report that:
- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - (c) Majority decisions are carried through while dissenting members' views are captured and recorded as part of the minutes.
5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules/regulations were taken.

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

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

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

**Place: New Delhi
Date: 30th May, 2019**

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**

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

**Place: New Delhi
Date: 30th May, 2019**

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L65929HR1985PLC033936
ii)	Registration Date	30-07-1985
iii)	Name of the Company	HB Stockholdings Limited
iv)	Category / Sub-Category of the Company	Company having Share Capital
v)	Address of the Registered office and contact details	Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram 122001, (Haryana) Phone: 0124-4675500 Fax: 0124-4370985 Website: www.hbstockholdings.com Email: corporate@hbstockholdings.com
vi)	Whether Listed Company	Yes (Listed at BSE & NSE)
vii)	Name, Address and Contact details of Registrar and Share Transfer Agent, if any	RCMC Share Registry Pvt. Ltd. B- 25/1, First Floor, Okhla Industrial Area, Phase- II, New Delhi- 110 020 Phone : 011-26387320 / 21 Fax : 011-26387322 Web site : www.rcmcdelhi.com Email : investor_services@rcmcdelhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	Mount Finance Limited 301, Regent Chambers 208, Jammalal Bajaj Marg, Nariman Point, Mumbai- 400 021	U67120MH1985PLC038136	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF	3768691	0	3768691	52.80	3768691	0	3768691	52.80	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	29644	0	29644	0.42	29644	0	29644	0.42	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	3798335	0	3798335	53.22	3798335	0	3798335	53.22	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2):	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3798335	0	3798335	53.22	3798335	0	3798335	53.22	0
B. Public Shareholding									
1. I nstitutions									
a) Mutual Funds	105	2475	2580	0.04	105	2475	2580	0.04	0
b) Banks / FI	0	87	87	0	0	87	87	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt. (s)	0	0	0	0	0	0	0	0	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	10505	0	10505	0.15	0	0	0	0	(0.15)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0	0	0	0
SUB-TOTAL (B) (1):-	10610	2562	13172	0.19	105	2562	2667	0.04	(0.15)
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	130106	11546	141652	1.98	126402	11471	137873	1.93	(0.05)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding Nominal Share Capital upto Rs.1 lakh	1890671	1071329	2962000	41.50	1924907	1008096	2933003	41.09	(0.41)
ii) Individual shareholders holding Nominal Share Capital in excess of Rs 1 lakh	69703	0	69703	0.98	120060	0	120060	1.68	(0.07)
c) Others (specify)									
i) Clearing members	38511	0	38511	0.53	22626	30	22656	0.32	(0.21)
ii) Non -Residents	80675	33572	114247	1.60	90492	32276	122768	1.72	0.12
iii) Foreign Company	0	0	0	0	0	0	0	0	0
iv) Trusts	15	0	15	0	165	0	165	0	0
v) NBFC	30	0	30	0	138	0	138	0	0
SUB-TOTAL (B) (2):-	2209711	1116447	3326158	46.59	2284790	1051873	3336663	46.74	0.14
Total Public Share holding (B)=(B)(1)+ (B)(2)	2220321	1119009	3339330	46.78	2284895	1054435	3339330	46.78	0
C. Shares held by Custodian for GDRs & ADRs									
	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6018656	1119009	7137665	100	6083335	1054330	7137665	100	0

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	
1	Lalit Bhasin	3678691	51.54	0	3678691	51.54	0	0
2.	Ayush Kapur	22500	0.32	0	22500	0.32	0	0
3	Kanishk Kapur	22500	0.32	0	22500	0.32	0	0
4.	Manasvin Arora	22500	0.32	0	22500	0.32	0	0
5.	Mehar Arora	22500	0.32	0	22500	0.32	0	0
6.	Merrygold Investments Ltd	9148	0.13	0	9148	0.13	0	0
7.	RRB Master Holdings Ltd*	20496	0.29	0	0	0	0	(0.29)
8.	HB Corporate Services Ltd	0	0	0	20496	0.29	0	0.29
	Total	3798335	53.22	0	3798335	53.22	0	0

(*) Pursuant to the Scheme of Amalgamation of RRB Master Holdings Limited with HB Corporate Services Limited.

(iii) Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1. RRB Master Holdings Limited					
	At the beginning of the year	20496	0.29	20496	0.29
	09/11/2018 – Transfer*	(20496)	0.29	0	0.00
	At the end of the year			0	0.00
2. HB Corporate Services Limited					
	At the beginning of the year	0	0	0	0.00
	09/11/2018 – Acquisition*	20496	0.29	20496	0.29
	At the end of the year			20496	0.29

(*) Pursuant to the Scheme of Amalgamation of RRB Master Holdings Limited with HB Corporate Services Limited.



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

Sl. No.	For Each of the Top 10 Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	KARAMJIT SINGH					
	At the beginning of the year		1873	0.03	1873	0.03
	23/11/2018	Buy	49598	0.69	51471	0.72
	29/03/2019	Buy	14230	0.2	65701	0.92
	At the end of the year				65701	0.92
2.	KUMAR SWAMY BS					
	At the beginning of the year	-	21132	0.3	21132	0.30
	At the end of the year	-			21132	0.30
3.	SANJEEV DEVARAJ					
	At the beginning of the year		1200	0.02	1200	0.02
	21/12/2018	Buy	2800	0.04	4000	0.06
	15/02/2019	Buy	1878	0.03	5878	0.08
	01/03/2019	Buy	3453	0.05	9331	0.13
	08/03/2019	Buy	5426	0.08	14757	0.21
	22/03/2019	Buy	1540	0.02	16297	0.23
	29/03/2019	Buy	2878	0.04	19175	0.27
	At the end of the year				19175	0.27
4.	ISHA SECURITIES LIMITED					
	At the beginning of the year	-	15900	0.22	15900	0.22
	At the end of the year	-			15900	0.22
5.	HARDAS NAMDEO RAO BALKI					
	At the beginning of the year	-	15000	0.21	15000	0.21
	At the end of the year	-			15000	0.21
6.	VARSHA BHAVESH SHAH					
	At the beginning of the year	-	15150	0.21	15150	0.21
	At the end of the year				15150	0.21
7.	HARIDAS NAMDEORAO BALKI					
	At the beginning of the year	-	15000	0.21	15000	0.21
	At the end of the year				15000	0.21
8.	SAGARIKA INFRASTRUCTURE PRIVATE LIMITED					
	At the beginning of the year		0	0	0	0
	26/10/2018	Buy	1500	0.02	1500	0.02
	16/11/2018	Buy	480	0.01	1980	0.03
	23/11/2018	Buy	1477	0.02	3457	0.05
	30/11/2018	Buy	523	0.01	3980	0.06
	07/12/2018	Buy	2000	0.03	5980	0.08
	14/12/2018	Buy	3709	0.05	9689	0.14
	21/12/2018	Buy	3560	0.05	13249	0.19
	15/02/2019	Buy	1000	0.01	14249	0.20
At the end of the year				14249	0.20	
9.	KLB SECURITIES PVT. LTD.					
	At the beginning of the year	-	13973	0.20	13973	0.20
	At the end of the year				13973	0.20
10.	AVANTHA HOLDINGS LIMITED					
	At the beginning of the year	-	12474	0.17	12474	0.17
	At the end of the year				12474	0.17

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

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Lalit Bhasin	3678691	51.54	3678691	51.54
2.	Mr. Anil Goyal	0	0	0	0
3.	Mrs. Asha Mehra	0	0	0	0
4.	Mr. Gulshan Rai	0	0	0	0
5.	Mr. Harbans Lal	0	0	0	0
6.	Mr. Mahesh Kr Gupta CFO (KMP)	0	0	0	0
7.	Mr. Anil Kr Mittal, CS (KMP) (upto 15.02.2019)	0	0	0	0
8.	Mr. Rachit Tandon, CS (KMP) (w.e.f. 15.02.2019)	0	0	0	0

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	78,13,742	NIL	NIL	78,13,742
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ ii+ iii)	78,13,742	NIL	NIL	78,13,742
Changes in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	16,10,597	NIL	NIL	16,10,597
Net Change	16,10,597	NIL	NIL	16,10,597
Indebtedness at the end of the financial year				
i) Principal Amount	62,03,145	NIL	NIL	62,03,145
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ ii+ iii)	62,03,145	NIL	NIL	62,03,145

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of the Managing Director / Whole Time Director/Manager
		Mr. Jag Mohan Lal Suri, Manager (Appointed w.e.f. 15.02.2019)
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) The Income-tax Act, 1961 (c) Profits in lieu of Salary under section 17(3) Income tax Act, 1961	1,80,000 9,375 Nil
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	Nil
5.	Others, PF & Superannuation	19,125
	Total (A)	2,08,500
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013


B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Director(s)			Total Amount
1.	Independent Director(s)	Mr. Gulshan Rai	Mr. Harbans Lal	Mrs. Asha Mehra	
	• Fee for attending Board / Committee Meetings	95,000	1,03,000	57,000	2,55,000
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	95,000	1,03,000	57,000	2,55,000
2.	Other Non -Executive Director	Mr. Lalit Bhasin	Mr. Anil Goyal		
	• Fee for attending Board / Committee Meetings	40,000	88,000		1,28,000
	• Commission	NIL	NIL		
	• Others, please specify	NIL	NIL		
	Total (2)	40,000	88,000		1,28,000
	Total Managerial Remuneration				3,83,000
	Ceiling as per the Act	Sitting fee paid as per the provisions of the Companies Act, 2013.			

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

(Amount in ₹)

SL. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Company Secretary		CFO	
		Mr. Rachit Tandon (w.e.f. 15.02.2019)	Mr. Anil Kumar Mittal (upto 15.02.2019)	Mr. Mahesh Kumar Gupta	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	36,750	9,89,019	15,48,000	25,73,769
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	22,050	48,423	39,000	1,09,473
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option		0	0	0
3.	Sweat Equity		0	0	0
4.	Commission				
	- as % of profit		0	0	0
	- others, specify		0	0	0
5.	Others, PF	19,410	3,74,299	1,83,000	5,76,709
	Total	78,210	14,11,741	17,70,000	32,59,951

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/ NCLT / Court)	Appeal made if any (give details)
A. COMPANY					
Penalty			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
compounding					



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) OPERATING RESULTS

During the year under review, the Company's Total Revenue is ₹ (3,61,42,232) as compared to ₹ 2,02,94,767 in the previous year. The Company incurred total expenses amounted to ₹ 1,95,09,157 as compared to ₹ 211,06,789 during the previous year. Profit/(Loss) after tax stood at ₹ (5,78,04,428) as against ₹ (50,10,941) in the previous year.

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

2) INDUSTRY STRUCTURE AND DEVELOPMENTS

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities.

Liquidity issues in the NBFC sector adversely impacted the flows into financial markets and the performance of the equity market in particular. Major stake sales in various companies were also carried out by Government in order to meet the disinvestment target and control the fiscal deficit.

NBFCs are emerging as an alternative to mainstream banking. They are also emerging as an integral part of Indian Financial System and are contributing commendably towards Government's agenda of financial inclusion. NBFCs in India have recorded marked growth in recent years.

The success of NBFCs has been driven by factors like their ability to control risks, to adapt to changes and create demand in markets that are likely to remain unexplored by bigger players. Thus the need for uniform practices and level playing field for NBFCs in India is crucial. NBFCs, in India, are today operating in a very dynamic scenario especially after the revised regulatory framework by the RBI launched with the objective of harmonizing working of NBFCs with banks and financial institutions and address regulatory gaps and arbitrage.

3) OPPORTUNITY AND THREATS

NBFCs have been playing a very important role both from macroeconomic prospective and the structure of the Indian Financial System. NBFCs are the perfect or even better alternatives to the conventional Banks for meeting various financial requirements of a business enterprise. They offer quick and efficient services without making one to go through the complex rigmarole of conventional banking formalities. However to survive and to constantly grow, NBFCs have to focus on their core strengths while improving on weaknesses. They will have to be very dynamic and constantly endeavor to search for new products and services in order to survive in this ever competitive financial market.

Although NBFC enjoy considerably lower regulatory overheads, they experience challenges in raising debt, as all NBFCs can't accept public deposits and hence

- NBFCs rely heavily on Commercial Banks and promoters equity for growth.
- Due to high reliance on bank financing the costs of funds for NBFCs tends to be higher
- As a result, NBFCs loans carry higher interest than those offered by banks.

4) FUTURE PROSPECTS AND OUTLOOK

In April 2018, the IMF forecasted global growth to increase to 3.9% in FY 2019-20. However, the forecast was downgraded subsequently to 3.5% in January, 2019 and further to 3.3% in April, 2019. The downward revision is mainly driven by advanced economies ('Aes'). Aes are expected to grow 1.8% in FY 2019-20 while Emerging Markets are expected to grow 4.4%. The main reasons for lower growth are trade tensions, decline in business confidence and higher policy uncertainty.

The Company's present business operations are preponderantly that of an investment company, future of which largely depends upon financial and capital markets. Your Company has investments in financially sound companies, Company will continue to earn good dividend income. However, the income from the investment business is steadily growing, contributing significant volume to the overall business of the Company. The Management is optimistic about the future outlook of the Company. Further, more promising areas of activity are being explored on a sustained basis. The company will expand its activities, consistent with its status as a NBFC.

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.

- (a) The macroeconomic risks, investee company specific risks are covered by investment decisions based on third party research and internal assessment.
- (b) Market wide risks are assessed and managed by investment timing decisions.

- (c) The execution risk is managed by dealing with reputed intermediaries and through own back office discipline re accounting and follow up of trades.
- (d) 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

- a) **Share Capital:** The Company's Issued and Subscribed Share Capital consists of Equity Share Capital only. The Paid-up Share Capital of the Company as at 31st March, 2019 stood at ₹ 7,13,76,650/- comprising of 7137665 Equity Shares of ₹ 10/- each.
- b) **Reserves and Surplus:** During the year under review, the Reserves and Surplus is ₹ 31,13,37,617 as against ₹ 36,91,42,045 during the previous year.
- c) **Non-Current Assets:** During the year under review, the Non-Current Assets stood at ₹ 5,30,72,762 as against ₹ 5,49,46,703 during the previous year.
- d) **Current Assets & Current Liabilities:** The Current Assets and Current Liabilities & Provisions for the year under review stood at ₹ 45,49,95,574 and ₹ 69,12,77,991 respectively against ₹ 11,51,20,622 and ₹ 29,36,07,014 for the previous year.
- e) **Key Financial Ratios (Standalone):**

Particulars	FY 2018-19	FY 2017-18	% change over previous year	Formula used
1. Debtors Turnover Ratio	NA	NA	NA	NA
2. Inventory Turnover Ratio	NA	NA	NA	NA
3. Interest Coverage Ratio	-98.41	-0.84	-11615.48	EBIT / Interest Expense
4. Current Ratio	3.95	2.35	68.09	Current Assets / Current Liabilities
5. Debt Equity Ratio	0.087	0.109	20.18	Debt / Equity
6. Operating Profit Margin (%)	-1.52	-0.02	-7500	EBIT / Total Revenue
7. Net Profit Margin (%)	N.A.	N.A.	NA	Net Profit / Revenue from operations
8. Return on Net Worth (%)	N.A.	N.A.	NA	Net Profit / Shareholders Equity

Explanation:

Change of more than 25% in the above key financial ratios has occurred due to accounting effect given in the Financial Statements for the Financial Year ended 31st March, 2018 from the Appointed Date(s) i.e. 01st April, 2015 & 03rd April, 2015 pursuant to the sanction of the Scheme of Arrangement ('the Scheme') between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956.

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:

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 Five Non- Executive Directors out of which three are Independent Directors including one Woman Director as on 31st March, 2019. 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 25th May, 2018, 11th August, 2018, 12th November, 2018 and 09th February, 2019.

The particulars regarding composition of the Board of Directors and its Meetings held during the year with their shareholding in the Company as on 31st March, 2019 and presence in last AGM are given hereunder:-

Name of the Director	Category	Directorships in other Public Companies as on 31 st March, 2019		#Committee Membership held in other Public Companies as on 31 st March, 2019		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. Gulshan Rai	Independent Non – Executive	NIL	NIL	NIL	NIL	4/4	Yes	NIL
Mr. Harbans Lal	Independent Non – Executive	1	NIL	NIL	1	4/4	No	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 31st March, 2019 is given as under:

Name of the Director	Directorships in other listed entities (Category of Directorship)
Mr. Lalit Bhasin	<ol style="list-style-type: none"> HB Portfolio Ltd. (Non-Executive Non-Independent Director - Chairperson) HB Estate Developers Ltd. (Non-Executive Non-Independent Director - Chairperson) HB Leasing & Finance Co. Ltd. (Non-Executive Non-Independent Director - Chairperson) CHL Ltd. (Non-Executive Independent Director)
Mr. Anil Goyal	<ol style="list-style-type: none"> HB Portfolio Ltd. (Non-Executive Non-Independent Director) HB Estate Developers Ltd. (Non-Executive Non-Independent Director) HB Leasing & Finance Co. Ltd. (Executive Director - MD)
Mr. Gulshan Rai	None
Mr. Harbans Lal	None
Mrs. Asha Mehra	<ol style="list-style-type: none"> HB Estate Developers Ltd. (Non-Executive Non-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 weblink,

<http://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 No.: 00002114), Director (Chairman) shall retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The details of Director seeking re-appointment at the ensuing Annual General Meeting have been furnished in the Notice of the ensuing Annual General Meeting.

3. 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:

Financial Expertise	Education and experience in the areas of capital markets, mutual funds, banking and finance, treasury, investment banking, wealth management, institutional and retail stock broking.
Risk Management	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.
Corporate Governance	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.
Strategic Decision making	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.

4. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 09th February, 2019, 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 weblink,

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

All the Independent Directors were present at the Meeting.



5. 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 9th February, 2019 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 09th February, 2019 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.

6. 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 2018-2019 are set out below:

(A) AUDIT COMMITTEE

The Board of Directors in their meeting held on 17th 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 has been partially amended by the Board of Directors in their meeting held on 11th February, 2016 and 09th 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:

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

The Company Secretary acting 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:

1. Oversight of the Company's Financial Reporting process and the disclosure of its Financial Information to ensure that the Financial Statement is correct, sufficient and credible;
2. Recommendation for Appointment, Remuneration and Terms of Appointment of Auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the Financial Statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to Financial Statements.
 - f) Disclosure of any Related Party Transactions.
 - g) Modified opinion(s) in the Draft Audit Report.
5. Reviewing, with the management, the quarterly Financial Statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (Public Issue, Rights Issue, Preferential Issue, etc.), the

statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee shall mandatorily review the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses; and
 - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
 - f) Statement of deviations:
 - (i) Quarterly Statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) 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 25th May, 2018, 11th August, 2018, 12th November, 2018 and 09th February, 2019. 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 17th 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 11th 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 11th February, 2016 and 09th 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 acting 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 One (1) Nomination and Remuneration Committee Meeting was held on 09th February, 2019 and the same were attended by all the committee members.

Remuneration paid during the year ended 31st March, 2019 is as under:

Director(s)	Relationship with other Director(s)	Sitting Fees (In ₹)	Salary & Perks (In ₹)	Commission, if any
Mr. Lalit Bhasin	N.A.	40,000/-	NIL	NIL
Mr. Anil Goyal	N.A.	88,000/-	NIL	NIL
Mr. Harbans Lal	N.A.	1,03,000/-	NIL	NIL
Mr. Gulshan Rai	N.A.	95,000/-	NIL	NIL
Mrs. Asha Mehra	N.A.	57,000/-	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 including changes made therein during the year 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

<http://www.hbstockholdings.com/investor%20Information/Corporate%20Governance/index.html>

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors in their meeting held on 17th 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 21st May, 2015 and 12th November, 2018 respectively had re-constituted the composition of Committee in requirement to 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 09th 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)

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

Mrs. Asha Mehra has been appointed as member of the Stakeholders Relationship Committee on 12th November, 2018.

