



HB LEASING AND FINANCE CO. LTD.

Regd. Office : Plot No .31, Echelon Institutional Area, Sector - 32, Gurgaon -122001 (Haryana)
Ph. : 0124-4675500, Fax : 0124-4370985, E-mail : corporate@hbleasing.com
Website : www.hbleasing.com, CIN No. L65910HR1982PLC034071

August 12, 2019

Listing Centre

The Listing Department
Bombay Stock Exchange Limited,
Pheroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai - 400 001

Company Code: 508956
Sub: - Submission of 36th 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.hbleasing.com>.

You are requested to take the above information on record.

Thanking you,
Yours Faithfully,
For HB LEASING AND FINANCE COMPANY LIMITED

LAKSHAY VAID
(Company Secretary & Compliance Officer)

Encl: As above



BOARD OF DIRECTORS

Mr. Lalit Bhasin	Chairman
Mr. Anil Goyal	Managing Director
Mr. L. N. Malik	Director
Mrs. Sapna Khandelwal	Director

COMPANY SECRETARY

Mr. Lakshay Vaid

CHIEF FINANCIAL OFFICER

Mr. C. P. Singh

STATUTORY AUDITORS

G.C. Agarwal & Associates

Firm Registration No.: 017851N

Chartered Accountants

240, Ghalib Apartments,

Parwana Road, Pitampura,

Delhi - 110 034

REGISTERED OFFICE

Plot No. 31, Echelon Institutional Area,

Sector-32, Gurugram - 122 001, Haryana

Ph : 0124-4675500, Fax : 0124-4370985

Email : corporate@hbleasing.com

CIN: L651910HR1982PLC034071

WEBSITE

<http://www.hbleasing.com>

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.

CIN: U67120DL1950PTC001854

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

Website: www.rcmcdelhi.com

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF HB LEASING AND FINANCE COMPANY LIMITED (THE "COMPANY") 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 : Thursday

Date : 19th September, 2019

Time : 03.00 P.M.

Place : G/A 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 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 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, Cash Flow Statement 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 34th Annual General Meeting of the Company held on 29th 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 MRS. SAPNA KHANDELWAL (DIN: 07241162) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of Section 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(s) thereof for the time being in force) read with Schedule IV to the Act and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mrs. Sapna Khandelwal (DIN: 07241162), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company in terms of Section 161(1) of the Act and Articles of Association of the Company with effect from 30th May, 2019 by the Board of Directors on the recommendation of Nomination and Remuneration Committee, whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a term of five (5) consecutive years with effect from 30th May, 2019 to 29th May, 2024 and she 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."

5. RE-APPOINTMENT OF MR. LACHMI NARAIN MALIK (DIN: 00481449) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass the following resolution as a 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. Lachmi Narain Malik (DIN: 00481449) 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 29th October, 2019 to 28th October, 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. ANIL GOYAL (DIN: 00001938) AS MANAGING DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and all other applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Anil Goyal (DIN: 00001938), Managing Director being the Key Managerial Personnel (KMP) of the Company (who is also Managing Director of HB Portfolio Limited), for a further period of five (5) years with effect from 17th May, 2019 to 16th May, 2024 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT no remuneration shall be payable to Mr. Anil Goyal so long as he opts to draw his remuneration from HB Portfolio Limited where he also holds the office of Managing Director.

RESOLVED FURTHER THAT Mr. Anil Goyal, Managing Director shall be liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix remuneration payable, including the minimum remuneration in the event of absence / inadequacy of profits to Mr. Anil Goyal in accordance with the limits specified in Schedule V of the Companies Act, 2013 in the event of his relinquishing the office of Managing Director and / or ceasing to draw remuneration from HB Portfolio Limited."

**BY ORDER OF THE BOARD
FOR HB LEASING AND FINANCE COMPANY LIMITED**

Sd/-

LAKSHAY VAID

(Company Secretary)

Membership No: A-45438

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. The Register of Members and Share Transfer Books of the Company shall remain closed from 13th September, 2019 to 19th September, 2019. (Both days inclusive) for the purpose of Annual General Meeting.

5. An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and form part of this Notice.

6. Mr. Lakshay Vaid, Company Secretary has been appointed as the Nodal Officer in terms of the provisions of IEPF Rules and complete details are available on the website of the Company; [www.hbleasing.com/Investor Information/Listing Information/ig.html](http://www.hbleasing.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 AGENT (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 / mailing 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 should bring Attendance Slips duly filled in for attending the meeting.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
10. 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.
11. 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 the meeting so as to enable the management to keep the information ready.
12. 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 Standard-2 on "General Meeting".
13. 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: investor.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.
14. The Company is implementing the "Green Initiative" to enable electronic delivery of Notices / Documents and Annual Reports to the Shareholders. Henceforth, the e-mail 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.hbleasing.com>

15. Voting through electronic means:

- (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their votes by electronic means on all the resolutions proposed to be considered in this Annual General Meeting from a remote location ("Remote e-voting").
- (ii) The Company has engaged the services of Karvy Computershare Pvt. Ltd. ("Karvy") to provide the facility of Remote e-voting.
- (iii) The facility for voting through Physical Ballot Papers shall be made available at the meeting and members attending the meeting, who have not already cast their vote by Remote e-voting shall be able to exercise their right to vote at the meeting through Ballot Papers.
- (iv) The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 12th 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. 12th 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 16th September, 2019 (09.00 A.M.) and ends on 18th 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) **Mr. Arun Gupta, Company Secretary in Whole-time Practice (Membership No.: 21227, C.P. No.: 8003) failing him Mr. Kapoor Chand Garg, Company Secretary in Whole-time Practice (Membership No.: 7145, C.P. No.: 7829) 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 Limited), 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, <http://www.hbleasing.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 e-mail 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, e-mail 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 Leasing and Finance Company 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: aruncs.gupta@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 e-mail 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.
16. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
17. 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.
18. 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 / RE-APPOINTMENT
AT THIS ANNUAL GENERAL MEETING**

Name of the Director	(1) MR. LALIT BHASIN	(2) MRS. SAPNA KHANDLWAL
DIN	00002114	07241162
Date of Birth	14 th August, 1968	21 st September, 1981
Date of First Appointment on the Board	29 th June, 1990	30 th May, 2019
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.	Mrs. Sapna Khandelwal is a Fellow member of the Institute of Company Secretaries of India, qualified law graduate and post graduate in commerce. She brings with her significant, diversified and multi industry experience of more than 13 years in secretarial and legal field.
Qualifications	B.Com	B.Com, CS, L.L.B
List of Directorships in other Companies.	Listed Companies: 1. HB Stockholdings Ltd. 2. HB Estate Developers Ltd. 3. HB Portfolio 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.	N.A.
Membership of Committee of the Board in other Companies.	Audit Committee 1. CHL Ltd. (Member) Stakeholders Relationship Committee 2. CHL Ltd. (Member) Nomination and Remuneration Committee 3. CHL Ltd. (Member) CSR Committee 4. HB Stockholdings Ltd. (Chairman) 5. Taurus Asset Management Co. Ltd. (Chairman)	N.A.
No. of Equity Shares held	3856327	NIL
No. of Board Meetings attended/entitled to attend during the year	4/4	N.A.
Whether related to any Board Members, Manager or KMP of the Company	No	No



Name of the Director	(3) MR. LACHMI NARAIN MALIK	(4) MR. ANIL GOYAL
DIN	00481449	00001938
Date of Birth	01 st December, 1940	22 nd February, 1959
Date of First Appointment on the Board	15 th March, 2003	01 st January, 1992
Profile / Expertise in Specific functional Areas.	Mr. L. N. Malik is a Practicing Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. He has an expert knowledge in the field of Taxation & Auditing with more than 48 years of experience in this field.	Mr. Anil Goyal is a Chartered Accountant with nearly 36 years of experience in the field of finance, taxation, investment, banking, corporate restructuring and strategic planning.
Qualifications	CA	B.Com, CA
List of Directorships in other Companies.	Listed Company: None Other Companies: <ol style="list-style-type: none"> 1. D S Sales Pvt. Ltd 2. Jai Durge Constructions Pvt. Ltd. 3. Srinath Overseas Pvt. Ltd. 4. Indo Asian Land Development Pvt. Ltd. 5. Moon-sun Infotech Pvt. Ltd. 6. Ganga Towers Pvt. Ltd. 7. Atlantic Developers Pvt. Ltd. 8. Triveni Towers Pvt. Ltd. 9. Allen Leasing & Finance Pvt. Ltd. 10. Aude Sapere Healthcare Pvt. Ltd. 11. Krishna Continental Ltd. 12. National Cereals Products Ltd. 	Listed Companies: <ol style="list-style-type: none"> 1. HB Stockholdings Ltd. 2. HB Estate Developers Ltd. 3. HB Portfolio Ltd. Other Companies: <ol style="list-style-type: none"> 4. H B Financial Consultants Pvt. Ltd. 5. HB Securities Ltd. 6. Mount Finance Ltd 7. RRB Securities Ltd. 8. HB Corporate Services Ltd. 9. Bhasin Investments Ltd. 10. Taurus Investment Trust Company. Ltd. 11. RRB House Finance Company Ltd.
Membership of Committee of the Board in other Companies.	Nil	Audit Committee <ol style="list-style-type: none"> 1. HB Stockholdings Ltd. (Member) Stakeholders Relationship Committee <ol style="list-style-type: none"> 2. HB Stockholdings Ltd. (Member) 3. HB Portfolio Ltd. (Member) 4. HB Estate Developers Ltd. (Member) 5. RRB Securities Ltd. (Member) Nomination and Remuneration Committee <ol style="list-style-type: none"> 6. RRB Securities Ltd. (Member) CSR Committee <ol style="list-style-type: none"> 7. HB Stockholdings Ltd. (Member) 8. HB Portfolio Ltd. (Member) 9. HB Estate Developers Ltd. (Member)
No. of Equity Shares held	300	150
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 LEASING AND FINANCE COMPANY LIMITED

Place: Gurugram
Date: 30th May, 2019

Sd/-
LAKSHAY VAID
(Company Secretary)
Membership No: A-45438



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 4:

Mrs. Sapna Khandelwal (DIN: 07241162) was appointed as an Additional Director of the Company in the capacity of Non-Executive Independent Director with effect from 30th May, 2019 by the Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 30th May, 2019 under Section 161 of the Act and the Articles of Association of the Company who holds office upto the date of the ensuing Annual General Meeting of the Company.

Mrs. Sapna Khandelwal is a Fellow member of the Institute of Company Secretaries of India, qualified law graduate and post graduate in commerce. She brings with her significant, diversified and multi industry experience of more than 13 years in secretarial and legal field.

The Company has received requisite consent from Mrs. Sapna Khandelwal to act as Director of the Company and 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. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing her candidature for the office of Director.

In the opinion of the Board, Mrs. Sapna Khandelwal 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 she is independent of the management. She is 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 her 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 Mrs. Sapna Khandelwal are given in Notes forming part of the Notice.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The Board recommends to the Shareholders, appointment of Mrs. Sapna Khandelwal as Non-Executive Independent Director of the Company for a term of five (5) consecutive years w.e.f 30th May, 2019 considering her knowledge, background and extensive experience in the secretarial & legal field. The appointment of Mrs. Khandelwal will be an invaluable input to the Company's strategic direction and decision making. The Board recommends the Resolution at Item No. 4 of the Notice for the approval of the Members.

Except Mrs. Sapna Khandelwal 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.

ITEM NO. 5:

Mr. Lachmi Narain Malik (DIN: 00481449) was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years by the Shareholders in their Annual General Meeting held on 29th October, 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. Lachmi Narain Malik (DIN: 00481449) aged 78 years as Non-Executive Independent Director 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 he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and he is 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 his candidature for the office of Director.

In the opinion of the Board, Mr. Lachmi Narain Malik 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 he is independent of the management. He is 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 his 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. Lachmi Narain Malik is given in Notes forming part of the Notice.

The Board recommends to the Shareholders that the association of Mr. Lachmi Narain Malik would be beneficial to the Company based on his performance evaluation, knowledge, background, extensive experience and contributions made by him during his tenure, it is desirable to re-appoint him as Non-Executive Independent Director of the Company for second term of five consecutive years. The Board recommends the Special Resolution at Item No. 5 of the Notice for the approval of the Members.

Except Mr. Lachmi Narain Malik 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.

ITEM NO. 6:

Mr. Anil Goyal was appointed as Managing Director of the Company for a period of five (5) years w.e.f. 17th May, 2014 to 16th May, 2019.

Pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and all other applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the recommendation of the Nomination & Remuneration Committee meeting held on 13th May, 2019, the Board of Directors in their meeting held on 30th May, 2019 accorded their approval for re-appointment of Mr. Anil Goyal, Managing Director being the Key Managerial Personnel (KMP) of the Company for further period of five (5) years with effect from 17th May, 2019 to 16th May, 2024 subject to the approval of the Shareholders, on the terms and conditions as detailed herein below:

- **Remuneration:** No remuneration shall be drawn by him from HB Leasing and Finance Company Limited so long as he opts to draw his remuneration from HB Portfolio Limited where he also holds the office of Managing Director. However in the event of his relinquishing the office of Managing Director and/or ceasing to draw remuneration from HB Portfolio Limited, the Board of Directors shall determine the remuneration including the minimum remuneration in the event of absence or inadequacy of profits, payable to him in terms of the provisions of Schedule V of the Companies Act, 2013.
- **Termination of Contract:** The appointment can be terminated by either side on a three month notice or salary in lieu thereof in case any remuneration is paid to the Managing Director as on that date.
- **Sitting Fees:** No sitting fees shall be payable to him for attending the meeting of the Board of Directors / Committees thereof.
- **Reimbursement of expenses:** The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- **Retire by Rotation:** The Managing Director shall be liable to retire by rotation.
- The above terms and conditions of appointment may be altered or varied by the Board of Directors at its discretion and as may be deemed fit from time to time subject however to the provisions of Schedule V of the Companies Act, 2013.

