

BOARD OF DIRECTORS

Mr. Lalit Bhasin	Chairman
Mr. Vijay Sood	Managing Director (upto 30.11.2016)
Mr. Gulshan Rai	Director
Mr. Harbans Lal	Director
Mr. Anil Goyal	Director
Mrs. Asha Mehra	Director

CHIEF FINANCIAL OFFICER (CFO)

Mr. Mahesh Kumar Gupta

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Anil Kumar Mittal

STATUTORY AUDITORS

M/s. P. Bholusaria & Co.

Chartered Accountants
26/11, Shakti Nagar,
Delhi - 110 007

REGISTERED OFFICE

HB Stockholdings Ltd.

CIN L65929HR1985PLC033936

Plot No. 31, Echelon Institutional Area,
Sector-32, Gurugram - 122 001, Haryana
Ph : 0124-4675500, Fax : 0124-4370985
Email: corporate@hbstockholdings.com

WEBSITE

www.hbstockholdings.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. RCMC Share Registry Pvt. Ltd.

B-25/1, First Floor
Okhla Industrial Area Phase-II
New Delhi - 110020
Ph : 011-26387320, 26387323
Fax : 011-26387322
E-mail: shares@rcmdelhi.com
Website: www.rcmdelhi.com

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 30TH ANNUAL GENERAL MEETING OF HB STOCKHOLDINGS LIMITED WILL BE HELD AS FOLLOWS:

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

Day : Tuesday
Date : 26th September, 2017
Time : 11.00 A.M
Place : GIA House, I.D.C., Mehrauli Road,
 Opp. Sector 14, Gurugram - 122 001 (Haryana)
 (Please see route map provided in the end of this Annual Report)

to transact the following business(es):

AS ORDINARY BUSINESS

1. To receive, consider and adopt;
 - a. the Audited Financial Statements of the Company for the Financial year ended 31st March 2017 and the Reports of the Board of Directors and Auditors thereon and
 - b. the Audited Consolidated Financial Statements of the Company for the Financial year ended 31st March 2017
2. To appoint a Director in place of Mr. Lalit Bhasin (DIN: 00002114) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s G.C. Agarwal & Associates, Chartered Accountants, Delhi (FRN 017851N) as the Statutory Auditors of the Company and to fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s G C Agarwal & Associates., Chartered Accountants (ICAI Firm Registration No. 017851N be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s P. Bholusaria & Co. Chartered Accountants, the retiring Auditors) for a term of Five (5) consecutive years commencing from the conclusion of the 30th Annual General Meeting of the Company until the conclusion of the 35th Annual General Meeting, subject to ratification of their appointment by the members every year in the Annual General Meeting, on such remuneration plus taxes, as may be applicable, and reimbursement of all out-of-pocket expenses in connection of the Audit of the Company to be fixed by the Board of Directors of the Company.

**By the order of the Board
 FOR HB STOCKHOLDINGS LIMITED**

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

Place : Gurugram
Dated : 26th May, 2017

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. An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 is strictly not required in respect of Item No. 3 of the Business herein but annexed hereto and forms part of this Notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **20th September, 2017 to 26th September, 2017** (Both days inclusive).
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding Shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company’s Registrar and Share Transfer Agent namely, RCMC Share Registry Pvt. Ltd.
5. Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
6. Corporate Members are requested to send a duly Certified Copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Shareholders seeking any information with regard to Financial Statements are requested to write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.

8. Members are requested to:
 - (a) Notify any change in their address to the Company including PIN CODE to the Registrar and Share Transfer Agent of the Company namely,
**RCMC Share Registry Pvt. Ltd.
 B-25/1, First Floor,
 Okhla Industrial Area, Phase-II,
 New Delhi – 110 020
 Phone: 011 – 26387320, 26387321, 26387323
 Fax: 011 - 26387322
 E-mail: shares@rcmcdelhi.com**
 Members whose Shareholding is in electronic mode are requested to direct change of address to their respective Depository Participants.
 - (b) Bring their copies of Annual Report with them at the meeting as the same will not be supplied again as a measure of economy.

9. The Company is implementing the “Green Initiative” to enable electronic delivery of Notices / Documents and Annual Reports to the Shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL / CDSL will be deemed to be your registered email address for serving Notices / Documents including those covered under Section 136 of the Companies Act, 2013. The Notice of Annual General Meeting and the copies of Audited Financial Statements, Director’s Report, Auditors Report etc. will also be displayed on the website of the Company, www.hbstockholdings.com and also on the website of Stock Exchange(s), www.bseindia.com and www.nseindia.com

The Members holding Shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding Shares in physical mode are also requested to update their email addresses by writing to the Registrar and Share Transfer Agent of the Company at the address mentioned in 8 (a) above quoting their folio number(s).

Copies of the Annual Report are being sent by electronic mode only to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report including Attendance Slip and Proxy Form are being sent by the permitted mode.

10. Voting through Electronic means:

- (i) In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their votes by electronic means on all the resolutions proposed to be considered in this Annual General Meeting from a remote location (“Remote e-voting”).
- (ii) The Company has engaged the services of Karvy Computershare Pvt. Ltd. (“Karvy”) to provide the facility of Remote e-voting.
- (iii) The facility for voting through Physical Ballot Papers shall be made available at the meeting and members attending the meeting, who have not already cast their vote by Remote e-voting shall be able to exercise their right to vote at the meeting through Ballot Papers.
- (iv) The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the cut-off date i.e. **19th September, 2017**, 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. **19th September, 2017** 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 exiting user ID and password for casting your vote.
- (vi) **The Remote e-voting period commences on 23rd September, 2017 (09.00 A.M) and ends on 25th September, 2017 (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 (Membership No. A-21227; C.P. No. 8003), Company Secretary in Whole-time Practice has been appointed as the Scrutinizer to scrutinize the remote e-voting & polling process in a fair and transparent manner. Mr. Kapoor Chand Garg (Membership No: FCS 7145, C.P. No. 7829) a Whole time Practising Company Secretary has been appointed as the Alternate Scrutinizer in the event Mr. Arun Gupta fails to discharge his duties on the designated date due to any reason whatsoever.



- (ix) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through Remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than three days of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.
- (x) The Company shall submit to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Ltd (NSE), within forty eight hours of the conclusion of the Meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, www.hbstockholdings.com and on Karvy's website, <https://evoting.karvy.com> immediately after the declaration of results.
- (xi) In case of any queries pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website, <https://evoting.karvy.com> or call their Toll Free No. 1800-345-4001 for any further clarification.
- (xii) The instructions for availing the Remote e-voting facility indicating the process and manner of e-voting are given as hereunder.
 - **In case a Member receives Notice through e-mail from Karvy [for Members whose email IDs are registered with the Company / Depository Participants]:**
 - (a) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (b) Enter the login credentials (i.e. User ID and Initial Password provided by Karvy in e-mail). Your Folio No. / DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (c) After entering these details appropriately, click on "LOGIN".
 - (d) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (e) You need to login again with the new credentials.
 - (f) On successful login, the system will prompt you to select the E-Voting Event Number for HB Stockholdings Limited.
 - (g) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR / AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - (h) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - (i) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - (j) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - (k) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - (l) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: fcs.ppa@gmail.com with a copy to Karvy at e-mail ID: evoting@karvy.com. They may also

upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

➤ **In case a Member receives Notice in physical form [for Members whose email IDs are not registered with the Company / Depository Participants]:**

- (a) User ID and Initial Password as given in the e-voting notice sent along with the Annual Report.
- (b) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

- 11. All documents referred to in this Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 A.M to 5.00 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
- 12. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013; the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 shall be made available for inspection at the Annual General Meeting.
- 13. Details of Director seeking Appointment / Re-appointment at the ensuing Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] enclosed with the Notice.

REGISTRATION / UPDATING OF E-MAIL ID'S AND BANK DETAILS

Members are requested to support the "Green Initiative" by registering their E-mail address with the Company, if not already done.

Those members who have changed their E-mail Address are requested to register their new E-mail Address with the Company in case the shares are held in physical form and with the Depository Participant where shares are held in Demat mode.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to maintain Bank details of its Members for the purpose of payment of Dividends etc. Members are requested to register / update their bank details with the Company in case shares are held in physical form and with their Depository Participants where shares are held in dematerialized mode to enable expeditious credit of the dividend into their respective Bank accounts electronically through the Automated Clearing House (ACH) mode.

THIS EXPLANATORY STATEMENT IS PROVIDED THOUGH STRICTLY NOT REQUIRED AS PER SECTION 102 OF THE ACT.

Item No. 3:

Pursuant to the provisions of Section 139, 141 and Section 142 of the Act read with applicable Rules framed thereunder, M/s P. Bholusaria & Co. Chartered Accountants, the present Auditors of the Company, complete their term as Auditors at the conclusion of the 30th Annual General Meeting.

On the recommendations of the Audit Committee, the Board of Directors of the Company in their meeting held on 26th May, 2017 considered and recommended appointment of M/s G.C. Agarwal & Associates, Chartered Accountants (FRN: 017851N) as the new Statutory Auditors of the Company for a term of five (5) consecutive years subject to the approval of the Members to hold office from the conclusion of 30th Annual General Meeting until the conclusion of 35th Annual General Meeting of the Company. The Company has received a letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and they are not disqualified from appointment.

M/s G.C. Agarwal & Associates, Chartered Accountants, Delhi (FRN 017851N) have been associated with the CA profession since last Thirty Three (33) years. The Firm is engaged in the Audit of Private and Public Limited Companies, Societies and various other entities. These audits include Statutory & Tax Audits, Internal and Management and System Audits, Stock Audits and other Special Assignments. The Firm is holding a Peer Review Certificate issued by The Institute of Chartered Accountants of India, New Delhi.

The Board commends the Resolution at Item No.3 for approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No.3 of the Notice.

**By the order of the Board
FOR HB STOCKHOLDINGS LIMITED**

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

**Place : Gurugram
Dated : 26th May, 2017**



PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT IN THE ENSUING AGM

(Please Refer Item no.2 of the Notice of the AGM)

Name of the Director	Mr. Lalit Bhasin
DIN	00002114
Date of Birth	14 th August 1968
Qualification(s)	B Com (Hons) from Shriram College of Commerce, Delhi University
Brief Profile & Expertise in specific functional areas	Mr. Lalit Bhasin, Director (Chairman) is an expert in investments and Capital Market by virtue of more than two decades of association with the Securities Market. During this association, he has acquired complete expertise of the functioning and interacting of the securities and investment in India.
Other Listed Companies in which directorship held as on 31.3.2017	<ol style="list-style-type: none"> 1. Jaypee Infratech Limited 2. CHL Limited 3. HB Portfolio Limited 4. HB Leasing & Finance Co Ltd 5. HB Estate Developers Ltd
Chairmanship / Membership of the Committees of the Board as on 31.3.2017 in Listed Company	<p><u>Audit Committee</u></p> <ol style="list-style-type: none"> 1. HB Leasing & Finance Co. Limited (Member) 2. CHL Limited (Member) <p><u>Stakeholders Relationship Committee</u></p> <ol style="list-style-type: none"> 1. HB Leasing & Finance Co. Limited (Chairman) 2. CHL Limited (Member) <p><u>Nomination and Remuneration Committee</u></p> <ol style="list-style-type: none"> 1. HB Leasing & Finance Co. Limited (Member) 2. CHL Limited (Member)
Shareholding of the Director as on 31.03.2017	1,22,62,307 Equity Shares
Whether related to any Board members of the Company	No

By the order of the Board
FOR HB STOCKHOLDINGS LIMITED

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

Place : Gurugram
Dated : 26th May, 2017



DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 30th Annual Report and the Audited Accounts of your Company for the financial year ended 31st March 2017.

FINANCIAL RESULTS

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

(₹ in Lacs)

PARTICULARS	Current Year Ended 31-03-2017	Previous year Ended 31-03-2016
Total Revenue	1517.73	384.27
Total Expenses	318.87	283.53
Profit for the Year before Tax and exceptional items	1198.86	100.74
-Tax Expenses (including earlier years)	136.77	12.18
- Exceptional items	0.00	0.00
Profit After tax and Exceptional Items	1062.09	88.56
Earning per Equity Shares (Before exceptional items)		
--EPS Basic (Rs.)	4.46	0.37
--EPS Diluted (Rs.)	4.46	0.37
(After Exceptional Items)		
--EPS Basic (Rs.)	4.46	0.37
--EPS Diluted (Rs.)	4.46	0.37

DIVIDEND

In order to conserve resources for the future, Directors' of your company do not recommend any dividend for the year ended 31st March 2017.

PERFORMANCE REVIEW & OUTLOOK

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16. The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans.

During the year under review, Income from operations was Rs.1497.16 Lakhs (previous year Rs. 384.27Lakhs) comprising Dividend Income Rs.184.05 Lakhs (previous year Rs. 44.03 Lakhs), Interest on Loan / ICD Rs.376.59 Lakhs (previous year Rs. 428.75 Lakhs), Securities Trading Gain of Rs. 0.30 Lakhs (previous year Loss of Rs.19.10 Lakhs), Profit booked on Sale of Investments Rs. 324.74 Lakhs (previous year Loss of Rs.123.45 Lakhs) and Provisions for diminution in the value of Investment written back Rs. 308.77 Lakhs (previous year Rs.54.04 Lakhs). Other Income during the year was Rs. 20.57 Lakhs. Net Profit before Tax and exceptional items for the year was Rs.1198.86 Lakhs (previous year Rs. 100.74 Lakhs)

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before demonetisation, the banking system will benefit from a higher level of deposits. Thus, market interest rates, deposits, lending, and yields on ten years government securities should be lower in 2017-18 than 2016-17. This will provide a boost to the economy.

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

SCHEME OF ARRANGEMENT

The Board of Directors in their meeting held on 11th February, 2016 had approved a Composite Scheme of Arrangement ('the Scheme') between HB Stockholdings Limited ('the Company'), HB Portfolio Limited and HB Estate Developers Limited and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013, subject to various approvals as may be required. The Appointed Date(s) in the Scheme are 01st April, 2015 and 02nd April, 2015 as particularly defined in the Scheme of Arrangement.