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

- (i) To consider and approve the transfer, transmission and issue of fresh/duplicate share certificates.
- (ii) To review the status of dematerialization of company's shares and matters incidental thereto.
- (iii) To review and monitor the approval to the transfers and transmission made by the Director, under authority delegated to him from time to time.
- (iv) To consider, review and look into various aspects of interest of Shareholders, debenture holders and other security holders.
- (v) 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.
- (vi) Review of measures taken for effective exercise of voting rights by the Shareholders.
- (vii) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (viii) 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.
- (ix) 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 Four (4) Stakeholders Relationship Committee Meetings were held on 25th May, 2018, 11th August, 2018, 12th November, 2018 and 09th February, 2019 and the same were attended by all the Committee members.

Number of Shareholders Complaints received and redressed during the year 2018-2019:

Nature of Grievance	Received	Disposed Off	Pending
Non receipt of Dividend	1	1	NIL
Non receipt of Annual Report	2	2	NIL
Transfer, Transmission, Issue of Share Certificate etc.	5	5	NIL
Complaints received through SEBI/Stock Exchange	11	11	NIL
Total	19	19	NIL

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board of Directors in their meeting held on 17th 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:

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

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

1. 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;
2. Recommend the amount of expenditure to be incurred on the activities undertaken by the Committee; and
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.

7. 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
2017-18	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram	27-09-2018	11.00 A.M.
2016-17	AGM	- 122 001(Haryana)	26-09-2017	11.00 A.M.
2015-16	AGM		07-09-2016	11.00 A.M.



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

Year	Special Resolution(s)
2017-18	None
2016-17	None
2015-16	a) Alteration in the Nomenclature of the Main Objects etc. of the Memorandum of Association of the Company b) Re-appointment of Mr. Vijay Sood, Managing Director for a period of Two years.

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**

8. MEANS OF COMMUNICATION

I. **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.

II. **Newspaper wherein results normally published:** Business Standard (Hindi & English).

III. **Website where displayed:** www.hbstockholdings.com

IV. The website also displays Public Notices / Announcements containing important communications made to the National Stock Exchange (NSE) & Bombay Stock Exchange (BSE). As and when any presentation is made to institutional investors the same would be simultaneously uploaded on the Company's Website.

9. 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 31st March, 2019 forming part of the Financial Statements. The Policy on Related Party Transactions has been uploaded on the website of the Company, having following web link,

<http://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/Index.html>

II. 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.

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

<http://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

<http://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. Jag Mohan Lal Suri, Manager has given the Compliance Certificate on the review of Financial Statements, including Cash Flow Statement for the Financial Year ended 31st March, 2019 to the Board of Directors as required under Regulation 17(B) 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	40,000
Certification and others	27,500
Total	2,72,250

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. 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:

The Internal Auditor directly reports to the Audit Committee.

10. GENERAL SHAREHOLDER INFORMATION:

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

Location	Date	Time
GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram-122001 (Haryana)	17.09.2019	03.00 P.M.

II. **Financial Year :** 1st April 2018 to 31st March 2019.

III. **Date of Book Closure:** 11th September, 2019 to 17th September, 2019

IV. **Listing on Stock Exchanges:**

The Company's Equity Shares are listed at Bombay Stock Exchange Limited (BSE) and at National Stock Exchange (NSE), Mumbai The Annual Listing Fee for the financial year 2019-2020 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

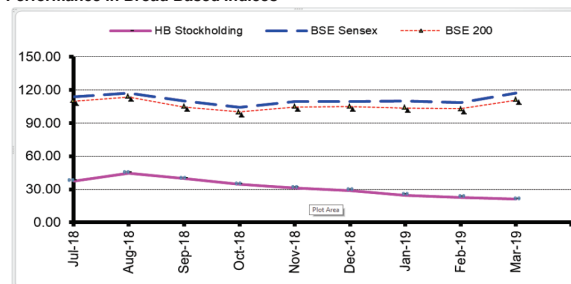
VI. **Market Price Data:** The monthly High, Low price of the Company's Equity Share during each month in the last financial year at BSE and NSE are as under:

Month(s)	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Jul-18	12.5	10.9	12.5	2557	12.50	10.40	12.50	6,773
Aug-18	21.1	13.12	14.91	123436	21.00	13.10	13.50	1,83,672
Sep-18	14.7	11.93	13.29	19483	14.15	10.00	10.60	63,216
Oct-18	13.29	10.16	11.5	11847	11.75	9.35	10.55	30,933
Nov-18	11.9	9.55	10.4	37399	11.50	8.85	9.10	40,425
Dec-18	11	9.28	9.62	32028	10.25	8.25	9.95	48,336
Jan-19	10.69	7.77	8.2	29291	10.00	7.55	7.55	38,694
Feb-19	8.57	6.7	7.5	19305	7.75	6.00	7.10	21,682
Mar-19	9.08	6.95	7.01	30836	8.85	6.95	7.35	29,230

Note:

Data for the month of April to June, 2018 is not available since BSE Limited vide its Notice dated 28/02/2018 advised trading members not to deal in Equity Shares of the Company w.e.f 12/03/2018 for the purpose of implementing the Scheme of Arrangement duly sanctioned by the Hon'ble NCLT, Chandigarh Bench at Chandigarh. The trading in the Equity Shares of the Company admitted for trading on the Exchange w.e.f 26/07/2018.

VII. **Performance in Broad Based Indices**



Stock Performance-Absolute returns

	1 Year
	BSE
HB Stockholdings	-43.92
BSE Sensex	9.99
BSE 200	3.90



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@rcmcdelhi.com

IX. Share Transfer System

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 shareholders Committee, which meets as and when required. As reported by Company's RTA all valid requests for transfer during the year under review were transferred within stipulated time limit.

X. The distribution of shareholdings of the Company as on 31st March, 2019 is as under:

Shareholding of value of Rs.	Shareholders		Shareholding		
	No. of Shares	% to total	No. of Shares	Amount	% to total
Up to 5000	67946	98.99	2121953	21219530	29.73
5001-10000	354	0.52	246068	2460680	3.45
10001-20000	185	0.27	258938	2589380	3.63
20001-30000	72	0.10	184119	1841190	2.58
30001-40000	17	0.02	61347	613470	0.86
40001-50000	18	0.03	80329	803290	1.13
50001-100000	26	0.04	184893	1848930	2.59
100001 and above	18	0.03	4000018	40000180	56.04
TOTAL	68636	100.00	7137665	71376650	100.00

The category-wise distribution of Shareholders is as follows:

Category	No of Shares held	% of Shareholding
A. Promoters Holding		
➤ Indian Promoter	3798335	53.22
➤ Foreign Promoters	0	0.00
B. Public Shareholding (Institutions)		
➤ Mutual Funds and UTI	2580	0.04
➤ Banks/Financial Institutions	87	0.00
➤ Foreign Institutional Investors	0	0.00
C. Public Shareholding (Non Institutions)		
➤ Indian Public:	3053063	42.77
➤ Bodies Corporate	137873	1.93
➤ NRIs	122768	1.72
➤ Clearing Members	22656	0.32
➤ Trusts	165	0.00
➤ NBFCs	138	0.00
Total	7137665	100.00

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 No. allotted to the Company is INE550B01022. As at 31st March 2019, 60,83,230 Equity Shares of the Company are held in dematerialized form constituting 85.22% of the Company's subscribed share capital.

As stipulated by SEBI, a qualified Practising Company Secretary carries out Audit of Reconciliation of Share Capital to reconcile the Total Admitted, Issued and Listed Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and 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: 30th May, 2019

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 31st March, 2019, 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: Gurugram
Date: 30th May, 2019

Membership No: 083820

**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 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 31st March, 2019 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

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 an 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
Membership No.: FCS-1070
CP No.: 2318

Place: New Delhi
Date: 30th May, 2019



INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
HB STOCKHOLDINGS LIMITED**

Report on the Audit of the Standalone Financial Statements

Opinion

We have Audited the Standalone Financial Statement of **HB STOCKHOLDINGS LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements, including a summary of Significant Accounting Policies and other explanatory information.

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 ("the Act") in the manner so required and gives a true and fair view in conformity with the Companies Accounting Standard prescribed under Section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, and other Accounting Principles generally accepted in India of the state of affairs of the Company as at 31st March, 2019, and its loss, and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rule 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 of our opinion.

Key Audit Matters

We have determined that there are no Key Audit Matter to communicate in our Report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are 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. The other information is expected to be made available to us after the date of this Auditors' Report. 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.

Management's Responsibility for the Standalone Financial Statements

The Company's management and 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 and cash flows of the Company in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Financial Statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 31st March, 2019 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 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.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2019 on its financial position in its Financial Statements – Refer Note No 32
 - ii. The Company did not have any Long-Term Contracts including Derivative Contracts as at 31st March, 2019
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (h) 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 31st March, 2019 to its Directors.

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

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

PLACE : GURUGRAM
DATED : 30/05/2019



ANNEXURE – A

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 31st March, 2019, 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. 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, Sales-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 31st March, 2019 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to ₹ 66,48,230/- that have not been deposited on account of matters pending before appropriate authorities are as under

Sr. No.	Name of the Statute	A.Y.	Nature of the Dues	Forum where Dispute is pending	Amount (₹)
1.	Income Tax Act, 1961	2017-18	Income Tax	Commissioner of Income Tax (Appeal)	66,48,230/-
TOTAL					66,48,230/-

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 not paid/ provided for managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on 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

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

PLACE : GURUGRAM
DATED : 30/05/2019

ANNEXURE – B

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 31st March, 2019 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 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

PLACE : GURUGRAM
DATED : 30/05/2019



BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note(s)	As at 31st March 2019 (In ₹)	As at 31st March 2018 (In ₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	76808293	76808293
Reserves & Surplus	3	311337617	369142045
		388145910	445950338
Non-Current Liabilities			
Long Term Borrowings	4	4460599	6203145
Long Term Provisions	5	341205	464197
		4801804	6667342
Current Liabilities			
Other Current Liabilities	6	5530839	248943588
Short Term Provisions	7	109589783	44663426
		115120622	293607014
		508068336	746224694
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	10226322	12100263
Non-Current Investments	9	8300060	8300060
Long Term Loans and Advances	10	34546380	34546380
		53072762	54946703
Current Assets			
Current Investments	9	229695408	235182823
Cash and Bank Balances	11	23504075	9738839
Short-Term Loans and Advances	12	196781192	430590020
Other Current Assets	13	5014899	15766309
		454995574	691277991
		508068336	746224694
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 35		

The accompanying notes form an integral part of the Standalone Financial Statements As Per our Report of even date
FOR G. C. AGARWAL & ASSOCIATES FOR AND ON BEHALF OF THE BOARD
 CHARTERED ACCOUNTANTS
 Firm Registration Number : 017851N

Sd/- **G C AGARWAL** (PROPRIETOR) Membership No. : 083820
 Sd/- **ANIL GOYAL** (DIRECTOR) DIN: 00001938
 Sd/- **LALIT BHASIN** (CHAIRMAN) DIN: 00002114
 Sd/- **MAHESH KUMAR GUPTA** (CHIEF FINANCIAL OFFICER)
 Sd/- **RACHIT TANDON** (COMPANY SECRETARY) M. No.: ACS-30169
 PLACE: GURUGRAM DATED: 30/05/2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note(s)	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
Revenue:			
Revenue from Operations	14	(36142232)	20034559
Other Income	15	0	260208
Total Revenue		(36142232)	20294767
Expenses:			
Employee Benefit Expense	16	5880527	5618913
Depreciation	8	1952831	1546820
Finance Cost	17	559808	441544
Other Expenses	18	12050633	13012833
Contingent Provision against Standard Assets/(written back)		(934642)	486679
Total Expenses		19509157	21106789
Loss for the year before Tax		(55651389)	(812022)
Tax expense:			
Current Tax		2130000	4200000
Tax adjustments for earlier years		23039	(1081)
Loss for the year after Tax		(57804428)	(5010941)
Exceptional Items		0	0
Loss after Tax and Exceptional Items		(57804428)	(5010941)
Earning per Equity Share:	28		
Equity Share of Par value ₹ 10/-each			
Basic and Diluted		(8.10)	(0.70)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 35		

The accompanying notes form an integral part of the Standalone Financial Statements As Per our Report of even date
FOR G. C. AGARWAL & ASSOCIATES FOR AND ON BEHALF OF THE BOARD
 CHARTERED ACCOUNTANTS
 Firm Registration Number : 017851N

Sd/- **G C AGARWAL** (PROPRIETOR) Membership No. : 083820
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 Sd/- **RACHIT TANDON** (COMPANY SECRETARY) M. No.: ACS-30169
 PLACE: GURUGRAM DATED: 30/05/2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(55651389)	(812022)
Adjustment for :		
Depreciation	1952831	1546820
Contingent Provision against Standard Assets/(written back)	(934642)	486679
Operating Profit before Working Capital Changes	(54633200)	1221477
Adjustment for :		
Trade, other Receivables and Loans & Advances	244497611	(85304040)
Investments	73423356	(70068869)
Current and Non-Current Liabilities	(243540682)	125690416
Cash Generated from Operation	19747085	(28459014)
Income tax paid	4223039	534919
Net Cash from Operating Activities	15524046	(28993933)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of Fixed Assets	(78890)	(11764856)
Net Cash used in Investment Activities	(78890)	(11764856)

Particulars	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/Repayment of Long Term Borrowing	(1742546)	6203145
Net Cash used in Financing Activities	(1742546)	6203145
Net Increase in Cash & Cash Equivalents (A+B+C)	13702610	(34555644)
Cash and Cash Equivalents	7372996	41928640
(Opening Balance)		
Cash and Cash Equivalents	21075606	7372996
(Closing Balance)		
Components of cash and cash equivalents at the end of the year		
Balances with Banks		
- In Current and Deposit Accounts	4485109	6835764
- Cheques / Drafts in Hand	16000000	0
-Cash in Hand	590497	537232
	21075606	7372996

The accompanying notes form an integral part of the Standalone Financial Statements As Per our Report of even date
FOR G. C. AGARWAL & ASSOCIATES FOR AND ON BEHALF OF THE BOARD
 CHARTERED ACCOUNTANTS
 Firm Registration Number : 017851N

Sd/- **G C AGARWAL** (PROPRIETOR) Membership No. : 083820
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 Sd/- **MAHESH KUMAR GUPTA** (CHIEF FINANCIAL OFFICER)
 Sd/- **RACHIT TANDON** (COMPANY SECRETARY) M. No.: ACS-30169
 PLACE: GURUGRAM DATED: 30/05/2019



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

COMPANY OVERVIEW

The Company is Public Limited Company incorporated and domiciled in India having its registered office at Gurugram, Haryana. The Company is a Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company registered with Reserve Bank of India.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

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

1.2 USE OF ESTIMATES

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

1.3 REVENUE RECOGNITION

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

1.4 FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENT)

Fixed Assets are stated at cost less depreciation.

1.5 DEPRECIATION

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

1.6 INVESTMENTS

- 1.6.1 Investments are classified into Current Investments and Non Current/Long Term Investments.
- 1.6.2 Current Investments are valued at lower of cost or fair market value on category wise basis. Non Current/Long Term Investments are valued at cost less other than temporary diminution, if any, on scrip wise basis. Provision for reduction/diminution in the value of Investments and reversal of such reduction/ diminution are included in the Profit & Loss Account. For the purpose of disclosure and presentation in the financial statements, and in compliance with Non- Banking Financial Company- Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016:-
 - (a) on the assets side, investments are shown at cost;
 - (b) the diminution/depreciation is shown correspondingly under the head "Provisions"(Short Term/Long Term) in the liabilities side in the Balance Sheet without showing it as deduction from the value of Investments.
- 1.6.3 Cost of investments is computed using the Weighted Average Method.

1.7 EMPLOYEE BENEFITS

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

1.8 TAXATION

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

1.9 IMPAIRMENT OF FIXED ASSETS (PROPERTY, PLANT AND EQUIPMENT)

Consideration is given at each Balance Sheet date to determine whether there is

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

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

1.10 CONTINGENCIES:

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

NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2019

2. SHARE CAPITAL

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
AUTHORIZED		
2,50,00,000 (2,50,00,000) Equity Shares of ₹ 10/- each.	250000000	250000000
1,00,00,000 (1,00,00,000) Redeemable Preference Shares of ₹ 10/- each	100000000	100000000
	350000000	350000000
ISSUED		
87,88,704 (87,88,704) Equity Shares of ₹ 10/- each.*	87887040	87887040
	87887040	87887040
SUBSCRIBED & PAID UP		
71,37,665 (71,37,665) Equity Shares of ₹ 10/- each fully paid up.*	71376650	71376650
	71376650	71376650
Add: Forfeited Shares- 16,51,039 (16,51,039) Equity Shares (Amount originally paid up)	5431643	5431643
	76808293	76808293

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

Reconciliation of the Number of Shares Outstanding and Amount of Share Capital as on 31st March, 2019 & 31st March, 2018 is as under:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
Number of Shares at the beginning	7137665	71376650	23792218	237922180
Less: Reorganisation of existing Share Capital	0	0	-23792218	-237922180
Add: Fresh Shares issued pursuant to Scheme of Arrangement	0	0	7137665	71376650
Number of Shares at the end*	7137665	71376650	7137665	71376650

Particulars of Shares in the Company held by each Shareholder holding more than 5% Shares:

Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Lalit Bhasin	3678691	51.54	3678691	51.54

- During the previous year, pursuant to Scheme of Arrangement between the Company and HB Portfolio Limited and HB Estate Developers Limited, the issued and paid up equity share capital of the company was reduced by reducing the face value of the equity shares from ₹ 10/- fully paid up to ₹ 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 ₹ 10/- each to ₹ 7,13,76,654 comprising of 2,37,92,218 shares of ₹ 3/- each. Simultaneously, 10 (Ten) equity shares of ₹ 3 each fully paid up stood consolidated into 3 (three) fully paid-up share of ₹ 10/- each resulting in 71,37,665 fully paid-up Equity Shares of ₹ 10/- each after ignoring fractional shares.