The Board recommends to the Shareholders that the association of Mr. Anil Goyal would be beneficial to the Company considering his knowledge of various aspects relating to the Company's affairs, long term association, extensive experience and contributions made by him during his tenure, it is desirable to re-appoint him as Managing Director of the Company for further period of five (5) years with effect from 17th May, 2019 to 16th May, 2024. The Board recommends the Special Resolution at Item No. 6 of the Notice for the approval of the Members.

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



DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 36th Annual Report together with the Audited Financial Statements 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:-

(₹ In Lacs)

PARTICULARS	Year Ended 31.03.2019	Year Ended 31.03.2018
Total Revenue	17.97	63.18
Expenditure	45.62	39.07
Finance Cost	0.00	0.00
Depreciation	0.00	0.00
Profit/(Loss) for the year before Tax	(27.65)	24.10
Tax Expense	0.13	0.30
Profit/(Loss) for the year after Tax	(27.78)	23.80
Appropriations	0.00	4.76
Statutory Reserve Fund	(2885.55)	(2904.59)
Balance Brought Forward		
Accumulated Profits/(Loss)	(2913.33)	(2885.55)

DIVIDEND

In view of the brought forward and current year losses, the Directors regret their inability to recommend Dividend for the Financial Year under review.

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 ₹ 17.97 Lacs as against Total Revenue of ₹ 63.18 Lacs in the previous year. Net Loss after Tax for the year under review was ₹ 27.78 Lacs as compared to the Net Profit of ₹ 23.80 Lacs in the previous year.

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.

Equities remained volatile in the Financial Year 2018-19 amidst geo-political risks such as trade wars and Brexit, tight financial conditions, fears of slowing global growth and liquidity crisis in NBFCs. FY 2018-19 witnessed sharp drop in primary market activity in terms of both number of transactions and capital raised as the number of Initial Public Offerings (IPOs). The major stock indices touched an all-time high during the year but were trimmed owing to volatility towards the end of the year. The rally in the large caps was one of the narrowest seen in the history of Indian equity markets. Mid and small capitalisation stocks underperformed, due to risk aversion emanating from high relative valuations and FPI outflows.

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

STATUTORY STATEMENTS

(i) **Share Capital**

The Paid up Equity Share Capital as on 31st March, 2019 stood at ₹ 11,06,27,310/- comprising of 11062731 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) **No. of meeting(s) of the Board**

During the year under review, four (4) Board Meetings were convened and held. The details of such meeting(s) are given in the Corporate Governance Report. The maximum interval between any two meeting(s) did not exceed 120 days, as prescribed in the Companies Act, 2013.

(iii) **Public Deposits**

Your Company has neither invited nor accepted any Deposits from the Public / Shareholders pursuant to Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

(iv) **Significant and other material orders passed by the Regulators or Courts**

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

(v) **Particulars of Loans, Guarantees or Investments under Section 186**

Details of Loans, Guarantees or Investments made by the Company in the ordinary course of business covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

(vi) **Conservation of Energy, Technology Absorption and foreign and outgo**

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rules 8 of the (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

The Company is not having any Subsidiary, Joint Venture and Associate Companies during the year under review.

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

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 Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors is available on the website of the Company having following web link,
<http://www.hbleasing.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.hbleasing.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 12th February, 2016 has adopted a Policy for Preservation of Documents & Archival thereof, classifying them in two categories as follows:

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

The said Policy is available on the Website of the Company having following web link, <http://www.hbleasing.com/Investor%20Information/Corporate%20Governance/index.html>

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

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

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace. The Board of Directors in their meeting held on 26th May, 2017 constituted the Internal Complaint Committee and 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 Committee was duly reconstituted on 30th May, 2019.

The Internal Complaint Committee comprises of following members:

- Mrs. Banmala Jha , Presiding Officer (Senior V.P. Legal – HB Stock Holdings Limited)
- Mrs. Madhu Suri, Member (Working in the Delhi Legal Services Authority as a Counsellor)
- Mr. Anil Goyal, Member (Managing Director)
- Mr. Lakshay Vaid, Member (Company Secretary)

Mr. Lakshay Vaid has been appointed as member of Internal Complaint Committee on 30th May, 2019. Mrs. Sukhmani Wallia ceased to be a member of the Internal Complaint Committee consequent upon of her resignation on 31st January, 2019.

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.

AUDITORS OF THE COMPANY

a) Statutory Auditors

The Shareholders in the 34th Annual General Meeting held on 29th 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 34th Annual General Meeting to the conclusion of 39th 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.

b) Internal Auditors

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

c) 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. Arun Gupta, Proprietor, 'Arun Gupta & Associates', Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as a part of this report as "ANNEXURE – I".

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.

Mrs. Sapna Khandelwal (DIN: 07241162) has been appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company with effect from 30th May, 2019 who holds office up to the date of the ensuing Annual General Meeting. 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. In the opinion of the Board, Mrs. Sapna Khandelwal 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 she is independent of the management. On the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends to the Shareholders, appointment of Mrs. Sapna Khandelwal as Non-Executive Independent Director of the Company for a term of five (5) consecutive years w.e.f 30th May, 2019 considering her knowledge, background and extensive experience in the secretarial & legal field. The appointment of Mrs. Khandelwal will be an invaluable input to the Company's strategic direction and decision making.

Mrs. Meenakshi Gopal (DIN: 07143044), Non-Executive Independent Director has resigned from the Board of the Company vide her resignation letter dated 30th May, 2019 due to some other preoccupations and there is no material reason other than specified. The Board places on record its deep appreciation for the services rendered by Mrs. Meenakshi Gopal during her tenure as Director and Member of various committees of the Board of Directors of the Company.

Mr. Lachmi Narain Malik (DIN: 00481449) aged 78 years is proposed to be re-appointed as Non-Executive Independent Director for second term of five consecutive years. The Company has received a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and he is 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. Lachmi Narain Malik 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 he is 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. Lachmi Narain Malik would be beneficial to the Company based on his performance evaluation, considering his knowledge, background, extensive experience and contributions made by him during his tenure and it is desirable to re-appoint him as Non-Executive Independent Director of the Company for second term of five consecutive years.

Mr. Anil Goyal who is also the Managing Director of HB Portfolio Limited, has been re-appointed as Managing Director of the Company for a further term of five (5) years with effect from 17th May, 2019 to 16th May, 2024 subject to the approval of members. No remuneration is payable to Mr. Anil Goyal as he opted to draw his remuneration from HB Portfolio Limited. The Board recommends to the Shareholders that the association of Mr. Anil Goyal would be beneficial to the Company considering his knowledge of various aspects relating to the Company's affairs, long term association, extensive experience and contributions made by him during his tenure, it is desirable to re-appoint him as Managing Director of the Company for further period of five (5) years.

Ms. Sukhmani Wallia has resigned from the position of the Company Secretary with effect from 31st January, 2019.

Mr. Lakshay Vaid (M. No. A-45438) has been appointed as the Company Secretary and Compliance Officer being the Key Managerial Personnel of the Company w.e.f. 09th 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 By Independent Directors

The Company has received declarations from Mr. Lachmi Narain Malik and Mrs. Sapna Khandelwal, Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and applicable provisions as per Regulation 16 of 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 web link:

<http://www.hbleasing.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 Regulation 19 (4) as per Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and 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 Company has one Executive Director, Mr. Anil Goyal. No remuneration is paid to him as he holds the office of the Managing Director of HB Portfolio Limited and opts to draw his remuneration from HB Portfolio Limited. The Non-Executive Directors are paid only sitting fees for attending the meeting of the Board of Directors and the Committees constituted by the Board.

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; &
- (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. Anil Goyal	Managing Director (Executive)	NIL	NIL
2.	Mr. Lalit Bhasin	Director (Non-Executive)	NIL	NIL
3.	Mr. L.N. Malik	Director (Non-Executive)	NIL	NIL
4.	Mrs. Meenakshi Gopal	Director (Non-Executive)	NIL	NIL
5.	Mr. C.P. Singh	Chief Financial Officer		N.A.
6.	Ms. Sukhmani Walia *	Company Secretary		N.A.
7.	Mr. Lakshay Vaid **	Company Secretary		N.A.

(*) Resigned w.e.f. 31st January, 2019.

(**) Appointed w.e.f. 09th 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 two permanent employees on the rolls of 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 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil
- (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 details forming part of the extract of Annual Return is required under section 92(3) of the Companies Act, 2013 in **Form MGT-9** in annexed herewith as "Annexure II".

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.hbleasing.com/Investor%20Information/Annual%20Returns/index.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
HB LEASING AND FINANCE COMPANY LIMITED**

**Sd/
LALIT BHASIN
(Chairman)
DIN: 00002114**

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



**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,
HB Leasing and Finance Company Limited
L65910HR1982PLC034071
Plot No. 31, Echelon Institutional Area, Sector-32,
Gurugram, Haryana- 122001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HB Leasing and Finance Company Limited** (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 Company’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 authorised 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 the 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 (“the Act”) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable as there were no corporate decisions/actions attracting this regulation);
- (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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014; (Not applicable as there were no corporate decisions/actions attracting this regulation);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as there were no corporate decisions/actions attracting this regulation);
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted/ propose to delist its equity shares from any stock exchange during the financial year under review); and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back/ propose to buyback any of its securities during the financial year under review);
- (vi) Other laws as are applicable to the Company are based on the reports of the heads of the Department:
 - a) The Reserve Bank of India Act, 1934
 - (i) Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
 - (ii) The Non-Banking Financial Companies Auditors’ Report (Reserve Bank) Directions, 2008 and other applicable Directions, Guidelines, Standards/ instructions issued by RBI.

The Company is an NBFC-ND (Investment Company) and holds valid Certificate of Registration No. 14.00081 dated 26.02.1998 issued under Section 45IA of the Reserve Bank of India, 1934. The Company has complied with the provisions of above Acts, Directions, Guidelines, standards and instructions issued by Reserve Bank of India to the extent applicable.

- b) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- c) All the Labour laws as applicable to the company;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- executive directors including Independent Directors and woman director. 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.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately 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.
- Majority decisions are carried through while the dissenting members’ views are captured and recorded as part of the minutes.

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 all applicable laws, rules, regulations and guidelines.

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.

For Arun Gupta & Associates

Sd/
Arun Kumar Gupta
Company Secretary
ACS: 21227
C.P. No. 8003

Date: 30th May, 2019
Place: New Delhi

Note: 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.

“ANNEXURE A”

To
The Members,
HB Leasing and Finance Company Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

Management’s Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws, standards rules and regulations and to ensure that the systems are adequate and operate effectively.

Auditor’s Responsibility

2. Our responsibility is to express an opinion on these secretarial records and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company’s management is reasonably adequate and appropriate for us to provide a basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
5. Wherever required, we have obtained the management’s representation Letter about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

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.

For Arun Gupta & Associates

Sd/
Arun Kumar Gupta
Company Secretary
ACS: 21227
C.P. No. 8003

Date: 30th May, 2019
Place: New Delhi



FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31.03.2019

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

I. REGISTRATION & OTHER DETAILS:

i.	CIN	L65910HR1982PLC034071
ii.	Registration Date	30 th March, 1982
iii.	Name of the Company	HB Leasing and Finance Company Limited
iv.	Category/Sub-Category of the Company	Company having Share Capital
v.	Address of the Registered office & contact details	Plot No. 31, Echelon Institutional Area, Sector-32, Gurugram – 122001, Haryana Phone: 0124-4675500 Fax : 0124-4370985 Email : corporate@hbleasing.com Website: http://www.hbleasing.com
vi.	Whether Listed Company	Yes (Listed at BSE)
vii.	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	RCMC Share Registry Pvt. Ltd. B- 25/1, First Floor, Okhla Industrial Area, Phase- II, New Delhi- 110020 Phone: 011-26387320/ 21 Fax: 011-26387322 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 & Description of main products/services	NIC Code of the Product Service	% to total turnover of the Company
1.	Financial Leasing Companies Activities	64910	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sl. No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.			NIL		

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of total Equity):

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual / HUF	2253377	0	2253377	20.37	3946327	0	3946327	35.67	15.30
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	1692950	0	1692950	15.30	0	0	0	0.00	(15.30)
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL: (A) (1)	3946327	0	3946327	35.67	3946327	0	3946327	35.67	0.00
(2) Foreign									
a) NRI-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	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)	3946327	0	3946327	35.67	3946327	0	3946327	35.67	0.00
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	1570	1570	0.01	0	1570	1570	0.01	0.00
b) Banks / FI	100	510	610	0.01	100	510	610	0.01	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
SUB TOTAL (B)(1):	100	2080	2180	0.02	100	2080	2180	0.02	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Non Institutions									
a) Bodies Corporate	741837	106597	848434	7.67	743690	99297	842987	7.62	(0.05)
b) Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakhs	1956334	3358189	5314523	48.04	1957129	3313268	5270397	47.64	(0.40)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakhs	742179	0	742179	6.71	790908	0	790908	7.15	0.44
c) Other (specify)									
i) Clearing Members	9382	0	9382	0.08	10689	0	10689	0.10	0.02
ii) Non-Residents	21334	124312	145646	1.32	25389	119794	145183	1.31	(0.01)
iii) NBFC	53100	0	53100	0.48	53100	0	53100	0.48	0
SUB TOTAL (B)(2):	3524166	3589098	7113264	64.30	3580905	3532359	7113264	64.30	0
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)	3524266	3591178	7115444	64.32	3581005	3534439	7115444	64.32	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7470593	3592138	11062731	100.00	7527332	3535399	11062731	100.00	0

(ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1.	Lalit Bhasin	2163377	19.56	0	3856327	34.86	0	15.30
2.	Mamta kapur	46000	0.42	0	46000	0.42	0	0.00
3.	Rima Arora	22000	0.20	0	22000	0.20	0	0.00
4.	H.C.Bhasin (HUF)	22000	0.20	0	22000	0.20	0	0.00
5.	Merrygold Investments Ltd	1507895	13.63	0	0	0.00	0	(13.63)
6.	Pal Properties (India) Pvt. Ltd.	105120	0.95	0	0	0.00	0	(0.95)
7.	H B Stockholdings Ltd	43200	0.39	0	0	0.00	0	(0.39)
8.	R R B Securities Ltd	34735	0.31	0	0	0.00	0	(0.31)
9.	HB Financial Consultants Pvt. Ltd.	2000	0.02	0	0	0.00	0	(0.02)
	Total	3946327	35.67	0	3946327	35.67	0	0.00

(iii) Change in Promoters' Shareholding (Please specify, if there is no change):

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.	Mr. Lalit Bhasin				
	At the beginning of the year	2163377	19.56	2163377	19.56
	25/03/2019 – Acquisition*	1692950	15.30	1692950	15.30
	At the end of the year			3856327	34.86
2.	Merrygold Investments Ltd.				
	At the beginning of the year	1507895	13.63	1507895	13.63
	25/03/2019 – Transfer	(1507895)	(13.63)	(1507895)	(13.63)
	At the end of the year			0	0.00
3.	Pal Properties (India) Pvt. Ltd.				
	At the beginning of the year	105120	0.95	105120	0.95
	25/03/2019 – Transfer	(105120)	(0.95)	(105120)	(0.95)
	At the end of the year			0	0.00
4.	H B Stockholdings Ltd.				
	At the beginning of the year	43200	0.39	43200	0.39
	25/03/2019 – Transfer	(43200)	(0.39)	(43200)	(0.39)
	At the end of the year			0	0.00
5.	RRB Securities Ltd.				
	At the beginning of the year	34735	0.31	34735	0.31
	25/03/2019 – Transfer	(34735)	(0.31)	(34735)	(0.31)
	At the end of the year			0	0.00
6.	H B Financial Consultants Pvt. Ltd.				
	At the beginning of the year	2000	0.02	2000	0.02
	25/03/2019 – Transfer	(2000)	(0.02)	(2000)	(0.02)
	At the end of the year			0	0.00

(*) Mr. Lalit Bhasin, Promoter of the Company acquired 1692950 Equity Shares by way of an Inter-se Transfer from abovementioned PACs. However, the overall Shareholding of the Promoter Group of HB Leasing and Finance Company Limited remains same.


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

Sl. No.	For Each of the Top 10 Shareholders	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.	Shubhika Estate & Trading Pvt. Ltd.				
	At the beginning of the year	343300	3.10	343300	3.10
	At the end of the year			343300	3.10
2.	Delhi Iron & Steel Co. (P) Ltd.				
	At the beginning of the year	169782	1.53	169782	1.53
	At the end of the year			169782	1.53
3.	Rajesh Jain				
	At the beginning of the year	120659	1.09	120659	1.09
	At the end of the year			120659	1.09
4.	Ashari Agencies Ltd.				
	At the beginning of the year	109507	0.99	109507	0.99
	At the end of the year			109507	0.99
5.	Chirayush Pravin Vakil				
	At the beginning of the year	83136	0.75	83136	0.75
	At the end of the year			83136	0.75
6.	Urvi Jatin Parekh				
	At the beginning of the year	69316	0.63	69316	0.63
	At the end of the year			69316	0.63
7.	Light House Investments Ltd.				
	At the beginning of the year	57800	0.52	57800	0.52
	At the end of the year			57800	0.52
8.	Onida Finance Limited				
	At the beginning of the year	49200	0.44	49200	0.44
	At the end of the year			49200	0.44
9.	Nilaben Navneet Hindocha				
	At the beginning of the year	38873	0.35	38873	0.35
	At the end of the year			38873	0.35
10.	Ganesh Shankar Dwivedi				
	At the beginning of the year	34312	0.31	34312	0.31
	At the end of the year			34312	0.31

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Mr. Lalit Bhasin (Chairman)	2163377	19.56	3856327	34.86
2.	Mr. Anil Goyal, M.D (KMP)	150	0.00	150	0.00
3.	Mr. L. N. Malik	300	0.00	300	0.00
4.	Mrs. Meenakshi Gopal	NIL	N.A	NIL	N.A
5.	Mr. C.P. Singh, CFO (KMP)	NIL	N.A	NIL	N.A
6.	Ms. Sukhmani Walia, CS (KMP)*	NIL	N.A	NIL	N.A
7.	Mr. Lakshay Vaid, CS (KMP)**	NIL	N.A	NIL	N.A

 (*) Resigned w.e.f. 31st January, 2019.

 (**) Appointed w.e.f 09th February, 2019.

V. INDEBTEDNESS:

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

(Amount in ₹ Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Changes in Indebtedness during the financial year				
• Addition	NIL	15.50	NIL	15.50
• Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	15.50	NIL	15.50
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	15.50	NIL	15.50
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	15.50	NIL	15.50


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

(Amount in ₹ Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager
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) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission - as % of profit - others, specify	NIL NIL
5.	Others, please specify	NIL
	Total (A)	NIL
	Ceiling as per the Act	5% of the Net Profits / As per Schedule V of the Companies Act, 2013 in case of absence or inadequacy of profits.

B) Remuneration to other Directors:

(Amount in ₹ Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	Mr. L. N. Malik	Mrs. Meenakshi Gopal	
	• Fee for attending board / committee meetings # • Commission • Others, please specify	0.44 NIL -	0.54 NIL -	0.98 NIL -
	Total (1)	0.44	0.54	0.98
2.	Other Non-Executive Directors	Mr. Lalit Bhasin		
	• Fee for attending board / committee meetings # • Commission • Others, please specify	0.54 NIL -		0.54 NIL -
	Total (2)			0.54
	Total Managerial Remuneration (1) + (2)			1.52
	Overall Ceiling as per the Act	Sitting fee is paid as per the provisions of the Companies Act, 2013.		

Excluding reimbursement of travel and other expenses incurred for attending the meetings.

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

(Amount in ₹ Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Mr. C. P. Singh (CFO)	Ms. Sukhmani Walia (Company Secretary) (upto 31.01.2019)	Mr. Lakshay Vaid (Company Secretary) (w.e.f. 09.02.2019)	
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) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	6.95 0.48	3.79 -	0.81 -	11.55 0.48
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - As % of profit - Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	7.43	3.79	0.81	12.03

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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



MANAGEMENT’S DISCUSSION AND ANALYSIS

1. OPERATING RESULTS

During the year under review, the Company’s Total Revenue is ₹ 17.97 Lacs as compared to ₹ 63.18 Lacs in the previous year. The Company incurred total expenses amounted to ₹ 45.62 Lacs as compared to ₹ 39.07 Lacs during the previous year. Loss after tax stood at ₹ 27.78 Lacs as against Profit after Tax of ₹ 23.80 Lacs in the previous year.

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.

The MSME sector, which currently comprises over 50 million businesses, has grown dynamically. Today, the sector accounts for around 40% of the country’s exports and has been creating millions of jobs, annually. With immense potential for growth in the coming years, access to financial capital and timely credit remains one of the primary constraints for the sector. While the government has implemented numerous measures in general and through the Union Budget 2019 to augment the availability of funds to the sector, credit from NBFCs, on flexible and tailored terms, has begun to increase.

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.

India’s economic growth also decelerated somewhat in 2018-19 — with GDP growing at 7% in 2018-19, compared to 7.2% in the previous year. But, the growth outlook for 2019-20 is positive. The Reserve Bank of India (RBI), in its monetary policy statement released in April 2019, expects GDP growth to return to 7.2% in 2019-20.

3. OPPORTUNITIES AND THREATS

The NBFC sector in India is large with significant growth potential and has consistently created value for its shareholders. The NBFC sector has a double digit credit market share and has consistently gained market share from banks over the last 10 years. The growth in the sector appears sustainable as India has a low GDP to credit penetration. Further, many structural factors are supportive of NBFC growth namely weak banks, initiatives of the Reserve Bank of India (‘RBI’) on policy alignment and latent credit demand in certain segments not catered to by banks.

The RBI constantly issues new regulations and / or modifies existing regulations endeavouring to balance the multiple objectives of financial stability, consumer and depositor protection and regulatory arbitrage concerns. The RBI, however, implements major changes in a structured manner providing companies operating in the sector adequate time to adapt and adjust.

The India growth story, although impacted to a great extent by international factors, is equally driven by domestic factors, like changing consumer behaviour, falling investment, the increasing trade gap and current account deficit. In view of the growing integration with global markets, India needs to have a strong regulatory framework to prevent and protect against external threats. Being a hugely under-penetrated financial market, India presents immense opportunities to tap investors’ savings and channel them into the financial markets. A strong regulatory framework entails strengthening liquidity conditions, enhancing risk coverage, reducing leverage, recognising systemic risk and maintaining financial stability.

4. FUTURE PROSPECTS AND OUTLOOK

The mission to promote financial inclusion in India is gaining momentum in government as well as private circles. Where the government is concerned, it is addressing various regulatory issues that have been constraints to transparency and better access until now.

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.

India is expected to be a high growth economy in the medium to longer term which coupled with an expectation of recovery in economic growth at global level augurs well for the capital markets in India.

5. RISKS AND CONCERNS

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

Risk Management Policy

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

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

(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 ensures adherence to all internal control policies and procedures as well as have 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 Equity share capital as on 31st March, 2019 is ₹ 11,06,27,310/- comprising of 1,10,62,731 Equity Shares of ₹ 10/- each . During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.
- b) **Reserves and Surplus:** During the year under review, the Reserves and Surplus is ₹ (895.66) Lacs as against ₹ (867.87) Lacs during the previous year.
- c) **Non-Current Assets:** During the year under review, the Non-Current assets stood at ₹ 62.20 Lacs as against ₹ 62.45 Lacs during the previous year.
- d) **Current Assets & Current Liabilities:** The current assets and current liabilities & provisions as at 31st March, 2019 stood at ₹ 212.36 Lacs and ₹ 67.72 Lacs respectively against ₹ 225.45 Lacs and ₹ 53.08 Lacs for the previous year.
- e) **Key Financial Ratios:**

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	NA	NA	NA	NA
4. Current Ratio*	3.13	4.25	26.35	Current Assets / Current Liabilities
5. Debt Equity Ratio	NA	NA	NA	NA
6. Operating Profit Margin (%)**	-153.86	38.15	-503.30	EBIT / Total Revenue
7. Net Profit Margin (%)**	-185.04	37.67	-591.21	Net Profit / Revenue from operations
8. Return on Net Worth (%)**	-25.11	21.51	-216.74	Net Profit / Shareholders Equity

Explanation for change of more than 25%:

- (*) Due to Short-Term Borrowings.
- (**) Business Activities curtailed due to volatile stock market.

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 Four (4) Directors out of which three (3) are Non-Executive Directors and two (2) are Independent Directors 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 is the Chairman and Non-Executive Director of the Company. Mr. Anil Goyal is the Managing Director of your Company.

The strength of the Independent Directors is half of the total strength of the Board. All the Non-Executive Directors are proficient in their respective fields and bring with them tremendous experience in the areas of Banking, Finance, Taxation, Legal Expertise, Securities Market Operations, Corporate Affairs and Management. The composition of the Board is in conformity with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2017.

Four (4) Board meetings were held during the year under review on 25th May, 2018, 11th August, 2018, 13th November, 2018 and 09th February, 2019.

The particulars regarding composition of the Board of Directors and its Meetings held during the year 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 during the year		Whether Attended last AGM	No. of Equity Shares held
		Director	Chairman	Member	Chairman	Held	Attended		
Mr. Lalit Bhasin	Chairman (Promoter Non – Executive)	6	3	2	0	4	4	Yes	3856327
Mr. Anil Goyal	Non-Independent Executive	9	NIL	5	NIL	4	4	Yes	150
Mr. L. N. Malik	Independent & Non – Executive	2	NIL	NIL	NIL	4	4	Yes	300
Mrs. Meenakshi Gopal *	Independent & Non – Executive	NIL	NIL	NIL	NIL	4	4	Yes	NIL
Mrs. Sapna Khandelwal **	Independent & Non – Executive	NIL	NIL	NIL	NIL	N.A	N.A.	N.A.	NIL

(*) Resigned from the Board w.e.f. 30th May, 2019.

(**) Appointed w.e.f. 30th May, 2019.

(#) 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	1. HB Stockholdings Ltd. (Non-Executive Non-Independent Director - Chairperson) 2. HB Estate Developers Ltd. (Non-Executive Non-Independent Director - Chairperson) 3. HB Portfolio Limited (Non-Executive Non-Independent Director - Chairperson) 4. CHL Ltd. (Non-Executive Independent Director)
Mr. Anil Goyal	1. HB Stockholdings Ltd. (Non-Executive Non-Independent Director) 2. HB Estate Developers Ltd. (Non-Executive Non-Independent Director) 3. HB Portfolio Ltd. (Executive Director - MD)
Mr. L. N. Malik	None
Mrs. Meenakshi Gopal	None
Mrs. Sapna Khandelwal	None

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 at the time of their appointment as per the provisions of Sec 149 read with Schedule IV of the Companies Act, 2013. The terms and conditions of appointment are also available on the website of the Company having following web link, <http://www.hbleasing.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 existing 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 who being eligible offers himself for re-appointment.

The details of Director seeking appointment / 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:

- (i) the performance of Non-Independent Directors and the Board of Directors as a whole;
- (ii) the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors.
- (iii) 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 are available on the website of the Company having following web link,

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

All the Independent Directors were present at the Meeting.



5. PERFORMANCE EVALUATION:

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 31st March, 2001 had constituted the Audit Committee. The Committee was duly reconstituted on 15th March, 2003, 28th May, 2015 and thereafter on 30th May, 2019.