The Company received NIL Observation Letter / No Objection Certificate dated 23rd June, 2016 from the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) in terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of the order dated 16th September, 2016 passed by the Hon'ble High Court of Punjab & Haryana at Chandigarh, the Court Convened Meeting (CCM) of the Equity Shareholders of the Company was held on Saturday the 03rd December, 2016 at 11.00 A.M. The Equity Shareholders of the Company accorded their necessary approval to the Scheme with the requisite majority. The Company has also received requisite approval to the Scheme from its Public Equity Shareholders by way of Postal Ballot including e-voting, result of which was declared on 05th December, 2016 pursuant to SEBI Circular bearing No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

The Company Petition has been duly transferred from the Hon'ble High Court of Punjab and Haryana, Chandigarh to the National Company Law Tribunal, Chandigarh Bench at Chandigarh as per the provisions of Sec 230 to 233 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and the Companies (Transfer of Pending Proceedings) Rules, 2016 notified by the Ministry of Corporate Affairs vide its Notification Dated 07th December, 2016 which came into force with effect from 15th December, 2016.

The matter came up for hearing on 11th May, 2017 before the National Company Law Tribunal (NCLT), Chandigarh Bench at Chandigarh. The Hon'ble Bench of NCLT admitted the Second Motion Application filed by the Company and passed an order for issuing Notice along with copy of Petition and Scheme to various authorities. The next date of hearing has been fixed for 20th July, 2017.

The Copy of Scheme of Arrangement along with all other documents are available on the website of the BSE Limited and National Stock Exchange of India Ltd. www.bseindia.com and www.nseindia.com and also on the Company's website having at www.hbstockholdings.com / Scheme of Arrangement

The effect of the Scheme on the Financial Statements of the Company from the said Appointed Date(s) shall be given upon sanction of Scheme by the NCLT and receipt of various other requisite approvals.

SUBSIDIARY AND ASSOCIATES COMPANIES

In compliance with the provision of Section 129(3) of the Companies Act, 2013, the company has prepared Consolidated Financial Statement along with its wholly owned subsidiary and Associate Companies. As on 31st March 2017, Mount Finance Limited is the Indian Wholly Owned Subsidiary Company and Taurus Asset Management Company Limited, is Associate Company within the meaning of Sec 2(6) of the Companies Act, 2013. The Consolidated Financial Statement for the year 2016-17 forms a part of the Annual Report and Accounts and these documents shall be laid before the Annual General Meeting. A Report on the performance and the financial position of the Subsidiary and Associate Companies in form AOC-1 forms part of the Consolidated Financial Statement. The Financial Statements of the Subsidiary Companies shall be made available upon request by any Member of the Company interested in obtaining the same. The Financial Statements of the Subsidiary Company will also be kept for inspection by the Member of the Company at its Registered Office.

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

RELATED PARTY TRANSACTIONS

All Related Party Transactions entered into during the financial year ended 31st March 2017 were on arm's length basis and were in the ordinary course of business. During the year under review, there were no materially significant Related Party Transactions entered into by the Company. 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 of the Company has any pecuniary relationships or transactions vis-à-vis the Company.

On the recommendation of the Audit Committee, the Board of Directors of the Company has approved a Policy to regulate transactions between the Company and its Related Parties, in compliance of the Companies Act, 2013, and the Rules made there under read with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Related Party Transactions has since been uploaded on the Company's website. The web link for the same is, www.hbstockholdings.com/Investor-Information/Corporate-Governance

Internal Control Systems and their Adequacy

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

Internal Auditors of the Company monitors and evaluates the efficacy and adequacy of internal control systems in the company, its compliance with the operating systems, accounting procedures and policies of the company's operation. Internal Audit Report stimulates other functional departments to improve their systems and procedures to strengthen the controls. All these issues are regularly placed before the Audit Committee meeting for its deliberations and monitoring.

Risk Management

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

MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

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.

NOMINATION AND REMUNERATION COMMITTEE

In terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI (LODR) Regulations 2015, a Nomination and Remuneration Committee was reconstituted of all independent directors on the Board of the Company. Nomination and Remuneration Policy of the Company forms part of the Boards Report, and enclosed at **Annexure I**. The detailed terms of reference of the Nomination and Remuneration Committee, number and date of the meetings held, attendance of the directors etc. are given separately in the attached Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board constituted a Corporate Social Responsibility (CSR) Committee pursuant to Section 135 of the Act and composition stipulated in the Corporate Governance Report forms part of this Annual Report. The Board of Directors have approved the Corporate Social Responsibility



Policy of the Company and its contents are disclosed in the **Annexure II**. The details of the CSR Policy can be viewed on the website of the Company at www.hbstockholdings.com.

Based on the previous year's average profits of the Company, an amount of Rs. 4,21,756 was to be incurred on the CSR activities during the year. No amount was spent on CSR activities. The Company is in the process of identification of a suitable project to spend the amount.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In terms of the provisions of Sec 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy approved by the Board of Directors has been uploaded on the website of the Company. During the year under review, no matter relating to Vigil Mechanism was reported to the Audit Committee. A Copy of Board approved Whistle Blower Policy is posted on the Company's [website at www.hbstockholdings.com](http://www.hbstockholdings.com).

AUDITORS

Statutory Auditors

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

The Board of Directors placed on record its appreciation for the services rendered by M/s P . Bholusaria & Co. Chartered Accountants as the Statutory Auditors of the Company. Subject to the approval of the members, the Board of Directors of the Company has recommended the appointment of M/s G C Agarwal & Associates, Chartered Accountants, New Delhi FRN 017851N as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013, for a term of Five (5) consecutive years, subject to ratification of their appointment by the members every year in the Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for appointment.

Member's attention is drawn to a Resolution proposing the appointment of M/s G C Agarwal & Associates, Chartered Accountants as the Statutory Auditors of the Company which is included at item no: 3 of the Notice convening the Annual General Meeting of the Company.

Internal Auditors

M/s MARV & Associates, LLP Chartered Accountants, New Delhi were appointed as Internal Auditors of the Company by the Board in terms of Sec 138 of the Companies Act, 2013. Internal Audit Report are regularly placed before the Audit Committee of the Board for their review and follow up.

Secretarial Auditors

M/s A N Kukreja & Co. Company Secretaries were appointed by the Board to undertake the Secretarial Audit for the year 2016-2017, pursuant to the provisions of Section 204 of the Companies Act, 2013 and other applicable rules. The Secretarial Audit Report in MR-3 is annexed herewith and marked as **Annexure III**.

Observation on Auditor's and Secretarial Auditor's Report

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

DIRECTORS & OTHER KEY MANAGERIAL PERSONNEL

Appointment / Changes and Reappointment of Directors & KMP

Company's Board members comprise of eminent persons with proven competence and integrity. They have financial literacy, experience, leadership qualities and the ability of thinking strategically. Company's Directors have a significant degree of commitment and devotion and spares their adequate time for the meetings and for other deliberations. During the year Mr. Vijay Sood, Managing Director (KMP) of the Company resigned at the close of business hours on 30th November 2016 and Board accepted his resignation and placed on record the appreciation for the valuable contribution made by him during the tenure of his services as the Managing Director of the Company.

As per Article 89(1) and (2) of the Article of Association of the Company read with the provisions of Section 152 of the Companies Act, 2013, Mr. Lalit Bhasin, Director of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his reappointment to the members.

Meeting of Board of Director(s)

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

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.

Annual Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has

carried out an Annual Performance Evaluation of its own performance and of all the Directors of the Company individually as well as the evaluation of the working of Audit, Nomination & Remuneration and other Compliance Committees. The manner in which the annual evaluation has been carried out is been suitably explained in the Corporate Governance Report.

Declaration by Independent Directors

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

Remuneration Policy

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

Remuneration of Directors, Key Managerial Personnel and Employee

Disclosure pertaining to Remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules 2014 is not applicable as none of the Director / and or employee of the Company are in receipt of the remuneration specified in these Rules.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

During the year under review there was no Earnings or outgo of Foreign Exchange by the Company.

Particulars of Employees

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

EXTRACT OF ANNUAL RETURN

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

STATUTORY STATEMENT

The Board of Directors of your Company state's that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
3. The Managing Director of the Company receives no remuneration or commission from any of its subsidiaries.
4. No significant and material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. As per the Annual Report submitted by the Committee constituted to monitor the cases for Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review, there was no case filed or pending for review.
6. There was no change in the nature of business during the year under review.
7. None of the company have become or ceases to be the subsidiary, joint venture or associate of this company during the year under review.
8. No Listing Fee and other dues are pending to the Stock Exchange(s) and other depositories.

ACKNOWLEDGMENT

Your Directors would like to express their appreciations for the assistance and cooperation received from banks, customers, members and other stake holders during the year under review. Your Directors also wish to acknowledge the valuable services rendered by the executive and staff of the Company at all levels.

For and on Behalf of the Board of Directors

Sd/
LALIT BHASIN
(CHAIRMAN)
DIN 00002114

Place : Gurugram
Date : 26th May, 2017

NOMINATION AND REMUNERATION POLICY (AMENDED)**1. PREAMBLE:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company, this policy on nomination and remuneration of Directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC/Committee") and approved by the Board of Directors of the Company at their meeting held on 11th February, 2015, in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI(Listing Obligations & Disclosure Requirement) Reg.2015 read with Part D of Schedule II of the Regulation.

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

2. OBJECTIVE:

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

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

3. DEFINITIONS:

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

"Board" means Board of Directors of the Company.

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

"Key Managerial Personnel (KMP)" means

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

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

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

4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT:**A. Appointment Criteria and Qualifications**

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

B. Term / Tenure**(I) Managing Director/Whole-time Director:**

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

(II) Independent Director:

- a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

- b) No Independent Director shall hold office for more than two consecutive terms of upto maximum of five (5) years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

C. Evaluation

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

D. Removal

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

E. Retirement

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

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

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

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

6. DUTIES IN RELATION TO NOMINATION MATTERS:

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

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

7. DUTIES IN RELATION TO REMUNERATION MATTERS:

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

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

8. REVIEW AND AMENDMENT:

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. PREAMBLE:

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

2. SHORT TITLE & APPLICABILITY:

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

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

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

4. ACTIVITIES UNDER CORPORATE SOCIAL RESPONSIBILITY:

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

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

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

5. IMPLEMENTATION MECHANISM

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

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

6. PLANNING AND COORDINATION

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

7. MONITORING AND EVALUATION

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

8. ALLOCATION OF FUNDS

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

9. REPORTING

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

10. GENERAL

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

**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

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

To,
The Members of
HB Stockholdings Limited.

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

Based on our verification of the **HB Stockholdings Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2017** complied with statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by HB Stockholdings Limited for the financial year ended on 31st March, 2017 according to the provisions of:
 - (i). The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii). The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
 - (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings*.
 - (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009*;
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014*;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008*;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009* and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998*.
 - (vi). The Other Laws applicable specifically to the Company are:
 - (a) The Reserve Bank of India Act, 1934.
 - (i) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
 - (ii) The Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 and other applicable Directions, Guidelines, Standards/instructions issued by RBI.
 - (iii) Credit Information Companies (Regulation) Act, 2005.

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

*Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv), SEBI Regulations listed at sub-para (v) Serial Nos. (e), (f), (g), (h) and (i) above are not applicable to the Company for 2015-16 as there were no corporate decisions/actions attracting these regulations.

2. We have also examined the compliances with the applicable Regulations/Standards of the following:
 - (i). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (ii). Secretarial Standards issued by the Institute of Company Secretaries of India.
3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following:

The Company did not have Managing Director, or Chief Executive Officer or Manager and their absence a whole time director, since 1.12.2016. However the Company has a period of six months to fill up the vacancy in accordance with Section 203 of the Companies Act 2013.
4. We further report that:
 - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - (c) Majority decisions are carried through while dissenting members' views are captured and recorded as part of the minutes.
5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules/regulations were taken.

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

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

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

**Place: New Delhi
Date: 26th May, 2017**

Annexure 'A'

To,
The Members of
HB Stockholdings Limited

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

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

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

**Place: New Delhi
Date: 26th May, 2017**



STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Note:

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

Serial No.	Name of the Director / KMP	Designation	% Increase in remuneration in the financial year 2016-17	Ratio of Remuneration of each Director to median remuneration of employees
1.	Mr. Lalit Bhasin	Director (Non-executive)	Nil	Nil
2.	Mr. Anil Goyal	Director (Non-executive)	Nil	Nil
3.	Mr. Gulshan Rai	Director (Non-executive)	Nil	Nil
4.	Mr. Harbans Lal	Director (Non-executive)	Nil	Nil
5.	Mrs. Asha Mehra	Director (Non-executive)	Nil	Nil
6.	Mr. Vijay Sood	Managing Director *	Nil	5.80:1
7.	Mr. Mahesh Kumar Gupta	Chief Financial Officer	Not Applicable	
8.	Mr. Anil Kumar Mittal	Company Secretary	Not applicable	

3. All Non- Executive Directors of the Company were paid sitting fee during the financial year ended 2016-17.
4. Managing Director* was employed for part of the year and paid remuneration accordingly.
5. The percent increase in the median remuneration of employees in the financial year: **NIL**
6. The Company has 09 (Nine) permanent employees on the rolls of the Company as on 31st March 2017.
7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **Not Applicable**
8. It is hereby confirm that the Remuneration paid to Director, KMP's and staff during the year was as per the Remuneration Policy of the Company.