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



3. RESERVE & SURPLUS

Particulars	As at	
	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
Securities Premium- Opening Balance	230763189	999689069
Add: Addition during the year	0	0
Less: Business Reorganisation Reserve**	0	(768925880)
	230763189	230763189
Statutory Reserve - Opening Balance *	163961174	180016800
Less: Pursuant to Scheme of Arrangement (From 01/04/2015 to 31/03/2017)	0	(16055626)
	163961174	163961174
Surplus - Opening Balance	(25582318)	43651127
Less: Adjustment from 01/04/2015 to 31/03/2017 **	0	(80278130)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	(57804428)	(5010941)
	(83386746)	(41637944)
Add: Adjusted to Statutory Reserve from 01/04/2015 to 31/03/2017**	0	16055626
Surplus - Closing Balance	(83386746)	(25582318)
	311337617	369142045

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

(**) Pursuant to Scheme of Arrangement

4. LONG TERM BORROWINGS

Particulars	As at		As at	
	31st March, 2019 (In ₹)		31st March, 2018 (In ₹)	
Secured Loan	Non-Current	Current	Non-Current	Current
Term Loan From Bank* (Secured against Hypothecation of Vehicle financed)	4460599	1742546	6203145	1610597
	4460599	1742546	6203145	1610597

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

8. FIXED ASSETS

(Amount in ₹)

Sr. No	Particulars	Gross Block			Depreciation			Net Block	
		As at 01st April, 2018	Addition during the year	As at 31st March, 2019	Up to 31st March, 2018	For the year	Total upto 31st March, 2019	As on 31st March, 2019	As on 31st March, 2018
	Tangible Assets								
1	Vehicles	17956623		17956623	6017623	1895483	7913106	10043517	11939000
2	Office Equipment	2134373	78890	2213263	2033684	35069	2068753	144510	100689
3	Data Processing Machine	555019		555019	506820	17620	524440	30579	48199
4	Air Conditioners	718555		718555	706180	4659	710839	7716	12375
	Total	21364570	78890	21443460	9264307	1952831	11217138	10226322	12100263
	(Previous Year)	9599714	11764856	21364570	7717487	1546820	9264307	12100263	1882227

9. INVESTMENTS

Name of the Company	Face Value	As at 31st March, 2019		As at 31st March, 2018	
	(In ₹)	Qty. (Nos.)	Amount In (₹)	Qty. (Nos.)	Amount In (₹)
NON CURRENT INVESTMENTS					
A. NON TRADE INVESTMENTS (UNQUOTED)					
INVESTMENT IN EQUITY INSTRUMENTS					
-FULLY PAID UP EQUITY SHARES					
- IN WHOLLY OWNED SUBSIDIARY COMPANIES					
MOUNT FINANCE LIMITED	10	830006	8300060	830006	8300060
TOTAL NON CURRENT/LONG TERM INVESTMENTS		830006	8300060	830006	8300060

- Maturity Profile of Secured Term Loan from banks are as under:			
	1-2 years	2-3 years	3-4 years
- Vehicle Loan from HDFC Bank	1885305	2039760	535534

5. LONG TERM PROVISIONS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Provisions For Employee Benefits		
Leave encashment	203019	326011
Others		
Contingent provision against Standard Assets	138186	138186
	341205	464197

6. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Unpaid Dividends *	2428469	2365843
Current Maturities of Long Term Debt (Refer Note No. 4)	1742546	1610597
Expenses Payable	1313086	1485260
TDS Payable	46738	72854
Payable to HB Portfolio Limited pursuant to Scheme of Arrangement	0	243409034
	5530839	248943588

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

7. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Provisions For Employee Benefits		
Leave encashment	288434	293375
Others		
Income Tax	2130000	4200000
Sub Standard & Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	96465833	28529892
Contingent Provision against Standard Assets	705516	1640159
	109589783	44663426



Name of the Company	Face Value	As at 31st March, 2019		As at 31st March, 2018	
	(In ₹)	Qty. (Nos.)	Amount In (₹)	Qty. (Nos.)	Amount In (₹)
CURRENT INVESTMENTS					
(A) INVESTMENTS IN EQUITY INSTRUMENTS					
a) QUOTED, FULLY PAID UP EQUITY SHARES					
AMRIT CORPORATION LIMITED	10	132	1848	400	5600
ARVIN LIQUID GASES LIMITED*	10	10000	182500	10000	182500
ASHOK LEYLAND LIMITED	1	--	--	200	7603
BHARAT HOTELS LIMITED	10	300	6752	300	6752
CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED	10	--	--	3815	757721
CIBA INDIA LIMITED	10	--	--	50	500
COAL INDIA LIMITED	10	3250	995685	3250	995685
DWARIKESH SUGAR INDUSTRIES LTD.	1	72500	3985125	72500	3985125
DEEPAK SPINNERS LIMITED	10	--	--	1000	107374
DOLPHIN OFFSHORE ENTERPRISES I LIMITED	10	10000	1166901	10000	1166901
DCM SHRIRAM LIMITED	2	50726	19293499	54384	20684810
EIH LTD.	2	47601	7961050	46500	7801525
FOODS & INNS LIMITED	10	45400	7571413	4540	7568534
GVK POWER & INFRA LTD.	1	25000	396040	25000	396040
HINDUSTAN ENGINEERING & INDS. LTD.*	10	108	147220	108	147220
HARYANA PETROCHEMICALS LIMITED*	10	9050	212192	9050	212192
HARYANA LEATHER CHEMICALS LTD.	10	31347	1686234	31347	1686234
HB ESTATE DEVELOPERS LIMITED	10	125400	1500000	125400	1500000
HB LEASING & FINANCE CO LIMITED	10	--	--	43200	1186050
HB PORTFOLIO LIMITED	10	60000	1000000	60000	1000000
HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED	1	35000	903948	200000	5165417
HINDUSTAN OIL EXPLORATION COMPANY LIMITED	10	--	--	216	25684
HOTLINE GLASS LIMITED*	10	166382	552770	166382	552770
ICP SECURITIES LIMITED*	10	1800	18000	1800	18000
ISPAT PROFILES INDIA LIMITED*	10	10000	235020	10000	235020
IDFC BANK LTD	10	50000	2852880	50000	2852880
INDRAPRASTHA GAS LTD.	2	--	--	27500	8923343
IST LIMITED	10	40767	33806532	17890	18226757
JK PAPER LTD.	10	16015	1828744	16015	1828744
JAI CORP LTD.	1	13000	1046979	13000	1046979
JAI PRAKASH ASSOCIATES LTD.	2	3683671	78015380	3207671	74548621
JAYPEE INFRATECH LTD.	10	60000	1055476	60000	1055476
JP POWER VENTURES LTD.	10	1695000	12647774	1650000	12473903
KIRAN OVERSEAS EXPORTS LIMITED*	10	10000	335000	10000	335000
LCC INFOTECH LIMITED*	2	56300	387984	56300	387984
LT FOODS LIMITED	1	5000	481396	5000	481396
LUNAR DIAMONDS LIMITED*	10	21000	439065	21000	439065
MAWANA SUGARS LTD.	10	10000	885568	10000	885568
MERCATOR LTD.	1	50000	2150799	50000	2150799
MMTC LIMITED	1	48750	1631832	32500	1631832
NMDC LIMITED	1	20000	2492643	20000	2492643
NAHAR CAPITAL AND FINANCIAL SERVICES LTD.	10	3000	461841	3000	461841
NAHAR POLYFILMS LIMITED	5	--	--	444	17643
NBCC (INDIA) LIMITED	1/(2)	22000	2115935	11000	2115935
NUCHEM LIMITED*	10	64755	168363	64755	168363
ORISSA EXTRUSIONS LIMITED*	10	10728	21456	10728	21456
ORIENTAL BANK OF COMMERCE	10	--	--	100	12745
OIL INDIA LTD.	10	4500	985983	3000	985983
OSWAL AGRO MILLS LTD.	10	30000	459399	30000	459399
PATHREJA FORGINGS LIMITED*	10	1000	19326	1000	19326
PETRONET LNG LTD.	10	--	--	34500	7474666
PRISM MILLS LIMITED*	10	10000	187500	10000	187500
PUNJAB WIRELESS LIMITED*	10	100	6100	100	6100
RAMA VISION LIMITED*	10	18300	553061	18300	553061
RELIANCE INDUSTRIES LTD.	10	2350	1161099	2300	1161099
RELIANCE HOME FINANCE LTD.	10	--	--	4	414
RELIANCE CAPITAL LIMITED	10	--	--	4	1496
SAJJAN UDYOG EXPORTS LIMITED*	10	23600	590000	23600	590000
SAREGAMA INDIA LIMITED	10	5000	3640656	5000	3640656
SAVANI FINANCIALS LIMITED*	10	7000	140000	7000	140000
SHREYANS INDUSTRIES LIMITED*	10	5600	96873	5600	96873
SATIN CREDITCARE NETWORKS LTD.	10	10000	4117284	10000	4117284



Name of the Company	Face Value	As at 31st March, 2019		As at 31st March, 2018	
	(In ₹)	Qty. (Nos.)	Amount In (₹)	Qty. (Nos.)	Amount In (₹)
SRI VASAVI INDUSTRIES LIMITED*	10	10890	584631	10890	584631
STEEL EXCHANGE OF INDIA LTD.	10	--	--	244	4060
GLOBAL STONE INDIA LIMITED*	10	2000	34000	2000	34000
SUMMIT SECURITIES LTD.	10	2856	2767148	2856	2767148
UNITECH LTD.	2	1000000	9215661	1000000	9215661
U P HOTELS LIMITED*	10	45697	10209940	45697	10209940
VEDANTA LTD.	1	4250	978775	4250	978775
WELSPUN ENTERPRISES LIMITED	10	20000	3301967	20000	3301967
TOTAL (a)		7787125	229691247	7452690	234484268
b) UNQUOTED, FULLY PAID UP EQUITY SHARES					
KESORAM TEXTILE LIMITED	10	172	4161	172	4161
TOTAL (b)		172	4161	172	4161
c) UNQUOTED PARTLY PAID UP EQUITY SHARES					
RATHI ALLOYS & STEELS LIMITED	10	--	--	46293	694395
TOTAL (c)		0	0	46293	694395
TOTAL- CURRENT INVESTMENTS (a+b+c)		7787297	229695408	7499155	235182823

(*) Listed but not quoted

NOTES:	Non Current/Long Term Investments		Current Investments	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
9.1 Aggregate Amount of Quoted Investments	0	0	229691247	234484268
9.2 Market Value of Quoted Investments	0	0	133229576	206652932
9.3 Aggregate Amount of Unquoted Investments	8300060	8300060	4161	698555
9.4 Aggregate Provision for Diminution in Value of Investments	0	0	96465833	28529892
9.5 Provision for diminution in the value of investments is charged in the statement of Profit & Loss and shown correspondingly under the head "Provisions" in the Balance Sheet without showing it as deduction from the value of investments. This is being done in compliance with "Non-Banking Financial Company- Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. It has no impact on the Profit for the year and also on the net carried amount of the investments. The Net carrying value of investments are as under-				
	Non Current/Long Term Investments		Current Investments	
	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
Gross Amount of Investments	8300060	8300060	229695408	235182823
Less: Provision for Diminution in the Value of Investments	0	0	96465833	28529892
Net Carrying Value	8300060	8300060	133229575	206652932

10. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
(Unsecured, Considered Good, unless otherwise stated)-Standard		
Security Deposits *	34546380	34546380
	34546380	34546380

(*) Includes Rental Deposits given to Related Party namely HB Estate Developers Limited. ₹ 3,45,00,000/- (Previous Year ₹ 3,45,00,000/-). Also refer to Note no. 21

11. CASH AND BANK BALANCES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Cash & Cash equivalents		
Balances with Banks		
-In Current Accounts	4485109	6835764
-Cash in Hand	590497	537232
-Payorder in hand	16000000	0
Other Bank Balances		
- In Earmarked Unpaid Dividend Account	2428469	2365843
	23504075	9738839

12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Unsecured, Considered Good, Unless otherwise stated:		
Advance to Related Parties*	7879144	17789712
Others		
Inter Corporate Loans/Advances & Deposits (including loans to LLPs) - Standard	168500000	392250000
Inter Corporate Loans & Deposits -Doubtful	10000000	10000000
Recoverable From Staff	0	45000
Prepaid Expenses	2409849	1727598
Income Tax/Tax deducted at source	7992199	8777710
	196781192	430590020

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

13. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Interest accrued on loans / Inter Corporate Deposits	5014899	11551860
Receivable from HB Estate Developers Limited pursuant to Scheme of Arrangement	0	4214449
	5014899	15766309

14. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Profit/(Loss) in Securities dealing/Equity Derivative Trading	(2532512)	(2130685)
Profit/(Loss) on Sale/Disposal of Current Investments	(495488)	1342178
Provision for diminution in value of Current Investments made	(67935941)	(24676062)
Interest on Loans /Inter Corporate Deposit (Tax deducted at Source ₹ 33,80,113/- (Previous Year ₹ 40,73,509/-)	33802692	41814989
Dividend Income (Gross) on Current Investments	1019017	3684139
	(36142232)	20034559

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

15. OTHER INCOME

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Interest from Income Tax Refund	0	260208
	0	260208

16. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Salaries and Benefits	5221967	4995141
Contribution to Provident Fund and Superannuation Fund	485743	497909
Gratuity	31074	0
Staff Welfare	141743	125863
	5880527	5618913

17. FINANCE COST

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Interest Expenses	559808	441544
	559808	441544

18. OTHER EXPENSES

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Rent/Facility Charges	1156165	1252639
Vehicle Running and Maintenance	1089664	970114
Insurance	225322	76563
Communication	249730	736759
CSR Expenses	600000	431000
Travelling and Conveyance	2081374	2485117
Printing and Stationery	1215609	1268682
Office Repairs and Maintenance	162582	163572
Depository and Custodial	420739	200658
Subscription and Membership	201920	244160
Legal and Professional	1591025	1454387
Advertisement & Publicity	332922	329570
Listing Fees	873200	518516
Business Promotion	995426	1226878
Miscellaneous	214455	942423
Auditors Remuneration		
-Audit Fees	165000	165000

Particulars	For the Year ended 31st March, 2019 (In ₹)		For the Year ended 31st March, 2018 (In ₹)	
-Tax Audit Fees	25000		0	
-Limited Review Reports	40000		30000	
- Income Tax Matters	0		25000	
-Certification and Others	27500	257500	43125	263125
Directors Sitting Fees		383000		448670
		12050633		13012833

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

Income Tax Demand disputed ₹ 92,03,003/- (Previous year ₹ 46,08,665/-) 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.

20. QUANTITATIVE DETAILS
Quantitative information in respect of Investments in securities:
A. Non Current/Long Term Investments
EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty.(Nos.)	Amount (₹)
Opening Balance	830006	8300060	14666357	593516333
Purchases/Conversions	0	0	0	0
Sales/Conversions/ Transfer*	0	0	13836351	585216273
Closing Balance	830006	8300060	830006	8300060

(*) Pursuant to Scheme of Arrangement

PREFERENCE SHARES

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty.(Nos.)	Amount (₹)
Opening Balance	0	0	3595000	360400000
Purchases/Conversions	0	0	0	0
Sales/Conversions/ Transfer*	0	0	3595000	360400000
Closing Balance	0	0	0	0

(*) Pursuant to Scheme of Arrangement

B. CURRENT INVESTMENTS
EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty.(Nos.)	Amount (₹)
Opening Balance	7499155	235182823	1338916	37833147
Purchases/Conversions	697726	42956457	6375681	235698453
Sales/Conversions	409584	47948384	215442	39690955
Closing Balance	7787297	229695408	7499155	235182823

MUTUAL FUNDS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty.(Nos.)	Amount (₹)
Opening Balance	0	0	67119	102606748
Purchases/Conversions	0	0	34429	52633676
Sales/Conversions	0	0	101548	155240424
Closing Balance	0	0	0	0

21. RELATED PARTY TRANSACTIONS
21.1 List of related parties with whom transactions have taken place and relationship:
a) Key Managerial Personnel (KMP)

- Mr. Anil Kumar Mittal, (Company Secretary upto 15.02.2019)
- Mr. Rachit Tandon, (Company Secretary w.e.f 15.02.2019)
- Mr. Mahesh Kumar Gupta, Chief Financial Officer

b) Person having control/significant influence /major shareholders

- Mr. Lalit Bhasin

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

- RRB Master Securities Delhi Limited.

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

- HB Portfolio Limited
- HB Estate Developers Limited
- HB Securities Limited (Subsidiary of HB Portfolio Limited)



21.2 Transactions during the financial year ended 31st March, 2019 with Related Parties as under.

Sr. No.	Particulars	Nature of Transaction	For the year ended 31st March, 2019 (In ₹)	For the year ended 31st March, 2018 (In ₹)
1	RRB Master Securities Delhi Limited	Advances given (net)	7879144	17789712
		Margin / Advances paid & received back	27250000	19300000
		Purchase of Investment through them	17671969	161028535
		Sale of Investment through them	37660994	37403826
		Net Turnover of Derivative Trading	2532512	2130685
		Receivable at the year end in respect of Loans & Advances	7879144	17789712
2	HB Estate Developers Limited	Rent/ Facility Charges Paid	1016263	983964
		Receivable from HB Estate Developers Limited pursuant to Scheme of Arrangement	0	4214449
		Received against amount receivable from HB Estate Developers Limited pursuant to Scheme of Arrangement	4214449	0
		Receivable at the year end in respect of Loans & Advances	34500000	34500000
3	HB Portfolio Limited	Payable to HB Portfolio Limited pursuant to Scheme of Arrangement	0	243409034
		Repayment against amount payable to HB Portfolio Limited pursuant to Scheme of Arrangement	243409034	0
4	HB Securities Limited	Depository Charges	9639	38140
5	Lalit Bhasin	Sitting Fees paid	40000	45000
		Sale of Securities	80784	0
6	Rachit Tandon	Remuneration & Other Services	78210	0
7	Anil Kumar Mittal	Remuneration & Other Services	1411741	1217982
8	Maresh Kumar Gupta	Remuneration & Other Services	1770000	1741067

22. SEGMENT REPORTING

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

23. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15

Defined Contribution Plan

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

Particulars	Current Year	Previous Year	Head under which shown in Statement of Profit & Loss Account
	Amount (In ₹)	Amount (In ₹)	
Contribution to Provident Fund	326956/-	305690/-	Contribution to Provident fund and superannuation fund
Contribution to Superannuation Fund	135000/-	135000/-	Contribution to Provident fund and superannuation fund

Defined Benefit Plan

Movement in Net Liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year (In ₹)	Previous Year (In ₹)	Current Year (In ₹)	Previous Year (In ₹)
Present Value of Obligations as at beginning of the year (A)	980533.00	2375649	619386.00	6,95,159
Interest Cost (B)	75991.00	184113.00	48002.00	53875.00
Current Service Cost (C)	41106.00	61202.00	23637.00	36276.00
Benefits paid (D)	317308.00	1125000.00	270640.00	111163.00
Actuarial loss/ (gain) on obligation (E)	31884.00	-515431.00	71068.00	-54761.00
Present value of obligations as at the end of the year (F=A+B+C-D+E)	812206.00	980533.00	491453.00	619386.00

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

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year (In ₹)	Previous Year (In ₹)	Current Year (In ₹)	Previous Year (In ₹)
Present Value of Obligation (A)	812206.00	980533.00	491453.00	619386.00
Estimated Fair Value of Plan Assets (B)	13,41,056	15,33,143	0	0
Net Liability (Assets) (C=A-B)	(5,28,850)	(5,52,610)	491453.00	619386.00
Amounts in the Balance Sheet				
Liabilities (Assets)	5,28,850	5,52,610	491453.00	619386.00
Amount charged to Statement of Profit & Loss				
Current Service Cost	41106.00	61202.00	23637.00	36276.00
Interest Cost	75991.00	1,84,113	48002.00	53875.00
Expected Return on Plan Asset	(1,18,819)	(1,91,740)	0	0
Actuarial(Gain)/Loss	-32796.00	(5,07,770)	71068.00	-54761.00
	31074.00	(4,54,195)	1,42,707	35390.00
Head under which shown in the Profit & Loss account	Gratuity		Salary & Benefits	

The Actual Return on Plan Assets is as follows:

Particulars	Gratuity	
	Current Year (In ₹)	Previous Year (In ₹)
Actual Return on Plan Assets	1,18,819	1,91,740

Following are the Principal Actuarial Assumptions used as at the Balance Sheet Date

Particulars	Gratuity	
	Current Year (In ₹)	Previous Year (In ₹)
Discount Rate	7.75%	7.75%
Expected Rate of Return on Plan Assets	7.75%	7.75%
Salary Escalation Rate	5%	5%

A Reconciliation of the Opening and Closing Balances of the fair value of Plan Assets :

Sl. No.	Particulars	Gratuity	
		Current Year (In ₹)	Previous Year (In ₹)
	Opening Fair Value of Plan Assets	1533143	2474064
i)	Expected Return on Plan Assets	118819	191740
ii)	Actuarial Gains / (Losses)	-912.00	-7661.00
iii)	Contribution by the Employer	7314.00	0
iv)	Benefits Paid	317308	1125000
	Closing Fair Value of Plan Assets	1341056	1533143

24. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD AS-19 FOR LEASES: -

Operating Lease

- Particulars of the minimum lease payments under Operating Lease:-
 - Not Later than One year ₹ 11,70,911/- (Previous Year ₹ 11,56,165/-)
 - Later than one year but not later than five years ₹ 25,909/- (Previous Year ₹ 3,35,580/-)
 - Later than five years ₹ Nil (Previous Year ₹ NIL)
- Minimum lease payments recognised in the Statement of Profit & Loss Account during the year ended 31st March 2019 is ₹ 11,56,165/- (Previous Year ₹ 12,52,639/-).
- General description of the lease arrangement.

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

Restrictions imposed by lease arrangement:-

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

25. DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

To the extent information available with the company, it has no dues to the Micro, Small and Medium enterprises as at 31st March, 2019 and 31st March, 2018.

26. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD AS-22 FOR ACCOUNTING FOR TAXES ON INCOME: -

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



27. "DISCLOSURE OF LOANS/ADVANCES IN THE NATURE OF LOANS IN TERMS OF PROVISION OF REGULATION 34 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 -

(Amount in ₹)

Sl. No.	Particulars	Outstanding Balance as on 31st March, 2019	Max. Balance outstanding during the year	Outstanding Balance as on 31st March, 2018	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

28. EARNING PER SHARE PURSUANT TO ACCOUNTING STANDARD (AS-20) "EARNING PER SHARE"

Particulars	Current Year (In ₹)	Previous Year (In ₹)
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders.	(57804428)	(5010941)
Earning Per Share (Face Value of ₹ 10 each)		
Weighted Average Nos. of Equity Share Outstanding	7137665	7137665
Basic and Diluted Earning per share (₹)	(8.10)	(0.70)

29. DISCLOSURES RELATING TO OUTSTANDING DERIVATIVE EXPOSURES IN SECURITIES:-

- Cash Margin amounting to ₹ 78,79,144/- (₹ 1,77,89,712) 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, 2019

Name of Equity Stock Future	No. of Contracts	Units(In Nos.)	Units(In Nos.)
		Long	(Short)
J.P. Associates Limited	Nil	Nil	Nil
	(14)	(34000)	(Nil)
ITC Limited	4	2400	Nil
	(4)	(2400)	(Nil)
Bharti Airtel Limited	5	1700	Nil
	(Nil)	(Nil)	(Nil)
GMR Infrastructure Limited	6	45000	Nil
	(Nil)	(Nil)	(Nil)
Yes Bank Limited	20	1750	Nil
	(Nil)	(Nil)	(Nil)

30. DIVIDEND PAID TO NON - RESIDENT SHAREHOLDERS:- NIL (PREVIOUS YEAR- NIL)

31. 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
LIABILITIES SIDE :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	Nil (Nil)	Nil (Nil)
: Unsecured	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)	62.03 (78.14)	Nil (Nil)
(2) Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid		
(a) In the form of Unsecured Debentures	Nil (Nil)	Nil (Nil)
(b) In the form of partly Secured Debentures i.e. debentures where there is a shortfall in the value of security	Nil (Nil)	Nil (Nil)
(c) Other Public Deposits	Nil (Nil)	Nil (Nil)

ASSETS SIDE :

(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	Amount outstanding *
(a) Secured	Nil (Nil)
(b) Unsecured	2183.84 (4579.11)
* Net of Provisions and includes security deposits etc	
(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil (Nil)
(b) Operating lease	Nil (Nil)
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	Nil (Nil)
(b) Repossessed Assets	Nil (Nil)
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	Nil (Nil)
(b) Loans other than (a) above	Nil (Nil)
(5) Break-up of Investments :	
Current Investments	
1. Quoted :	
(i) Shares : (a) Equity	2296.91 (2344.84)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)



2. Unquoted :	
(i) Shares : (a) Equity	0.04 6.99
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
Long Term investments	
1. Quoted :	
(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)
2. Unquoted :	
(i) Shares : (a) Equity	83.00 (83.00)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil (Nil)	Nil (Nil)	Nil (Nil)
(b) Companies in the same group	Nil (Nil)	423.79 (522.90)	423.79 (522.90)
(c) Other Related Parties	Nil (Nil)	Nil (Nil)	Nil (Nil)
2. Other than Related Parties	Nil (Nil)	1760.05 (4056.21)	1760.05 (4056.21)
Total	Nil (Nil)	2183.84 (4579.11)	2183.84 (4579.11)

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

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	Nil (Nil)	83.00 (83.00)
(b) Companies in the same group*	39.93 (74.55)	25.00 (25.00)
(c) Other related parties	Nil (0.99)	Nil (0.99)
2. Other than Related Parties	1292.37 (1990.99)	1307.30 (2040.54)
Total	1332.30 (2066.53)	1415.30 (2149.53)

(8) Other information

Particulars	Amount
(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)

32. Litigation

The Company is in appeal in respect of various Income Tax matters. The Contingent Liability in respect thereof is disclosed in note no. 19. 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.

33. The Company did not have any Long Term Contracts including derivative contracts for which there were any material foreseeable losses.

34. The Company is required to spent ₹ 5,73,821/- (Previous year ₹ 4,20,856/-) on Corporate Social Responsibility (CSR) activities during the year. Amount spent during the year ₹ 6,00,000/- (Previous Year ₹ 4,31,000/-).

35. 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 Standalone Financial Statements

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: GURUGRAM
DATED: 30/05/2019

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
(COMPANY SECRETARY)
M. No.: ACS-30169



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**TO
THE MEMBERS OF
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 of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of profit and loss, the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (herein after 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 gives the information required by the Act in the manner so required and give a true and fair view in conformity with the Companies Accounting Standard prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, their consolidated loss, their Consolidated Cash Flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our 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 of our opinion.

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 respective Board of Directors of the Group are 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. The Annual Report is expected to be made available to us after the date of this Auditors' Report. 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.

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 matters stated in section 134(5) of the Act with respect to that give a true and fair view of the consolidated financial position, Consolidated Financial Performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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.

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.

The 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. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 31st March, 2019 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.

5. Other matters

- (a) We did not audit the Financial Statements / Financial Information of one subsidiary, whose Financial Statements / Financial Information reflect total assets of ₹ 18,67,861/- as at 31st March, 2019, total revenues of ₹ 12,500/- and net cash flows amounting to ₹ 53,922 /- for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor. (Also refer note no.19).

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



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group Companies is disqualified as on 31st March, 2019 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 31 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 31st March, 2019 to its directors.

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

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

PLACE : GURUGRAM
DATED : 30/05/2019

ANNEXURE – A

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 31st March, 2019, We have audited the Internal Financial Controls over financial reporting of **HB Stockholdings Limited** ("the Holding Company") and its Subsidiary company which is 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 March 2019, based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

PLACE : GURUGRAM
DATED : 30/05/2019

**HB STOCKHOLDINGS LIMITED****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019**

Particulars	Note(s)	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	76808293	76808293
Reserves and Surplus	3	302190668	360556115
		378998961	437364408
Non-Current Liabilities			
Long Term Borrowings	4	4460599	6203145
Long Term Provisions	5	341205	464197
		4801804	6667342
Current Liabilities			
Other Current Liabilities	6	5545588	248970838
Short Term Provisions	7	109589783	44663426
		115135371	293634264
		498936136	737666014
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	11785980	13986961
Long term Loans and Advances	9	34566720	34566720
		46352700	48553681
Current Assets			
Current Investments	10	229695407	235182824
Cash and Bank Balances	11	23590688	9771930
Short Term Loans and Advances	12	194282442	428391270
Other Current Assets	13	5014899	15766309
		452583436	689112333
		498936136	737666014

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 33

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

FOR G. C. AGARWAL & ASSOCIATES FOR AND ON BEHALF OF THE BOARD
CHARTERED ACCOUNTANTS
Firm Registration Number : 017851N

Sd/- G C AGARWAL (PROPRIETOR) Membership No. : 083820	Sd/- ANIL GOYAL (DIRECTOR) DIN: 00001938	Sd/- LALIT BHASIN (CHAIRMAN) DIN: 00002114
PLACE: GURUGRAM DATED: 30/05/2019	Sd/- MAHESH KUMAR GUPTA (CHIEF FINANCIAL OFFICER)	Sd/- RACHIT TANDON (COMPANY SECRETARY) M. No.: ACS-30169

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	(56212408)	(1303216)
Adjustment for :		
Depreciation	2279871	1873860
Contingent Provision against Standard Assets	(934642)	486679
Operating Profit before Working Capital Changes	(54867179)	1057323
Adjustment for :		
Trade & Other Receivables	244797612	(85204040)
Investments	73423357	(70066867)
Current and Non-current Liabilities	(243553184)	125693666
Cash Generated from operation	19800606	(28519918)
Less: Income tax paid	(4223039)	(534919)
Net Cash from Operating Activities	15577567	(29054837)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of Fixed Assets	(78890)	(11764856)
Net Cash used in Investing Activities	(78890)	(11764856)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Particulars	Note(s)	Year Ended at 31st March, 2019 (In ₹)	Year Ended at 31st March, 2018 (In ₹)
Revenue from Operations	14	(36142232)	20034559
Other Income	15	12500	262028
Total Revenue		(36129732)	20294767
Expenses:			
Employee Benefit Expense	16	5880527	5618913
Depreciation	8	2279871	1873860
Finance Cost	17	559808	441544
Other Expenses	18	12297112	13176987
Contingent Provision against Standard Assets		(934642)	486679
Total Expenses		20082676	21597983
Profit for the year before Tax		(56212408)	(1303216)
Tax expense:			
Current tax		2130000	4200000
Tax adjustments for earlier years		23039	(1081)
Profit for the year after Taxation before Share of Profit/(Loss) in Associates		(58365447)	(5502135)
Share of Profit in Associates		0	0
Profit for the year after Taxation		(58365447)	(5502135)
Earning per Equity Share:	25		
Equity share of Par value ₹ 10/-each			
Basic and Diluted		(8.18)	(0.77)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 33

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

FOR G. C. AGARWAL & ASSOCIATES FOR AND ON BEHALF OF THE BOARD
CHARTERED ACCOUNTANTS
Firm Registration Number : 017851N

Sd/- G C AGARWAL (PROPRIETOR) Membership No. : 083820	Sd/- ANIL GOYAL (DIRECTOR) DIN: 00001938	Sd/- LALIT BHASIN (CHAIRMAN) DIN: 00002114
PLACE: GURUGRAM DATED: 30/05/2019	Sd/- MAHESH KUMAR GUPTA (CHIEF FINANCIAL OFFICER)	Sd/- RACHIT TANDON (COMPANY SECRETARY) M. No.: ACS-30169

Particulars	Year Ended 31st March, 2019 (In ₹)	Year Ended 31st March, 2018 (In ₹)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/Repayment of Long Term Borrowing	(1742546)	6203145
Net Cash used in Financing Activities	(1742546)	6203145
Net Increase in Cash & Cash Equivalents A+B+C	13756131	(34616548)
Cash and Cash Equivalents (Opening Balance)	7406088	42022636
Cash and Cash Equivalents (Closing Balance)	21162219	7406088
Components of cash and cash equivalents at the end of the year		
Particulars		
- In Current and Deposit Accounts	4558148	6855282
- Cheques / Drafts in hand	1600000	0
- Cash in Hand	604071	550806
	21162219	7406088

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

FOR G. C. AGARWAL & ASSOCIATES FOR AND ON BEHALF OF THE BOARD
CHARTERED ACCOUNTANTS
Firm Registration Number : 017851N

Sd/- G C AGARWAL (PROPRIETOR) Membership No. : 083820	Sd/- ANIL GOYAL (DIRECTOR) DIN: 00001938	Sd/- LALIT BHASIN (CHAIRMAN) DIN: 00002114
PLACE: GURUGRAM DATED: 30/05/2019	Sd/- MAHESH KUMAR GUPTA (CHIEF FINANCIAL OFFICER)	Sd/- RACHIT TANDON (COMPANY SECRETARY) M. No.: ACS-30169



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1.1 PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements relate to HB Stockholdings Limited (the Company) and its Subsidiary Company Mount Finance Limited. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" on the following basis:

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

1.2 INVESTMENTS

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

1.3 OTHER SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

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

b) USE OF ESTIMATES

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

c) REVENUE RECOGNITION

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

d) FIXED ASSETS (PROPERTY PLANT & EQUIPMENT)

Fixed Assets are stated at cost less depreciation.

e) DEPRECIATION

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

f) INVESTMENTS

- Investments are classified into Current Investments and Non Current/ Long Term Investments.
- Current Investments are valued at lower of cost or fair market value on category wise basis. Non Current/Long Term Investments are valued at cost less other than temporary diminution, if any, on scrip wise basis. Provision for reduction/diminution in the value of Investments and reversal of such reduction/ diminution are included in the Profit & Loss Account. For the purpose of disclosure and presentation in the Financial Statements, and in compliance with Non- Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016:-
 - on the assets side, investments are shown at cost;
 - the diminution/depreciation is shown correspondingly under the head "Provisions"(Short Term/Long Term) in the liabilities side in the Balance Sheet without showing it as deduction from the value of Investments.

Cost of investments is computed using the Weighted Average Method.

g) EMPLOYEE BENEFITS

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

h) TAXATION

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

i) IMPAIRMENT OF FIXED ASSETS (PROPERTY PLANT & EQUIPMENT)

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

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

j) CONTINGENCIES:

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

NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2019

2. SHARE CAPITAL

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
AUTHORIZED *		
2,50,00,000 (7,00,00,000) Equity Shares of ₹ 10/- each.	250000000	250000000
1,00,00,000 (3,00,00,000) Redeemable Preference Shares of ₹ 10/- each	100000000	100000000
	350000000	350000000
ISSUED *		
87,88,704(2,54,43,257) Equity Shares of ₹ 10/- each.	87887040	87887040
	87887040	87887040
SUBSCRIBED & PAID UP		
71,37,665 (2,37,92,218) Equity Shares of ₹ 10/- each fully paid up.*	71376650	71376650
	71376650	71376650
Add: Forfeited shares- 16,51,039(16,51,039) Equity Shares (Amount originally paid up)	5431643	5431643
	76808293	76808293

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

- Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2019 & 31st March, 2018 is as under:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of Shares at the beginning	7137665	71376650	7137665	71376650
Less: Reorganisation of existing Share Capital	0	0	-23792218	-237922180
Add: Fresh Shares issued pursuant to Scheme of Arrangement	0	0	7137665	71376650
Number of shares at the end*	7137665	71376650	-9516888	-95168880

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

Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Lalit Bhasin	3678691	51.54	3678691	51.54

- During the previous year, pursuant to Scheme of Arrangement between the Company and HB Portfolio Limited and HB Estate Developers Limited, the issued and paid up Equity Share Capital of the company was reduced by reducing the face value of the equity shares from ₹ 10/- fully paid up to ₹ 3/- each fully paid. As a result, the issued and paid up equity share capital was reduced from ₹ 23,79,22,180 comprising of 2,37,92,218 shares of ₹ 10/- each to ₹ 7,13,76,654 comprising of 2,37,92,218 shares of ₹ 3/- each. Simultaneously, 10 (Ten) equity shares of ₹ 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 ₹ 10/- each after ignoring fractional shares.
- In the event of the Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3. RESERVES AND SURPLUS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Securities Premium - Opening Balance	230763189	999689069
Add: Addition during the year	0	0
Less: Business Reorganisation Reserve	0	(768925880)
	230763189	230763189
Statutory Reserve - Opening Balance *	163961174	180016800
Less: Pursuant to Scheme of Arrangement (From 01/04/2015 to 31/03/2017)	0	(16055626)
	163961174	163961174
Surplus -opening balance	(34168248)	73717808
Less: Net Loss from 01.04.2015 to 31.03.2017**	0	(80278130)
Less: Adjusted group share of profit/losses upto 31.03.2017 **	0	(38161417)
Add: Net Profit after tax transferred from Statement of Profit & Loss	(58365447)	(5502135)
	(92533695)	(50223874)
Add: Adjusted to Statutory Reserve from 01.04.2015 to 31.03.2017**	0	16055626
Less: Transferred to Statutory Reserve	0	0
Surplus-Closing balance	(92533695)	(34168248)
	302190668	360556115

(*) Created by way of transfer of specified percentage of profits as per section 451C of Reserve Bank of India (Amendment) Act, 1997. Appropriation from Reserves shall be for the purposes as may be specified by Reserve Bank of India.

(**) Pursuant to Scheme of Arrangement

4. LONG TERM BORROWINGS

Particulars	As at 31st March, 2019 (In ₹)		As at 31st March, 2018 (In ₹)	
	Non-Current	Current	Non-Current	Current
Secured Loan				
Term Loan From Bank (Secured against Hypothecation of Vehicle financed)	4460599	1742546	6203145	1610597
	4460599	1742546	6203145	1610597

(*) The loan taken are at interest rate of 8.25%

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

	1-2 years	2-3 years	3-4 years	4-5 years
- Vehicle Loan from HDFC Bank	1885305	2039760	535534	535534

5. LONG TERM PROVISIONS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Provisions For Employee Benefits		
Leave encashment	203019	326011
Others		
-Contingent provision against Standard Assets	138186	138186
	341205	464197

6. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Unpaid Dividends *	2428469	2365843
Current Maturities of Long Term Debt (Refer Note No. 4)	1742546	1610597
Expenses Payable	1327835	1512510
TDS Payable	46738	72854
Payable to HB Portfolio Ltd. pursuant to Scheme of Arrangement	-	243409034
	5545588	248970838

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

7. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Provisions For Employees Benefit		
Leave encashment	288434	293375
Others		
Income Tax	2130000	4200000
Sub-Standard and Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	96465833	28529892
Contingent Provision against Standard Assets	705516	1640159
	109589783	44663426



8. FIXED ASSETS

(Amount in ₹)

Sr. No	Particulars	Gross Block			Depreciation			Net Block	
		As at 01st April, 2018	Addition during the year	As at 31st March, 2019	As at 01st April, 2018	For the year	As at 31st March, 2019	As on 31st March, 2019	As on 31st March, 2018
	Tangible Assets								
1	Flat	4823385	0	4823385	2963057	327040	3290097	1533288	1860328
2	Vehicles	17956623	0	17956623	6017623	1895483	7913106	10043517	11939000
3	Office Equipment	2383748	78890	2462638	2270590	35069	2305659	156979	113158
4	Data Processing Machine	555019	0	555019	506820	17620	524440	30579	48199
5	Air Conditioners	996578	0	996578	970302	4659	974961	21617	26276
	Total	26715353	78890	26794243	12728392	2279871	15008263	11785980	13986961
	(Previous Year)	14950497	11764856	26715353	10854532	1873860	12728392	13986961	4095965

9. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
(Unsecured, Considered Good) - Standard		
Security Deposits *	34566720	34566720
	34566720	34566720

(*) Includes Rental Deposits given to Related Party namely HB Estate Developers Limited. ₹ 3,45,00,000/- (Previous Year ₹ 3,45,00,000/-) Refer Note no. 21

10. INVESTMENTS

Name of the Company	Face Value	As at 31st March, 2019		As at 31st March, 2018	
	(₹)	Qty.(Nos.)	(Amount in ₹)	Qty.(Nos.)	(Amount in ₹)
CURRENT INVESTMENTS					
(A) INVESTMENTS IN EQUITY INSTRUMENTS					
a) QUOTED, FULLY PAID UP EQUITY SHARES					
AMRIT CORPORATION LIMITED	10	132	1848	400	5600
ARVIN LIQUID GASES LIMITED*	10	10000	182500	10000	182500
ASHOK LEYLAND LIMITED	1	--	--	200	7603
BHARAT HOTELS LIMITED	10	300	6752	300	6752
CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED	10	--	--	3815	757721
CIBA INDIA LIMITED	10	--	--	50	500
COAL INDIA LIMITED	10	3250	995685	3250	995685
DWARIKESH SUGAR INDUSTRIES LTD.	1	72500	3985125	72500	3985125
DEEPAK SPINNERS LIMITED	10	--	--	1000	107374
DOLPHIN OFFSHORE ENTERPRISES I LIMITED	10	10000	1166901	10000	1166901
DCM SHRIRAM LIMITED	2	50726	19293499	54384	20684810
EIH LTD.	2	47601	7961050	46500	7801525
FOODS & INNS LIMITED	10	45400	7571413	4540	7568534
GVK POWER & INFRA LTD.	1	25000	396040	25000	396040
HINDUSTAN ENGINEERING & INDS. LTD.*	10	108	147220	108	147220
HARYANA PETROCHEMICALS LIMITED*	10	9050	212192	9050	212192
HARYANA LEATHER CHEMICALS LTD.	10	31347	1686234	31347	1686234
HB ESTATE DEVELOPERS LIMITED	10	125400	1500000	125400	1500000
HB LEASING & FINANCE CO LIMITED	10	--	--	43200	1186050
HB PORTFOLIO LIMITED	10	60000	1000000	60000	1000000
HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED	1	35000	903948	200000	5165417
HINDUSTAN OIL EXPLORATION COMPANY LIMITED	10	--	--	216	25684
HOTLINE GLASS LIMITED*	10	166382	552770	166382	552770
ICP SECURITIES LIMITED*	10	1800	18000	1800	18000
ISPAT PROFILES INDIA LIMITED*	10	10000	235020	10000	235020
IDFC BANK LTD	10	50000	2852880	50000	2852880
INDRAPRASTHA GAS LTD.	2	--	--	27500	8923343
IST LIMITED	10	40767	33806532	17890	18226757