The terms of reference of Audit was revised by the Board of Directors in their meeting held on 17th May, 2014 in terms of Provision of Sec 177(4) 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 12th February, 2016 in terms of Regulation 18 read with Part C of Schedule II of the 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. Lachmi Narain Malik, Chairman (Independent Director)
- (ii) Mr. Lalit Bhasin, Member
- (iii) Mrs. Sapna Khandelwal, 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.

Mrs. Sapna Khandelwal has been appointed as member of the Audit Committee on 30th May, 2019. Mrs. Meenakshi Gopal ceased to be a member of the Audit Committee consequent upon her resignation on 30th May, 2019.

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, 13th November, 2018 and 9th 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 had constituted the Nomination and Remuneration Committee. The Committee was duly reconstituted on 28th May, 2015 and thereafter on 30th May, 2019.



The terms of reference of the Nomination and Remuneration Committee has been partially amended by the Board of Directors in their meeting held on 12th February, 2016 in terms of Regulation 18 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Mr. Lachmi Narain Malik, Chairman (Independent Director)
- (ii) Mr. Lalit Bhasin, Member
- (iii) Mrs. Sapna Khandelwal, Member (Independent Director)

The Company Secretary acting as Secretary to the Committee.

Mrs. Sapna Khandelwal has been appointed as member of the Nomination and Remuneration Committee on 30th May, 2019. Mrs. Meenakshi Gopal ceased to be a member of the Nomination and Remuneration Committee consequent upon of her resignation on 30th May, 2019.

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

During the year under review Two (2) Nomination and Remuneration Committee Meeting was held on 13th November, 2018 and 09th February, 2019 and the same were attended by all the committee members.

All the Non-Executive Directors of the Company are paid remuneration by payment of sitting fees for each meeting of the Board and Committees thereof attended by them.

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

(Amount in ₹ Lacs)

Director(s)	Relationship with other Director(s)	Sitting Fees Paid (₹)	Salary & Perks (₹)	Commission, if any
Mr. Lalit Bhasin	N.A.	0.54	NIL	NIL
Mr. Anil Goyal	N.A.	NIL	NIL	NIL
Mr. L. N. Malik	N.A.	0.44	NIL	NIL
Mrs. Meenakshi Gopal*	N.A.	0.54	NIL	NIL

(* Resigned from the Board w.e.f. 30th May, 2019.

Payment of Sitting fee for Board and the Committee meetings were fixed by the Board of Directors within the overall ceiling limits laid down under Rule 4 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the same shall be revised from time to time. None of the Non-Executive Directors of the Company has any pecuniary relationship or transaction with the Company.

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.hbleasing.com/Investor%20Information/Corporate%20Governance/index.html>

(C) Stakeholders Relationship Committee

The Board of Directors in their meeting held on 28th March, 2000 had constituted the Share Transfer Committee. Thereafter, the Board of Director's in their meeting held on 29th March, 2003 renamed the Share Transfer Committee as Shareholders / Investors Grievance Committee. The Shareholders / Investors Grievance Committee was duly reconstituted on 29th June, 2004.

Further the Board of Directors in their meeting held on 17th May, 2014 reconstituted and renamed the Shareholders / Investors Grievance Committee as "Stakeholders Relationship Committee" and approved their revised terms of reference in line with the provisions of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement. The Stakeholders Relationship Committee was duly reconstituted on 28th May, 2015 and thereafter on 30th May, 2019.

The Stakeholders Relationship Committee consist 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. Lalit Bhasin, Chairman
- (ii) Mr. Anil Goyal, Member
- (iii) Mrs. Sapna Khandelwal, 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. Sapna Khandelwal has been appointed as member of the Stakeholders Relationship Committee on 30th May, 2019. Mrs. Meenakshi Gopal ceased to be a member of the Stakeholders Relationship Committee consequent upon of her resignation on 30th May, 2019.

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 transmissions made by the Executive Director, under executive authority delegated to him from time to time.
- iv. To consider, review and look into the redressal of grievances of shareholders, debenture holders and other security holders
- v. To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- vi. To consider and finalize the Report on Corporate Governance to be annexed with the Annual Report of the company.
- vii. To deal with any other matters related and/or incidental to the shareholders.

During the year under review Five (5) Stakeholders Relationship Committee Meetings were held on 6th April, 2018, 03rd July, 2018, 06th October, 2018 and 29th December, 2018 and 09th January, 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	Cleared	Pending
Non receipt of Dividend	1	1	NIL
Non receipt of Annual Report	1	1	NIL
Transfer, Transmission, Issue of Share Certificate etc.	5	5	NIL
Complaints received through SEBI/Stock Exchange	2	2	NIL
Total	9	9	NIL

7. GENERAL BODY MEETINGS:

Details of Annual General Meetings (AGM):

(i) Location and time where the last 3 AGM's were held:

Year	Type	Location	Date	Time
2017-18	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram - 122 001(Haryana)	25.09.2018	03.00 P.M.
2016-17	AGM		29.09.2017	03.00 P.M.
2015-16	AGM		20.09.2016	03.00 P.M.

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

Year	Special Resolution(s)
2017-18	None
2016-17	None
2015-16	Alteration of Memorandum of Association (MOA) of the Company. To consider and approve the passing of fresh resolution for borrowing monies under section 180(1)(c) of the Companies Act, 2013.

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 Listing Centre of Bombay Stock Exchange (BSE Limited), Company's Website and through Publication in Newspapers 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: <http://www.hbleasing.com>

IV. The Website also displays Public Notices / Announcements containing important communications made to the Bombay Stock Exchange. 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, www.hbleasing.com.
- 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. No personnel have been denied access to the Audit Committee.
- IV. The Police related for determining Material Subsidiaries is available on the website of the Company having following web link, <http://www.hbleasing.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. The Company has adopted a Code of Conduct applicable to all Directors and Senior Management Personnel of the Company and the same is available on the website of the Company, <http://www.hbleasing.com/Investor%20Information/Corporate%20Governance/index.html> For the year under review, all Directors and Senior Management Personnel have confirmed their adherence to the provisions of said code.
- VII. The Managing Director of the Company, who is a qualified Chartered Accountant having vast experience 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(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VIII. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable.
- IX. 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.
- X. The Board of Directors has duly accepted the recommendation of its Committee(s), wherever required in accordance with the provisions of applicable laws.
- XI. Total fees paid by the Company to the Statutory Auditors is given as under:

Amount in ₹

Audit Fees	52500
Limited Review Reports	15000
Certification and others	7000
Total	74500

- XII. 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

- 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 (Haryana) – 122 001	19.09.2019	03.00 P.M.

- II. **Financial Year:** 1st April 2018 to 31st March 2019.
- III. **Date of Book Closure:** 13th September, 2019 to 19th September, 2019
- IV. **Listing on Stock Exchanges:**

The Company's Equity Shares are listed at Bombay Stock Exchange Limited (BSE), Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Annual Listing Fee for the financial year 2019-2020 has been paid to BSE.

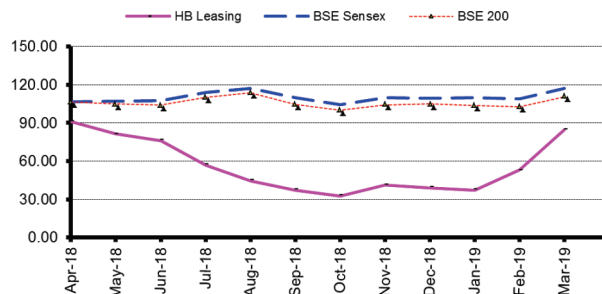
- V. **Stock Code/ ISIN:**

The Company's scrip code at BSE is 508956.(ISIN: INE549B01016)

- VI. **Market Price Data:** The monthly High, Low price of the Company's Equity Share during each month in the last Financial Year at Bombay Stock Exchange (BSE Limited) is as under:

Month	High Price	Low Price	Close Price	Volume
Apr 18	2.21	2.05	2.10	2,291
May 18	2.14	1.87	1.87	7,708
Jun 18	1.90	1.59	1.75	9,829
Jul 18	1.67	1.25	1.31	13,484
Aug 18	1.27	0.98	1.02	7,635
Sep 18	1.05	0.86	0.86	2,941
Oct 18	0.84	0.72	0.75	5,256
Nov 18	1.01	0.71	0.95	4,869
Dec 18	1.05	0.87	0.90	3,945
Jan 19	0.92	0.82	0.86	4,182
Feb 19	1.22	0.81	1.22	17,139
Mar 19	2.15	1.28	1.95	25,417

VII. Performance in Broad Based Indices



VIII. Stock Performance-Absolute returns

	1 Year
HB Portfolio	-7.14
BSE Sensex	9.99
BSE 200	3.90

IX. 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

X. Share Transfer System

Share Transfers are registered and returned within a period of fifteen (15) 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 Managing 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.

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

Shareholding of value of ₹	Shareholders		Shareholding	
	No. of Shares	% to total	Shares	% to total
Up to 5000	34246	97.38	4267451	38.58
5001-10000	529	1.50	409505	3.70
10001-20000	224	0.64	336135	3.04
20001-30000	52	0.15	133165	1.20
30001-40000	28	0.08	99840	0.90
40001-50000	16	0.05	75212	0.68
50001-100000	31	0.09	212349	1.92
100001 and above	41	0.12	5529074	49.98
TOTAL	35384	100.00	11062731	100.00

The category-wise distribution of Shareholders is as follows:

Category	No of Shares held	% of Shareholding
A. Promoters Holding		
➤ Indian Promoter	39,46,327	35.67
➤ Foreign Promoters	0	0.00
B. Public Shareholding (Institutions)		
➤ Mutual Funds and UTI	1,570	0.01
➤ Banks/Financial Institutions	610	0.01
➤ Foreign Institutional Investors	0	0.00
C. Public Shareholding (Non Institutions)		
➤ Individual having Nominal Share Capital:	52,70,397	47.64
➤ Upto ₹ 1 lakhs.	7,90,908	7.15
➤ In excess of ₹ 1 lakhs.		
➤ Any other (specify)	10,51,959	9.50
Total	1,10,62,731	100.00

XII. Dematerialization of Share and Liquidity:

The shares of the Company are tradable 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 INE549B01016. As at 31st March 2019, 7527332 Equity Shares of the Company are held in dematerialized form constituting 68.04% of the Company's subscribed share capital.

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

- XIII. The Company has no outstanding GDRs/ ADRs/ Warrants or any other instruments convertible into Equity.

- XIV. List of all credit ratings obtained by the Company along with any revisions thereto during the financial year: Not Applicable

XV. Address for Correspondence:

The Company Secretary
 HB Leasing and Finance Company Limited
 HB House, Plot No. 31, Echelon Institutional Area,
 Sector-32, Gurugram – 122 001, Haryana.
 Ph: 0124-4675500; Fax: 0124-4370985
 E-mail: corporate@hbleasing.com



MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

To
The Members of
HB Leasing and Finance Company Limited
Gurugram

I, Anil Goyal, Managing Director of the Company declare that all the members of the Board of Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct.

For HB Leasing and Finance Company Limited

Place: Gurugram
Date: 30th May, 2019

Sd/-
ANIL GOYAL
(Managing Director)
DIN: 00001938

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
HB LEASING AND FINANCE COMPANY LIMITED
GURUGRAM

- We have examined the compliance of conditions of Corporate Governance by HB LEASING AND FINANCE COMPANY LIMITED ("the Company"), for the financial year ended on 31st March 2019, as stipulated in Regulations 17 to 27, clause (b) to (j) 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

PLACE: GURUGRAM
DATE: 30.05.2019

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
OF HB LEASING AND FINANCE COMPANY 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 Leasing and Finance Company 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 LEASING AND FINANCE COMPANY LIMITED having CIN: L65910HR1982PLC034071 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 Sub clause 10(i) of the 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	29/06/1990
2	Mr. Anil Goyal	00001938	01/01/1992
3	Mr. Lachmi Narain Malik	00481449	15/03/2003
4	Mrs. Meenakshi Gopal	07143044	31/03/2015

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the 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 Arun Gupta & Associates
Company Secretaries

Place: New Delhi
Date: 30th May, 2019

Sd/-
Arun Gupta
Membership No.: FCS-21227
CP No.: 8003



INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
HB LEASING & FINANCE COMPANY LIMITED**

Report on the Financial Statements

Opinion

We have Audited the accompanying Financial Statements of **HB LEASING & FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and notes to the 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 Financial statements give the information required by the Companies Act, 2013 ("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 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 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 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 Matters to communicate in our Report.

Information Other than the 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 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 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the Audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Financial Statements, including the disclosures, and whether the 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 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 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. 28
 - 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 TO THE INDEPENDENT AUDITORS’ REPORT

The Annexure referred to in Independent Auditor’s Report to the members of **HB Leasing & Finance Company Limited** on the 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 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 or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, with respect to the Loans and Investment made. As per the information and explanations 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 ₹ 41,62,50,462/- that have not been deposited on account of matters pending before appropriate authorities are as under :

Sr. No	Name of the statute	Nature of the Dues	Period (A.Y.)	Forum where Dispute is pending	Amount (₹)
1.	Income Tax Act, 1961	Income Tax	2009-10	Income Tax Appellate Tribunal, Delhi	8,35,26,253/-
2.	Income Tax Act, 1961	Income Tax	2010-11	Assessing Officer (For giving appeal effect)	39,61,670/-
3.	Income Tax Act, 1961	Penalty (Income Tax)	2009-10	Income Tax Appellate Tribunal	1,80,28,208/-
4.	Income Tax Act, 1961	Income Tax	Block Period 01/04/1987 to 07/08/1997	Commissioner of Income Tax (Appeal)	31,07,34,331/-
				TOTAL	41,62,50,462/-

8. The Company does not have any Loans or Borrowings from any Financial Institution, Banks, Government or Debenture Holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of Initial Public Offer or Further Public Offer (including Debt Instruments) and Term Loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. In our opinion and according to the information and explanation given to us, no material 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 any 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.