For and on Behalf of the Board of Directors

Place : Gurugram
Dated : 26th May, 2017

Sd/
LALIT BHASIN
CHAIRMAN
DIN 00002114

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017**

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN:-	L65929HR1985PLC033936
ii)	Registration Date	30-07-1985
iii)	Name of the Company	HB Stockholdings Limited
iv)	Category / Sub-Category of the Company	Public Company having Share Capital
v)	Address of the Registered office and contact details	Plot No. 31, Echelon Institutional Area Sector-32, Gurugram - 122001, Haryana, Ph: 0124-4675500 Fax: 0124-4370985, Website: www.hbstockholdings.com , E-mail: corporate@hbstockholdings.com
vi)	Whether listed company	Yes (BSE & NSE Stock Exchanges)
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	RCMC Share Registry Pvt. Ltd. B- 25/1, First Floor, Okhla Industrial Area, Phase- II, New Delhi- 110020 Phone: 011-26387320/ 21/ 23 Fax: 011-26387322 Web site: rcmdlhi.com Email : shares@rcmdlhi.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING / SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Mount Finance Limited 301, Regent Chambers 208, Jamnalal Bajaj Marg Nariman Point Mumbai 400 021	U67120MH1985PLC038136	Subsidiary	100%	2(87)(ii)
2.	Taurus Asset Management Co. Limited 305, 3 rd Floor, Regent Chambers, 208, Jamnalal Bajaj Marg, Nariman Point Mumbai 400 021	U67190MH1993PLC073154	Associate	20.12%	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) Indian									
a) Individual /HUF	12562307	0	12562307	52.80	12562307	0	12562307	52.80	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt. (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	98814	0	98814	0.42	98814	0	98814	0.42	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	12661121	0	12661121	53.22	12661121	0	12661121	53.22	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2):									
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	12661121	0	12661121	53.22	12661121	0	12661121	53.22	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	350	8250	8600	0.04	350	8250	8600	0.04	0
b) Banks / FI	19,900	290	20190	0.08	20000	290	20290	0.09	0.01
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt. (s)	0	0	0	0	0	0	0	0	0



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	20250	8540	28790	0.12	20350	8540	28890	0.12	0
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	1853675	38554	1892229	7.95	2311708	38504	2350212	9.88	-0.75
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	3456744	3808906	7265650	30.54	3761589	3645264	7406853	31.13	+1.35
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1596590	0	1596590	6.71	992437	0	992437	4.17	-0.55
c) Others (specify) Clearing members	17182	0	17182	0.07	57129	0	57129	0.24	+0.04
Non -Residents	210729	119927	330656	1.39	179449	116027	295476	1.24	-0.05
Foreign Com	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
NBFC	0	0	0	0	100	0	100	0	0
Sub-total (B)(2):-	7134920	39767387	11102307	46.66	7302412	3799795	11102207	46.66	0
Total Public Share- holding (B)=(B)(1)+ (B)(2)	7155170	3975927	11131097	46.78	7322762	3808335	11131097	46.78	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	19816291	3975927	23792218	100	19983883	3808335	23792218	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of total Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of total Shares Pledged/ encumbered to total shares	
1	Lalit Bhasin	12262307	51.54	0	12262307	51.54	0	0
2.	Ayush Kapur	75000	0.32	0	75000	0.32	0	0
3	Kanishk Kapur	75000	0.32	0	75000	0.32	0	0
4.	Manasvin Arora	75000	0.32	0	75000	0.32	0	0
5.	Mehar Arora	75000	0.32	0	75000	0.32	0	0
6.	Merrygold Investments Ltd	30494	0.13	0	30494	0.13	0	0
7.	R RB Master Holdings Ltd	68320	0.29	0	68320	0.29	0	0
	Total	12661121	53.22	0	12661121	53.22	0	0

(iii) Change in Promoters' Shareholding during the year :

There are no changes in the Promoters Shareholdings during the financial year 2016-17.

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

Sl No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year	
		No. of Shares at the beginning 01.04.2016	% of total Shares of the Company
	At the beginning of the year		
1	Delhi Iron & Steel Co Pvt Ltd	1187074	4.99
2	Rohit Khullar	344500	1.45
3	Ajay Kumar Aggarwal	126662	0.53
4	Rajesh Jain	124075	0.52
5	Onkar Kishan Khullar	100500	0.42
6	Harish Khullar	100000	0.42
7	Rohit Khullar HUF	99000	0.42
8	Kumara Swamy BS	70442	0.30
9	Ajay Kumar Gupta	62284	0.26



10.	Mangilal Parakh	61089	0.26
S. No.	For Each of the Top 10 Shareholders	No. of Shares at the end of 31-03-2017	% of total Shares of the Company
	At the End of the year		
1	Delhi Iron & Steel Co. Pvt. Limited	1197402	5.03
2	Ashari Agencies Limited	474260	1.99
3	Composite Services Limited	225367	0.95
4	Vijay Kumar Agarwal	190500	0.80
5.	Rohit Khullar	159083	0.67
6	Ajay Kumar Aggarwal	126662	0.53
7	Rajesh Jain	124075	0.52
8	Onkar Kishan Khullar	100500	0.42
9	Harsh Khullar	100000	0.42
10	Rohit Khullar HUF	99000	0.42

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

Sl. No.	For Each of the Top 10 Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	DELHI IRON & STEEL CO. PVT. LTD					
	At the beginning of the year	1-4-2016	1187074	4.99	1187074	4.99
	08-07-2016	Transfer	-1	0	1187073	4.99
	23-12-2016	Transfer	-65361	-0.27	1121712	4.71
	30-12-2016	Transfer	3000	0.01	1124712	4.73
	06-01-2017	Transfer	1542	0.01	1126254	4.73
	13-01-2017	Transfer	59445	0.25	1185699	4.98
	20-01-2017	Transfer	9250	0.04	1194949	5.02
	27-01-2017	Transfer	798	0	1195747	5.03
	03-02-2017	Transfer	1655	0.01	1197402	5.03
	At the end of the year	31-03-2017			1197402	5.03
2.	ASHARI INDUSTRIES LIMITED #					
	At the beginning of the year	1-4-2016	0	0	0	0
	16-09-2016	Transfer	100000	0.42	100000	0.42
	28-10-2016	Transfer	359683	1.51	459683	1.93
	09-12-2016	Transfer	6000	0.03	465683	1.96
	16-12-2016	Transfer	2000	0.01	467683	1.97
	23-12-2016	Transfer	6577	0.03	474260	1.99
		At the end of the year	31-03-2017			474260
3.	COMPOSITE SECURITIES LIMITED #					
	At the beginning of the year	1-4-2016	0	0	0	0
	07-10-2016	Transfer	50	0	50	0
	23-12-2016	Transfer	225317	0.95	225367	0.95
		At the end of the year	31-03-2017			225367
4.	VIJAY KUMAR AGARWAL #					
	At the beginning of the year	1-4-2016	0	0	0	0
	12-08-2016	Transfer	70000	0.29	70000	0.29
	19-08-2016	Transfer	1000	0	71000	0.30
	28-10-2016	Transfer	119500	0.50	190500	0.80
		At the end of the year	31-03-2017			190500



Sl. No.	For Each of the Top 10 Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
5	ROHIT KHULLAR					
	At the beginning of the year	1-4-2016	344500	1.45	344500	1.45
	29-07-2016	Transfer	-5417	-0.02	339083	1.43
	12-08-2016	Transfer	-80000	-0.34	259083	1.09
	16-09-2016	Transfer	-100000	-0.42	159083	0.67
	At the end of the year	31-03-2017			159083	0.67
6.	AJAY KUMAR AGGARWAL					
	At the beginning of the year	1-4-2016	126662	0.53	126662	0.53
	At the end of the year	31-03-2017			126662	0.53
7.	RAJESH JAIN					
	At the beginning of the year	1-4-2016	124075	0.52	124075	0.52
	At the end of the year	31-03-2017			124075	0.52
8.	ONKAR KISHAN KHULLAR					
	At the beginning of the year	1-4-2016	100500	0.42	100500	0.42
	At the end of the year	31-03-2017			100500	0.42
9.	HARISH KHULLAR					
	At the beginning of the year	1-4-2016	100000	0.42	100000	0.42
	At the end of the year	31-03-2017			100000	0.42
10.	ROHIT KHULLAR HUF					
	At the beginning of the year	1-4-2016	99000	0.42	99000	0.42
	At the end of the year	31-03-2017			99000	0.42

Notes:

Not in the list of Top 10 shareholders as on 01-04-2016. The same has been reflected above since the shareholder was one of the top 10 shareholders as on 31-03-2017.

(i) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP at the beginning / end of the year	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Lalit Bhasin	12262307	51.54	12262307	51.54
2	Mr. Anil Goyal	0	0	0	0
3	Mrs. Asha Mehra	0	0	0	0
4	Mr. Gulshan Rai	0	0	0	0
5	Mr. Harbans Lal	0	0	0	0
6	Mr. Vijay Sood MD @	0	0	0	0
7	Mr. Mahesh Kumar Gupta CFO	0	0	0	0
8	Mr. Anil Kumar Mittal CS	0	0	0	0

@ Mr. Vijay Sood was Managing Director of the Company upto 30-11-2016

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

V. INDEBTEDNESS

The Company had no indebtedness with respect to Secured or unsecured Loan or deposits during the Financial year ended 2016-2017.

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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of the Managing Director / Whole Time Director	Total Amount
		Vijay Sood*	
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	37,48,000 20,03,394 0	37,48,000 20,03,394 0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission	0	0
5.	Others, PF & Superannuation	0	0
	Total (A)	57,51,394	57,51,394
	Ceiling as per the Act	5 % of the net Profit of the Company to be calculated as per Sec 198 of the Companies Act, 2013	

* Mr. Vijay Sood was Managing Director of the Company upto 30/11/2016.

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Director(s)			
		Gulshan Rai	Harbans Lal	Mrs. Asha Mehra	
1.	Independent Directors				
	Fee for attending Board / Committee Meetings	95,000	1,03,000	55,000	
	Commission	00	00	00	
	Others, please specify	00	00	00	
	Total (1)	95,000	1,03,000	55,000	
				TOTAL	2,53,000
2.	Other Non -Executive Director				
	Fee for attending Board / Committee Meetings	40,000	88,000		
	Commission	00	00		
	Others, please specify	00	00		
	Total (2)	40,000	88,000	TOTAL	1,28,000
	Total (B)	3,81,000			
	Ceiling as per the Act	3% of the net Profit of the Company is to be calculated as per Sec 198 of the Companies Act, 2013			

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

SL. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
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	5,64,000 4,00,400 00	7,44,000 5,43,414 00	13,08,000 9,43,814 00
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify	0 0	0 0	0 0
5.	Others, PF	67680	89280	156960
	Total (C)	10,32,080	13,76,694	24,08,774

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no penalties/punishment/compounding of offences for breach of any Section of Companies Act 2013, against the Company or any of its officers in default, during the financial year.

For and on Behalf of the Board of Directors

 Place : Gurugram
Date : 26th May 2017

 Sd/
LALIT BHASIN
CHAIRMAN
DIN 00002114

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Operating Results

The Total Revenue earned by the Company during the year was ₹1517.73 Lakhs as compared to ₹ 384.27 Lakhs in the previous year. Administrative expenses, Depreciation and amortization including provisions for sub-standard & doubtful assets and provision against standard assets and Loans & Advances were ₹ 318.87 Lakhs as compared to ₹ 283.53 Lakhs during the previous year. Interest and financial charges was Nil during the current and previous year.

2. Business Analysis during 2016-2017

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2 percent, on the weaker side of the 7.0-7.75 per cent projection in the Economic Survey 2015-16 and somewhat lower than the 7.6 percent rate recorded in the second half of 2015-16. The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans.

An economy recovering from demonetisation will need policy support. On the assumption that the equilibrium cash-GDP ratio will be lower than before demonetisation, the banking system will benefit from a higher level of deposits. Thus, market interest rates, deposits, lending, and yields on ten years government securities should be lower in 2017-18 than 2016-17. This will provide a boost to the economy.

During the year under review, Revenue from Operations was ₹ 1517.73 Lakhs (₹ 384.27 Lakhs in previous year) and Net Profit after exceptional items ₹ 1198.86 Lakhs (₹ 100.74 Lakhs in the previous year). Securities Trading including Equity derivative trading Gain was ₹ 3.01 Lakhs (previous year Loss of ₹ 19.10 Lakhs) Profit booked on Sale of Investments during the year ₹ 524.74 Lakhs (previous year Loss of ₹ 123.45) Provision for diminution in the value of investment written back ₹ 308.77 Lakhs during the year under review (previous year ₹ 54.04 Lakhs)

3. Future Prospects and Outlook

The global economy experienced challenging conditions in fiscal 2017. During the year under review, major development has taken place in UK when referendum of people has approved the decision to leave the European Union and the Presidential election in the United States. These two major issues dominated the Global discourse. With regards to the Global economy, there was a moderation in Growth in both developed and emerging markets. Global trade showed indications of revival. The focus of the World economy has shifted from crisis management in 2008 to the era of Growth in 2017.

Against this Global backdrop, India as a Country has taken some major policy initiatives on several fronts, viz. enactment of Insolvency and Bankruptcy Code, which will transform the process of recovery of Loans given to the Corporates who were unable to meet their obligations to the lenders. Withdrawal of high denomination currency notes from the Circulation leads to sharp increase in financial savings and boost to the digital economy. These initiatives of the Government shall lead to better fiscal health through better Compliance paving the way for other progressive reforms like GST.

4. Risks and concerns

The Company is mainly exposed to market risk (including liquidity risk), interest risk and credit risk. However prudent business and risk

management practices followed by a company over the years helps it to manage the normal industry risk factors, which inter-alia includes economic / business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk.

The Company is confident of managing these risks by observing a conservative financial profile in investment and trading of securities business.

5. Internal control systems and their adequacy

The Company has an adequate and effective system of internal controls for its various business processes, with regard to operations, financial reporting, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibility for all managerial positions gives strength to the internal control system of the organisation. Internal audits are done at regular intervals to ensure that responsibilities are executed effectively. Audit Committee of the Board of Directors on quarterly basis reviews the adequacy and effectiveness of internal control systems and suggests measures for improvement of the existing control system and strengthen the control in view of changing business needs and safe guarding the assets of the Company against significant misuse or Loss from time to time.

6. Financial performance

- a) Share Capital: The Company's issued and subscribed share capital consists of Equity Share Capital only. The Paid-up Share Capital of the company as at 31st March 2017 stood at ₹ 2433.54 lakhs (including ₹ 54.32 Lakhs towards the original amount paid up on equity share forfeited.) comprised of 2,37,92,218 Equity Shares of ₹ 10/- each.
- b) Reserves and Surplus: During the year under review, the balance is ₹ 12233.57 Lakhs (previous year ₹ 111,71.48 lakhs)
- c) Fixed Assets stood at ₹ 18.82 Lakhs (₹ 24.81 Lakhs in the previous year.)
- d) Non Current Investments stood at ₹ 9539.16 Lakhs (previous year ₹ 9763.91 Lakhs)
- e) Current Assets stood at ₹ 5451.07 Lakhs (previous year ₹ 4350.18 Lakhs)

7. Human Resources

Success of every business depends on proper human resource planning. The Company has adequate and experienced professionals having varied experience related to the Industry to carry out its business operations. Efforts are made to develop leadership capability in the team members which reflects in the decision making process.