Name of the Company	Face Value	As at 31st March, 2019		As at 31st March, 2018	
	(₹)	Qty.(Nos.)	(Amount in ₹)	Qty.(Nos.)	(Amount in ₹)
JK PAPER LTD.	10	16015	1828744	16015	1828744
JAI CORP LTD.	1	13000	1046979	13000	1046979
JAI PRAKASH ASSOCIATES LTD.	2	3683671	78015380	3207671	74548621
JAYPEE INFRA TECH LTD.	10	60000	1055476	60000	1055476
JP POWER VENTURES LTD.	10	1695000	12647774	1650000	12473903
KIRAN OVERSEAS EXPORTS LIMITED*	10	10000	335000	10000	335000
LCC INFOTECH LIMITED*	2	56300	387984	56300	387984
LT FOODS LIMITED	1	5000	481396	5000	481396
LUNAR DIAMONDS LIMITED*	10	21000	439065	21000	439065
MAWANA SUGARS LTD.	10	10000	885568	10000	885568
MERCATOR LTD.	1	50000	2150799	50000	2150799
MMTC LIMITED	1	48750	1631832	32500	1631832
NMDC LIMITED	1	20000	2492643	20000	2492643
NAHAR CAPITAL AND FINANCIAL SERVICES LTD.	10	3000	461841	3000	461841
NAHAR POLYFILMS LIMITED	5	--	--	444	17643
NBCC (INDIA) LIMITED	1/(2)	22000	2115935	11000	2115935
NUCHEM LIMITED*	10	64755	168363	64755	168363
ORISSA EXTRUSIONS LIMITED*	10	10728	21456	10728	21456
ORIENTAL BANK OF COMMERCE	10	--	--	100	12745
OIL INDIA LTD.	10	4500	985983	3000	985983
OSWAL AGRO MILLS LTD.	10	30000	459399	30000	459399
PATHREJA FORGINGS LIMITED*	10	1000	19326	1000	19326
PETRONET LNG LTD.	10	--	--	34500	7474666
PRISM MILLS LIMITED*	10	10000	187500	10000	187500
PUNJAB WIRELESS LIMITED*	10	100	6100	100	6100
RAMA VISION LIMITED*	10	18300	553061	18300	553061
RELIANCE INDUSTRIES LTD.	10	2350	1161099	2300	1161099
RELIANCE HOME FINANCE LTD.	10	--	--	4	414
RELIANCE CAPITAL LIMITED	10	--	--	4	1496
SAJJAN UDYOG EXPORTS LIMITED*	10	23600	590000	23600	590000
SAREGAMA INDIA LIMITED	10	5000	3640656	5000	3640656
SAVANI FINANCIALS LIMITED*	10	7000	140000	7000	140000
SHREYANS INDUSTRIES LIMITED*	10	5600	96873	5600	96873
SATIN CREDITCARE NETWORKS LTD.	10	10000	4117284	10000	4117284
SRI VASAVI INDUSTRIES LIMITED*	10	10890	584631	10890	584631
STEEL EXCHANGE OF INDIA LTD.	10	--	--	244	4060
GLOBAL STONE INDIA LIMITED*	10	2000	34000	2000	34000
SUMMIT SECURITIES LTD.	10	2856	2767148	2856	2767148
UNITECH LTD.	2	1000000	9215661	1000000	9215661
U P HOTELS LIMITED*	10	45697	10209940	45697	10209940
VEDANTA LTD.	1	4250	978775	4250	978775
WELSPUN ENTERPRISES LIMITED	10	20000	3301967	20000	3301967
TOTAL (a)		7787125	229691246	7452690	234484268
b) UNQUOTED, FULLY PAID UP EQUITY SHARES					
KESORAM TEXTILE LIMITED	10	172	4161	172	4161
TOTAL (b)		172	4161	172	4161
c) UNQUOTED PARTLY PAID UP EQUITY SHARES					
RATHI ALLOYS & STEELS LIMITED	10	--	--	46293	694395
TOTAL (c)		0	0	46293	694395
TOTAL- (a+b+c)		7787297	229695407	7499155	235182824

(*) Listed but not quoted



NOTES:	Non Current/Long Term Investments		Current Investments	
	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
10.1 Aggregate Amount of Quoted Investments	0	0	229691246	234484268
10.2 Market Value of Quoted Investments	0	0	133229576	206652932
10.3 Aggregate Amount of Unquoted Investments	0	0	4161	698556
10.4 Aggregate Provision for Diminution in Value of Investments	0	0	96465833	28529892
10.5 Provision for diminution in the value of investments is charged in the Statement of Profit & Loss and shown correspondingly under the head "Provisions" in the Balance Sheet without showing it as deduction from the value of investments. This is being done in compliance with "Non-Banking Financial Company- Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. It has no impact on the Profit for the year and also on the net carried amount of the investments. The Net carrying value of investments are as under-				
	Non Current/Long Term Investments		Current Investments	
	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Gross Amount of Investments	0	0	229695407	235182824
Less: Provision for Diminution in the Value of Investments	0	0	96465833	28529892
Net Carrying Value	0	0	133229575	206652932

11. CASH AND BANK BALANCES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Cash & Cash equivalents		
Balances with Banks		
-In Current Accounts	4558148	6855282
-Payorder in hand	16000000	-
-Cash in Hand	604071	550806
Other Bank Balances		
- In Earmarked Unpaid Dividend Account	2428469	2365843
	23590688	9771930

14. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Profit/(Loss) in Securities dealing/Equity Derivative Trading	(2532512)	(2130685)
Profit/(Loss) on Sale/Disposal of Current Investments	(495488)	1342178
Provision for diminution in value of Current Investments made	(67935941)	(24676062)
Interest on Loan /Inter Corporate Deposit (Tax deducted at Source ₹ 40,73,509/- (Previous Year ₹ 39,51,503/-)	33802692	41814989
Dividend Income (Gross)	1019017	3684139
	(36142232)	20034559

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

12. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Unsecured, Considered Good, Unless otherwise stated:		
Advance to Related Parties*	7879144	17789712
Others		
Inter Corporate Loans/Advances & Deposits (including loans to LLPs) - Standard	165800000	389850000
Inter Corporate Loans & Deposits -Doubtful	10000000	10000000
Recoverable From Staff	-	45000
Prepaid Expenses	2409849	1727598
Income Tax/Tax deducted at source	8193449	8978960
	194282442	428391270

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

15. OTHER INCOME

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Interest from Income Tax Refund	-	260208
Liability No Longer Required	12500	-
	12500	260208

16. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Salaries and Benefits	5221967	4995141
Contribution to Provident Fund and Superannuation Fund	485743	497909
Gratuity	31074	-
Staff Welfare	141743	125863
	5880527	5618913

13. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
Interest accrued on loans / Inter Corporate Deposits	5014899	11551860
Receivable from HB Estate Developers Limited pursuant to Scheme of Arrangement	0	4214449
	5014899	15766309

17. FINANCE COST

Particulars	For the Year ended 31st March, 2019 (In ₹)	For the Year ended 31st March, 2018 (In ₹)
Interest Expenses	559808	441544
	559808	441544


18. OTHER EXPENSES

Particulars	For the Year ended 31st March, 2019 (In ₹)		For the Year ended 31st March, 2018 (In ₹)	
Rent/Facility Charges		1285713		1252639
Vehicle Running and Maintenance		1089664		970114
Insurance		225322		76563
Communication		249730		736759
CSR Expenses		600000		431000
Travelling and Conveyance		2081374		2485117
Printing and Stationery		1215609		1268682
Office Repairs and Maintenance		162582		297272
Depository and Custodial		420739		200658
Subscription and Membership		201920		244160
Legal and Professional		1688847		1463601
Advertisement & Publicity		332922		329570
Listing Fees		873200		518516
Business Promotion		995426		1226878
Miscellaneous		218814		945663
Auditors Remuneration				
-Audit Fees	179750		183000	
-Tax Audit Fees	25000		-	
-Limited Review Reports	40000		30000	
- Income Tax Matters	-		25000	
-Certification and Others	27500	272250	43125	281125
Directors Sitting Fees		383000		448670
		12297112		13176987

19. The accompanying Consolidated Financial Statement includes the accounts of HB Stockholdings Limited and its following Subsidiary & Associate Company:

a)	Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year end
	Mount Finance Ltd.	India	100% Subsidiary of HB Stockholdings Limited	31.03.2019

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

Income Tax Demand disputed ₹ 98,33,349/- (Previous year ₹ 52,39,011/-) against which appeals are pending with appropriate authorities and in respect of which the management is confident that appeals will be decided in favour of the company.

21. RELATED PARTY TRANSACTIONS
21.1 List of Related Parties with whom transactions have taken place and relationship:
a) Key Managerial Personnel (KMP)

- Mr. Anil Kumar Mittal, (Company Secretary upto 15.02.2019)
- Mr. Rachit Tandon, (Company Secretary w.e.f 15.02.2019)
- Mr. Mahesh Kumar Gupta, (Chief Financial Officer)

b) Person having control/significant influence /major shareholders

- Mr. Lalit Bhasin

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

- RRB Master Securities Delhi Limited.

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

- HB Portfolio Limited
- HB Estate Developers Limited
- HB Securities Limited (Subsidiary of HB Portfolio Limited)

21.2 Transactions during the financial year ended 31st March, 2019 with Related Parties as under.

Sr. No.	Particulars	Nature of Transaction	For the year ended 31st March, 2019 (In ₹)	For the year ended 31st March, 2018 (In ₹)
i	RRB Master Securities Delhi Limited	Advances given (net)	7879144	17789712
		Margin / Advances paid & received back	27250000	19300000
		Purchase of Investment through them	17671969	161028535
		Sale of Investment through them	37660994	37403826
		Net Turnover of Derivative Trading	2532512	2130685
		Receivable at the year end in respect of Loans & Advances	7879144	17789712
ii	HB Estate Developers Limited	Rent/ Facility Charges Paid	1016263	983964
		Receivable from HB Estate Developers Limited pursuant to Scheme of Arrangement	0	0
		Receivable at the year end in respect of Loans & Advances	34500000	34500000
iii	HB Portfolio Limited	Payable to HB Portfolio Limited pursuant to Scheme of Arrangement	0	243409034
iv	HB Securities Limited	Depository Charges	9639	38140
v	Lalit Bhasin	Sitting Fees paid	40000	45000
		Sale of Securities	80784	0
vi	Rachit Tandon	Remuneration & Other services	78210	0
vii	Anil Kumar Mittal	Remuneration & Other services	1411741	1217982
viii	Mahesh Kumar Gupta	Remuneration & Other services	1770000	1741067

22. SEGMENT REPORTING

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

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

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

Particulars	Current Year (In ₹)	Previous Year (In ₹)	Head under which shown in Statement of Profit & Loss Account
Contribution to Provident Fund	326956/-	305690/-	Contribution to Provident fund and superannuation fund
Contribution to Superannuation Fund	135000/-	135000/-	Contribution to Provident fund and superannuation fund

Defined Benefit Plan
Movement in Net Liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year (In ₹)	Previous Year (In ₹)	Current Year (In ₹)	Previous Year (In ₹)
Present Value of Obligations as at beginning of the year (A)	980533.00	2375649	619386.00	695159
Interest Cost (B)	75991.00	184113.00	48002.00	53875.00
Current Service Cost (C)	41106.00	61202.00	23637.00	36276.00
Benefits paid (D)	317308.00	1125000.00	270640.00	111163.00
Actuarial loss/ (gain) on obligation (E)	31884.00	-515431.00	71068.00	-54761.00
Present Value of Obligations as at the end of the year (F=A+B+C-D+E)	812206.00	980533.00	491453.00	619386.00



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

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year (In ₹)	Previous Year (In ₹)	Current Year (In ₹)	Previous Year (In ₹)
Present Value of Obligation (A)	812206.00	980533.00	491453.00	619386.00
Estimated Fair Value of Plan Assets (B)	1341056	1533143	Nil	Nil
Net Liability (Assets) (C=A-B)	(528850)	(552610)	491453.00	619386.00
Amounts in the Balance Sheet				
Liabilities (Assets)	528850	552610	491453.00	619386.00
Amount charged to Statement of Profit & Loss				
Current Service Cost	41106.00	61202.00	23637.00	36276.00
Interest Cost	75991.00	184113	48002.00	53875.00
Expected Return on Plan Asset	(118819)	(191740)	Nil	Nil
Actuarial(Gain)/Loss	-32796.00	(507770)	71068.00	-54761.00
	31074.00	(454195)	142707	35390.00
Head under which shown in the Profit & Loss account	Gratuity		Salary & Benefits	

The Actual Return on Plan Assets is as follows:

Particulars	Gratuity	
	Current Year (In ₹)	Previous Year (In ₹)
Actual Return on Plan Assets	118819	191740

Following are the Principal Actuarial Assumptions used as at the Balance Sheet Date

Particulars	Gratuity	
	Current Year (In ₹)	Previous Year (In ₹)
Discount Rate	7.75%	7.75%
Expected Rate of Return on Plan Assets	7.75%	7.75%
Salary Escalation Rate	5%	5%

A Reconciliation of the Opening and Closing Balances of the fair value of Plan Assets :

Sl. No.	Particulars	Gratuity	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	1533143	2474064
i)	Expected Return on Plan Assets	118819	191740
ii)	Actuarial Gains / (Losses)	-912.00	-7661.00
iii)	Contribution by the Employer	7314.00	Nil
iv)	Benefits Paid	317308	1125000
	Closing Fair Value of Plan Assets	1341056	1533143

24. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD AS-19 FOR LEASES: -

Operating Lease

- Particulars of the minimum lease payments under Operating Lease:-
Not Later than One year ₹ 11,70,911/- (Previous Year ₹ 11,56,165/-)
Later than one year but not later than five years ₹ 25,909/- (Previous Year ₹ 3,35,580/-)
Later than five years ₹ Nil (Previous Year ₹ NIL)
- Minimum lease payments recognised in the Statement of Profit & Loss Account during the year ended 31st March 2019 is ₹ 11,56,165/- (Previous Year ₹ 12,52,639/-).
- General description of the lease arrangement.
The lease is for an initial period of 3 years, which may be renewal for further period as may be mutually agreed upon.

Restrictions imposed by lease arrangement:-

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

25. EARNING PER SHARE PURSUANT TO ACCOUNTING STANDARD (AS-20) "EARNING PER SHARE"

Particulars	Current Year (In ₹)	Previous Year (In ₹)
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders.	(58365447)	(5502135)
Earning Per Share (Face Value of ₹ 10 each)		
Weighted Average Nos. of Equity Share Outstanding	7137665	7137665
Basic and Diluted Earning per share (₹)	(8.18)	(0.77)

26. DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

To the extent information available with the company, it has no dues to the Micro, Small and Medium enterprises as at 31st March, 2019 and 31st March, 2018.

27. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD AS-22 FOR ACCOUNTING FOR TAXES ON INCOME: -

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

28. DIVIDEND PAID TO NON - RESIDENT SHAREHOLDERS:- NIL (PREVIOUS YEAR-NIL)

29. ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013.

Name of the Entity	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit/ Loss	
	As % of Consolidated Net Assets	Amount (In ₹)	As % of consolidated Profit/Loss	Amount (In ₹)
1	2	3	4	5
Parent				
HB Stockholding Limited	100.08 (100.07)	379284831 (437650278)	99.16 (91.07)	-57874253 (-5010941)
Subsidiary (Indian)				
Mount Finance Limited	-0.08 (-0.07)	-285870 (285870)	0.84 (8.93)	-491194 (-491194)
Total	100.00 (100.00)	378998961 (437364408)	100.00 (100.00)	-58365447 (-5502135)

(*) Figure in bracket relates to previous year.

30. LITIGATION

The Group is in appeal in respect of various Income Tax matters. The Contingent Liability in respect thereof is disclosed in Note No. 20. Besides, in respect of appeals decided in favour of the company, the department is in appeals in certain cases.

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

- The Group did not have any Long Term Contracts including Derivative Contracts for which there were any material foreseeable losses.
- The Company is required to spent ₹ 5,73,821/- (Previous year ₹ 4,20,856/-) on Corporate Social Responsibility (CSR) activities during the year. Amount spent during the year ₹ 6,00,000/- (Previous Year ₹ 4,31,000/-).
- The Previous year figures have been regrouped/reclassified, wherever necessary to confirm to the Current Year's presentation. Previous year figures are not strictly comparable with current year's figure due to effect of Scheme of Arrangement.

As per our Report attached on even date

FOR G. C. AGARWAL & ASSOCIATES

FOR AND ON BEHALF OF THE BOARD

CHARTERED ACCOUNTANTS

Firm Registration Number : 017851N

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: GURUGRAM
DATED: 30/05/2019

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
(COMPANY SECRETARY)
M. No.: ACS-30169



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	(91,46,949)
6.	Total Assets	18,67,861
7.	Total Liabilities	18,67,861
8.	Investments	0
9.	Turnover	0
10.	Profit/(Loss) before taxation	(561019)
11.	Provision for taxation/Deferred Tax	0
12.	Profit after taxation	(561019)
13.	Proposed Dividend	0
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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
(COMPANY SECRETARY)
M. No.: ACS-30169



HB STOCKHOLDINGS LIMITED

FORM NO. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L65929HR1985PLC033936
 Name of the Company : HB Stockholdings Limited
 Registered Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram - 122 001 (Haryana)
 Name of the Member(s) :
 Registered Address :
 Email Id :
 Folio No./Client Id :
 DP Id :

I/We, being the member(s) of Shares of the above named Company, hereby appoint:

- 1) Name.....Address.....
 Email.....Signature.....or failing him
- 2) Name.....Address.....
 Email.....Signature.....or failing him
- 3) Name.....Address.....
 Email.....Signature..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **32nd ANNUAL GENERAL MEETING (AGM)** of the Company to be held on **Tuesday, the 17th day of September, 2019 at 03:00 P.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurugram - 122 001, Haryana** and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements including Consolidated Financial Statement for the Financial Year ended 31st March, 2019 together with the reports of the Directors' and Auditors' thereon.
2. Appointment of Mr. Lalit Bhasin (DIN: 00002114), who retires by rotation and being eligible offers himself for re-appointment.
3. Continuation of the Appointment of 'G.C. Agarwal & Associates' Chartered Accountants (FRN 017851N), Statutory Auditors of the Company.

Special Business:

4. Appointment of Mr. Jag Mohan Lal Suri as Manager designated as Executive Director (Operations) of the Company. (Special Resolution)
5. Re-Appointment of Mr. Harbans Lal (DIN: 00076405) as an Independent Director of the Company. (Special Resolution)
6. Re-Appointment of Mr. Gulshan Rai (DIN: 00527181) as an Independent Director of the Company. (Special Resolution)
7. Continuation of Directorship of Mrs. Asha Mehra (DIN: 02658967) Non-Executive Independent Director of the Company. (Special Resolution)

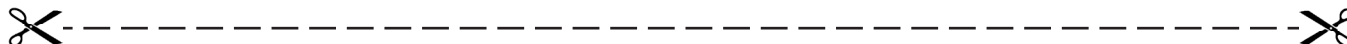
Affix
Rupee 1/-
Revenue
Stamp

Signed this _____ day of _____, 2019

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

Notes:

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



HB STOCKHOLDINGS LIMITED

ATTENDANCE SLIP

32ND ANNUAL GENERAL MEETING

Day : **Tuesday**
 Time : **03.00 P.M., 17th day of September, 2019**
 Place : **GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 122 001, Haryana**

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any.....

Father's/Husband's Name

Address in full.....