ANNEXURE – B TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Control under Clause (i) of Sub Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have Audited the Internal Financial Controls over Financial Reporting of **HB Leasing & Finance Company Limited** (“the Company”) as of 31st March, 2019 in conjunction with our Audit of The 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		110041095	110041095
Reserves and Surplus	3	-89566190	-86787862
		20474905	23253233
Non-Current Liabilities			
Long Term Provisions	4	210028	229276
		210028	229276
Current Liabilities			
Short Term Borrowings	5	1550000	0
Other Current Liabilities	6	551964	634170
Short Term Provisions	7	4670438	4673952
		6772402	5308122
		27457335	28790631
ASSETS			
Non-Current Assets			
Property Plant & Equipment			
Tangible assets	8	70002	70002
Deferred Tax Assets (Net)	9	116355	129687
Long Term Loans and Advances	10	6034449	6046160
		6220806	6245849
Current Assets			
Inventories	11	2100866	2250666
Trade Receivables	12	4604897	4604897
Cash and Cash Equivalents	13	535235	856888
Short-Term Loans and Advances	14	13995531	14832331
		21236529	22544782
		27457335	28790631

SIGNIFICANT ACCOUNTING POLICIES 1 to 30
AND NOTES ON ACCOUNTS

The accompanying notes form an integral part of the Financial Statements
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/-	Sd/-
G C AGARWAL	LALIT BHASIN
(PROPRIETOR)	(CHAIRMAN)
Membership No. : 083820	DIN:00002114

Sd/-	Sd/-
ANIL GOYAL	C.P. SINGH
(MANAGING DIRECTOR)	(CHIEF FINANCIAL OFFICER)
DIN:00001938	

PLACE : GURUGRAM (COMPANY SECRETARY) M.NO.: ACS-45438
DATE : 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	15	1501455	6317801
Other Income	16	295643	280
Total Revenue		1797098	6318081
Expenses:			
Employee Benefit Expense	17	1547431	1449491
Depreciation	8	0	0
Other Expenses	18	3018262	2437939
Contingent Provision against Standard Assets		-3600	20342
Total Expenses		4562093	3907772
Profit/-Loss for the year before Tax		-2764995	2410309
Tax Expense:			
Current Tax		0	0
Deferred Tax Charge/(Credit)		13332	29956
Profit/-Loss for the year after Taxation		-2778327	2380353
Earning per Equity Share:			
Equity Share of Par value ₹ 10/- each			
Basic and Diluted	26	-0.25	0.22

SIGNIFICANT ACCOUNTING POLICIES 1 to 30
AND NOTES ON ACCOUNTS

The accompanying notes form an integral part of the Financial Statements
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/-	Sd/-
G C AGARWAL	LALIT BHASIN
(PROPRIETOR)	(CHAIRMAN)
Membership No. : 083820	DIN:00002114

Sd/-	Sd/-
ANIL GOYAL	C.P. SINGH
(MANAGING DIRECTOR)	(CHIEF FINANCIAL OFFICER)
DIN:00001938	

PLACE : GURUGRAM (COMPANY SECRETARY) M.NO.: ACS-45438
DATE : 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 OPERATION ACTIVITIES		
Net Profit/-Loss before Tax and Extraordinary Items	-2764995	2410309
Adjustment for :		
Provisions for Gratuity and Leave Encashment	-19162	29077
Contingent Provision against Standard Assets	-3600	20342
Operating Profit/-Loss before Working Capital Changes	-2787757	2459728
Adjustment for :		
Trade & other Receivables	998311	-2494891
Current and Non-Current Liabilities	1467794	-2495734
Cash Generated from Operation	-321652	-2530897
Net Cash from Operation Activities	-321652	-2530897
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Net Cash used in Investing Activities	0	0

Particulars	Year Ended 31st March, 2019 (in ₹)	Year Ended 31st March, 2018 (in ₹)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash used in Financing Activities	0	0
Net Increase in Cash & Cash Equivalents (A+B+C)	-321652	-2530897
Cash and Cash Equivalents (Opening Balance)	856888	3387785
Cash and Cash Equivalents (Closing Balance)	535236	856888
Components of Cash and Cash Equivalents at the end of the year		
Balances with Banks		
- In Current Accounts	84168	90205
- Cheques-in-Hand	0	300000
- Cash-in-Hand	451068	466683
Total	535235	856888

The accompanying notes form an integral part of the Financial Statements
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/-	Sd/-
G C AGARWAL	LALIT BHASIN
(PROPRIETOR)	(CHAIRMAN)
Membership No. : 083820	DIN:00002114

Sd/-	Sd/-
ANIL GOYAL	C.P. SINGH
(MANAGING DIRECTOR)	(CHIEF FINANCIAL OFFICER)
DIN:00001938	

PLACE : GURUGRAM (COMPANY SECRETARY) M.NO.: ACS-45438
DATE : 30/05/2019


SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019
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 Provision for Loss in respect of open Equity Derivative Instruments as at the Balance Sheet date is made indexwise / scrip wise. As a matter of prudence, any anticipated Profit is ignored.

1.4 FIXED ASSETS (PROPERTY PLANT & 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 to the Companies Act, 2013.

1.6 STOCK IN TRADE

Stock in Trade is valued scrip-wise at cost or fair market value / realizable value whichever is lower.

1.7 INVESTMENTS

Non-Current / Long Term Investments are valued at cost. Provision for diminution in the value of Long Term / Non-Current Investments is made only if such a decline is other than temporary.

1.8 EMPLOYEE BENEFITS

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

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

- 1.8.2 Short Term Employee Benefits are recognized as expense at the undiscounted amount in the Profit & Loss Account of the year in which they are incurred.
- 1.8.3 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 Profit & Loss Account. Contribution to Superannuation are funded with Life Insurance Corporation of India.
- 1.8.4 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.
- 1.8.5 Termination Benefits are recognized as an Expense as and when incurred.
- 1.8.6 The Actuarial Gains and Losses arising during the year are recognized in the Profit & Loss Account of the year without resorting to any amortization.

1.9 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.

1.10 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.

1.11 CONTINGENCIES:

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

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019
2. SHARE CAPITAL

Particulars	As At	As At
	31 st March, 2019 (In ₹)	31 st March, 2018 (In ₹)
AUTHORIZED		
2,00,00,000 (2,00,00,000) Equity Shares of ₹10/- each.	200000000	200000000
50,00,000 (50,00,000) Redeemable Preference Shares of ₹10/- each	50000000	50000000
	250000000	250000000
ISSUED		
1,11,83,681(1,11,83,681) Equity Shares of ₹ 10/- each.	111836810	111836810
	111836810	111836810
SUBSCRIBED & PAID UP		
1,10,62,731 (1,10,62,731) Equity Shares of ₹ 10/- each fully paid up.	110627310	110627310
	110627310	110627310
Less: Allotment money Receivable (Other than Directors)	586215	586215
	110041095	110041095

— 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 31 st March, 2019		As at 31 st March, 2018	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Number of Shares at the beginning	11062731	110041095	11062731	110041095
Number of Shares at the end	11062731	110041095	11062731	110041095

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

Name of Shareholder	As at 31 st March, 2019		As at 31 st March, 2018	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Lalit Bhasin	3856327	34.86	2163377	19.56

— 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 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Capital Reserve-Opening Balance	99875	99875
	99875	99875
Securities Premium Reserve-Opening Balance	182029190	182029190
Less: Allotment money receivable (Other than Directors)	1432491	1432491
	180596699	180596699
Statutory Reserve -Opening Balance *	21070926	20594855
Add: Transferred from Surplus	0	476071
	21070926	21070926
Surplus -Opening Balance	-28855363	-290459644
Add: Net Profit/-Loss after tax transferred from Statement of Profit & Loss	-2778327	2380353
	-291333690	-288079291
Less: Transferred to Statutory Reserve	0	476071
Surplus-Closing balance	-291333690	-288555362
	-89566190	-86787862

(*) 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.

4. LONG TERM PROVISIONS

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Provision for Employees Benefit		
Leave encashment	76774	80633
Gratuity	133254	148643
	210028	229276

5. SHORT TERM BORROWINGS

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Unsecured Loans		
Loan from Directors (Interest Free)	1550000	0
	1550000	0

6. OTHER CURRENT LIABILITIES

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Expenses Payable	545871	617696
TDS and Service Tax Payable	6093	16474
	551964	634170

7. SHORT TERM PROVISIONS

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Provision for Employees Benefit		
Leave encashment	2555	2842
Gratuity	10986	10613
Others		
Contingent Provision against Standard Assets	52000	55600
Sub-standard and Doubtful Assets	4604897	4604897
	4670438	4673952

8. FIXED ASSETS

(Amount in ₹)

Particulars	Gross Block			Depreciation				Net Block		
	As at 01 st April, 2018	Addition during the year	Deduction during the year	As at 31 st March, 2019	Upto 01 st April, 2018	For the Year	Adjustments during the year	Total upto 31 st March, 2019	As on 31 st March, 2019	As on 31 st March, 2018
Tangible Assets										
Furnitures & Fixtures	46299	0	0	46299	43984	0	0	43984	2315	2315
Vehicles	50533	0	0	50533	48006	0	0	48006	2527	2527
Office Equipment	657764	0	0	657764	624876	0	0	624876	32888	32888
Data Processing Machine	187438	0	0	187438	178066	0	0	178066	9372	9372
Air Conditioners	458000	0	0	458000	435100	0	0	435100	22900	22900
Total	1400034	0	0	1400034	1330032	0	0	1330032	70002	70002
(Previous Year)	1400034	0	0	1400034	1330032	0	0	1330032	70002	70002

9. DEFERRED TAX ASSETS

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Deferred Tax Assets		
Leave Encashment/Gratuity	58128	62503
Fixed Assets	58227	67184
	116355	129687

11. INVENTORIES

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Stock in trade	2100866	2250666
(Shares/securities)(As per detail attached)		
	2100866	2250666

10. LONG TERM LOANS AND ADVANCES

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
(Unsecured, Considered Good)-Standard		
Security Deposits	61994	73705
Advance Income Tax and TDS (Net of Provision)	5972455	5972455
	6034449	6046160


Stock in Trade

Sl. No.	NAME OF THE COMPANY	FACE VALUE (In ₹)	As at 31 st March, 2019		As at 31 st March, 2018	
			QTY. (Nos.)	Amount (In ₹)	QTY. (Nos.)	Amount (In ₹)
QUOTED FULLY PAID UP EQUITY SHARES*						
1	Agrotech India Ltd.	10	40400	0	40400	0
2	Andhra Cement Co.Ltd.	10	550	0	550	0
3	Baroda Rayon Corp. Ltd.	10	7055	0	7055	0
4	Digital World India Ltd	10	127900	0	127900	0
5	Haryana Petro Ltd	10	1200	0	1200	0
6	Hotline Glass Ltd.	10	400	0	400	0
7	Kalyan Sundram Cement Ltd.	10	8970	0	8970	0
8	Malanpur Steel Ltd.	10	1968	0	1968	0
9	Mansinghka Oil Products Ltd.	10	300100	0	300100	0
10	Mohan Meakin Ltd.	5	800	0	800	0
11	RRB Securities Ltd.	10	100000	2000000	100000	2000000
12	STI Granite Ltd.	10	60000	0	60000	0
QUOTED PARTLY PAID UP EQUITY SHARES*						
1	Baroda Rayon Corp Ltd.	10	3527	0	3527	0
2	Kalyan Sundram Cement Ltd.	10	182060	0	182060	0
SUB TOTAL (A)			834930	2000000	834930	2000000
UNQUOTED FULLY PAID UP EQUITY SHARES						
1	Taurus Investment Trust Co. Ltd.	10	0	0	14380	149800
2	Core Telecom Pvt. Ltd.	10	250000	0	250000	0
UNQUOTED FULLY PAID UP PREF. SHARES						
1	HB Corporate services Ltd (Earlier HB Telecommunications Ltd) (2% Non Cumulative)	10	10000	100000	10000	100000
WITH MUTUAL FUND - (Unquoted)						
1	UTI Equity Fund Unit Scheme	10	100	866	100	866
SUB TOTAL (B)			260100	100866	274480	250666
GRAND TOTAL (A + B)			1095030	2100866	1109410	2250666

(*) Listed but not quoted.

12. TRADE RECEIVABLES

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Unsecured, Considered doubtful:		
Outstanding for more than 6 months	4604897	4604897
	4604897	4604897

Note: Provision for Sub-Standard and doubtful assets has been separately shown in Note No. 7 (Short term Provisions) instead of netting it from the value of asset. This is being done as required by "Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

13. CASH & CASH EQUIVALENTS

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Balances with Banks		
-In Current and Deposit Accounts	84168	90205
-Cheques / Drafts in Hand	0	300000
-Cash-in-Hand	451068	466683
	535235	856888

14. SHORT TERM LOANS AND ADVANCES

Particulars	As At 31 st March, 2019 (In ₹)	As At 31 st March, 2018 (In ₹)
Unsecured, Considered Good, Unless otherwise stated:		
Inter Corporate Loans / Advance against Securities - Standard	13000000	13900000
Recoverable from Employees	449688	417047
GST Recoverable	421722	180194
Prepaid Expenses	38283	7925
Interest accrued but not due	85838	327165
	13995531	14832331

15. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31 st March, 2019 (In ₹)	For the Year ended 31 st March, 2019 (In ₹)
Profit/Loss on Sale/Purchase of Shares and Valuation Profit/Loss (Net)	1501455	5103500
Interest Income on Loans	-	1214301
	1501455	6317801


16. OTHER INCOME

Particulars	For the Year ended 31 st March, 2019 (In ₹)	For the Year ended 31 st March, 2018 (In ₹)
Dividend Income		
-on Stock in Trade	-	280
Other Income	295643	-
	295643	280

17. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31 st March, 2019 (In ₹)	For the Year ended 31 st March, 2018 (In ₹)
Salaries and Benefits	1469475	1293822
Contribution to Provident Fund, E.S.I. and Gratuity Fund	65706	99657
Staff Welfare	12250	56012
	1547431	1449491

18. OTHER EXPENSES

Particulars	For the Year ended 31 st March 2019 (In ₹)	For the Year ended 31 st March, 2018 (In ₹)
Vehicle Running and Maintenance	44410	69420
Insurance	10365	9911
Communication	1263941	585056
Travelling and Conveyance	81893	220459
Printing and Stationery	515718	404538
Depository and Custodial	46178	71070
Legal and Professional	185609	286243
Advertisement & Publicity	175584	157252
Doubtful Debts /Advances Written Off	0	2565100
Provision on Bad Doubtful Debts advances written back	0	2565100
Books and Periodicals	4691	6764
Subscription	148168	8478
Listing Fees	250000	287500
Miscellaneous	65205	95196
Auditors Remuneration		
-Audit Fees	52500	52500
-Limited Review Reports	15000	15000
-Others	7000	24552
Directors Sitting Fees	152000	144000
	3018262	2437939

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

- (a) Income Tax demand disputed ₹ 41,83,20,552/- (Previous year ₹ 41,83,20,552/-) against which appeals are pending with appropriate authorities.
- (b) Claims against the Company not acknowledged as Debts ₹ 1,58,02,781/- (Previous Year ₹ 1,58,02,781/-).
- (c) Capital Commitments (Net of advance) ₹2,51,00,000/- (Previous Year ₹2,51,00,000/-).