8. Cautionary Statement

Statements in this "Management' Discussion and Analysis Report" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include interest rates and changes in the Government regulations, direct tax regimes, credit appraisal and monitoring system, Notifications and guidelines issued by Reserve Bank of India, economic developments and other factors such as litigation etc.



REPORT ON CORPORATE GOVERNANCE

Philosophy of the Company on Code of Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Corporate Governance deals with conducting the affairs of the company in such a manner as to ensure that there is fairness to all the stakeholders and action benefits to the greatest number of stakeholders. The accountability of the personal and corporate funds in a company in a more transparent and equitable manner and the essence of Corporate Governance which ensures investors protection and maximization of shareholders wealth. The Corporate Governance is a continuing exercise and the company would constantly endeavor to improve on these aspects.

Size and Composition of the Board

As per Reg 17(1) of the SEBI (LODR) Regulations, the composition of Board of Directors have an optimum combination of Executive and Non-executive directors. As on 31st March 2017, the Board of Directors of the Company comprises of 5 Directors, out of whom all 5 are Non-Executive Directors and 3 are Independent Directors. Mrs. Asha Mehra is the Woman Director on the Board of the Company. Mr. Lalit Bhasin, Promoter of the Company is the Non-Executive Chairman of Board of Directors since 30th June 2004. The strength of the Independent Directors is more than half of the total current 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. None of the Directors is a relative of an Executive / Non-Executive Director

of the Company.

Mr. Vijay Sood Managing Director was associated with the Company since April 2007 and upto 30th November 2016 and had to his credit over 37 years of corporate experience in Foreign Banks, Foreign Companies including Multinational Companies. Managing Director of the Company shared the overall responsibility of all the day to day business affairs of the company and implemented all Board's policies and plans. Composition of Board of Directors of the Company was in conformity of Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirements) Reg 2015.

Number of Board Meeting(s)

The Board meets atleast once in every Calendar Quarter and the maximum gap between any two meetings is not more than 120 days. During the year under review (1-04-2016 to 31-03-2017), the Board of Directors of the Company met Four (4) times respectively on 28th May 2016; 8th August 2016; 11th November 2016; and on 10th February, 2017. The Agenda of the Board Meeting is circulated to all the Directors well in advance and contains all the relevant information.

Directors Attendance & their Directorships

Composition of the Board of Directors and Attendance of the Board members with their shareholding in the Company as on 31st March 2017 and status of presence in the last AGM are given hereunder:

Name of the Director(s) & Category	Directorships in other public companies as on 31-03-2017 (Excluding HBSH)		# Committee Membership held in other public co. (Excluding HBSH) as on 31-03-17		No. of Board Meetings during the year 31-03-2017	Attendance in the Last AGM	Shares held in the Company & % to the subscribed capital
	Director	Chairman	Member	Chairman	Attended		
Mr. Lalit Bhasin Chairman Promoter & Non-Executive	8	3	4	1	4	Yes	1,22,62,307 (51.54%)
Mr. Gulshan Rai Independent & Non Executive	Nil	Nil	Nil	Nil	3	No	NIL
Mr. Harbans Lal Independent & Non Executive	01	Nil	01	Nil	4	Yes	NIL
Mr. Anil Goyal Non-Independent Non-Executive	09	Nil	4	0	4	Yes	NIL
Mrs. Asha Mehra Independent Non-Executive Woman Director	01	Nil	Nil	01	4	Yes	NIL
Mr. Vijay Sood Managing Director (Upto 30-11-2016)	NA	NA	NA	NA	3@	Yes	NIL

comprises only Audit and Stakeholders Relationship Committee of public Ltd Company

@ Since Mr. Vijay Sood Managing Director of the Company was employed for part of the year. "NA" means information not available.

As per the Articles of Association of the Company, at least two third of the Board members shall be retiring directors, excluding the Independent directors. One third of such directors are required to retire every year and, if eligible, the retiring director qualifies for reappointment. In view of that, one director of the Company shall retire at every Annual General Meeting in terms of Articles of Association of the Company. Mr. Lalit Bhasin Director being longest in the office as director shall retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. In terms of Reg 36(3) of SEBI Listing Regulations, brief Resume of Director(s) to be appointed / reappointed, nature of their expertise in specific areas of business operations, directorships and committee memberships in other Companies, their shareholdings and relationships with other Board members are provided in the Notice convening the 30th Annual General Meeting of the Company.

Meeting of Independent Directors & their Performance Evaluation

In order to comply with the Reg 25(3) and (4) of the SEBI Listing Regulations and Sec 134 (p) of the Companies Act, 2013 during the year ended 31st March 2017, a meeting of Independent Directors of the Company was held on 10th February 2017, inter alia to discuss and evaluate:

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

In compliance of applicable provisions of Companies Act, 2013 and SEBI Listing regulations, the performance evaluation exercise was carried out in respect of various aspects of Board and its functions such as composition of committees, structure of Agenda and adequacy of information circulated through that, attendance of the members of various committees and their level of participation in the meetings etc. Performance of each individual directors were

carried out and same were apprised and evaluated on set parameters viz. time spent in meeting deliberations, commitment for the Company cause, involvement and contribution made thereof. The performance of the Chairperson of the Company was evaluated in terms of leadership qualities, and his ability in carrying forward the agenda through common view point along with all the stakeholders of the Company.

All the Independent directors of the Company in their meeting held on 10th feb 2017 carried out evaluation of the other non-Independent directors, Board of the Company as a whole, Chairperson of the company and system and procedures. View of others non-executive directors, were solicited while appraising and evaluating. Independent Directors expressed their satisfaction over the evaluation of others non Independent directors and Board of Directors as a whole

Familiarisation programme for Independent Directors

The programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarize them with the processes, businesses and functionalities of the Company and to assist them in performing their role as Independent director of the Company. The Company's Policy of conducting the Familiarisation programme and the details of Familiarisation programme imparted to Independent directors during 2017 have been disclosed on the website of the Company at http://www.hbstockholdings.com/corporate_governance

A slide show was organized relating to familiarization programme of the Company and it was displayed on the projector for the knowledge and updation of all the Independent directors of the Company. All the Independent Directors of the Company were present in the Meeting.

Board Committee(s)

As stipulated in SEBI Listing Regulations 2015, all mandatory Board Committees are in place as on 31st March 2017 and their constitution fully meets the requirements as per Companies Act, 2013 as amended. In terms of Regulation 26(1)(b), the number of Committees' (Audit Committee and Stakeholders Relationship Committee) shall only be counted in which a director



become member / Chairperson be counted for the limits as provided in the said Regulation. All the directors of the Company are holding Committee membership / Chairmanship within the limits specified in the Listing Regulations 2015. All the Independent Director(s) of the Company are holding Directorship in specified no. of companies and adhering the limits as mentioned in Reg 26(1) of the SEBI Listing Regulations 2015.

Each of the Committees has the authority to engage outside experts, advisors, and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the directors and placed before the Board meeting for taking a note thereat.

As per the SEBI Listing Regulations read with the Companies Act, 2013, the following Board Committees are presently in existence:-

(A) AUDIT COMMITTEE (AC) as per SEBI LODR Regulations 18

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulations 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015. The primary objective of Audit Committee is to oversighting the Company's financial reporting process with a view to ensure accurate, timely and sufficient and credible disclosures and transparency, integrity and quality of financial reporting. The present Audit Committee of the Company comprises of the following members:

1. Mr. Gulshan Rai, Chairman
2. Mr. Anil Goyal, Member
3. Mr. Harbans Lal, Member

Mr. Jag Mohan Lal Suri, Executive Director (Operations) and Mr. Vijay Sood, Managing Director (upto 30th November 2016) are the permanent invitee at the Audit Committee Meetings. In addition to that Internal and Statutory Auditor(s) of the Company regularly attends the Audit Committee Meeting(s) held by the Company, during the year under review.

All the members of Audit Committee are financially literate and have requisite qualification(s) for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls systems and procedures.

Role of the Audit Committee

As per Sec 177(4) of the Companies Act, 2013, read with SEBI LODR Regulations, 2015 present scope of Audit Committee has been specified hereunder:-

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

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

The Audit Committee shall have authority to investigate into any matter in relation to the items specified in sub-section (4) of Section 177 of the Companies Act 2013 or referred to it by the Board and for this purpose the committee shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

During the year under review, 4 (Four) Audit Committee Meeting(s) were held by the Company respectively on 28-05-2016, 08-08-2016, 11-11-2016 and on 10-02-2017. All Audit Committee Meeting(s) were attended by the Committee members (except Mr. Gulshan Rai who could not attend one meeting due to illness) as well as by the Internal and Statutory Auditors of the Company.

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

(B) NOMINATION AND REMUNERATION COMMITTEE (NRC):

While complying the Reg 19 of the SEBI Listing Regulations 2015 read with Sec 178(1) of the Companies Act, 2013, As on 31-03-2017, the Nomination and Remuneration Committee comprises of three directors, all of whom are Non- executive Independent

Director and Mr. Harbans Lal being the Chairman of the Committee. The following Independent Directors has constituted the Company's Nomination & Remuneration committee:-

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

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

- a. Lays down Criteria on which Independent Directors shall be judged.
- b. To identify persons who are qualified to become directors of the Company
- c. To recommend the appointment of Senior management position in accordance with the criteria laid down
- d. Formulate the criteria to determine, qualification, positive attributes and recommend candidate to the Board for appointment/ or re-appointment and removal of Directors and Independent Directors
- e. Evaluation of performance of all the Directors of the Company
- f. Reviewing and making recommendations to the Board on:
 - The remuneration of the Managing Director, Whole time director and KMPs
 - The total level of remuneration of Non-executive director and for individual remuneration for non-executive directors and the Chairman
 - The remuneration policies for all employees including base pay, incentive payments, equity awards, retirement rights and service contracts.

During the year ended 31st March-2017, A meeting of Nomination and Remuneration Committee was held on 10th February 2017. Necessary quorum was present in the Sole Nomination & Remuneration committee meeting which was attended by all the Committee members.

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

In order to comply Reg 20 of the SEBI Listing Regulations 2015 and Sec 178 of the Companies Act, 2013, the Board renamed its existing committee as Stakeholders Relationship Committee (SRC). The SRC comprises of three members namely. Mr. Harbans Lal, Mr. Anil Goyal and Mr. Vijay Sood (upto 30-11-2016). Mr. Harbans Lal Non-Executive Independent Director being the Chairman of the Committee and Secretary of the Company being the compliance officer.

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

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

The Stakeholders Relationship Committee meet 4 (Four) times during the year ended 31st March 2017 i.e. on 28-05-2016, 08-08-2016, 11-11-2016 and on 10-02-2017. All the Committee Meetings were attended by the members. The Chairman of the Committee was present at the last Annual General Meeting of the Company held on 7th September 2016.

Share Transfer System

Transfer of Shares are recorded in the Share Transfer Registers within a period of 15 days from the date of lodgement of documents for transfers, if the documents are not complete in all respects and not in order then promptly returned to the Investors by Registered / Speed Post. The authority for Transfer of Shares has been delegated to the Stakeholders Relationship Committee (SRC), which meets as frequently as the need be. However, when no meetings are in the offing then Mr. Anil Goyal, Director of the Company has been empowered by the Board of Directors to approve the Transfer of Shares up to 10,000 Equity Shares under one folio at a time when such requests accumulates for processing of Share Transfer between the two Meeting(s). The statistics of Share Transfers approved during the period under review as well as request for demat of shares processed are as under:

Transfer processing period	No of cases	No of Shares	% to Shares
1-15	114	9051	100%
16 & Above	0	0	0

Demat processing period	No of cases	No of Shares	% to Shares
1-15	446	42086	100%
16 & Above	0	0	0

The status of **Investor's Grievance Redressal** during the year 1-04-2016 to 31-03-2017 is as under:

Investors Query / Grievance received	Received	Disposed off
Investors	14	14
Stock Exchange(s)	02	02
SEBI	10	10
NSDL	00	00
Total	26	26

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

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

CSR Committee was constituted with the following members:-

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

Based on the previous year's average profits of the Company, an amount of Rs. 4.21.756 was due for expenses on the CSR activities during the year. No amount was spent on CSR activities. The Company is in the process of identification of a suitable project so that amount may be incurred. No CSR Committee meeting was held during the year ended 31st March-2017.

Vigil Mechanism / Whistle Blower Policy

As per Sec 177(9) & 10 of the Companies Act, 2013, read with Regulation 22 of SEBI Listing Regulations 2015 a Whistle Blower Policy was formulated by the Company in the year 2015 and the same was modified by Board in the Meeting held on 11th February 2016. The Policy shall deal with the Vigil Mechanism for its Employees and Directors to Report their genuine concerns and grievances in such manner as was prescribed. A Whistle Blower & Vigil Mechanism Policy has been placed on the website of the Company.

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

During the year under review no case was referred to the Audit Committee which falls under the preview of Whistle Blower Policy of the Company.

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

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

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

- The remuneration payable to Management Personnel presently working for the Company shall also be governed by the Company's HR Policy and terms of their employment finalised while joining with the Company.

Remuneration to Non-Executive Director(s)

All the Non-Executive Directors of the Company are remunerated by payment of sitting fees for each meeting of the Board and Committees thereof attended by them. During the year 01-04-2016 to 31-03-2017, Non-Executive Directors of the Company were paid remuneration as detailed below:

Director(s)	Relationship with other Director(s)	Sitting Fees (₹)	Salary & Perks (₹)	Commission, if any
Mr. Lalit Bhasin	N.A.	40,000	Nil	Nil
Mr. Gulshan Rai	N.A.	95,000	Nil	Nil
Mr. Harbans Lal	N.A.	1,03,000	Nil	Nil
Mr. Anil Goyal	N.A.	88,000	Nil	Nil
Mrs. Asha Mehra	N.A.	55,000	Nil	Nil

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

Remuneration to Managing Director

Salary and perquisites payable to Mr. Vijay Sood Managing Director, was as per the terms approved by the Board of Directors of the Company while re-appointing him in the current tenure which was Confirmed by the members of the Company in the 29th AGM held in 2016. The terms of employment of the Managing Director was contractual and Notice period or remuneration in lieu thereof of three months was stipulated. No severance fees were agreed upon in the terms of employment. Mr. Vijay Sood ceased to be Managing Director of the Company effective from 30th November 2016 hence remuneration payable has been spelt out accordingly and which was as under:-

Mr. Vijay Sood Managing Director ₹ 57,51,394/-

Besides, the remuneration mentioned herein above, Mr. Vijay Sood Managing Director was entitled to Gratuity and encashment of Leave at the end of his tenure, as per the rules of the Company. No stock options, Bonus, performance linked incentives and pensions etc. are offered / agreed upon was payable to Managing Directors of the Company for the year under review.