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

I/We hereby record my/our presence at the **32nd Annual General Meeting held on Tuesday, 17th day of September, 2019 at 03.00 P.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 122 001, Haryana**

Folio No. / DP-Id :

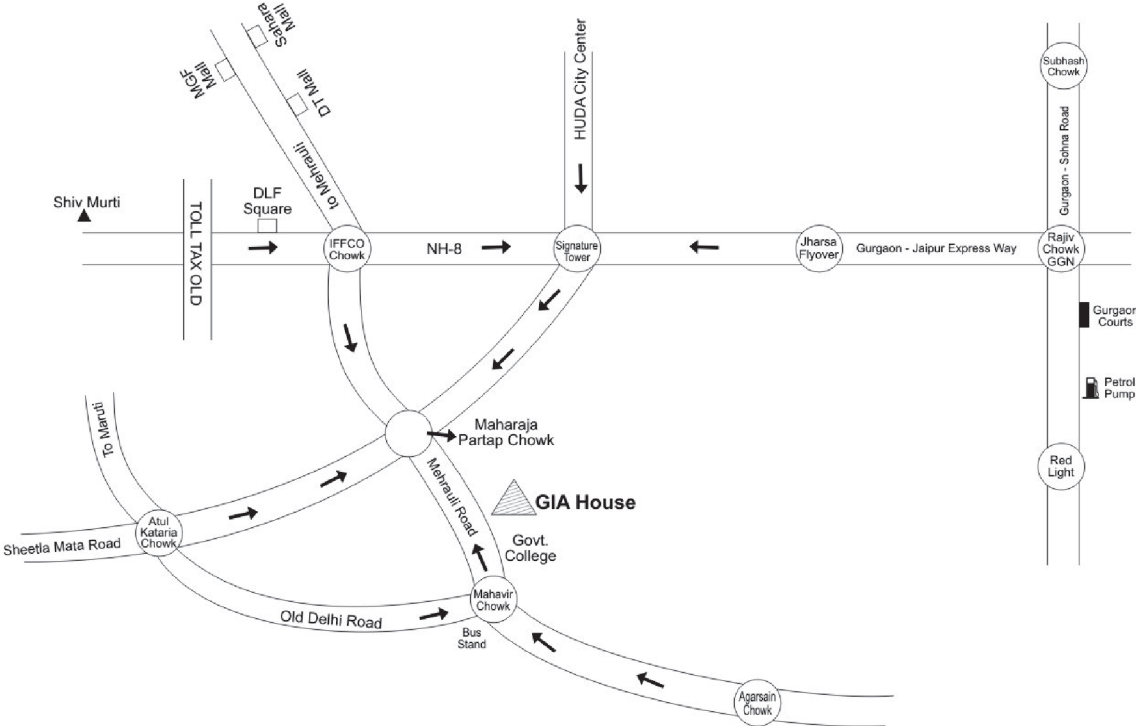
Client-Id :

No. of Shares :

Signature(s).....

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

ROUTE MAP OF GIA HOUSE



32nd
Annual Report
2018 - 19
(Abridged)



HB STOCKHOLDINGS LIMITED



BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Rachit Tandon

CHIEF FINANCIAL OFFICER (CFO)

Mr. Mahesh Kumar Gupta

MANAGER

Mr. Jag Mohan Lal Suri (Executive Director - Operations)

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 32ND ANNUAL GENERAL MEETING OF HB STOCKHOLDINGS LIMITED WILL BE HELD AS FOLLOWS:

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

Day : Tuesday
Date : 17th September, 2019
Time : 03.00 P.M.
Place : GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram - 122 001 (Haryana)

to transact the following business/(s):

ORDINARY BUSINESS:

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS INCLUDING CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON.

To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019, including the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

2. 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 an 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.”

3. CONTINUATION OF THE APPOINTMENT OF 'G.C. AGARWAL & ASSOCIATES' CHARTERED ACCOUNTANTS (FRN 017851N), STATUTORY AUDITORS OF THE COMPANY.

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

“RESOLVED THAT pursuant to the amended provisions of Section 139(1) and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in partial modification of the resolution passed by the Members of the Company at the 30th Annual General Meeting of the Company held on 26th September, 2017, the Company hereby dispenses with the requirement of annual ratification of appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

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.”

SPECIAL BUSINESS:

4. APPOINTMENT OF MR. JAG MOHAN LAL SURI AS MANAGER DESIGNATED AS EXECUTIVE DIRECTOR (OPERATIONS) OF THE COMPANY.

To consider and if thought fit, to pass the following resolution as Special 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. Jag Mohan Lal Suri, be and is hereby appointed as the Manager designated as Executive Director (Operations) being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 15th February, 2019 to 14th February, 2022 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 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.”

5. RE-APPOINTMENT OF MR. HARBANS LAL (DIN: 00076405) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mr. Harbans Lal (DIN: 00076405) who has already attained the age of seventy five years and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company for second term of five (5) consecutive years with effect from 23rd September, 2019 to 22nd September, 2024 and he shall not be liable to retire by rotation.

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.”

6. RE-APPOINTMENT OF MR. GULSHAN RAI (DIN: 00527181) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, Mr. Gulshan Rai (DIN: 000527181) who has already attained the age of seventy five years and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company for second term of five (5) consecutive years with effect from 23rd September, 2019 to 22nd September, 2024 and he shall not be liable to retire by rotation.

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.”

7. CONTINUATION OF DIRECTORSHIP OF MRS. ASHA MEHRA (DIN: 02658967) NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY.

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

“RESOLVED THAT pursuant to Regulation 17(1A) and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded for continuation of Directorship of Mrs. Asha Mehra (DIN: 02658967), who has already attained the age of seventy five years, as Non-Executive Independent Director of the Company.

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/
RACHIT TANDON
(Company Secretary)
Membership No: A-30169

Place : Gurugram
Date : 30th May, 2019

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT HOURS BEFORE THE TIME OF THE MEETING.**

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON CANNOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.



2. **SHAREHOLDERS OF THE COMPANY HOLDING SHARES IN PHYSICAL FORM ARE REQUESTED TO CONVERT THEIR HOLDINGS INTO DEMAT FORM.**
3. **SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO PROVIDE / UPDATE THEIR E-MAIL ID WITH THEIR DEPOSITORY PARTICIPANT (DP) / COMPANY'S REGISTRAR & SHARE TRANSFER AGENT (RTA), RCMC SHARE REGISTRY PRIVATE LIMITED FOR COMMUNICATION PURPOSES.**
4. 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 part of this Notice.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from **11th September, 2019 to 17th September, 2019** (Both days inclusive).
6. 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 declared dividend in the Annual General Meeting held in the year 2013 and since seven years has not been completed, no amounts has been transferred to Investor Education and Protection Fund (IEPF) Authority.

The Company strongly recommends Shareholders to encash / claim their respective dividend within the period given below from the Company's Registrar and Share Transfer Agents:

Financial Year	Last Date for claiming Dividend	Unclaimed Dividend (As on 31.03.2019) (In ₹)
2012-13	25 th September, 2020	24,28,469.00

Mr. Rachit Tandon, 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; <http://www.hbstockholdings.com/Investor%20Information/Listing%20Information/ig.html>

7. **THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) VIDE ITS CIRCULAR NO. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 DATED 20TH APRIL, 2018 HAS DIRECTED ALL LISTED COMPANIES TO ENSURE THAT ANY PAYMENT OF DIVIDEND TO THE SHAREHOLDERS IS MADE THROUGH ELECTRONIC CHANNELS SUCH AS NECS/NEFT/RTGS. THE COMPANIES THROUGH THEIR REGISTRAR AND SHARE TRANSFER AGENTS (RTA) ARE FURTHER DIRECTED TO COLLECT COPY OF PAN AND BANK ACCOUNT DETAILS OF ALL SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM. IN VIEW OF THE SAME.**

(A) Members who hold shares in physical form are requested to:

- (i) Furnish their PAN and Bank Account details to the Company or Company's Registrar and Share Transfer Agent namely, RCMC Share Registry Pvt. Ltd. along with self-attested copy of PAN Card and cancelled "Name printed Cheque" in original or copy of Bank Passbook / Bank Statement duly attested by the Bank.
- (ii) Convert their holding into Demat Form.
- (iii) Provide / update their E-mail ID for communication purpose.

(B) Members who hold shares in demat form are requested to:

- (i) Update their Bank Account details with the Depository Participant (DP) to avoid any kind of rejection by the banker; and
- (ii) Provide / update their E-mail ID with the Depository Participant (DP) for communication purpose.

We wish to highlight the following benefits of receiving payments through the Electronic mode rather than receiving drafts / warrants in physical mode.

- ✓ Ensures timely credit of funds to the specified accounts.
- ✓ Ensures credits are done seamlessly without manual intervention.
- ✓ Eliminates postal/mailling delays.
- ✓ Saves your effort of safekeeping and depositing of physical drafts / warrants at a bank.
- ✓ Helps track receipt of payments from the bank statements.

In compliance with the requirement of the said Circular, members holding securities in physical form were separately communicated by the Company's Registrar and Share Transfer Agent vide three letters at their registered address. 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 with effect from 01st April, 2019, 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.

8. Members/Proxies are requested to bring Attendance Slips duly filled and signed in for attending the meeting.
9. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
10. Shareholders seeking any information with regard to Financial Statements are requested to write to the Company at least seven (7) days before the date of meeting so as to enable the management to keep the information ready.
11. Route map showing directions to reach the venue of the AGM is given at the end of this Annual Report as per the requirement of the Secretarial Standards-2 on "General Meeting".
12. Members are requested to:

- (a) Notify any change in their address to the Company including PIN CODE to the Registrar and Share Transfer Agent of the Company namely:

RCMC Share Registry Pvt. Ltd.
B-25/1, First Floor,
Okhla Industrial Area, Phase-II,
New Delhi – 110 020
Phone: 011 – 26387320, 26387321
Fax : 011 – 26387322
E-mail: investors.services@rcmcdelhi.com

- (b) Bring their copies of Annual Report with them to the meeting as the same will not be supplied again at the Meeting as a measure of economy.

13. The Company is implementing the "Green Initiative" to enable electronic delivery of Notices / Documents and Annual Reports to the Shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL / CDSL will be deemed to be your registered email address for serving Notices / Documents including those covered under Section 136 of the Companies Act, 2013.

Electronic copies of the Annual Report, Notice along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose email addresses are registered with the Company / Depository Participant(s) unless any member has requested for a hard copy of the same.

In other cases, hard copy of the Abridged Annual Report i.e. Statement containing salient features of Balance Sheet and Profit & Loss Account including Notice, Attendance Slip and Proxy Form is being sent to the Members by the permitted mode. The members who are desirous of receiving the Full Annual Report may write to the Company's RTA for a copy of the same.

Members may note that Notice of the Annual General Meeting, Abridged Annual Report, Full Annual Report, Attendance Slip and Proxy Form are also available on the website of the Company, <http://www.hbstockholdings.com>

14. Voting through electronic means:

- (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their votes by electronic means on all the resolutions proposed to be considered in this Annual General Meeting from a remote location ("Remote e-voting").
- (ii) The Company has engaged the services of Karvy Fintech Pvt. Ltd. ("Karvy") to provide the facility of Remote e-voting.
- (iii) The facility for voting through Physical Ballot Papers shall be made available at the meeting and members attending the meeting, who have not already cast their vote by Remote e-voting shall be able to exercise their right to vote at the meeting through Ballot Papers.
- (iv) The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e.10th September, 2019**, may cast their vote by remote e-voting / at the meeting.



- (v) Any person who acquires Shares of the Company and becomes member of the Company after dispatch of the Notice and holding Shares as on the **cut-off date i.e. 10th September, 2019** may obtain the login Id and password by sending a request at evoting@karvy.com. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote.
- (vi) **The Remote e-voting period commences on 14th September, 2019 (09.00 A.M) and ends on 16th September, 2019 (05.00 P.M).** The Remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (vii) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. The Members who have cast their vote by Remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (viii) **Ms. Jyoti Sharma, Company Secretary in Whole-time Practice (Membership No.: 8843, C.P. No.: 10196) failing her Ms. Purti 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 & polling process in a fair and transparent manner.**
- (ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.
- (x) The Company shall submit to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange (NSE), within forty eight hours of the conclusion of the meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, www.hbstockholdings.com and on Karvy's website, <https://evoting.karvy.com> immediately after the declaration of results.
- (xi) In case of any queries pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website, <https://evoting.karvy.com> or call their Toll Free No. 1800-345-4001 for any further clarification.
- (xii) The instructions for availing the Remote e-voting facility indicating the process and manner of e-voting are given as hereunder.
- **In case a Member receives notice through e-mail from Karvy [for Members whose email IDs are registered with the Company / Depository Participants]:**
 - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (b) Enter the login credentials (i.e. User ID and Initial Password provided by Karvy in e-mail). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (c) After entering these details appropriately, click on "LOGIN".
 - (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (e) You need to login again with the new credentials.
 - (f) On successful login, the system will prompt you to select the E-Voting Event Number for HB Stockholdings Limited.
 - (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - (h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the **Scrutinizer at e-mail ID: legal2015js@gmail.com** with a copy to **Karvy at e-mail ID: evoting@karvy.com**. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
- **In case a Member receives Notice in physical form [for Members whose email IDs are not registered with the Company / Depository Participants]:**
 - (a) User ID and Initial Password as given in the e-voting notice sent along with the Annual Report.
 - (b) Please follow all steps given hereinabove, to cast your vote.
15. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
16. 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 Companies Act, 2013 shall be available for inspection by the members at the Annual General Meeting.
17. 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] are as under:



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

Name of the Director	(1) MR. LALIT BHASIN	(2) MR. HARBANS LAL
Directors Identification Number (DIN)	00002114	00076405
Date of Birth	14 th August, 1968	28 th February, 1942
Date of First Appointment on the Board	16 th August, 1989	28 th January, 2006
Profile / Expertise in Specific functional Areas.	Mr. Lalit Bhasin, Director (Chairman) is a commerce graduate from Shri Ram College of Commerce, Delhi University. He brings with him nearly three decades of expertise in the field of management, hospitality, investments and capital market.	Mr. Harbans Lal is a seasoned banking professional with more than 37 years of extensive experience in the field of corporate lending and industrial rehabilitation. He retired from the State Bank of India (SBI) as Chief General Manager (Delhi Circle). He had also held position of nominee director on the Board of Delhi Stock Exchange, Petronet LNG Ltd. and Gujarat Biotech Ltd. Presently, he is serving on the Arbitration Panel of Multi Commodity Exchange of India Ltd. (MCX), NCDEX and Indian Council of Arbitration.
Qualifications	B.Com	M.A (Public Administration) & C.A.I.I.B. (Associate of Institute of Bankers)
List of Directorship in other Companies	Listed Companies: 1. HB Portfolio Ltd. 2. HB Estate Developers Ltd. 3. HB Leasing & Finance Co. Ltd. 4. CHL Ltd. Other Companies: 5. Taurus Asset Management Co. Ltd. 6. RRB Master Securities Delhi Ltd. 7. RRB House Finance Pvt. Ltd. 8. Pal Properties (India) Pvt. Ltd. 9. HB Financial Consultants Pvt. Ltd. 10. ALMR Gems & Trading Pvt. Ltd.	Listed Companies: None Other Companies: 1. Taurus Asset Management Co. Ltd.
Membership of Committee of the Board in other Companies.	Audit Committee 1. HB Leasing & Finance Co. Ltd. (Member) 2. CHL Ltd. (Member) Stakeholders Relationship Committee 3. HB Leasing & Finance Co. Ltd. (Chairman) 4. CHL Limited (Member) Nomination and Remuneration Committee 5. HB Leasing & Finance Co. Ltd. (Member) 6. CHL Ltd. (Member) CSR Committee 7. Taurus Asset Management Co. Ltd. (Chairman)	Audit Committee 1. Taurus Asset Management Co. Ltd. (Chairman)
No. of Equity Shares held	3678691	Nil
No. of Board Meetings attended/ entitled to attend during the year	4/4	4/4
Whether related to any Board Members, Manager or KMP of the Company	No	No

Name of the Director	(3) MR. GULSHAN RAI	(4) MRS. ASHA MEHRA
Directors Identification Number (DIN)	00527181	02658967
Date of Birth	01st April, 1934	08th August, 1940
Date of First Appointment on the Board	30th October, 2004	30th March, 2015
Profile / Expertise in Specific functional Areas.	Mr. Gulshan Rai is a Chartered Accountant having over 55 years' of rich experience in the field of Financial Management, Tax Planning, Management Control Systems, Corporate Planning & Business Restructuring. He has expertise in International business operations of Indian Companies abroad and vice-versa in planning restructuring and setting up of branches / 100% owned subsidiaries of foreign entities in India and of Indian companies, overseas.	She has held various prestigious positions with Government of India like Assistant/ Deputy Commissioner of Income Tax, Deputy Director, Income Tax, Commissioner of Income Tax, New Delhi, Chief Commissioner of Income Tax, Rajasthan, Member, Central Board of Direct Taxes (CBDT) etc. She has also worked as Member and Chairperson of Income Tax Settlement Commission, Principal Bench, New Delhi.
Qualifications	B.Com (Hons), FCA	Post Graduate, & Post Graduate Diploma in Tax Management, 1972
List of Directorship in other Companies	None	Listed Companies: 1. HB Estate Developers Ltd.
Membership of Committee of the Board in other Companies.	None	Audit Committee 1. HB Estate Developers Ltd (Chairperson) Nomination and Remuneration Committee 2. HB Estate Developers Ltd (Chairperson) CSR Committee 3. HB Estate Developers Ltd (Chairperson).
No. of Equity Shares held	Nil	Nil
No. of Board Meetings attended/ entitled to attend during the year	4/4	4/4
Whether related to any Board Members, Manager or KMP of the Company	No	No

BY ORDER OF THE BOARD
FOR HB STOCKHOLDINGS LIMITED

Sd/-
RACHIT TANDON
(Company Secretary)
Membership No: ACS-30169

Place: Gurugram
Date: 30th May, 2019



EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 (“THE ACT”)

ITEM NO. 4

Mr. Jag Mohan Lal Suri, aged 81 years has done Mechanical Engineering (B.E.). He has more than three decades of rich experience in corporate, operational and managerial field. He has been associated with the Company as Whole-time Director since 1999. He was appointed as Executive Director (Operations) upon his cessation as Whole-time Director in the year 2015.

Pursuant to the provisions of Sec 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.

Considering his knowledge, background, extensive experience and contributions made by him during his tenure and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 09th February, 2019, appointed Mr. Jag Mohan Lal Suri as Manager designated as Executive Director (Operations) being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 15th February, 2019 to 14th February, 2022 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:

- a) Basic Salary: Rs. 9,00,000/- (Rupees Nine Lakhs Only) per annum.
- b) Housing: The expenditure by the company on hiring accommodation for the Manager will be subject to the ceiling of 60% of the basic salary (i.e. 5,40,000/- per annum).
- c) Reimbursement of Medical Expenses: Reimbursement of medical expenses (incurred for self and family) subject to a ceiling of Rs. 75,000/- (Rupees Seventy Five Thousand only) per annum.
- d) Leave Travel Concession: Expenses incurred for self and family subject to a ceiling of Rs. 75,000/- per annum.
- e) Provident Fund and Superannuation Fund: Company's contribution towards Provident Fund, subject to a ceiling, as prescribed under the provisions of law applicable in this regard.
- f) Car and Telephone: The Company shall provide car for company's business and telephone at the residence/mobile phones.
- g) Personal Accident Insurance: Premium subject to a maximum of Rs. 10,000/- per annum.
- h) Leave: Earned / Privilege leave, not exceeding one month for every eleven months of service, on full salary and allowance.
- i) Accumulated Leave Encashment: In accordance with the policy of the Company, leaves accumulated and not availed of, in excess of 90 days as at the end of every financial year shall be encashed yearly on the basis of basic salary drawn as at the end of the said financial year and the balance un-encashed accumulated leaves may be encashed at the time of ceasing to be Manager of the Company.
- j) Apart from the aforesaid salary, perquisite, allowances and benefits, the Manager will be entitled to reimbursement of expenses incurred in connection with business of the company.
- k) The appointment may be terminated by three months' notice on either side or in lieu thereof three months full salary, allowances, perquisites and benefits.

The above Remuneration shall be payable as minimum remuneration to the Manager 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. Jag Mohan Lal Suri 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..

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

I. GENERAL INFORMATION

(1)	Nature of Industry	Investment in Securities
(2)	Date or expected date of Commencement of Production	Existing Company. The Company is not engaged in any manufacturing activities and is only engaged in making proprietary investment and financing.
(3)	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.	N.A.