20. QUANTITATIVE DETAILS

Quantitative information in respect of securities traded in:

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Opening Balance	1109410	2250666	1183260	2309666
Purchases	Nil	NIL	Nil	Nil
Sales	14380	1651255	73850	5162500
Closing Balance	1095030	2100866	1109410	2250666

21. RELATED PARTY TRANSACTIONS

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

- a) Companies under direct or indirect common influence:
- HB Securities Ltd.
 - HB Portfolio Ltd.
- b) Persons having direct/Indirect significant influence
- Mr. Lalit Bhasin - Director
- c) Key Managerial Personnel
- Mr. C.P. Singh, Chief Financial Officer
 - Ms. Sukhmani Walia, Company Secretary (upto 31.01.2019)
 - Mr. Lakshay Vaid, Company Secretary (w.e.f. 09.02.2019)

21.2 Transaction during the financial year ended 31.03.2019 with Related Parties as under.

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2019 (In ₹)	For the year ended 31.03.2018 (In ₹)
1	HB Securities Ltd.	Depository Charges Paid	1180	1150
		Depository Charges Payable	178	Nil
2	HB Portfolio Ltd.	Sale of Shares	1651255	Nil
3	Lalit Bhasin	Sitting Fees Paid	54000	50000
		Loan received & outstanding as at the year end	1550000	Nil
4	C.P. Singh	Remuneration & other services	743613	715600
5	Sukhmani Walia	Remuneration & other services	379240	428872
6	Lakshay Vaid	Remuneration & other services	81301	Nil

22. SEGMENT REPORTING

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

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

Amount recognized as expense for Defined Contribution Plans are as under: -

Particulars	Current Year Amount (₹)	Previous Year Amount (₹)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	77,353/-	76,127/-	Contribution to Provident Fund and other fund.

Defined Benefit Plan
Movement in Net Liability

Particulars	Gratuity (Funded) (In ₹)		Leave Encashment (Unfunded) (In ₹)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	3,44,488/-	3,08,074/-	83,475/-	77,928/-
Interest Cost (B)	26,698/-	23,876/-	6,469/-	6,039/-
Current Service Cost (C)	13,612/-	19,383/-	4,045/-	5,333/-
Benefits paid (D)	Nil	Nil	(25,558/-)	(11,875/-)
Actuarial loss/ (gain) on obligation (E)	(36,748)/-	(6,845/-)	10,898/-	6050/-
Present value of obligations as at the end of the year (F=A+B+C-D+E)	3,48,050/-	3,44,488/-	79,329/-	83,475/-

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

Particulars	Gratuity (Funded) (In ₹)		Leave (Unfunded) (In ₹)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	3,48,050/-	3,44,488/-	79,329/-	83,475/-
Estimated Fair Value of Plan Assets (B)	2,03,810/-	1,85,232/-	Nil	Nil
Net Liability (C=A-B)	(1,44,240/-)	(1,59,256/-)	79,329/-	83,475/-
Amounts in the Balance Sheet				
Liabilities	(1,44,240/-)	(1,59,256/-)	79,329/-	83,475/-



Particulars	Gratuity (Funded) (In ₹)		Leave (Unfunded) (In ₹)	
	Current Year	Previous Year	Current Year	Previous Year
Amount charged to Profit & Loss Account				
Current Service Cost	13,612/-	19,383/-	4,045/-	5,333/-
Interest Cost	26,698/-	23,876/-	6,469/-	6,039/-
Expected Return on Plan Asset	(14,355/-)	(13,357/-)	Nil	Nil
Actuarial(Gain)/Loss	(35,981/-)	(6,372/-)	10,898/-	6050/-
	(10,026/-)	23,530/-	21,412/-	17,422/-
Head under which shown in the Profit & Loss Account	Contribution to Provident Fund and other Fund		Salary & Benefits	

The Actual Return on Plan Assets is as follows:

Particulars	Gratuity (In ₹)	
	Current Year	Previous Year
Actual return on Plan Assets	14,355/-	13,357/-

Following are the Principal Actuarial Assumptions used as at the Balance Sheet date:

Particulars	Gratuity (In ₹)	
	Current Year	Previous Year
Discount Rate	7.75%	7.75%
Expected Rate of Return on Plan Assets	7.75%	7.75%
Salary Escalation Rate	6%	6%

A Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets :

Sl. No.	Particulars	Gratuity (In ₹)	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	1,85,232/-	1,72,348/-
i)	Expected Return on Plan Assets	14,355/-	13,357/-
ii)	Actuarial Gains / (Losses)	(767/-)	(473/-)
iii)	Contribution by the Employer	0.00	0.00
iv)	Benefits Paid	0.00	0.00
v)	Contribution	0.00	0.00
	Closing Fair Value of Plan Assets	2,03,810/-	1,85,232/-

24. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD AS-19 FOR LEASES: -
₹ NIL/- (Previous Year ₹ NIL)

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

Particulars	Current Year Amount (in ₹)	Previous Year Amount (in ₹)
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders.	-2778327	2380353
Earning Per Share (face value of ₹10 each)		
Weighted Average Nos. of Equity Share Outstanding	11062731	11062731
Basic and Diluted Earning per Share (₹)	-0.25	0.22

27. 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)

Sl No.	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 Borrowings	Nil (Nil)	Nil (Nil)
	(e) Commercial Paper	Nil (Nil)	Nil (Nil)
	(f) Public Deposits	Nil (Nil)	Nil (Nil)
	(g) Other Loans (Vehicle Loan)	Nil (Nil)	Nil (Nil)
(2)	Break-up of (1) (f) above (Outstanding Public Deposits inclusive of interest accrued thereon but not paid		
	(a) In the form of Unsecured Debentures	Nil (Nil)	Nil (Nil)
	(b) In the form of Partly Secured Debentures i.e. Debentures where there is a shortfall in the value of Security	Nil (Nil)	Nil (Nil)
	(c) Other Public Deposits	Nil (Nil)	Nil (Nil)

(₹ in lakhs)

Sl No.	Particulars	Amount Outstanding*
ASSETS SIDE :		
(3)	Break-up of Loans and Advances including Bills Receivables [other than those included in (4) below] :	
	(a) Secured	Nil (Nil)
	(b) Unsecured	140.55 (149.06)
*Net of Provisions, The amount also includes Security Deposits Paid, Prepaid Expenses and Other Recoverable which, though are not strictly credit facilities given by the Company.		
(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) Hypothecation Loans counting towards EL/HP 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 (Stock In Trade)	
	1. Quoted :	
	(i) Shares : (a) Equity Trade	20.00 (20.00)
	(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)
2. Unquoted :	
(i) Shares : (a) Equity	0.00 (1.50)
(b) Preference	1.00 (1.00)
(ii) Units of Mutual Funds	Nil (Nil)
(iii) Government Securities	Nil (Nil)
(iv) 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	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)

(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)	Nil (Nil)	Nil (Nil)
(c) Other Related Parties	Nil (Nil)	Nil (Nil)	Nil (Nil)
2. Other than Related Parties	Nil (Nil)	140.55 (149.06)	140.55 (149.06)
Total	Nil (Nil)	140.55 (149.06)	140.55 (149.06)

(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)	Nil (Nil)
(b) Companies in the same group	Nil (Nil)	Nil (Nil)
(c) Other Related Parties	20.00 (20.00)	20.00 (20.00)
2. Other than Related Parties	1.11 (17.51)	1.01 (2.51)
Total	21.11 (37.51)	21.01 (22.51)

(8) Other information	
Particulars	Amount (₹ in Lacs)
(i) Gross Non-Performing Assets	
(a) Related Parties	Nil (Nil)
(b) Other than Related Parties	46.05 (46.05)
(ii) Net Non-Performing Assets	
(a) Related Parties	Nil (Nil)
(b) Other than Related Parties	Nil (Nil)
(iii) Assets acquired in satisfaction of Debt	Nil (Nil)

Note: Figures in Bracket relates to Previous Year.

28. Litigation

- The Company is in appeal in respect of various Income Tax matters. The Contingent Liability in respect thereof is disclosed in note no. 28 (a). Besides, in respect of appeals decided in favour of the Company, the department is in appeals in certain cases.
- A party has filed a suit for claim of ₹ 1,58,02,718/- with future interest against the Company in respect of certain leasing and hire purchases agreements pertaining to more than 20 years back. The Company does not acknowledge any debt.

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.

29. The Company did not have any Long Term Contracts including Derivative Contracts for which there were any material foreseeable losses.

30. 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 Financial Statements

As Per our Report attached on even date

FOR G. C. AGARWAL & ASSOCIATES
CHARTERED ACCOUNTANTS

Firm Registration Number: 017851N

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

PLACE : GURUGRAM
DATE : 30/05/2019

FOR AND ON BEHALF OF THE BOARD

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN:00002114

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

Sd/-
LAKSHAY VAID
(COMPANY SECRETARY)
M.NO.: ACS-45438

Sd/-
C.P. SINGH
(CHIEF FINANCIAL OFFICER)



HB LEASING AND FINANCE COMPANY 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 : L65910HR1982PLC034071
 Name of the Company : HB Leasing and Finance Company 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.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **36TH ANNUAL GENERAL MEETING (AGM)** of the Company to be held on, **Thursday, 19th September, 2019** at 03:00 P.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurugram- 122001, Haryana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Ordinary Business:

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

Special Business:

- Appointment of Mrs. Sapna Khandelwal (DIN: 07241162) as an Independent Director of the Company. (Ordinary Resolution)
- Re-appointment of Mr. Lachmi Narain Malik (DIN: 00481449) as an Independent Director of the Company. (Special Resolution)
- Re-appointment of Mr. Anil Goyal (DIN: 00001938) as Managing 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:

- 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 LEASING AND FINANCE COMPANY LIMITED

ATTENDANCE SLIP

36TH ANNUAL GENERAL MEETING

Date : 19th day of September, 2019
 Time : 03.00 P.M.
 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 36th Annual General Meeting held on Thursday, 19th 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 :

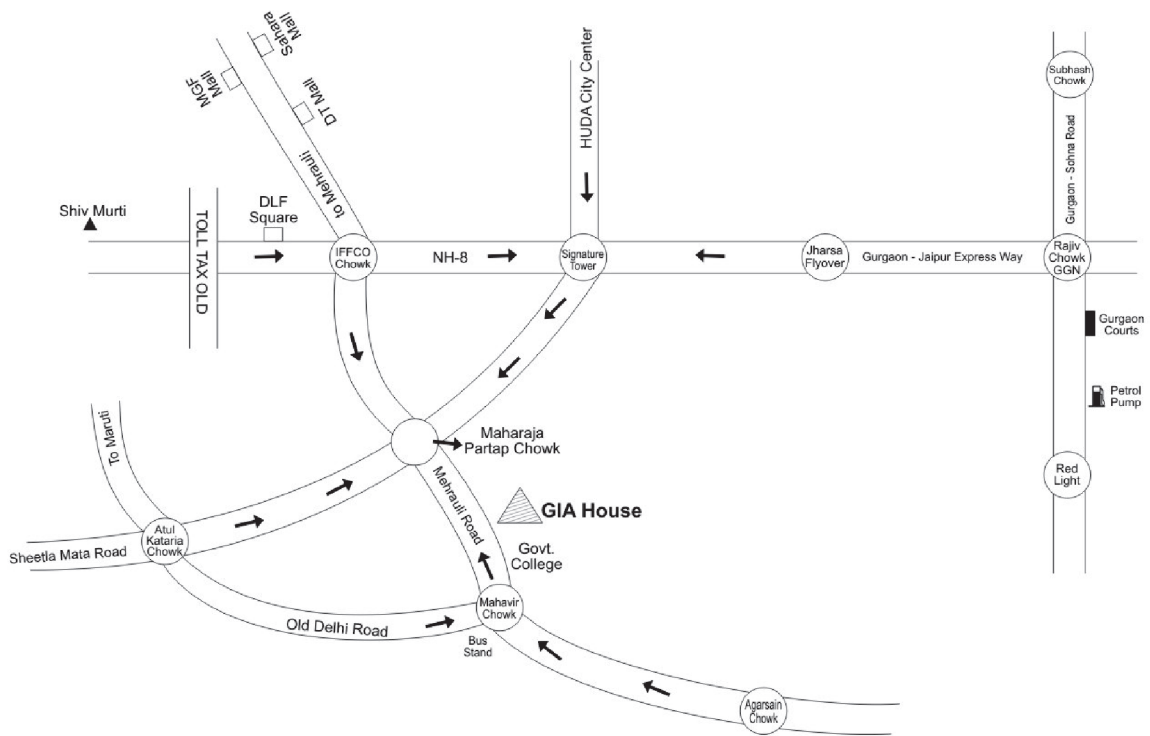
Client-ID :

No. of Shares :

Signature(s).....