General Body Meetings

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

Year	Type	Location	Date	Time
2015-16	AGM	GIA House,	07-09-2016	11.00 A.M.
2014-15	AGM	I.D.C., Mehrauli Road,	09-09-2015	11.00 A.M.
2013-14	AGM	Opp.: Sector 14, Gurgaon -122 001	23-09-2014	11.00 A.M.

Special Resolution(s) passed, if any, in the previous 3 AGMs of the Company

Serial No(s)	Subject Matter(s)	Reference and Date of passing at the AGM
1.	For the following matter(s):- a) Alteration in the Nomenclature of the main Objects etc. of the Memorandum of Association of the Company b) Re-appointment of Mr. Vijay Sood as MD for Two years.	29 th AGM on 07-09-2017
2.	No Special Resolution(s) passed	28 th AGM on 09-09-2015
3.	For the following matter(s):- a) Variation in the terms of reappointment of Mr. JML Suri, Executive Director of the Company. b) Adoption of new set of Articles of Association c) Authorisation to the Board to borrow funds in excess of Paid up Capital and Free Reserve	27 th AGM on 23-09-2014

As per Rule 20 of the Chapter VII of the Companies Act, 2013 in the year 2015 and 2016, all the Resolution(s) were passed through E voting process. No Special Resolution in last three years was passed through Postal ballot. In the current year also no Resolution was proposed to be passed through Postal ballot.

Court Convened Meeting (CCM) of the Equity Shareholders:

By order dated September 16, 2016 in Company Petition No. 165 of 2016, passed by the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh, a meeting of the Equity Shareholders of the Company ("Court Convened Meeting") was held on Saturday, 03rd



December, 2016 at 11.00 A.M at GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram - 122 001 (Haryana), India, in the matter of "Approval to the Composite Scheme of Arrangement between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective members and creditors under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013". The resolution was duly approved with requisite majority of the Equity Shareholders of the Company.

The said resolution was also approved with requisite majority by the Public Equity Shareholders of the Company by way of Postal Ballot including e-voting pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and the SEBI Circular bearing No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Disclosures

I. Related Party Transactions

All the transactions undertaken with the related parties as defined under the Companies Act, 2013 and Regulation 23(3) of the SEBI Listing Regulations during the financial year are in the ordinary course of business and are on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year which were in conflict with interest of the company. Suitable disclosure as required by the Accounting Standards has been made in the notes to the financial statements.

The Board of Directors has approved a policy for Related Party Transactions and the same has been uploaded on the Company's website. www.hbstockholdings.com

- II. There were no materially significant Related Party Transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31-03-2017 (Refer Notes to Accounts – No.19.2) forming part of the Balance Sheet & Statement of Profit & Loss). Accordingly the same have not been reproduced here.
- III. No monetary penalty has been imposed on the Company or its officials or any strictures / comments have been passed by the Stock Exchange(s) or any other Statutory Regulatory Authority on any matter related to listing compliance(s) or Capital Market during the last year(s).
- IV. The company has adopted a Code of Conduct applicable to all the Directors and Senior Management personnel of the company and the same has been posted on the company's website www.hbstockholdings.com. During the year under review, all Directors and Senior Management personnel have confirmed their adherence to the provisions of said Code. A declaration to this effect on behalf of all the directors of the Company has been furnished by Mr. Anil Goyal, Director of the Company and the same is given at the end of Corporate Governance Report.
- V. Risk assessment and minimisation procedures are in existence and are reviewed periodically.
- VI. Mount Finance Limited, a Wholly Owned subsidiary company does not fall under 'Material Non Listed Subsidiary' in terms of Regulation 24 of the SEBI Listing Regulations 2015. However, the Financial Results and the Investments made by it, if any, are regularly placed before the Audit Committee Meeting and also before the Board of Directors of the Company for their review. A Policy for Material Subsidiary Company has been formed and the same has been hosted on the Company's web site at www.hbstockholdings.com
- VII. The Mr. Anil Goyal, Director, and Mr. Mahesh Gupta, the CFO have given their Certification on the review of financial statements, including cash flow, for the year ended 31.03.2017 to the Board of Directors for their review.
- VIII. The Company has been compliant with all the relevant Regulations of SEBI (LODR) Regulations, 2015 which are in regard to the appointment of Compliance Officer, Appointment of Registrar and Share Transfer Agent, preservation of documents etc. The Company executed fresh Listing Agreement as prescribed by the respective(s) the Stock Exchanges, fulfilled all Listing requirements' filing all relevant information(s) and documents with stock exchanges, an effective grievance redressal mechanism and payment of Listing fees and other relevant charges to stock exchanges and two depositories. Further, all mandatory requirements under Regulation 27 of SEBI Listing Regulations (relating to Corporate Governance norms) are being adhered to/ complied with and has been adopted by the company.

Means of Communication

- I. Quarterly unaudited financial results & Annual Audited Results are disseminated soon after the conclusion of Board Meeting through Stock Exchange announcements and also through Company's website through publication of financial results in Newspapers as per Regulation 33 of the SEBI Listing Regulations, 2015.
- II. Duly adopted Results are normally published in Newspapers, Business Standard, English edition; published in whole of India and Business Standard Hindi Edition, published in the vicinity of the Regd. Office of the Company
- III. Results (Unaudited & Audited) are promptly uploaded on Company's web site at www.hbstockholdings.com for display and for the information of the investors and members of the company.

- IV. Website maintained by the Company interalia displays all Press Releases which was sent to the Stock Exchange(s) and also other important information sent to Stock Exchange(s). As per SEBI Listing Regulations, no presentations were made to institutional investor's or to analyst.

GENERAL SHARE HOLDERS INFORMATION:

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

Day and Date	Time	Venue
Tuesday the 26 th September 2017	11.00 A. M.	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram-122 001 (Haryana)

- II. Financial Year : 1st April 2016 - 31st March 2017
- III. **Date of Book Closure: 20th September, 2017 to 26th September, 2017 (both days inclusive)**
- IV. Dividend Payment Date: Not Applicable
- V. Listing on Stock Exchange(s)
 - BSE Ltd., Mumbai
 - National Stock Exchange of India Ltd. Mumbai.
 The Company paid Listing fee to both the Stock Exchanges on time.
- VI. Stock Code
The Company's Scrip Code is as follows:
BSE , Mumbai **532216**
NSE, Mumbai **HBSTOCK**
- VII. Dematerialisation of Share and Liquidity
The trading in the Equity Shares of the Company has come under compulsory dematerialisation w.e.f. 27th November 2000 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29th May 2000.
The Company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) enabling their members and Investors for D materialisation of the Equity shares of the Company.
- VIII. The ISIN No. allotted to Equity Shares of the Company is **INE550B01014**.
As on 31-03-2017; **1,99,83,883 Equity Shares** constituting **83.99%** of the Company's Subscribed and Paid up Share Capital are held in dematerialised form.
- IX. Share Market Price : Monthly data of High, Low and Close price of Company's Equity Shares and Volume of shares traded during each month in the last financial year at BSE & NSE are as under:

Month(s)	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-16	9.02	7.21	7.76	25,389	8.75	7.20	8.15	31,061
May-16	8.90	7.40	7.51	32,616	8.95	7.25	7.60	36,145
Jun-16	9.75	7.30	9.30	28,056	9.75	7.00	9.05	41,000
Jul-16	12.65	8.73	11.62	1,22,900	12.75	8.80	11.60	1,80,331
Aug-16	13.30	10.87	11.50	2,17,349	13.30	10.90	12.15	1,67,744
Sep-16	12.35	10.36	11.38	1,66,135	13.30	10.55	11.55	79,330
Oct-16	18.50	11.28	16.81	6,69,193	18.50	10.90	16.65	7,13,604
Nov-16	17.35	12.56	15.95	1,13,508	17.95	12.65	15.55	1,58,822
Dec-16	23.00	14.10	16.15	3,87,831	23.00	14.10	16.20	13,26,004
Jan-17	20.50	16.10	16.45	1,05,527	20.55	15.50	16.40	2,39,475
Feb-17	19.85	16.00	16.90	1,00,672	19.55	16.05	16.35	1,83,339
Mar-17	17.50	15.60	16.30	53,380	17.90	15.55	16.50	1,19,747

- X. The Distribution of shareholders of the company as on 31st March 2017 is as under:

No of Shares	Shareholder(s)		Shareholding(s)	
	Nos.	% to total	Shares	% to total
1-500	67380	98.09	5410718	22.74
501-1000	700	1.02	543781	2.29
1001-2000	302	0.44	454239	1.91
2001-3000	99	0.14	250509	1.05
3001-4000	35	0.05	125409	0.53
4001-5000	46	0.07	211453	0.89
5001-10000	64	0.09	452396	1.90
10001 and above	68	0.10	16343713	68.69
TOTAL	68694	100.00	23792218	100.00



XI The category-wise distribution of Company's Shareholding as on 31st March, 2017 is as follows:

Category	No. of folios	No of Shares held	% of Shareholdings
A. PROMOTERS HOLDING			
➤ Indian Promoter	07	12661121	53.22
➤ Foreign Promoters	00	0	0.00
B. PUBLIC SHAREHOLDING			
➤ Mutual funds	08	8600	0.04
➤ FI/ Banks	05	20290	0.08
➤ Central Govt./ State/ President of India	00	0	0.00
➤ NBFC	01	100	0.00
➤ Bodies Corporate	218	2350212	9.88
➤ Clearing Members	53	57129	0.24
➤ NRI	564	295476	1.24
➤ Indian Public (having Nominal Capital upto Rs. 2.00 Lakhs)	67814	7406853	31.13
➤ Indian Public (having Nominal Capital over Rs. 2.00 Lakhs)	23	992437	4.17
GRAND TOTAL	68693	23792218	100.00

XII The Company has not issued any GDR's / ADR's / Warrants or any other such instruments outstanding for Conversion into Equity Shares.

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

(XIV) Registrar and Share Transfer Agent of the Company for Correspondence:

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

(XV) Company's Address for Correspondence:

The Company Secretary
HB Stockholdings Ltd.
 "HB House" Plot No: 31
 31, Echelon Institutional Area
Sector-32, Gurugram- 122 001
(Haryana)
 Email: corporate@hbstockholdings.com

AUDITORS' CERTIFICATE FOR CORPORATE GOVERNANCE

TO THE MEMBERS OF HB STOCKHOLDINGS LTD

- We have examined the compliance of conditions of Corporate Governance by **HB STOCKHOLDINGS LIMITED** ("the Company"), for the year ended on March 31, 2017, as stipulated in Regulation 17 to 27 and chapter IV clause (b) to (i) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement entered into by the Company with the Stock Exchange(s).
- 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 with the stock exchange.
- 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 Listing Agreement of the said Company.
- We state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. BHOLUSARIA & CO.
Chartered Accountants
 Firm Registration No.: 000468N

Sd/
AMIT GOEL
(PARTNER)
 Place : Gurugram
 Date : 26th May, 2017

Sd/
AMIT GOEL
(PARTNER)
 Membership No.: 092648

Director's Declaration on Code of Business Conduct

To
 The Members of
 HB Stockholdings Limited
 Gurugram

As provided under Regulation 26(3) of the SEBI Listing Regulation 2015 with the Stock Exchange(s) I, Anil Goyal, Director of the Company declare that all the members of the Board of Directors and Senior Management of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March 2017,

For HB Stockholdings Ltd
ANIL GOYAL
DIRECTOR
DIN 00001938

Place : Gurugram
Date : 26th May 2017



INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
HB STOCKHOLDINGS LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HB STOCKHOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of profit and loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 to the standalone financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company (Refer Note 33 to the standalone financial statements.)

**For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration No.: 000468N**

**Place : Gurugram
Dated : 26th May 2017**

**(AMIT GOEL)
PARTNER
(Membership No. 92648)**

Annexure – A to the Auditors' Report

The annexure referred to in Independent Auditor's Report to the members of the company on the standalone financial statements for the year ended on 31st March, 2017, We Report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b. As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. The Company does not have any immovable property.
2. As explained to us, inventories (Investments) have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. a. As explained to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the loans and investment made, to the extent applicable to the Company. As per the information and explanation given to us, the Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.
5. The Company has not accepted any deposits from the public.
6. The nature of the company's business/activities is such that maintenance of Cost Records under section 148(1) of the Act is not applicable to the company.
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Service Tax, Customs Duty, Excise Duty, Value added tax, Cess and other statutory dues to the extent and as applicable to the company have been generally regularly deposited by the company during the year with the appropriate authorities except for nonpayment of installments of advance tax. 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, 2017 for a period of more than six months from the date of becoming payable except for ₹ 43,20,000/- on account of advance tax installments for June and September, 2016 quarters.
- b. The disputed statutory dues aggregating to ₹ 74,70,854/- that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the statute	A.Y.	Nature of the Dues	Forum where Dispute is pending	Amount (₹)
1.	Income Tax Act, 1961	2001-02	Income Tax	Commissioner of Income Tax (Appeal)	38,55,091/-
2.	Income Tax Act, 1961	2007-08	Income Tax	Income Tax Appellant Tribunal	18,59,100/-
3.	Income Tax Act, 1961	2008-09	Income Tax	Assessing officer	1,73,453/-
4.	Income Tax Act, 1961	2010-11	Income Tax	Income Tax Appellant Tribunal	3,34,960/-
5.	Income Tax Act, 1961	2011-12	Income Tax	Income Tax Appellant Tribunal	7,49,990/-
6.	Income Tax Act, 1961	2013-14	Income Tax	Commissioner of Income Tax (Appeal)	2,68,490/-
7.	Income Tax Act, 1961	2014-15	Income Tax	Commissioner of Income Tax (Appeal)	2,29,770/-
				TOTAL	74,70,854/-



8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
10. In our opinion and according to the information and explanation given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is required to be registered under section 45-IA of the Reserve bank of India Act, 1934 and such registration has been obtained by the Company.