(4)	Financial Performance based on given indicators – (Amount In ₹)		
	Particulars	FY 2018-19	FY 2017-18
	Total Sales and Other Income	(3,61,42,232)	2,02,94,767
	Profit Before Depreciation, Interest and Taxes	5,81,64,028	28,00,386
	Provision for Depreciation	19,52,831	15,46,820
	Interest	5,59,808	4,41,544
	Provision for Taxation	21,53,039	41,98,919
	Net Profits/(Loss)	(57804428)	(5010941)
(5)	Foreign Investments or collaborators, if any.		
		Nil	

II. INFORMATION ABOUT THE APPOINTEE

(1)	Background details	Mr. Jag Mohan Lal Suri, aged 81 years has done Mechanical Engineering (B.E.). He has more than three decades of rich experience in corporate, operational and managerial field.
(2)	Past remuneration	₹ 16,00,000/-
(3)	Recognition or awards	None
(4)	Job profile and his suitability	Being the Key Managerial Personnel (KMP), the job profile essentially requires a person who is innovative, self- motivated and result oriented. Mr. Jag Mohan Lal Suri with his long term commitment and association with the Company and his vast experience is most suitable for this job.
(5)	Remuneration proposed	Remuneration as detailed in the explanatory statement set forth hereinabove.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	There are no set standards for remuneration in the industry. Having regard to the type of industry, trends in the industry, the responsibilities, academic background and capabilities, the Company believes that the remuneration proposed is appropriate.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He does not have any other pecuniary relationship with the Company nor is he related to or has pecuniary relationship with any of the Managerial Personnel of the Company.



III. OTHER INFORMATION

(1)	Reasons of loss or inadequate profits	The Disinvestment/Investment activity of the Company was curtailed due to extreme volatile market conditions.
(2)	Steps taken or proposed to be taken for improvement	<p>The process of improving the profitability is an ongoing process which shall be adhered to by taking the following steps:-</p> <ul style="list-style-type: none"> • Professionalise the management of operations. • Additional recruitment of staff in areas of investment management, research, operations and new business development. • Review current HR & compensation policies and bring them in line with market practice. • Review and modify current accounting and investment management systems, processes and controls as well as the IT systems supporting them. • Reduce concentration risk of the investment portfolio, exit from all non-remunerative investments except where there is a strategic intent and also appoint professional outside money managers for a part of the portfolio to inject competition and external benchmarking.
(3)	Expected increase in productivity and profits in measurable terms.	Increased return on the Investment Portfolio leading to enhanced Stakeholder value.

Mr. Jag Mohan Lal Suri had been actively involved in the area of corporate administration, management and operational functions of the Company. The Board recommends to the Shareholders that the appointment of Mr. Jag Mohan Lal Suri as Manager designated as Executive Director (Operations) 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 Special Resolution at Item No. 4 of the Notice for the approval of the Members.

Except Mr. Jag Mohan Lal Suri and / or their 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).

ITEM NO. 5 & 6:

Mr. Harbans Lal (DIN: 00076405) and Mr. Gulshan Rai (DIN: 00527181) were appointed as Non-Executive Independent Directors of the Company for a term of five (5) consecutive years by the Shareholders in their Annual General Meeting held in the year 2014 pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and rules made thereunder ("the Act") read with Schedule IV to the Act and Clause 49 of the erstwhile Listing Agreement entered into with the Stock Exchange.

In terms of the said provisions, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director. Pursuant to Regulation 17(1A) of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a Special resolution is passed to that effect.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting(s) held on 09th February, 2019 and 30th May, 2019 considered and recommended the re-appointment of Mr. Harbans Lal (DIN: 00076405) aged 77 years and Mr. Gulshan Rai (DIN: 00527181) aged 85 years as Non-Executive Independent Directors of the Company for second term of five consecutive years pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and are not

debarred from holding the office of director by virtue of any SEBI Order or any other such authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing their candidature for the office of Director.

In the opinion of the Board, Mr. Harbans Lal and Mr. Gulshan Rai fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management. They are not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copy of Draft letter for their re-appointment as Non-Executive Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Harbans Lal and Mr. Gulshan Rai are given in Notes forming part of the Notice.

The Board recommends to the Shareholders that the association of Mr. Harbans Lal and Mr. Gulshan Rai would be beneficial to the Company based on their performance evaluation, knowledge, background, extensive experience and contributions made by them during their tenure, it is desirable to re-appoint them as Non-Executive Independent Directors of the Company for second term of five consecutive years. The Board recommends the Special Resolution(s) at Item No. 5 & 6 of the Notice for the approval of the Members.

Except Mr. Harbans Lal and Mr. Gulshan Rai and / or their 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).

ITEM NO. 7:

Mrs. Asha Mehra (DIN: 02658967), aged 79 years, was appointed as Non-Executive Independent Directors of the Company for a term of five (5) consecutive years by the Shareholders in their Annual General Meeting held on 09th September, 2015 and she shall hold office upto 08th September, 2020. Mrs. Asha Mehra is highly experienced in Taxation field and has successfully contributed towards the growth of the Company.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 09th February, 2019 considered and recommended for the continuation of directorship of Mrs. Asha Mehra as Non-Executive Director of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

The Company has received a declaration to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mrs. Asha Mehra are given in Notes forming part of the Notice.

In terms of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect.

The Board recommends to the Shareholders that the association of Mrs. Asha Mehra would be beneficial to the Company considering her knowledge, background, extensive experience and contributions made by her during her tenure and it is desirable to continue her Directorship as Non-Executive Independent Director of the Company. The Board recommends the Special Resolution at Item No. 7 of the Notice for the approval of the Members.

Except Mrs. Mrs. Asha Mehra and / or her 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.

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

**Sd/-
RACHIT TANDON
(Company Secretary)
Membership No: ACS-30169**

**Place: Gurugram
Date: 30th May, 2019**



DIRECTORS' REPORT

To the Members

Your Directors are pleased to present the 32nd Abridged Annual Report together with Abridged Audited Financial Statements including Consolidated Financial Statements for the Financial Year ended 31st March, 2019

Salient Features of the Directors Report are as follows:

STATE OF AFFAIRS AND FINANCIAL PERFORMANCE:

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

(Amount In ₹)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
Total Revenue	(3,61,42,232)	2,02,94,767	(3,61,29,732)	2,02,94,767
Expenditure	1,69,96,518	1,91,18,425	1,72,42,997	1,92,82,579
Finance Cost	5,59,808	4,41,544	5,59,808	4,41,544
Depreciation	19,52,831	15,46,820	22,79,871	18,73,860
Profit/(Loss) for the year before Tax	(5,56,51,389)	(8,12,022)	(5,62,12,408)	(13,03,216)
Tax Expense	21,53,039	41,98,919	21,53,039	41,98,919
Profit/(Loss) for the year after Tax	(5,78,04,428)	(50,10,941)	(5,83,65,447)	(55,02,135)

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

DIVIDEND

In view of the brought forward losses and current year loss, the Board of Directors regrets their inability to recommend any Dividend for the Financial Year 2018-2019.

TRANSFER TO GENERAL RESERVE

The Board of Directors of your Company has decided not to transfer any amount to the General Reserve for the year under review.

SCHEME OF ARRANGEMENT

The Hon'ble National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh vide its Order Dated 22nd December, 2017 sanctioned the Scheme of Arrangement between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956. The Scheme came into effect on 30th January, 2018 from the Appointed Date(s) i.e. 01st April, 2015 & 03rd April, 2015 in a manner more particularly defined in the Scheme. The Copy of Scheme of Arrangement along with all other documents are available on the Company's website having following web link, <http://www.hbstockholdings.com/Investor%20Information/schemes/scheme%20of%20arrangement.pdf>

SHARE CAPITAL

The Paid up Equity Share Capital as on 31st March, 2019 stood at ₹ 7,13,76,650/- comprising of 7137665 Equity Shares of ₹ 10/- each.

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.

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.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has following Subsidiary as on 31st March, 2019:

Name of the Company	As on 31.03.2019	
	No. of Shares	% of holding
1. Mount Finance Limited	830006	100.00%

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

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.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of the CSR initiatives, your Company has undertaken CSR activity and contributes towards Prime Minister National Relief Fund in accordance with Schedule VII of the Companies Act, 2013 during the financial year 2018-2019. The report on CSR activities is attached as "**ANNEXURE – I**" forming part of the detailed Director's Report.

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

The Shareholders in the 30th Annual General Meeting held on 26th 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 30th Annual General Meeting to the conclusion of 35th Annual General Meeting to be held in the year 2022.

As per the amended provisions of Sec 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. Accordingly, the resolution is proposed for the approval of members at the ensuing Annual General Meeting to dispense with the requirement of annual ratification of appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

Observations of the Statutory Auditors are explained, wherever necessary, by way of Notes to the Financial Statements. No fraud has been noticed or reported by the Statutory Auditor's during the course of their Audit.

(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 detailed Directors report as "**ANNEXURE – II**".

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

- 1) *The Company did not have Managing Director, or Chief Executive Officer or Manager and in their absence a Whole Time Director since 1st December, 2016. Executive Director (Operations) of the Company has been appointed as Manager of the Company on 15th February, 2019 for a period of three years, in compliance with Section 203 of the Act.*

Director's Comment: No comments required as the Auditors observation is self explanatory in itself.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

- (i) Mr. Lalit Bhasin (DIN: 00002114), Director (Chairman) 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.
- (ii) Mr. Jag Mohan Lal Suri, has been appointed as the Manager designated as Executive Director (Operations) being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 15th February, 2019 to 14th February, 2022 in terms of provisions of Section 203 of the Companies Act, 2013.
- (iii) Mr. Harbans Lal (DIN: 00076405) aged 77 years and Mr. Gulshan Rai (DIN: 000527181) aged 85 years are proposed to be re-appointed as Non-Executive Independent Directors for second term of five (5) consecutive years with effect from 23rd September, 2019 to 22nd September, 2024. The Board of Directors recommends their re-appointment.
- (iv) The Board of Directors recommend to continue the Directorship of Mrs. Asha Mehra (DIN: 02658967), aged 79 years, as a Non-Executive Independent Director of the Company.
- (v) Mr. Anil Kumar Mittal has resigned from the position of the Company Secretary with effect from 15th February, 2019.
- (vi) Mr. Rachit Tandon (M. No. A-30169) has been appointed as the Company Secretary and Compliance Officer being the Key Managerial Personnel of the Company w.e.f. 15th February, 2019 as per the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration) Rules, 2014.

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 Auditor's confirming compliance(s) forms an integral part of the detailed Directors Report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under sub-section (3) of Section 92 in **Form MGT-9** is enclosed as a part of the detailed Director's Report as "**ANNEXURE – III**".

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

Place: Gurugram
Date: 30th May, 2019

Sd/-
LALIT BHASIN
(Chairman)
DIN: 00002114

Note: Detailed Director's Report is given in the full Annual Report available on the website of the Company having following weblink, <http://www.hbstockholdings.com/Investor%20Information/Annual%20Reports/index.html>



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
HB STOCKHOLDINGS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have Audited the Standalone Financial Statement of **HB STOCKHOLDINGS LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements, including a summary of Significant Accounting Policies and other explanatory information.

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 ("the Act") in the manner so required and gives a true and fair view in conformity with the Companies Accounting Standard prescribed under Section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, and other Accounting Principles generally accepted in India of the state of affairs of the Company as at 31st March, 2019, and its loss, and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rule 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 of our opinion.

Key Audit Matters

We have determined that there are no Key Audit Matter to communicate in our Report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are 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. The other information is expected to be made available to us after the date of this Auditors' Report. 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.

Management's Responsibility for the Standalone Financial Statements

The Company's management and 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 and cash flows of the Company in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Financial Statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 31st March, 2019 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 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.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper Books of Account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- (e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2019 on its financial position in its Financial Statements – Refer Note No 32
 - ii. The Company did not have any Long-Term Contracts including Derivative Contracts as at 31st March, 2019
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (h) 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 31st March, 2019 to its Directors.

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

PLACE : GURUGRAM
DATED : 30/05/2019

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

ANNEXURE – A

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 31st March, 2019, 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. 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, Sales-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 31st March, 2019 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to ₹ 66,48,230/- that have not been deposited on account of matters pending before appropriate authorities are as under

Sr. No.	Name of the Statute	A.Y.	Nature of the Dues	Forum where Dispute is pending	Amount (₹)
1.	Income Tax Act, 1961	2017-18	Income Tax	Commissioner of Income Tax (Appeal)	66,48,230/-
	TOTAL				66,48,230/-

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 not paid/ provided for managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on 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 : GURUGRAM
DATED : 30/05/2019

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

**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 31st March, 2019 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 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

PLACE : GURUGRAM

DATED : 30/05/2019

INDEPENDENT AUDITOR’S REPORT ON **ABRIDGED FINANCIAL STATEMENTS**

TO
THE MEMBERS
HB STOCKHOLDING LIMITED

Report on the Abridged Standalone Financial Statements

The accompanying Abridged Standalone Financial Statements, which comprise the Abridged Balance Sheet as at 31st March, 2019, the Abridged Statement of Profit and Loss and Abridged Cash Flow Statement for the year then ended, and related notes are derived from the Audited Standalone Financial Statements of HB Stockholdings Limited (hereinafter referred to as “the Company”) for the year ended 31st March, 2019. We expressed an unmodified audit opinion on those Standalone Financial Statements vide our report dated 30th May, 2019.

The Abridged Standalone Financial Statements do not contain all the disclosures required by the Accounting Standards specified under section 133 of the Act read with relevant rules of the Companies (Accounts) Rules, 2014 and Accounting Principles generally accepted in India, applied in the preparation of the Audited Standalone Financial Statements of the Company. Reading the Abridged Standalone Financial Statements, therefore, is not a substitute for reading the Audited Standalone Financial Statements of the Company.

Management’s Responsibility for the Abridged Standalone Financial Statements

The Company’s Management is responsible for the preparation of the Abridged Standalone Financial Statements in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 (the “Rules”). The Company’s Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the Abridged Standalone Financial Statements that are consistent with the Audited Standalone Financial Statements and are free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Abridged Standalone Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, ‘Engagements to Report on Summary Financial Statements’, issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the Abridged Standalone Financial Statements, prepared in accordance with first proviso to Section 136(1) of the Act read with Rule 10 of the Companies (Accounts) Rules, 2014 are derived from the Audited Financial Statements of the Company for the year ended 31st March 2019 and are a fair summary of those Financial Statements.

FOR G. C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 017851N

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

PLACE: GURUGRAM

DATED: 30/05/2019



FORM AOC-3

Statement containing the salient features of Financial Statements as per first proviso to sub-section (1) of Section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014

ABRIDGED STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

S No.	Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
I	EQUITY AND LIABILITIES		
(1)	Shareholders' Funds		
	(a) Paid-up Share Capital		
	(i) Equity	76808293	76808293
	(b) Reserves & Surplus		
	(i) Securities Premium	230763189	230763189
	(ii) Statutory Reserves	163961174	163961174
	(iii) Surplus	(83386746)	(25582318)
		388145910	445950338
(2)	Non-Current Liabilities		
	(a) Long Term Borrowings	4460599	6203145
	(b) Long Term Provisions	341205	464197
		4801804	6667342
(3)	Current Liabilities		
	(a) Other Current Liabilities	5530839	248943588
	(b) Short Term Provisions	109589783	44663426
		115120622	293607014
	Total of (1) to (3)	508068336	746224694
II	ASSETS		
(4)	Non-Current Assets		
	(a) Property, Plant and Equipment		
	(i) Tangible Assets	10226322	12100263
	(b) Non-Current Investments	8300060	8300060
	(c) Long term Loans and Advances	34546380	34546380
		53072762	54946703
(5)	Current Assets		
	(a) Current Investments		
	(i) Quoted	229691247	234484268
	Market value Rs. 133229576/- (Previous year Rs. 206652932/-)		
	(ii) Unquoted	4161	698555
	(b) Cash and Bank Balances	23504075	9738839
	(c) Short-Term Loans and Advances	196781192	430590020
	(d) Other Current Assets	5014899	15766309
		454995574	691277991
	Total of (4) to (5)	508068336	746224694

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: GURUGRAM
DATED: 30/05/2019

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
(COMPANY SECRETARY)
M. No.: ACS-30169

Note: Complete Standalone Balance Sheet, Standalone Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Act are available at the Company's website at link <http://www.hbstockholdings.com/Investor%20Information/Annual%20Reports/index.html> Copy of Financial Statements is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of AGM


ABRIDGED STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2019

S No.	Particulars	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2018 (In ₹)
I	Income		
	Revenue from Operations		
	(i) From Interest	33802692	41814989
	(ii) From other Financial Services	(69944924)	(21780430)
		(36142232)	20034559
II	Other Income	0	260208
III	Total Income (I+II)	(36142232)	20294767
IV	Expenditure		
	(a) Employee Benefit Expense	5880527	5618913
	(b) Finance Cost	559808	441544
	(c) Depreciation	1952831	1546820
	(d) Other Expenses	12050633	13012833
	(e) Contingent Provision against Standard Assets/(written back)	(934642)	486679
	Total Expenditure (a) to (e)	19509157	21106789
V	Profit/(Loss) for the year before Tax (III-IV)	(55651389)	(812022)
VI	Tax Expense:		
	(1) Current Tax	2130000	4200000
	(2) Tax adjustments for earlier years	23039	(1081)
VII	Profit/(Loss) after Tax (V-VI)	(57804428)	(5010941)
VIII	Earning per Equity Share:		
	Equity Share of Par value ₹ 10/-each		
	Basic and Diluted	(8.10)	(0.70)

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
ANIL GOYAL
 (DIRECTOR)
 DIN: 00001938

Sd/-
LALIT BHASIN
 (CHAIRMAN)
 DIN: 00002114

PLACE: GURUGRAM
 DATED: 30/05/2019

Sd/-
MAHESH KUMAR GUPTA
 (CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
 (COMPANY SECRETARY)
 M. No.: ACS-30169

ABRIDGED STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

S.No	Particulars	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2018 (In ₹)
1	Net Cash flows from Operating Activities	15524046	(28993933)
2	Net Cash flows used in Investing Activities	(78890)	(11764856)
3	Net Cash flows used in Financing Activities	(1742546)	6203145
4	Net Increase / (Decrease) in Cash & Cash Equivalents	13702610	(34555644)
5	Cash and Cash Equivalents at the beginning of the year	7372996	41928640
6	Cash and Cash Equivalents at the end of the year	21075606	7372996

Note:- Cash and Cash Equivalents include Cash in Hand and Bank Balances.