Members may please note that the GIA House 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





BOARD OF DIRECTORS

Mr. Lalit Bhasin	Chairman
Mr. Anil Goyal	Managing Director
Mr. L. N. Malik	Director
Mrs. Sapna Khandelwal	Director

COMPANY SECRETARY

Mr. Lakshay Vaid

CHIEF FINANCIAL OFFICER

Mr. C. P. Singh

STATUTORY AUDITORS

G.C. Agarwal & Associates

Firm Registration No.: 017851N

Chartered Accountants

240, Ghalib Apartments,

Parwana Road, Pitampura,

Delhi - 110 034

REGISTERED OFFICE

Plot No. 31, Echelon Institutional Area,

Sector-32, Gurugram - 122 001, Haryana

Ph : 0124-4675500, Fax : 0124-4370985

Email : corporate@hbleasing.com

CIN: L651910HR1982PLC034071

WEBSITE

<http://www.hbleasing.com>

REGISTRAR & SHARE TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.

CIN: U67120DL1950PTC001854

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

Website: www.rcmcdelhi.com

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 36TH ANNUAL GENERAL MEETING OF HB LEASING AND FINANCE COMPANY LIMITED (THE "COMPANY") 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 : Thursday

Date : 19th 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 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 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, Cash Flow Statement 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 34th Annual General Meeting of the Company held on 29th 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 MRS. SAPNA KHANDELWAL (DIN: 07241162) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of Section 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(s) thereof for the time being in force) read with Schedule IV to the Act and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Mrs. Sapna Khandelwal (DIN: 07241162), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company in terms of Section 161(1) of the Act and Articles of Association of the Company with effect from 30th May, 2019 by the Board of Directors on the recommendation of Nomination and Remuneration Committee, whose term of office expires at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a term of five (5) consecutive years with effect from 30th May, 2019 to 29th May, 2024 and she 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."

5. RE-APPOINTMENT OF MR. LACHMI NARAIN MALIK (DIN: 00481449) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass the following resolution as a 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. Lachmi Narain Malik (DIN: 00481449) 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 29th October, 2019 to 28th October, 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. ANIL GOYAL (DIN: 00001938) AS MANAGING DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and all other applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Anil Goyal (DIN: 00001938), Managing Director being the Key Managerial Personnel (KMP) of the Company (who is also Managing Director of HB Portfolio Limited), for a further period of five (5) years with effect from 17th May, 2019 to 16th May, 2024 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT no remuneration shall be payable to Mr. Anil Goyal so long as he opts to draw his remuneration from HB Portfolio Limited where he also holds the office of Managing Director.

RESOLVED FURTHER THAT Mr. Anil Goyal, Managing Director shall be liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix remuneration payable, including the minimum remuneration in the event of absence / inadequacy of profits to Mr. Anil Goyal in accordance with the limits specified in Schedule V of the Companies Act, 2013 in the event of his relinquishing the office of Managing Director and / or ceasing to draw remuneration from HB Portfolio Limited."

**BY ORDER OF THE BOARD
FOR HB LEASING AND FINANCE COMPANY LIMITED**

**Sd/-
LAKSHAY VAID
(Company Secretary)
Membership No: A-45438**

**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. The Register of Members and Share Transfer Books of the Company shall remain closed from 13th September, 2019 to 19th September, 2019. (Both days inclusive) for the purpose of Annual General Meeting.

5. An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and form part of this Notice.

6. Mr. Lakshay Vaid, Company Secretary has been appointed as the Nodal Officer in terms of the provisions of IEPF Rules and complete details are available on the website of the Company; [www.hbleasing.com/Investor Information/Listing Information/ig.html](http://www.hbleasing.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 AGENT (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 / mailing 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 should bring Attendance Slips duly filled in for attending the meeting.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
10. 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.
11. 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 the meeting so as to enable the management to keep the information ready.
12. 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 Standard-2 on "General Meeting".
13. 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: investor.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.
14. The Company is implementing the "Green Initiative" to enable electronic delivery of Notices / Documents and Annual Reports to the Shareholders. Henceforth, the e-mail 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.hbleasing.com>

15. 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. 12th 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. 12th 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 16th September, 2019 (09.00 A.M.) and ends on 18th 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) **Mr. Arun Gupta, Company Secretary in Whole-time Practice (Membership No.: 21227, C.P. No.: 8003) failing him Mr. Kapoor Chand Garg, Company Secretary in Whole-time Practice (Membership No.: 7145, C.P. No.: 7829) 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 Limited), 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, <http://www.hbleasing.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 e-mail 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, e-mail 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 Leasing and Finance Company 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: aruncs.gupta@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 e-mail 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.
16. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
17. 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.
18. 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 / RE-APPOINTMENT
AT THIS ANNUAL GENERAL MEETING**

Name of the Director	(1) MR. LALIT BHASIN	(2) MRS. SAPNA KHANDLWAL
DIN	00002114	07241162
Date of Birth	14 th August, 1968	21 st September, 1981
Date of First Appointment on the Board	29 th June, 1990	30 th May, 2019
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.	Mrs. Sapna Khandelwal is a Fellow member of the Institute of Company Secretaries of India, qualified law graduate and post graduate in commerce. She brings with her significant, diversified and multi industry experience of more than 13 years in secretarial and legal field.
Qualifications	B.Com	B.Com, CS, L.L.B
List of Directorships in other Companies.	Listed Companies: 1. HB Stockholdings Ltd. 2. HB Estate Developers Ltd. 3. HB Portfolio 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.	N.A.
Membership of Committee of the Board in other Companies.	Audit Committee 1. CHL Ltd. (Member) Stakeholders Relationship Committee 2. CHL Ltd. (Member) Nomination and Remuneration Committee 3. CHL Ltd. (Member) CSR Committee 4. HB Stockholdings Ltd. (Chairman) 5. Taurus Asset Management Co. Ltd. (Chairman)	N.A.
No. of Equity Shares held	3856327	NIL
No. of Board Meetings attended/entitled to attend during the year	4/4	N.A.
Whether related to any Board Members, Manager or KMP of the Company	No	No



Name of the Director	(3) MR. LACHMI NARAIN MALIK	(4) MR. ANIL GOYAL
DIN	00481449	00001938
Date of Birth	01 st December, 1940	22 nd February, 1959
Date of First Appointment on the Board	15 th March, 2003	01 st January, 1992
Profile / Expertise in Specific functional Areas.	Mr. L. N. Malik is a Practicing Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. He has an expert knowledge in the field of Taxation & Auditing with more than 48 years of experience in this field.	Mr. Anil Goyal is a Chartered Accountant with nearly 36 years of experience in the field of finance, taxation, investment, banking, corporate restructuring and strategic planning.
Qualifications	CA	B.Com, CA
List of Directorships in other Companies.	Listed Company: None Other Companies: <ol style="list-style-type: none"> 1. D S Sales Pvt. Ltd 2. Jai Durge Constructions Pvt. Ltd. 3. Srinath Overseas Pvt. Ltd. 4. Indo Asian Land Development Pvt. Ltd. 5. Moon-sun Infotech Pvt. Ltd. 6. Ganga Towers Pvt. Ltd. 7. Atlantic Developers Pvt. Ltd. 8. Triveni Towers Pvt. Ltd. 9. Allen Leasing & Finance Pvt. Ltd. 10. Aude Sapere Healthcare Pvt. Ltd. 11. Krishna Continental Ltd. 12. National Cereals Products Ltd. 	Listed Companies: <ol style="list-style-type: none"> 1. HB Stockholdings Ltd. 2. HB Estate Developers Ltd. 3. HB Portfolio Ltd. Other Companies: <ol style="list-style-type: none"> 4. H B Financial Consultants Pvt. Ltd. 5. HB Securities Ltd. 6. Mount Finance Ltd 7. RRB Securities Ltd. 8. HB Corporate Services Ltd. 9. Bhasin Investments Ltd. 10. Taurus Investment Trust Company. Ltd. 11. RRB House Finance Company Ltd.
Membership of Committee of the Board in other Companies.	Nil	Audit Committee <ol style="list-style-type: none"> 1. HB Stockholdings Ltd. (Member) Stakeholders Relationship Committee <ol style="list-style-type: none"> 2. HB Stockholdings Ltd. (Member) 3. HB Portfolio Ltd. (Member) 4. HB Estate Developers Ltd. (Member) 5. RRB Securities Ltd. (Member) Nomination and Remuneration Committee <ol style="list-style-type: none"> 6. RRB Securities Ltd. (Member) CSR Committee <ol style="list-style-type: none"> 7. HB Stockholdings Ltd. (Member) 8. HB Portfolio Ltd. (Member) 9. HB Estate Developers Ltd. (Member)
No. of Equity Shares held	300	150
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 LEASING AND FINANCE COMPANY LIMITED

Place: Gurugram
Date: 30th May, 2019

Sd/
LAKSHAY VAID
(Company Secretary)
Membership No: A-45438



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

ITEM NO. 4:

Mrs. Sapna Khandelwal (DIN: 07241162) was appointed as an Additional Director of the Company in the capacity of Non-Executive Independent Director with effect from 30th May, 2019 by the Board of Directors on the recommendation of the Nomination and Remuneration Committee in their meeting held on 30th May, 2019 under Section 161 of the Act and the Articles of Association of the Company who holds office upto the date of the ensuing Annual General Meeting of the Company.

Mrs. Sapna Khandelwal is a Fellow member of the Institute of Company Secretaries of India, qualified law graduate and post graduate in commerce. She brings with her significant, diversified and multi industry experience of more than 13 years in secretarial and legal field.

The Company has received requisite consent from Mrs. Sapna Khandelwal to act as Director of the Company and 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. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing her candidature for the office of Director.

In the opinion of the Board, Mrs. Sapna Khandelwal 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 she is independent of the management. She is 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 her 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 Mrs. Sapna Khandelwal are given in Notes forming part of the Notice.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. The Board recommends to the Shareholders, appointment of Mrs. Sapna Khandelwal as Non-Executive Independent Director of the Company for a term of five (5) consecutive years w.e.f 30th May, 2019 considering her knowledge, background and extensive experience in the secretarial & legal field. The appointment of Mrs. Khandelwal will be an invaluable input to the Company's strategic direction and decision making. The Board recommends the Resolution at Item No. 4 of the Notice for the approval of the Members.

Except Mrs. Sapna Khandelwal 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.

ITEM NO. 5:

Mr. Lachmi Narain Malik (DIN: 00481449) was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years by the Shareholders in their Annual General Meeting held on 29th October, 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. Lachmi Narain Malik (DIN: 00481449) aged 78 years as Non-Executive Independent Director 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 he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and he is 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 his candidature for the office of Director.

In the opinion of the Board, Mr. Lachmi Narain Malik 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 he is independent of the management. He is 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 his 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. Lachmi Narain Malik is given in Notes forming part of the Notice.

The Board recommends to the Shareholders that the association of Mr. Lachmi Narain Malik would be beneficial to the Company based on his performance evaluation, knowledge, background, extensive experience and contributions made by him during his tenure, it is desirable to re-appoint him as Non-Executive Independent Director of the Company for second term of five consecutive years. The Board recommends the Special Resolution at Item No. 5 of the Notice for the approval of the Members.

Except Mr. Lachmi Narain Malik 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.

ITEM NO. 6:

Mr. Anil Goyal was appointed as Managing Director of the Company for a period of five (5) years w.e.f. 17th May, 2014 to 16th May, 2019.

Pursuant to the provisions of Section 196, 197, 198, 203, Schedule V and all other applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the recommendation of the Nomination & Remuneration Committee meeting held on 13th May, 2019, the Board of Directors in their meeting held on 30th May, 2019 accorded their approval for re-appointment of Mr. Anil Goyal, Managing Director being the Key Managerial Personnel (KMP) of the Company for further period of five (5) years with effect from 17th May, 2019 to 16th May, 2024 subject to the approval of the Shareholders, on the terms and conditions as detailed herein below:

- **Remuneration:** No remuneration shall be drawn by him from HB Leasing and Finance Company Limited so long as he opts to draw his remuneration from HB Portfolio Limited where he also holds the office of Managing Director. However in the event of his relinquishing the office of Managing Director and/or ceasing to draw remuneration from HB Portfolio Limited, the Board of Directors shall determine the remuneration including the minimum remuneration in the event of absence or inadequacy of profits, payable to him in terms of the provisions of Schedule V of the Companies Act, 2013.
- **Termination of Contract:** The appointment can be terminated by either side on a three month notice or salary in lieu thereof in case any remuneration is paid to the Managing Director as on that date.
- **Sitting Fees:** No sitting fees shall be payable to him for attending the meeting of the Board of Directors / Committees thereof.
- **Reimbursement of expenses:** The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- **Retire by Rotation:** The Managing Director shall be liable to retire by rotation.
- The above terms and conditions of appointment may be altered or varied by the Board of Directors at its discretion and as may be deemed fit from time to time subject however to the provisions of Schedule V of the Companies Act, 2013.

The Board recommends to the Shareholders that the association of Mr. Anil Goyal would be beneficial to the Company considering his knowledge of various aspects relating to the Company's affairs, long term association, extensive experience and contributions made by him during his tenure, it is desirable to re-appoint him as Managing Director of the Company for further period of five (5) years with effect from 17th May, 2019 to 16th May, 2024. The Board recommends the Special Resolution at Item No. 6 of the Notice for the approval of the Members.