For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration No.: 000468N

Place : Gurugram
Dated : 26th May 2017

(AMIT GOEL)
PARTNER
(Membership No. 92648)

Annexure – B to the Auditors’ Report

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

We have audited the internal financial controls over financial reporting of HB Stockholdings Limited (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration No.: 000468N

Place : Gurugram
Dated : 26th May 2017

(AMIT GOEL)
PARTNER
(Membership No. 92648)



BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note(s)	AS AT 31st March 2017 (In ₹)	AS AT 31st March 2016 (In ₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	243353823	243353823
Reserves and Surplus	3	1223356996	1117147837
		1466710819	1360501660
Non-Current Liabilities			
Long Term Provisions	4	35989950	43286616
		35989950	43286616
Current Liabilities			
Other Current Liabilities	5	3839785	4505372
Short Term Provisions	6	29041300	40272431
		32881085	44777803
		1535581854	1448566079
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	7	1882227	2480782
Non-current investments	8	953916333	976390613
Long term loans and advances	9	34676784	34676784
		990475344	1013548179
Current Assets			
Current investments	8	140439895	33536588
Cash and Bank Balances	10	44303524	11685976
Short-Term Loans and Advances	11	353145585	380488842
Other Current Assets	12	7217506	9306494
		545106510	435017900
		1535581854	1448566079
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 35			

The accompanying notes form an integral part of the Standalone financial statements As per our Report of even date

For P. Bholusaria & Co. For and on behalf of the Board
Chartered Accountants
FRN : 000468N

AMIT GOEL ANIL GOYAL LALIT BHASIN
Partner Director Chairman
Membership No.: 092648 DIN 00001938 DIN 00002114

Place : Gurugram ANIL KUMAR MITTAL MAHESH KUMAR GUPTA
Date : 26th May, 2017 Company Secretary Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note(s)	Year Ended 31st March, 2017 (In ₹)	Year Ended 31st March, 2016 (In ₹)
Revenue from operations	13	149715800	38427066
Other Income	14	2057178	0
Total Revenue		151772978	38427066
Expenses:			
Employee Benefit Expense	15	14650062	15062606
Depreciation	7	598555	744163
Other Expenses	16	16546208	12233489
Contingent Provision against Standard Assets		91792	312863
Total Expenses		31886617	28353121
Profit for the year before Tax		119886361	10073945
Tax expense:			
Current tax		13700000	600000
Tax adjustments for earlier years		(22798)	618225
Profit for the year after Tax		106209159	8855720
Exceptional Items		0	0
Profit after Tax and Exceptional Items		106209159	8855720
Earning per equity share: 26			
Equity share of Par value ₹ 10/-each			
Basic and Diluted		4.46	0.37
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS 1 to 35			

The accompanying notes form an integral part of the Standalone financial statements As per our Report of even date

For P. Bholusaria & Co. For and on behalf of the Board
Chartered Accountants
FRN : 000468N

AMIT GOEL ANIL GOYAL LALIT BHASIN
Partner Director Chairman
Membership No.: 092648 DIN 00001938 DIN 00002114

Place : Gurugram ANIL KUMAR MITTAL MAHESH KUMAR GUPTA
Date : 26th May, 2017 Company Secretary Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	(Amount in ₹) Year Ended 31st March, 2017	(Amount in ₹) Year Ended 31st March, 2016
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	119886361	10073945
Adjustment for :		
Depreciation	598555	744163
Contingent Provision against Standard Assets	91792	312863
Interest income on FDR	(2057178)	0
Operating Profit before Working Capital Changes	118519530	11130971
Adjustment for :		
Trade, other Receivables and loans & advances	33519475	(30405350)
Investments	(115305580)	16723890
Current and Non-current Liabilities	(1508625)	(285200)
Cash Generated from operation	35224802	(2835689)
Income tax paid	(4656840)	(1218225)
Net Cash from Operating Activities	30567962	(4053914)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of Fixed Assets	0	(11813)
Interest income of FDR	2057178	0
Net Cash used in Investing Activities	2057178	(11813)

	(Amount in ₹) Year Ended 31st March, 2017	(Amount in ₹) Year Ended 31st March, 2016
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash used in Financing Activities	0	0
Net Increase in Cash & Cash Equivalents (A+B+C)	32625140	(4065727)
Cash and Cash Equivalents (Opening Balance)	9303500	13369227
Cash and Cash Equivalents (Closing Balance)	41928640	9303500
Components of cash and cash equivalents at the end of the year		
Balances with Banks		
-In Current and Deposit accounts	21421050	9188572
- Cheques / Drafts on hand	20000000	1900
Cash-on-Hand	507590	113028
	41928640	9303500

The accompanying notes form an integral part of the Standalone financial statements As per our Report of even date

For P. Bholusaria & Co. For and on behalf of the Board
Chartered Accountants
FRN : 000468N

AMIT GOEL ANIL GOYAL LALIT BHASIN
Partner Director Chairman
Membership No.: 092648 DIN 00001938 DIN 00002114

Place : Gurugram ANIL KUMAR MITTAL MAHESH KUMAR GUPTA
Date : 26th May, 2017 Company Secretary Chief Financial Officer



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

COMPANY OVER VIEW

The Company is public limited company incorporated and domiciled in India having its registered office at Gurgaon, India. The Company is a Non-banking financial company- Non-Systemically important Non-Deposit taking Company registered with Reserve Bank of India. The equity shares of the Company are listed at Bombay Stock Exchange and National Stock Exchange in India.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

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

1.2 USE OF ESTIMATES

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

1.3 REVENUE RECOGNITION

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

1.4 FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

1.5 DEPRECIATION

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

1.6 INVESTMENTS

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

1.7 EMPLOYEE BENEFITS

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

1.8 TAXATION

Tax expenses for the year comprises of Current tax and deferred tax charge or credit. The deferred Tax Asset and deferred Tax Liability is calculated by applying tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax law are recognised only if there is virtual

certainty of its realisation. Other deferred tax assets are recognised only to the extent there is a reasonable certainty of realisation in future. Deferred Tax Assets/Liabilities are reviewed at each balance sheet date based on development during the year, further future expectations and available case laws to reassess realisation/ liabilities.

1.9 IMPAIRMENT OF FIXED ASSETS

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

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

1.10 CONTINGENCIES:

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

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2017

2. SHARE CAPITAL

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
AUTHORIZED		
7,00,00,000 (7,00,00,000) Equity Shares of ₹10/- each.	700000000	700000000
3,00,00,000 (3,00,00,000) Redeemable Preference Shares of ₹10/- each	300000000	300000000
	1000000000	1000000000
ISSUED		
2,54,43,257 (2,54,43,257) Equity Shares of ₹10/- each.	254432570	254432570
	254432570	254432570
SUBSCRIBED & PAID UP		
2,37,92,218 (2,37,92,218) Equity Shares of ₹10/- each fully paid up.	237922180	237922180
Add: Forfeited shares- 16,51,039 (16,51,039) Equity Shares (Amount originally paid up)	5431643	5431643
	243353823	243353823

- Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of ₹ 10/. Each holder of Equity Shares is entitled to One vote per share.
- Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2017 & 31st March, 2016 is as under:

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	23792218	237922180	23792218	237922180
Number of shares at the end	23792218	237922180	23792218	237922180

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

Name of shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Delhi Iron & Steel Co. Pvt. Ltd.	1197402	5.03	-	-
Lalit Bhasin	12262307	51.54	12262307	51.54

- The dividend Proposed, if any, by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.
- In the event of the Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



3. RESERVE AND SURPLUS

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Securities Premium Reserve-opening balance	999689069	999689069
Add: Addition during the year	0	0
	999689069	999689069
Statutory Reserve -Opening balance *	158774968	157003824
Add: Transferred from Surplus	21241832	1771144
	180016800	158774968
Surplus -opening balance	(41316200)	(48400775)
Add: Net Profit after tax transferred from Statement of Profit & Loss	106209159	8855720
	64892959	(39545056)
Less: Transferred to Statutory Reserve	21241832	1771144
Surplus-Closing balance	43651127	(41316200)
	1223356996	1117147837

(*) 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 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Provisions For Employee Benefits		
Leave encashment	377986	1229965
Others		
Diminution in value of Long term/Non current Investments	35490595	41952621
Contingent provision against standard Assets	121369	104030
	35989950	43286616

5. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Unpaid Dividends *	2374884	2382476
Expenses Payable	1371697	1667676
TDS Payable	93204	455220
	3839785	4505372

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

6. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Provisions For Employee Benefits		
Leave encashment	317173	308232
Others		
Income Tax	13700000	600000
Sub Standard & Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	3853831	28268356
Contingent Provision against Standard Assets	1170296	1095843
	29041300	40272431

7. FIXED ASSET

(Amount in ₹)

Sr. No	Particulars	Gross Block			As at 31.03.2017	Depreciation			Net Block		
		As at 01.04.2016	Addition during the year	Deduction during the year		up to 31.03.2016	For the year	Deduction/ Adjustments during the year	Total up to 31.03.2017	As on 31.03.2017	As on 31.03.2016
	Tangible Assets										
1	Vehicles	6336277	0	0	6336277	3933175	567063	0	4500238	1836039	2403102
2	Office Equipment	2045573	0	0	2045573	2015559	7810	0	2023369	22204	30014
3	Data Processing Machine	499309	0	0	499309	483503	9683	0	493186	6123	15806
4	Air conditioners	718555	0	0	718555	686695	13999	0	700694	17861	31860
	Total	9599714	0	0	9599714	7118932	598555	0	7717487	1882227	2480782
	(Previous Year)	16243744	11813	6655843	9599714	6374769	744163	6655843	7118932	2480782	3213132

8. INVESTMENTS

Name of the Company	Face Value	As at 31st March, 2017		As at 31st March, 2016	
	(₹)	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹
NON CURRENT INVESTMENTS					
(LONG TERM INVESTMENTS)					
A. TRADE INVESTMENTS (QUOTED)					
INVESTMENT IN EQUITY INSTRUMENTS					
-FULLY PAID UP EQUITY SHARES					
DCM SHRIRAM INDUSTRIES LIMITED	10	3894846	437339770	4346615	488067462
HB ESTATE DEVELOPERS LTD.	10	1465608	24900104	1465608	24900104



Name of the Company	Face Value	As at 31st March,2017		As at 31st March,2016	
	(₹)	Qty.(Nos.)	Amount in ₹	Qty.(Nos.)	Amount in ₹
JAI PRAKASH ASSOCIATES LIMITED	2	4029367	36081316	3418367	27138404
RRB SECURITIES LIMITED *	10	100000	10000000	100000	10000000
TOTAL (A) (TRADE INVESTMENTS)		9489821	508321190	9330590	550105970
B. NON TRADE INVESTMENTS (UNQUOTED)					
B.1 INVESTMENT IN EQUITY INSTRUMENTS					
-FULLY PAID UP EQUITY SHARES					
- IN WHOLLY OWNED SUBSIDIARY COMPANIES					
MOUNT FINANCE LIMITED	10	830006	8300060	830006	8300060
- IN ASSOCIATE COMPANIES					
TAURUS ASSET MANAGEMENT CO LIMITED.	10	3406500	58815250	3028000	38754750
- IN OTHER COMPANIES					
TAURUS INVESTMENT TRUST CO LIMITED	10	15430	155458	15430	155458
HB TELECOMMUNICATION LIMITED	10	100	1000	100	1000
HB INSURANCE ADVISORS LIMITED	10	15000	150000	15000	150000
HARSAI INVESTMENTS LIMITED	10	200000	2000000	200000	2000000
Q R PROPERTIES PVT LIMITED	10	4500	45000	4500	45000
SOVIKA AIRLINE SERVICES LIMITED	10	400000	12000000	400000	12000000
HB PRIMA CAPITAL LIMITED	10	45000	1128375	45000	1128375
-EQUITY SHARE APPLICATION					
HB INSURANCE ADVISORS LTD	10	260000	2600000	260000	2600000
FALCON PORTFOLIO MANAGEMENT PRIVATE LIMITED	10	-	-	75000	750000
TOTAL (B.1)		5176536	85195143	4873036	65884643
B.2 INVESTMENT IN PREFERENCE SHARES					
FULLY PAID-UP REDEEMABLE PREFERENCE SHARE (UN-QUOTED)					
HB ESTATE DEVELOPERS LTD.(9% NON CUMULATIVE)	100	750000	75000000	750000	75000000
HB GROWTH FUND LIMITED (3% NON CUMULATIVE)	10	50000	500000	50000	500000
HB SECURITIES LIMITED (6% CUMULATIVE)	1000	10000	10000000	10000	10000000
HB TELECOMMUNICATION LIMITED (3% NON CUMULATIVE)	10	40000	400000	40000	400000
GEMINI PORTFOLIOS PVT. LTD (9% NON CUMULATIVE)	100	500000	50000000	500000	50000000
PREFERENCE SHARE APPLICATION (UNQUOTED)					
HB GROWTH FUND LTD (9% NON CUMULATIVE)	100	685000	68500000	685000	68500000
NARMADA CAPITAL SERVICES PVT LTD (9% CUMULATIVE)	100	435000	43500000	435000	43500000
FALCON PORTFOLIO MANAGEMENT PVT LTD.(9% NON CUMULATIVE)	100	1125000	112500000	1125000	112500000
TOTAL (B.2)		3595000	360400000	3595000	360400000
TOTAL (B) (NON TRADE INVESTMENTS) (B.1+B.2)		8771536	445595143	8468036	426284643
TOTAL (A+B)-NON CURRENT/LONG TERM INVESTMENTS		18261357	953916333	17798626	976390613
CURRENT INVESTMENTS					
(A) INVESTMENTS IN EQUITY INSTRUMENTS					
a) QUOTED,FULLY PAID UP EQUITY SHARES					
AMRIT CORPORATION LIMITED	10	400	5600	400	5600
ARVIN LIQUID GASES LIMITED*	10	10000	182500	10000	182500
ASHOK LEYLAND LIMITED	1	200	7603	200	7603
BHARAT HOTELS LIMITED	10	300	6752	300	6752
CIBA INDIA LIMITED	10	50	500	50	500
CLARIS LIFESCIENCE LIMITED	10	4000	1336520	----	----
COAL INDIA LIMITED	10	3250	995685	----	----
DOLPHIN OFFSHORE ENTERPRISES I LIMITED	10	10000	1166901	10000	1166901
DCM SHRIRAM LIMITED	2	17500	3755450	----	----
DESIGN AUTO SYSTEMS LIMITED*	10	----	----	671400	3953867
DIGITAL WORLD INDIA LIMITED*	10	----	----	162400	3136228