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
ANIL GOYAL
 (DIRECTOR)
 DIN: 00001938

Sd/-
LALIT BHASIN
 (CHAIRMAN)
 DIN: 00002114

PLACE: GURUGRAM
 DATED: 30/05/2019

Sd/-
MAHESH KUMAR GUPTA
 (CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
 (COMPANY SECRETARY)
 M. No.: ACS-30169

Note: Complete Standalone Balance Sheet, Standalone Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Act are available at the Company's website at link <http://www.hbstockholdings.com/Investor%20Information/Annual%20Reports/index.html> Copy of Financial Statements is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of AGM

NOTES TO THE ABRIDGED STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019
(1) RELATED PARTY TRANSACTIONS

(Refer Note No. 21 of the Standalone Financial Statements)

1.1 List of Related Parties with whom transactions have taken place and relationship
a) Key Managerial Personnel

- 1 Mr. Anil Kumar Mittal, (Company Secretary upto 15.02.2019)
- 2 Mr. Rachit Tandon, (Company Secretary w.e.f 15.02.2019)
- 3 Mr. Mahesh Kumar Gupta, (Chief Financial Officer)

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(b) above :-

1. RRB Master Securities Delhi Limited

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

1. HB Portfolio Limited
2. HB Estate Developers Limited
3. HB Securities Limited (Subsidiary of HB Portfolio Limited)

1.2 Transactions during the Financial Year ended 31st March, 2019 with Related Parties as under:

Sr. No.	Particulars	Nature of Transaction	For the year ended 31st March, 2019 (In ₹)	For the year ended 31st March, 2018 (In ₹)
i	RRB Master Securities Delhi Limited	Advances Given (net)	7879144	17789712
		Margin / Advances paid & received back	27250000	19300000
		Purchase of Investment through them	17671969	161028535
		Sale of Investment through them	37660994	37403826
		Net Turnover of Derivative Trading	2532512	2130685
		Receivable at the year end in respect of Loans & Advances	7879144	17789712
ii	HB Estate Developers Limited	Rent/ Facility Charges Paid	1016263	983964
		Receivable from HB Estate Developers Ltd. pursuant to Scheme of Arrangement	0	4214449
		Received against amount receivable from HB Estate Developers Ltd, pursuant to Scheme of Arrangement	4214449	0
		Receivable at the year end in respect of Loans & Advances	34500000	34500000
iii	HB Portfolio Limited	Payable to HB Portfolio Ltd, pursuant to Scheme of Arrangement	0	243409034
		Repayment against amount payable to HB Portfolio Ltd, pursuant to Scheme of Arrangement	243409034	0
iv	HB Securities Limited	Depository Charges	9639	38140
v	Lalit Bhasin	Sitting Fees paid	40000	45000
		Sale of Securities	80784	0
vi	Rachit Tandon	Remuneration & other services	78210	0
vii	Anil Kumar Mittal	Remuneration & other services	1411741	1217982
viii	Mahesh Kumar Gupta	Remuneration & other services	1770000	1741067

(2) CONTINGENT LIABILITIES

(Refer Note No. 19 of the Standalone Financial Statements)

Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
(a) Contingent Liabilities		
(i) Income Tax demand disputed 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.	9203003	4608665

(3) DETAILS OF CASH AND CASH EQUIVALENTS ARE AS FOLLOWS:

Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
(a) Balances with Banks	4485109	6835764
(b) Cheques, Drafts in Hand	16000000	0
(c) Cash in Hand	590497	537232
(d) Others, if any	0	0



(4) BREAKUP OF REVENUE FROM OPERATIONS:

Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
Profit/(Loss) in Securities dealing/Equity Derivative Trading	(2532512)	(2130685)
Profit/(Loss) on sale/disposal of Current Investments	(495488)	1342178
Provision for diminution in value of Current Investments made	(67935941)	(24676062)
Interest on Loans / Inter Corporate Deposit	33802692	41814989
Dividend Income (Gross) on Current Investments	1019017	3684139
Total	(36142232)	20034559

(5) ITEMS WHICH CONSTITUTE 20% OR MORE OF THE TOTAL EXPENDITURE ARE GIVEN BELOW:

Sr. No.	Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
(i)	Expenditure:-		
	(a) Employee Benefit Expenses	5880527	5618913
		(30.14%)	(26.62%)

Note: % in bracket is % of the expenditure with total expenditure.

(6) SEGMENT REPORTING

(Refer Note No. 22 of the Standalone Financial Statements)

In the opinion of Management there are no separate Reportable Segments as per Accounting Standard Segment Reporting (AS-17).

(7) CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

(Refer Note No. 34 of the Standalone Financial Statement)

The Company is required to spend Rs. 5,73,821/- (Previous year Rs. 4,20,856/-) on Corporate Social Responsibility (CSR) activities during the year. Amount spent during the year Rs. 6,00,000/- (Previous Year Rs. 4,31,000/-).

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
ANIL GOYAL
 (DIRECTOR)
 DIN: 00001938

Sd/-
LALIT BHASIN
 (CHAIRMAN)
 DIN: 00002114

PLACE: GURUGRAM
 DATED: 30/05/2019

Sd/-
MAHESH KUMAR GUPTA
 (CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
 (COMPANY SECRETARY)
 M. No.: ACS-30169



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

**TO
THE MEMBERS OF
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 of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of profit and loss, the Consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (herein after 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 gives the information required by the Act in the manner so required and give a true and fair view in conformity with the Companies Accounting Standard prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, their consolidated loss, their Consolidated Cash Flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our 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 of our opinion.

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 respective Board of Directors of the Group are 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. The Annual Report is expected to be made available to us after the date of this Auditors' Report. 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.

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 matters stated in section 134(5) of the Act with respect to that give a true and fair view of the consolidated financial position, Consolidated Financial Performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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.

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.

The 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. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 31st March, 2019 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.

5. Other matters

- (a) We did not audit the Financial Statements / Financial Information of one subsidiary, whose Financial Statements / Financial Information reflect total assets of ₹ 18,67,861/- as at 31st March, 2019, total revenues of ₹ 12,500/- and net cash flows amounting to ₹ 53,922 /- for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor. (Also refer note no.19).

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



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group Companies is disqualified as on 31st March, 2019 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 31 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 31st March, 2019 to its directors.

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

PLACE : GURUGRAM
DATED : 30/05/2019

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

ANNEXURE – A

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 31st March, 2019, We have audited the Internal Financial Controls over financial reporting of **HB Stockholdings Limited** (“the Holding Company”) and its Subsidiary company which is 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 March 2019, 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 : GURUGRAM
DATED : 30/05/2019

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

**INDEPENDENT AUDITOR'S REPORT ON
ABRIDGED FINANCIAL STATEMENTS**

**TO
THE MEMBERS
HB STOCKHOLDING LIMITED**

Report on the Abridged Consolidated Financial Statements

The accompanying Abridged Consolidated Financial Statements, which comprise the Abridged Consolidated Balance Sheet as at 31st March, 2019, the Abridged Consolidated Statement of Profit and Loss and Abridged Consolidated Cash Flow Statement for the year then ended, and related notes are derived from the Audited 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") for the year ended 31st March, 2019. We expressed an unmodified audit opinion on those Consolidated Financial Statements vide our report dated 30th May, 2019.

The Abridged Consolidated Financial Statements do not contain all the disclosures required by the Accounting Standards specified under section 133 of the Act read with relevant rules of the Companies (Accounts) Rules, 2014 and accounting principles generally accepted in India, applied in the preparation of the Audited Consolidated Financial Statements of the Company. Reading the Abridged Consolidated Financial Statements, therefore, is not a substitute for reading the Audited Consolidated Financial Statements of the Company.

Management's Responsibility for the Abridged Consolidated Financial Statements

The Company's Management is responsible for the preparation of the Abridged Consolidated Financial Statements in accordance with Rule 10 of the Companies (Accounts) Rules, 2014 (the "Rules"). The Company's Management (including Directors) are ultimately responsible for the designing, implementing and maintaining internal control relevant to the preparation and presentation of the Abridged Consolidated Financial Statements that are consistent with the Audited Consolidated Financial Statements and are free from material misstatement, whether due to fraud or error; and also includes appropriate interpretation and application of the relevant provisions of the Rules and the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Abridged Consolidated Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, 'Engagements to Report on Summary Financial Statements', issued by the Institute of Chartered Accountants of India.

Opinion

In our opinion, the Abridged Consolidated Financial Statements, prepared in accordance with first proviso to section 136(1) of the Act read with Rule 10 of the Companies (Accounts) Rules, 2014 are derived from the Audited Financial Statements of the Company for the year ended 31st March 2019 and are a fair summary of those financial statements.

Other Matters

We did not audit the Financial Statements / Financial Information of one subsidiary, whose Financial Statements / Financial Information reflect total assets of ₹ 18,67,861/- as at 31st March, 2019, total revenues of ₹ 12,500/- and Net Cash Flows amounting to ₹ 53,922 /- for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements / Financial Information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

**FOR G. C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.: 017851N**

**PLACE: GURUGRAM
DATED: 30/05/2019**

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



FORM AOC-3

Statement containing the salient features of Financial Statements as per first proviso to sub-section (1) of section 136 of the Companies Act, 2013 and Rule 10 of Companies (Accounts) Rules, 2014

ABRIDGED CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

S No.	Particulars	As at 31st March, 2019 (In ₹)	As at 31st March, 2018 (In ₹)
I	EQUITY AND LIABILITIES		
(1)	Shareholders' Funds		
	(a) Paid-up Share Capital		
	(i) Equity	76808293	76808293
	(b) Reserves & Surplus		
	(i) Share Premium	230763189	230763189
	(ii) Statutory Reserves	163961174	163961174
	(iii) Surplus	(92533695)	(34168248)
		378998961	437364408
(2)	Non-Current Liabilities		
	(a) Long Term Borrowings	4460599	6203145
	(b) Long Term Provisions	341205	464197
		4801804	6667342
(3)	Current Liabilities		
	(a) Other Current Liabilities	5545588	248970838
	(b) Short Term Provisions	109589783	44663426
		115135371	293634264
	Total of (1) to (3)	498936136	737666014
II	ASSETS		
(4)	Non-Current Assets		
	(a) Property, Plant and Equipment		
	(i) Tangible Assets	11785980	13986961
	(b) Long Term Loans and Advances	34566720	34566720
		46352700	48553681
(5)	Current Assets		
	(a) Current Investments	229695407	235182824
	(b) Cash and Bank Balances	23590688	9771930
	(c) Short-Term Loans and Advances	194282442	428391270
	(d) Other Current Assets	5014899	15766309
		452583436	689112333
	Total of (4) to (5)	498936136	737666014

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
 ANIL GOYAL
 (DIRECTOR)
 DIN: 00001938

Sd/-
 LALIT BHASIN
 (CHAIRMAN)
 DIN: 00002114

PLACE: GURUGRAM
 DATED: 30/05/2019

Sd/-
 MAHESH KUMAR GUPTA
 (CHIEF FINANCIAL OFFICER)

Sd/-
 RACHIT TANDON
 (COMPANY SECRETARY)
 M. No.: ACS-30169

Note: Complete Standalone Balance Sheet, Standalone Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Act are available at the Company's website at link <http://www.hbstockholdings.com/Investor%20Information/Annual%20Reports/index.html> Copy of Financial Statements is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of AGM.



ABRIDGED CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2019

S No.	Particulars	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2018 (In ₹)
I	Income		
	Revenue from Operations		
	(i) From Interest	33802692	41814989
	(ii) From Other Financial Services	(69944924)	(21780430)
		(36142232)	20034559
II	Other Income	12500	260208
III	Total Income (I+II)	(36129732)	20294767
IV	Expenditure		
	(a) Employee Benefit Expense	5880527	5618913
	(b) Finance Cost	559808	441544
	(c) Depreciation	2279871	1873860
	(d) Other Expenses	12297112	13176987
	(e) Contingent Provision against Standard Assets/(written back)	(934642)	486679
	Total Expenditure (a) to (e)	20082676	21597983
V	Profit/(Loss) for the year before Tax (III-IV)	(56212408)	(1303216)
VI	Tax Expense:		
	(1) Current Tax	2130000	4200000
	(2) Tax adjustments for earlier years	23039	(1081)
VII	Profit/(Loss) after Tax (V-VI)	(58365447)	(5502135)
VIII	Earning per Equity Share:		
	Equity Share of Par value ₹ 10/-each		
	Basic and Diluted	(8.18)	(0.77)

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: GURUGRAM
DATED: 30/05/2019

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
(COMPANY SECRETARY)
M. No.: ACS-30169

ABRIDGED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

S No.	Particulars	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2018 (In ₹)
1	Net Cash Flows from Operating Activities	15577567	(29054837)
2	Net Cash Flows used in Investing Activities	(78890)	(11764856)
3	Net Cash Flows used in Financing activities	(1742546)	6203145
4	Net Increase / (Decrease) in Cash & Cash Equivalents	13756131	(34616548)
5	Cash and Cash Equivalents at the beginning of the year	7406088	42022636
6	Cash and Cash Equivalents at the end of the year	21162219	7406088

Note:- Cash and Cash Equivalents include Cash in Hand and Bank Balances.

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: GURUGRAM
DATED: 30/05/2019

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
(COMPANY SECRETARY)
M. No.: ACS-30169

Note: Complete Standalone Balance Sheet, Standalone Statement of Profit and Loss, other statements and notes thereto prepared as per the requirements of Schedule III to the Act are available at the Company's website at link <http://www.hbstockholdings.com/Investor%20Information/Annual%20Reports/index.html> Copy of Financial Statements is also available for inspection at the registered office of the Company during working hours for a period of 21 days before the date of AGM.


NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(1) The Accompanying Consolidated Financial Statement includes the accounts of HB Stockholdings Limited and its following Subsidiary & Associate Company:

Name Of Company	Country of Incorporation	Proportion of Ownership Interest and Relationship	Financial Year end
Mount Finance Limited	India	100% Subsidiary of HB Stockholdings Limited	31st March, 2019

(2) **RELATED PARTY TRANSACTIONS**

(Refer Note No. 21 of the Consolidated Financial Statements)

2.1 List of Related Parties with whom transactions have taken place and relationship:

a) **Key Managerial Personnel**

- 1 Mr. Anil Kumar Mittal, (Company Secretary upto 15.02.2019)
- 2 Mr. Rachit Tandon, (Company Secretary w.e.f 15.02.2019)
- 3 Mr. Mahesh Kumar Gupta, (Chief Financial Officer)

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(b) above :-**

- 1 RRB Master Securities Delhi Limited

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

- 1 HB Portfolio Limited
- 2 HB Estate Developers Limited
- 3 HB Securities Limited (Subsidiary of HB Portfolio Limited)

2.2 Transactions during the financial year ended 31st March, 2019 with Related Parties as under:

Sr. No.	Particulars	Nature of Transaction	For the year ended 31st March, 2019 (In ₹)	For the year ended 31st March, 2018 (In ₹)
i	RRB Master Securities Delhi Limited	Advances given (net)	7879144	17789712
		Margin / Advances paid & received back	27250000	19300000
		Purchase of Investment through them	17671969	161028535
		Sale of Investment through them	37660994	37403826
		Net Turnover of Derivative Trading	2532512	2130685
		Receivable at the year end in respect of Loans & Advances	7879144	17789712
ii	HB Estate Developers Limited	Rent/ Facility Charges Paid	1016263	983964
		Receivable from HB Estate Developers Limited, pursuant to Scheme of Arrangement	0	4214449
		Received against amount receivable from HB Estate Developers Limited, pursuant to Scheme of Arrangement	4214449	0
		Receivable at the year end in respect of Loans & Advances	34500000	34500000
iii	HB Portfolio Limited	Payable to HB Portfolio Limited pursuant to Scheme of Arrangement	0	243409034
		Repayment against amount payable to HB Portfolio Limited, pursuant to Scheme of Arrangement	243409034	0
iv	HB Securities Limited	Depository Charges	9639	38140
v	Lalit Bhasin	Sitting Fees paid	40000	45000
		Sale of Securities	80784	0
vi	Rachit Tandon	Remuneration & other services	78210	0
vii	Anil Kumar Mittal	Remuneration & other services	1411741	1217982
viii	Mahesh Kumar Gupta	Remuneration & other services	1770000	1741067

(3) **CONTINGENT LIABILITIES**

(Refer Note No. 20 of the Consolidated Financial Statements)

Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
(a) Contingent Liabilities		
(i) Income Tax demand disputed 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.	9833349	5239011



(4) DETAILS OF CASH AND CASH EQUIVALENTS ARE AS FOLLOWS:

Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
(a) Balances with Banks	4558148	6855282
(b) Cheques, Drafts in Hand	16000000	0
(c) Cash in Hand	604071	550806
(d) Others, if any	0	0

(5) SEGMENT REPORTING

(Refer Note No. 22 of the Consolidated Financial Statements)

In the opinion of Management there are no separate Reportable Segments as per Accounting Standard Segment Reporting (AS-17).

(6) BREAKUP OF REVENUE FROM OPERATIONS:

Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
Profit/(Loss) in Securities dealing/Equity Derivative Trading	(2532512)	(2130685)
Profit/(Loss) on sale/disposal of Current Investments	(495488)	1342178
Provision for diminution in value of Current Investments made	(67935941)	(24676062)
Interest on Loans / Inter Corporate Deposit	33802692	41814989
Dividend Income (Gross) on Current Investments	1019017	3684139
Total	(36142232)	20034559

(7) ITEMS WHICH CONSTITUTE 20% OR MORE OF THE TOTAL EXPENDITURE ARE GIVEN BELOW:

Sr. No.	Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
(i)	Expenditure:-		
	(a) Employee benefit Expenses	5880527	5618913
		(29.28%)	(26.02%)

(8) CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

(Refer Note 32 of the Consolidated Financial Statements)

The Company is required to spent Rs. 5,73,821/- (Previous year Rs. 4,20,856/-) on Corporate Social Responsibility(CSR) activities during the year. Amount spent during the year Rs. 6,00,000/- (Previous Year Rs. 4,31,000/-).

(9) ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013. (REFER NOTE 29 OF THE CONSOLIDATED FINANCIAL STATEMENTS)

Name of the entity in the Group	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit/ Loss	
	As % of Consolidated	Amount	As % of Consolidated	Amount
	Net Assets		Profit/Loss	
	1	2	3	4
Parent				
HB Stockholding Limited	100.08 (100.07)	379284831 (437650278)	99.16 (91.07)	-57874253 (-5010941)
Subsidiary (Indian)				
Mount Finance Limited	-0.08 (-0.07)	-285870 (285870)	0.84 (8.93)	-491194 (-491194)
Total	100.00 (100.00)	378998961 (437364408)	100.00 (100.00)	-58365447 (-5502135)

* Figure in bracket relates to previous year.

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

FOR AND ON BEHALF OF THE BOARD

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: GURUGRAM
DATED: 30/05/2019

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
(COMPANY SECRETARY)
M. No.: ACS-30169



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	(91,46,949)
6.	Total Assets	18,67,861
7.	Total Liabilities	18,67,861
8.	Investments	0
9.	Turnover	0
10.	Profit/(Loss) before taxation	(561019)
11.	Provision for taxation/Deferred Tax	0
12.	Profit after taxation	(561019)
13.	Proposed Dividend	0
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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RACHIT TANDON
(COMPANY SECRETARY)
M. No.: ACS-30169



HB STOCKHOLDINGS LIMITED

FORM NO. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

CIN : L65929HR1985PLC033936
 Name of the Company : HB Stockholdings Limited
 Registered Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurugram - 122 001 (Haryana)
 Name of the Member(s) :
 Registered Address :
 Email Id :
 Folio No./Client Id :
 DP Id :

I/We, being the member(s) of Shares of the above named Company, hereby appoint:

- 1) Name.....Address.....
 Email.....Signature.....or failing him
- 2) Name.....Address.....
 Email.....Signature.....or failing him
- 3) Name.....Address.....
 Email.....Signature..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **32ND ANNUAL GENERAL MEETING (AGM)** of the Company to be held on **Tuesday, the 17th day of September, 2019 at 03:00 P.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurugram - 122 001, Haryana** and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements including Consolidated Financial Statement for the Financial Year ended 31st March, 2019 together with the reports of the Directors' and Auditors' thereon.
2. Appointment of Mr. Lalit Bhasin (DIN: 00002114), who retires by rotation and being eligible offers himself for re-appointment.
3. Continuation of the Appointment of 'G.C. Agarwal & Associates' Chartered Accountants (FRN 017851N), Statutory Auditors of the Company.

Special Business:

4. Appointment of Mr. Jag Mohan Lal Suri as Manager designated as Executive Director (Operations) of the Company.(Special Resolution)
5. Re-Appointment of Mr. Harbans Lal (DIN: 00076405) as an Independent Director of the Company. (Special Resolution)
6. Re-Appointment of Mr. Gulshan Rai (DIN: 00527181) as an Independent Director of the Company. (Special Resolution)
7. Continuation of Directorship of Mrs. Asha Mehra (DIN: 02658967) Non-Executive Independent Director of the Company. (Special Resolution)

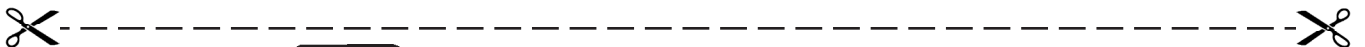
Affix
Rupee 1/-
Revenue
Stamp

Signed this ____ day of _____, 2019

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

Notes:

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



HB STOCKHOLDINGS LIMITED

ATTENDANCE SLIP

32ND ANNUAL GENERAL MEETING

Day : **Tuesday**
 Time : **03.00 P.M., 17th day of September, 2019**
 Place : **GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 122 001, Haryana**

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any.....

Father's/Husband's Name

Address in full.....

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

I/We hereby record my/our presence at the **32nd Annual General Meeting held on Tuesday, 17th day of September, 2019 at 03.00 P.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 122 001, Haryana**

Folio No. / DP-Id :

Client-Id :

No. of Shares :

Signature(s).....

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

ROUTE MAP OF GIA HOUSE