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



DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the 36th Abridged Annual Report together with Abridged Audited 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:-

(₹ In Lacs)

PARTICULARS	Year Ended 31.03.2019	Year Ended 31.03.2018
Total Revenue	17.97	63.18
Expenditure	45.62	39.07
Finance Cost	0.00	0.00
Depreciation	0.00	0.00
Profit/(Loss) for the year before Tax	(27.65)	24.10
Tax Expense	0.13	0.30
Profit/(Loss) for the year after Tax	(27.78)	23.80
Appropriations		
Statutory Reserve Fund	0.00	4.76
Balance Brought Forward	(2885.55)	(2904.59)
Accumulated Profits/(Loss)	(2913.33)	(2885.55)

The Company posted Total Revenue of ₹ 17.97 Lacs as against Total Revenue of ₹ 63.18 Lacs in the previous year. Net Loss after Tax for the year under review was ₹ 27.78 Lacs as compared to the Net Profit of ₹ 23.80 Lacs in the previous year.

DIVIDEND

In view of the brought forward and current year losses, the Directors regret their inability to recommend Dividend for the Financial Year under review.

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.

SHARE CAPITAL

The Paid up Equity Share Capital as on 31st March, 2019 stood at ₹ 11,06,27,310/- comprising of 11062731 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 / Courts or Tribunal during the year under review which has an impact on the Going Concern status and Company's operations in the future.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company is not having any Subsidiary, Joint Venture and Associate Companies during the year under review.

AUDITORS OF THE COMPANY

a) Statutory Auditors

The Shareholders in the 34th Annual General Meeting held on 29th 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 34th Annual General Meeting to the conclusion of 39th 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.

b) Internal Auditors

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

c) 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. Arun Gupta, Proprietor, 'Arun Gupta & Associates', Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as a part of the detailed Directors Report as "ANNEXURE – I".

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) Mrs. Sapna Khandelwal (DIN: 07241162) was appointed as an Additional Director in the capacity of Non-Executive Independent Director of the Company with effect from 30th May, 2019 who holds office up to the date of the ensuing Annual General Meeting. She is proposed to be appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years with effect from 30th May, 2019 to 29th May, 2024. The Board of Directors recommends her appointment.
- (iii) Mr. Lachmi Narain Malik (DIN: 00481449) aged 78 years is proposed to be re-appointed as Non-Executive Independent Director for second term of five (5) consecutive years with effect from 29th October 2019 to 28th October 2024. The Board of Directors recommends his re-appointment.
- (iv) Mr. Anil Goyal who is also the Managing Director of HB Portfolio Limited is proposed to be re-appointed as Managing Director of the Company for a further term of five (5) years with effect from 17th May, 2019 to 16th May, 2024. The Board of Directors recommends his re-appointment.
- (v) Mrs. Meenakshi Gopal (DIN: 07143044), Non-Executive Independent Director has resigned from the Board of the Company vide her resignation letter dated 30th May, 2019 due to some other preoccupations and there is no material reason other than those provided.
- (vi) Ms. Sukhmani Walia has resigned from the position of the Company Secretary with effect from 31st January, 2019.
- (vii) Mr. Lakshay Vaid (M. No. A-45438) has been appointed as the Company Secretary and Compliance Officer being the Key Managerial Personnel of the Company w.e.f. 09th February, 2019.

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 – II".

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
HB LEASING AND FINANCE COMPANY LIMITED**

Sd/
LALIT BHASIN
(Chairman)
DIN: 00002114

Place : Gurugram
Date : 30th May, 2019

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

**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF
HB LEASING & FINANCE COMPANY LIMITED

Report on the Financial Statements**Opinion**

We have Audited the accompanying Financial Statements of **HB LEASING & FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and notes to the 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 Financial statements give the information required by the Companies Act, 2013 ("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 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 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 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 Matters to communicate in our Report.

Information Other than the 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 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 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 Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the Audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Financial Statements, including the disclosures, and whether the 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 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 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. 28
 - 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 Leasing & Finance Company Limited** on the 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 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 or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, with respect to the Loans and Investment made. As per the information and explanations 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 ₹ 41,62,50,462/- that have not been deposited on account of matters pending before appropriate authorities are as under :

Sr. No	Name of the statute	Nature of the Dues	Period (A.Y.)	Forum where Dispute is pending	Amount (₹)
1.	Income Tax Act, 1961	Income Tax	2009-10	Income Tax Appellate Tribunal, Delhi	8,35,26,253/-
2.	Income Tax Act, 1961	Income Tax	2010-11	Assessing Officer (For giving appeal effect)	39,61,670/-
3.	Income Tax Act, 1961	Penalty (Income Tax)	2009-10	Income Tax Appellate Tribunal	1,80,28,208/-
4.	Income Tax Act, 1961	Income Tax	Block Period 01/04/1987 to 07/08/1997	Commissioner of Income Tax (Appeal)	31,07,34,331/-
				TOTAL	41,62,50,462/-

8. The Company does not have any Loans or Borrowings from any Financial Institution, Banks, Government or Debenture Holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of Initial Public Offer or Further Public Offer (including Debt Instruments) and Term Loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. In our opinion and according to the information and explanation given to us, no material 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 any 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 Leasing & Finance Company Limited** (“the Company”) as of 31st March, 2019 in conjunction with our Audit of The 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 LEASING & FINANCE COMPANY LIMITED
Report on the Abridged Financial Statements**

The accompanying Abridged 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 Financial Statements of HB Leasing & Finance Company Limited (hereinafter referred to as “the Company”) for the year ended 31st March, 2019. We expressed an unmodified Audit opinion on those Financial Statements vide our report dated 30th May, 2019.

The Abridged 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 Financial Statements of the Company. Reading the Abridged Financial Statements, therefore, is not a substitute for reading the Audited Financial Statements of the Company

Management’s Responsibility for the Abridged Financial Statements

The Company’s Management is responsible for the preparation of the Abridged 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 Financial Statements that are consistent with the Audited 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 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 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 BALANCE SHEET AS AT 31ST MARCH, 2019

Sr No.	Particulars	As at 31st March, 2019 (in ₹)	As at 31st March, 2018 (in ₹)
I	EQUITY AND LIABILITIES		
(1)	Shareholder's Funds		
(a)	Paid-up Share Capital		
(i)	Equity	110041095	110041095
(b)	Reserves and Surplus		
(i)	Capital Reserves	99875	99875
(ii)	Securities Premium Reserve	180596699	180596699
(iii)	Statutory Reserve	21070926	21070926
(iv)	Surplus	-291333690	-288555362
		20474905	23253233
(2)	Non-Current Liabilities		
(a)	Long-Term Provisions	210028	229276
		210028	229276
(3)	Current Liabilities		
(a)	Short Term Borrowings	1550000	0
(b)	Other Current Liabilities	551964	634170
(c)	Short-Term Provisions	4670438	4673952
		6772402	5308122
	TOTAL of (1) to (3)	27457335	28790631
II	ASSETS		
(4)	Non-Current Assets		
(a)	Property, Plant & Equipment		
(i)	Tangible Assets	70002	70002
(b)	Deferred Tax Assets (Net)	116355	129687
(c)	Long-Term Loans and Advances	6034449	6046160
		6220806	6245849
(5)	Current Assets		
(a)	Inventories	2100866	2250666
(b)	Trade Receivables	4604897	4604897
(c)	Cash and Cash Equivalents	535235	856888
(d)	Short-Term Loans and Advances	13995531	14832331
		21236529	22544782
	TOTAL (4) to (5)	27457335	28790631

As per our Report on 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/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

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

PLACE : GURUGRAM
DATED : 30/05/2019

Sd/-
C.P. SINGH
(CHIEF FINANCIAL OFFICER)

Sd/-
LAKSHAY VAID
(COMPANY SECRETARY)
M. No: A45438

Note: Complete Balance Sheet, 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.hbleasing.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 STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2019

Sr. No.	Particulars	Year ended 31st March, 2019 (in ₹)	Year ended 31st March, 2018 (in ₹)
I	Income		
	Revenue from Operations		
	(a) Interest	0	1214301
	(b) Other Financial Services	1501455	5103500
II	Other Income	295643	280
III	Total Income(I+II)	1797098	6318081
IV	Expenditure		
	(a) Employee Benefit Expense	1547431	1449491
	(b) Other Expenses	3018262	2437939
	(c) Contingent Provision against Standard Assets	(3600)	20342
	Total Expenditure (a to c)	4562093	3907772
V	Profit/(Loss) Before Tax (III-IV)	(2764995)	2410309
VI	Tax Expense		
	(1) Current Tax	0	0
	(2) Deferred Tax	13332	29956
VII	Profit/(Loss) After Tax (V-VI)	(2778327)	2380353
VIII	Earnings per Equity Share:		
	(a) Basic	(0.25)	0.22
	(b) Diluted	(0.25)	0.22

As per our Report on 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/-
 LALIT BHASIN
 (CHAIRMAN)
 DIN: 00002114

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

PLACE : GURUGRAM
 DATED : 30/05/2019

Sd/-
 C.P. SINGH
 (CHIEF FINANCIAL OFFICER)

Sd/-
 LAKSHAY VAID
 (COMPANY SECRETARY)
 M. No: A45438

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

Sr. No.	Particulars	Year ended 31st March, 2019 (in ₹)	Year ended 31st March, 2018 (in ₹)
1	Net Cash used in Operating Activities	(321652)	(2530897)
2	Net Cash form Investing Activities	0	0
3	Net Cash from Financing Activities	0	0
4	Net Increase / (Decrease) in Cash & Cash Equivalents	(321652)	(2530897)
5	Cash and Cash Equivalents at the beginning of year	856888	3387785
6	Cash and Cash Equivalents at the end of year	535236	856888

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

As per our Report on 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/-
 LALIT BHASIN
 (CHAIRMAN)
 DIN: 00002114

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

PLACE : GURUGRAM
 DATED : 30/05/2019

Sd/-
 C.P. SINGH
 (CHIEF FINANCIAL OFFICER)

Sd/-
 LAKSHAY VAID
 (COMPANY SECRETARY)
 M. No: A45438

Note: Complete Balance Sheet, 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.hbleasing.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 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

(1) RELATED PARTY TRANSACTIONS

(Refer Note No. 21 of Financial Statements)

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

a) Companies under direct or indirect common control/significant influence

1. HB Securities Ltd.
2. HB Portfolio Ltd.

b) Person having control/significant influence/major shareholders

1. Mr. Lalit Bhasin

c) Key Managerial Personnel

1. Mr. C.P. Singh, Chief Financial Officer
2. Ms. Sukhmani Walia, Company Secretary (upto 31.01.2019)
3. Mr. Lakshay Vaid, Company Secretary (w.e.f. 09.02.2019)

1.2 Transaction during the Financial Year ended 31.03.2019 with Related Parties as under.

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2019 (In ₹)	For the year ended 31.03.2018 (In ₹)
1	HB Securities Ltd.	Depository Charges Paid	1180	1150
		Depository Charges Payable	178	Nil
2	HB Portfolio Ltd.	Sale of Shares	1651255	Nil
3	Lalit Bhasin	Sitting Fees Paid	54000	50000
		Loan received & outstanding as at the year end	1550000	Nil
4	C.P. Singh	Remuneration & other services	743613	715600
5	Sukhmani Walia	Remuneration & other services	379240	428872
6	Lakshay Vaid	Remuneration & other services	81301	Nil

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

(Refer Note No. 19 of 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.	418320552	418320552
(ii) Claims against the Company not acknowledged as Debts	15802781	15802781
(b) Commitments		
(i) Capital Commitments (net of Advance)	25100000	25100000

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

Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
(a) Balances with Banks	84168	90205
(b) Cheques, Drafts in Hand	Nil	300000
(c) Cash in Hand	451068	466683
(d) Others, if any,	Nil	Nil

(4) ITEMS WHICH CONSTITUTE 20% OR MORE OF THE TOTAL INCOME OR EXPENDITURE (INCLUDING PROVISIONS) ARE GIVEN BELOW:

Sr. No.	Particulars	31st March, 2019 (In ₹)	31st March, 2018 (In ₹)
(i)	Income:-		
	(a) Revenue from Operations:-		
	(i) Profit/Loss on Sale / Purchase of Shares and Valuation Profit/Loss (Net)	1501455	5103500
		(83.55%)	(80.77%)
(ii)	Expenditure:-		
	(a) Employee Benefit Expenses	1547431	1449491
		(33.92%)	(37.09%)
	(b) Other Expenses:-		
	(i) Communication	1263941	585056
		(27.71%)	(14.97%)

Note: % in bracket is % of the Income/ Expenditure with Total Income/ Expenditure.

(5) SEGMENT REPORTING (Refer Note No. 22 of the Financial Statements)

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

As per our Report on 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/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

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

PLACE : GURUGRAM
DATED : 30/05/2019

Sd/-
C.P. SINGH
(CHIEF FINANCIAL OFFICER)

Sd/-
LAKSHAY VAID
(COMPANY SECRETARY)
M. No: A45438



HB LEASING AND FINANCE COMPANY 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 : L65910HR1982PLC034071
 Name of the Company : HB Leasing and Finance Company 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.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **36TH ANNUAL GENERAL MEETING (AGM)** of the Company to be held on, **Thursday, 19th September, 2019** at 03:00 P.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurugram- 122001, Haryana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of Audited Financial Statements 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 Mrs. Sapna Khandelwal (DIN: 07241162) as an Independent Director of the Company. (Ordinary Resolution)
5. Re-appointment of Mr. Lachmi Narain Malik (DIN: 00481449) as an Independent Director of the Company. (Special Resolution)
6. Re-appointment of Mr. Anil Goyal (DIN: 00001938) as Managing 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 LEASING AND FINANCE COMPANY LIMITED

ATTENDANCE SLIP

36TH ANNUAL GENERAL MEETING

Date : 19th day of September, 2019
 Time : 03.00 P.M.
 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 36th Annual General Meeting held on Thursday, 19th 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 GIA House 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