Name of the Company	Face Value	As at 31st March,2017		As at 31st March,2016	
	(₹)	Qty.(Nos.)	Amount in ₹	Qty.(Nos.)	Amount in ₹
HINDUSTAN ENGINEERING & INDS. LTD.*	10	108	147220	108	147220
HARYANA PETROCHEMICALS LIMITED*	10	9050	212192	9050	212192
HB ESTATE DEVELOPERS LIMITED	10	150000	1500000	150000	1500000
HB LEASING & FINANCE CO LIMITED	10	43200	1186050	43200	1186050
HB PORTFOLIO LIMITED	10	100000	1000000	100000	1000000
HINDUSTAN OIL EXPPLORATION COMPANY LIMITED	10	216	25684	216	25684
HOTLINE GLASS LIMITED*	10	166382	552770	166382	552770
HOTLINE TELETUBE & COMPONENTS LIMITED*	10	----	----	344400	9751268
ICP SECURITIES LIMITED*	10	1800	18000	1800	18000
ISPAT PROFILES INDIA LIMITED*	10	10000	235020	10000	235020
JP POWER VENTURES LTD.	10	400000	2859983	400000	2859983
KIRAN OVERSEAS EXPORTS LIMITED*	10	10000	335000	10000	335000
LCC INFOTECH LIMITED*	2	56300	387984	56300	387984
LUNAR DIAMONDS LIMITED*	10	21000	439065	21000	439065
MMTC LIMITED	1	50000	2510510	----	----
NMDC LIMITED	1	20000	2492643	----	----
NAHAR POLYFILMS LIMITED	5	444	17643	444	17643
NUCHEM LIMITED*	10	64755	168363	64755	168363
ORISSA EXTRUSIONS LIMITED*	10	10728	21456	10728	21456
ORINTAL BANK OF COMMERCE	10	100	12745	100	12745
OIL INDIA LTD.	10	3000	985983	----	----
ORKAY INDUSTRIES LIMITED*	10	----	----	135650	3152053
PATHREJA FORGINGS LIMITED*	10	1000	19326	1000	19326
PRISM MILLS LIMITED*	10	10000	187500	10000	187500
PUNJAB WIRELESS LIMITED*	10	100	6100	100	6100
RAMA VISION LIMITED*	10	18300	553061	18300	553061
RELIANCE INDUSTRIES LTD.	10	1100	1161099	----	----
RELIANCE CAPITAL LIMITED	10	4	1910	4	1910
SAJJAN UDYOG EXPORTS LIMITED*	10	23600	590000	23600	590000
SAVANI FINANCIALS LIMITED*	10	7000	140000	7000	140000
SHREYANS INDUSTRIES LIMITED*	10	5600	96873	5600	96873
SRI VASAVI INDUSTRIES LIMITED*	10	10890	584631	10890	584631
STEEL EXCHANGE OF INDIA LTD.	10	121	4060	121	4060
GLOBAL STONE INDIA LIMITED*	10	2000	34000	2000	34000
SUMMIT SECURITIES LTD.	10	6	1494	6	1494
U P HOTELS LIMITED*	10	45697	10209940	1900	136630
VEDANTA LTD.	1	4250	978775	----	----
TOTAL (a)		1292451	37134591	2459404	32838032
b) UNQUOTED, FULLY PAID UP EQUITY SHARES					
KESORAM TEXTILE LIMITED	10	172	4161	172	4161
TOTAL (b)		172	4161	172	4161
c) UNQUOTED PARTLY PAID UP EQUITY SHARES					
RATHI ALLOYS & STEELS LIMITED	10	46293	694395	46293	694395
TOTAL (c)		46293	694395	46293	694395
TOTAL- A (a+b+c)		1338916	37833147	2505869	33536588
(B) INVESTMENTS IN MUTUAL FUND					
UNQUOTED MUTUAL FUND- FULLY PAID UP					
RELIANCE LIQUID FUND- TRASURY PLAN- DAILY DIVIDEND	10	67119	102606748	----	----
TOTAL (B)		67119	102606748	0	0
TOTAL- CURRENT INVESTMENTS (A+B)		1406035	140439895	2505869	33536588

* Listed but not quoted



NOTES	Non Current / Long Term Investments		Current Investments	
	As at March 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016
8.1 Aggregate Amount of Quoted Investments	508321190	550105970	37134591	32838032
8.2 Market Value of Quoted Investments	1285342467	567298308	33979315	5268231
8.3 Aggregate Amount of Unquoted Investments	445595143	426284643	103305304	698556
8.4 Aggregate Provision for Diminution in Value of Investments	35490595	41952621	3853831	28268356
8.5 Provision for diminution in the value of investments is charged in the statement of Profit & Loss and shown correspondingly under the head "Provisions" in the Balance sheet without showing it as deduction from the value of investments. This is being done in compliance with "Non-Banking Financial Company- Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions,2016. It has no impact on the Profit for the year and also on the net carried amount of the investments.The Net carrying value of investments are as under-				

	Non Current/Long Term Investments		Current Investments	
	As at March 31,2017	As at March 31,2016	As at March 31,2017	As at March 31,2016
Gross Amount of Investments	953916333	976390613	140439895	33536588
Less: Provision for Diminution in the Value of Investments	35490595	41952621	3853831	28268356
Net Carrying Value	918425738	934437992	136586064	5268231

8.6 The Detail of Diminution in the value of Non-Current/Long Term Investments where the net Carrying Amount is other than at Cost (i.e at cost Less Provision for diminution other than temporary diminution) are as under:

Name of Investment	Amount in ₹	
	As at March 31,2017	As at March 31,2016
Equity Shares		
RRB Securities Limited	8500000	8500000
HB Prima Capital Limited	1128375	1128375
HB Estate Developers Ltd.	9511220	14201166
HB Telecommunication Ltd	1000	1000
HB Insurance Advisor Limited	150000	150000
Jaiprakash Associates Ltd	0	1022080
Sovika Airline Services Limited	11600000	11600000
Harsai Investments limited	2000000	2000000
Equity Share Application		
HB Insurance Advisor Ltd	2600000	2600000
Falcon Portfolio Management Private Limited.	0	750000
Total	35490595	41952621

9. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
(Unsecured,Considered Good, unless otherwise stated)-Standard		
Security Deposits *	34676784	34676784
	34676784	34676784

*Includes Rental Deposits given to related Party namely HB Estate Developers Ltd. ₹ 3,45,00,000/- (Previous Year ₹ 3,45,00,000/-). Also refer to Note no. 19

10. CASH AND BANK BALANCES

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Cash & Cash equivalents		
Balances with Banks		
-In Current Accounts	21421050	9188572
- Cheques / Drafts on hand	20000000	1900
Cash-on-Hand	507590	113028
Other Bank balances		
- In Earmarked Unpaid Dividend Account	2374884	2382476
	44303524	11685976

11. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Unsecured,Considered Good,Unless otherwise stated:		
Advance to Related Parties*	620397	2780856
Others		
Inter Corporate Loans & Deposits (including loans to LLPs) -Standard	318750000	332500000
Inter Corporate Loans & Deposits -Doubtful	10000000	10000000
Advance against Property-Standard	15000000	30000000
Recoverable From Staff	45000	56880
Prepaid Expenses	324513	247209
Income Tax/Tax deducted at source	8405675	4903897
	353145585	380488842

* To RRB Master Securities (Delhi) Ltd.-Also Refer to Note No. 19

12. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Interest accrued on loans / Inter Corporate Deposits	7217506	9306494
	7217506	9306494

13. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2017 (In ₹)	For the Year ended 31st March, 2016 (In ₹)
Profit/(Loss) in Securities dealing/Equity derivative trading	301192	(1909697)
Profit/(Loss) on sale/disposal of investments (1)	52474152	(12344865)
Provision for diminution in value of investments written back/(made) (2)	30876551	5403769
Interest on Loans / Inter Corporate Deposit (Tax deducted at Source ₹ 38,73,921/- (Previous Year ₹ 39,51,503/-))	37659199	42875015
Dividend Income (Gross)	28404706	4402844
	149715800	38427066

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

- (1) Profit/(Loss) on Sale/Disposal of Investments includes Loss of ₹ 18679565/- (Previous Year Loss ₹ 3,53,496/-) on Current Investments and Profit of ₹ 71153717/- (Previous Year Loss ₹ 1,19,91,369/-) on Non current/Long Term Investments.
- (2) Provision for diminution in value of Investments written back include ₹462026/- provision written back (previous year ₹ 79,99,176/-written back) in respect of Non Current/Long Term Investments and ₹ 24414525/- provision written back (Previous Year provision made ₹ 25,95,407/-) in respect of Current Investments .
- (3) Dividend Income includes ₹ 28015575/- (Previous Year ₹ 43,46,615/-) on Long Term/Non current Investments and ₹ 389131/- (Previous year ₹ 56,229/-) on Current Investments.

14. OTHER INCOME

Particulars	For the Year ended 31st March, 2017 (In ₹)	For the Year ended 31st March, 2016 (In ₹)
Interest Income on Fixed Deposit with Bank (Gross) (Tax deduction at Source Rs. 2,05,718/- Previous Year Nil)	2057178	0
	2057178	0

15. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2017 (In ₹)	For the Year ended 31st March, 2016 (In ₹)
Salaries and Benefits	11416211	14480909
Contribution to Provident fund and superannuation fund	463864	485314
Gratuity	2631945	(57338)
Staff welfare	138042	153721
	14650062	15062606

16. OTHER EXPENSES

Particulars	For the Year ended 31st March, 2017 (In ₹)	For the Year ended 31st March, 2016 (In ₹)
Rent/Facility Charges	1259539	1341598
Vehicle Running and Maintenance	973476	771963
Insurance	84573	81619
Communication	1699661	938415
Travelling and Conveyance	2599778	2771423
Printing and Stationery	3127065	1223396
Office Repairs and Maintenance	177576	214279
Depository and custodial	135715	88084
Subscription and Membership	255787	246698
Legal and Professional	3311469	2076865
Advertisement & Publicity	354287	251603
Listing Fees	458000	359552

Business Promotion		909733		947432
Miscellaneous		241963		201992
Auditors Remuneration				
-Audit Fees	172500		171750	
-Tax Audit Fees	28750		28625	
-Limited Review Reports	34500		34250	
- Income Tax matters	40250		0	
-Certification and others	81377	357377	58531	293156
Directors Sitting Fees		600209		425414
		16546208		12233489

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

- (a) Income Tax demand disputed ₹ 81,62,724/- (Previous year ₹ 79,32,954/-) against which appeals are pending with appropriate authorities and in respect of which the management is confident that appeals will be decided in favour of the company.

18. QUANTITATIVE DETAILS

Quantitative information in respect of Investments in securities:

A. Non Current/Long Term Investments
EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty.(Nos.)	Amount (₹)
Opening Balance	14203626	615990613	15528563	634100499
Purchases/conversions	1839500	29003412	0	0
Sales/conversions	1376769	122631410	1324937	6118517
Closing Balance	14666357	593516333	14203626	615990613

PREFERENCE SHARES

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

B. CURRENT INVESTMENTS
EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty.(Nos.)	Amount (₹)
Opening Balance	2505869	33536588	2219045	36811861
Purchases/conversions	146897	24289974	423621	4773444
Sales/conversions	1313850	1313850	136797	7695221
Closing Balance	1338916	37833147	2505869	33536588

DEBENTURES

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

MUTUAL FUNDS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty.(Nos.)	Amount (₹)
Opening Balance	0	0	0	0
Purchases/conversions	68754	105106748	0	0
Sales/conversions	1635	2500000	0	0
Closing Balance	67119	102606748	0	0



19 RELATED PARTY TRANSACTIONS

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

- a) Associate
 - 1. Taurus Assets Management Company Limited
- b) Key Managerial Personnel
 - 1. Shri Vijay Sood, (Managing Director upto 30.11.2016)
 - 2. Shri J.M.L.Suri, (Executive Director upto 31.05.2016)
 - 3. Shri Anil Kumar Mittal, Company Secretary
 - 4. Shri Mahesh Kumar Gupta, Chief Financial Officer
- c) Person having control/significant influence /major shareholders
 - 1. Shri Lalit Bhasin
- d) Enterprises over which control/significant influence exist of the relatives of persons mentioned in(c) above :-
 - 1. RRB Master Securities Delhi Ltd.
- e) Enterprises under direct or indirect common control/significant influence:
 - 1. HB Portfolio Ltd.
 - 2. HB Estate Developers Ltd.
 - 3. HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)

19.2 Transactions during the financial year ended 31.03.2017 with related Parties as under.

Sr. No.	Nature of Transaction	Related Party Referred in (a) above	Related Party Referred in (b) above	Related Party Referred in (c) above	Related Party referred in (d) above	Related Party referred in (e) above
1	Advances given (net)	Nil	Nil	Nil	620397	Nil
		Nil	Nil	Nil	(2682056)	Nil
2	Rent/Facility Charges Paid	Nil	Nil	Nil	Nil	989714
		Nil	Nil	Nil	Nil	(980898)
3	Margin /Advances paid & received back	Nil	Nil	Nil	10061650	Nil
		Nil	Nil	Nil	(52981448)	Nil
4	Dividend Received	Nil	Nil	Nil	Nil	50000
		Nil	Nil	Nil	Nil	50000
5	Sitting Fee Paid	Nil	Nil	40000	Nil	Nil
		Nil	Nil	(40000)	Nil	Nil
6	Depository Charges	Nil	Nil	Nil	Nil	15490
		Nil	Nil	Nil	Nil	(2209)
7	Remuneration & Other Services	Nil	11133824	Nil	Nil	Nil
		Nil	(11230948)	Nil	Nil	Nil
8	Purchase of Investment through them	Nil	Nil	Nil	21823056	Nil
		Nil	Nil	Nil	(4026884)	Nil
9	Subscription for Shares	20060500	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	Nil	Nil
10	Sale of Investment through them	Nil	Nil	Nil	Nil	Nil
		Nil	Nil	Nil	(6856918)	Nil
11	Net Turnover of Derivative Trading	Nil	Nil	Nil	301192	Nil
		Nil	Nil	Nil	(1909697)	Nil
12	Outstanding as on 31.03.2017					
	- Receivables in respect of Loans & Advances.	Nil	Nil	Nil	620397	34500000
		(Nil)	(Nil)	(Nil)	(2780856)	(34500000)

20. SEGMENT REPORTING

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

21. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15

Defined Contribution Plan

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

Particulars	Current Year	Previous Year	Head under which shown in Statement of Profit & Loss Account
	Amount (₹)	Amount (₹)	
Contribution to Provident Fund	3,28,864/-	3,50,314/-	Contribution to Provident fund and superannuation fund
Contribution to superannuation fund	1,35,000/-	1,35,000/-	Contribution to Provident fund and superannuation fund

Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	22,48,740/-	21,31,418/-	15,38,197/-	14,44,008/-
Interest Cost (B)	1,68,656/-	1,70,513/-	1,15,365/-	1,15,521/-
Current service cost (C)	1,34,617/-	92,887/-	43,200/-	1,40,833/-
Benefits paid (D)	27,02,885/-	Nil/-	7,76,868/-	70,180/-
Actuarial loss/ (gain) on obligation (E)	25,26,521/-	(1,46,078/-)	(2,24,735/-)	(91,985/-)
Present value of obligations as at the end of the year (F=A+B+C-D+E)	23,75,649/-	22,48,740/-	6,95,159/-	15,38,197/-

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

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	23,75,649/-	22,48,740/-	6,95,159/-	15,38,197/-
Estimated fair value of plan assets (B)	24,74,064/-	22,66,215/-	Nil	Nil
Net Liability (Assets) (C=A-B)	(98,415/-)	(17,475/-)	6,95,159/-	15,38,197/-
Amounts in the Balance Sheet				
Liabilities (Assets)	(98,415/-)	(17,475/-)	6,95,159/-	15,38,197/-
Amount charged to Statement of Profit & Loss				
Current Service Cost	1,34,617/-	92,887/-	43,200/-	1,40,833/-
Interest Cost	1,68,656/-	1,70,513/-	1,15,365/-	1,15,521/-
Expected Return on Plan Asset	(1,69,966/-)	(1,74,660/-)	Nil	Nil
Actuarial(Gain)/Loss	25,08,638/-	(1,46,078/-)	(2,24,735/-)	(91,985/-)
	26,41,945/-	(57,338/-)	(66,170/-)	1,64,369/-
Head under which shown in the Profit & Loss account	Gratuity		Salary & benefits	

The Actual Return on Plan Assets is as follows

Particulars	Gratuity	
	Current Year	Previous Year
Actual return on plan assets	1,69,966/-	1,74,660/-

Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	7.50%	8%
Expected Rate of Return on Plan Assets	7.50%	9%
Salary Escalation Rate	5%	6%

A reconciliation of the opening and closing balances of the fair value of plan assets :

Sl. No.	Particulars	Gratuity	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	22,66,215/-	20,85,834/-
i)	Expected Return on Plan Assets	1,69,966/-	1,74,660/-
ii)	Actuarial Gains / (Losses)	17,883/-	Nil
iii)	Contribution by the Employer	20,000/-	5,721/-
iv)	Benefits Paid	Nil	Nil
	Closing Fair Value of Plan Assets	24,74,064/-	22,66,215/-

22. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD AS-19 FOR LEASES: -
Operating Lease

- a) Particulars of the minimum lease payments under Operating Lease:-
 Not Later than One year ₹ 12,61,332/- (Previous Year ₹12,44,124/-)
 Later than one year but not Later than five years ₹ 22,575/- (Previous Year ₹12,65,624/-)
 Later than five years ₹ Nil (Previous Year ₹ NIL)
- b) Minimum lease payments recognised in the statement of profit & loss account during the year ended 31st March 2017 is ₹ 12,59,539/- (Previous Year ₹ 13,41,598/-).
- c) General description of the lease arrangement.
 The lease is for an initial period of 3 years, which may be renewed for further period as may be mutually agreed upon.
 Restrictions imposed by lease arrangement:-
 - The Lessee shall not sublet or otherwise part with possession of a part or whole of the premise without the previous consent in writing of the lessor.
 - The lessee shall use the premises for commercial purposes only.

23. 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, 2017 and 31st March, 2016.

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

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

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

(Amount in ₹)

S. No.	Particulars	Outstanding Balance as on 31.03.2017	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2016	Max. Balance outstanding during the previous Year
i.	Loans & Advances in the nature of loans to subsidiary.	Nil	Nil	Nil	Nil
ii.	Loans & Advances in the nature of loans to Associates.	Nil	Nil	Nil	Nil
iii.	Loans & Advances in the nature of loans where there is no repayment schedule, no interest or interest below Section 186 of the Companies Act, 2013	Nil	Nil	Nil	Nil
iv.	Loans & Advances in the nature of loans to firms/ companies in which directors are interested.	Nil	Nil	Nil	Nil
v.	Investments by Loanee in the Shares of parent company and subsidiary company when the company has made loan or advance in the nature of Loan.	No. of Shares	Amount.	No. of Shares	Amount.
		Nil	Nil	Nil	Nil

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

Particulars	Current Year	Previous Year
Net Profit as Per Statement of Profit and Loss attributable to Equity Shareholders.	106209159	8855720
Earning Per Share (face value of ₹10 each)		
Weighted Average Nos. of Equity Share Outstanding	23792218	23792218
Basic and diluted Earning per share (₹)	4.46	0.37

27. Disclosure relating to outstanding derivative exposures in securities :-

- a) Cash Margin amounting to ₹ 6,20,397/- (Rs.Nil) on Equity Derivative instruments contracts has been paid and outstanding as at the end of previous year.
- b) Detail of Open Interest in Equity Stock Futures Contracts as at the year-end 31.03.2017

Name of Equity Stock Future	No. of Contracts	Units(In Nos.)	
		Long	(Short)
J.P. Associates Limited	1	68000	Nil
	(2)	(96000)	(Nil)

28. Dividend paid to Non-Resident Shareholders:- NIL (Previous Year- NIL)
29. Schedule as required in terms of Paragraph 18 of " Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

(₹ in lakhs)

Particulars	Amount outstanding	Amount overdue
LIABILITIES SIDE :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount outstanding	Amount overdue
(a) Debentures : Secured	Nil (Nil)	Nil (Nil)
: Unsecured (other than falling within the meaning of public deposits)	Nil (Nil)	Nil (Nil)
(b) Deferred Credits	Nil (Nil)	Nil (Nil)
(c) Term Loans	Nil (Nil)	Nil (Nil)
(d) Inter-corporate loans and borrowing	Nil (Nil)	Nil (Nil)
(e) Commercial Paper	Nil (Nil)	Nil (Nil)
(f) Public Deposits	Nil (Nil)	Nil (Nil)
(f) Other Loans	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)
ASSET SIDE :		
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		Nil (Nil)
(b) Unsecured		3766.34 (4095.18)
* Net of Provisions and includes security deposits etc		
(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		Nil (Nil)
(b) Operating lease		Nil (Nil)
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		Nil (Nil)
(b) Repossessed Assets		Nil (Nil)
(iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		Nil (Nil)
(b) Loans other than (a) above		Nil (Nil)



Particulars	Amount outstanding
(5) Break-up of Investments :	
Current Investments	
1. Quoted :	
(i) Shares : (a) Equity	371.35 (328.38)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
2. Unquoted :	
(i) Shares : (a) Equity	6.99 (6.99)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	1026.07 (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
Long Term investments	
1. Quoted :	
(i) Shares : (a) Equity	5083.81 (5501.06)
(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	851.95 (658.85)
(b) Preference	3604.00 (3604.00)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)

(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)	351.20 (372.81)	351.20 (372.81)
(c) Other related parties	Nil (Nil)	Nil (Nil)	Nil (Nil)
2. Other than related parties			
	Nil (Nil)	3415.14 (3722.37)	3415.14 (3722.37)
Total	Nil (Nil)	3766.34 (4095.18)	3766.34 (4095.18)

(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	2.06 (6.93)	83.00 (83.00)
(b) Companies in the same group*	1053.69 (1027.34)	1043.89 (996.99)
(c) Other related parties	1009.97 (663.90)	589.05 (387.55)
2. Other than related parties		
	16774.70 (8308.43)	8834.18 (7929.52)
Total	18840.42 (10006.5)	10550.12 (9397.06)

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

(8) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	100.00 (100.00)
(a) Related parties	Nil
(b) Other than related parties	Nil 100.00 (100.00)
(ii) Net Non-Performing Assets	Nil (Nil)
(a) Related parties	Nil (Nil)
(b) Other than related parties	Nil (Nil)
(iii) Assets acquired in satisfaction of debt	Nil (Nil)

30. LITIGATION

The Company is in appeal in respect of various income tax matters. The Contingent liability in respect thereof is disclosed in note no. 17 (a). Besides, in respect of appeals decided in favour of the company, the department is in appeals in certain cases.

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

- 31** The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 32** The Company had filed a Composite Scheme of Arrangement ('the Scheme') amongst HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956 before the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh. The matter now stands transferred to National Company Law Tribunal (NCLT), Chandigarh as per the provisions of Sections 230 to 233 of the Companies Act, 2013. The Appointed Date for the Scheme is opening of business hours as on April 1, 2015 & April 2, 2015 as defined in Part A of the Scheme. The effect of the Scheme on the Financial Statements of the Company from the said Appointed Date shall be given upon sanction of Scheme by the NCLT and receipt of various other requisite approvals.

33 Disclosure on Specified Bank Notes (SBNs)

In terms of MCA notification G.S.R 308(E) dated March 30th, 2017, the details/disclosure on Specified Bank Notes (SBN) held and transacted during the period from November 8th, 2016 to December 30th, 2016, is as under:

Particulars	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	51500	51968	103468
(+) Permitted receipts	0	316704	316704
(-) Permitted payments	0	141038	141038
(-) Amount deposited in Banks	51500	0	51500
Closing cash in hand as on 30.12.2016	0	227634	227634

- 34** The Company is required to spent ₹ 4,21,756/- (Previous year ₹ Nil/-) on Corporate Social Responsibility(CSR) activities during the year. Amount spent during the year ₹ Nil/- (Previous Year ₹ Nil/-). The management is taking necessary step for spending the same.

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

As per our Report of even date

For P. Bholusaria & Co.
Chartered Accountants
FRN : 000468N

For and on behalf of the Board

AMIT GOEL
Partner
Membership No.: 092648

ANIL GOYAL
Director
DIN 00001938

LALIT BHASIN
Chairman
DIN 00002114

Place : Gurugram
Date : 26th May, 2017

ANIL KUMAR MITTAL
Company Secretary

MAHESH KUMAR GUPTA
Chief Financial Officer



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members
Of HB STOCKHOLDINGS LIMITED

1. Report on the Consolidated Financial Statements.

We have audited the accompanying consolidated financial statements of HB STOCKHOLDINGS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the group") and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of profit and loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "the consolidated financial statements").

2. Management's Responsibility for the Consolidated Financial Statements

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

3. Auditor's Responsibility

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

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

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its associate as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

5. Other matters

(a) We did not audit the financial statements / financial information of one subsidiary, whose financial statements / financial information reflect total assets of Rs.25,29,324/- as at 31st March, 2017, total revenues of Rs.Nil and net cash flows amounting to Rs 28,919 -/ for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

(b) The consolidated financial statements also include the Group's share of net Profit of Rs. 1,05,26,041/- for the year ended 31st March, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements / financial information have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on /the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information. (Also refer note no.18 & 19).

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

Report on Other Legal and Regulatory Requirements

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

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company and certificate from management of associate company where the financial statements are unaudited, none of the directors of the Group companies and its associate company is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

- The Consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group and its associate. – Refer Note 30 to the consolidated financial statements;
- The Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate company.
- The Company has provided requisite disclosures in its Consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company (Refer Note 33 to the Consolidated financial statements.)

For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration No.: 000468N
(AMIT GOEL)
PARTNER
(Membership No. 92648)

Place : Gurugram
Dated : 26th May, 2017

Annexure – A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2017, We have audited the internal financial controls over financial reporting of HB Stockholdings Limited ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. BHOLUSARIA & CO.
Chartered Accountants
Firm Registration No.: 000468N
(AMIT GOEL)
PARTNER
(Membership No. 92648)

Place : Gurugram
Dated : 26th May, 2017


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note(s)	AS AT	AS AT
		31st March 2017 (In ₹)	31st March 2016 (In ₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	243353823	243353823
Reserves and Surplus	3	1253423677	1137175411
		<u>1496777500</u>	<u>1380529234</u>
Non-Current Liabilities			
Long Term Provisions	4	35989950	43286616
		<u>35989950</u>	<u>43286616</u>
Current Liabilities			
Other Current Liabilities	5	3863785	4540558
Short Term Provisions	6	29041300	40272431
		<u>32905085</u>	<u>44812989</u>
		<u>1565672535</u>	<u>1468628839</u>
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible assets	7	4095965	5021560
Non-current investments	8	983777690	995725929
Long term Loans and Advances	9	34697124	34697124
		<u>1022570779</u>	<u>1035444613</u>
Current Assets			
Current investments	8	140439895	33536588
Cash and Bank Balances	10	44397520	11751052
Short Term Loans and Advances	11	351046835	378590092
Other Current Assets	12	7217506	9306494
		<u>543101755</u>	<u>433184226</u>
		<u>1565672535</u>	<u>1468628839</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 35		

The accompanying notes form an integral part of the consolidated financial statements As per our Report of even date
For P. Bholusaria & Co. Chartered Accountants
FRN : 000468N

AMIT GOEL Partner Membership No.: 092648
ANIL GOYAL Director DIN 00001938
LALIT BHASIN Chairman DIN 00002114
ANIL KUMAR MITTAL Company Secretary
MAHESH KUMAR GUPTA Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	(Amount in ₹)	(Amount in ₹)
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	129925468	35698225
Adjustment for :		
Depreciation	925595	1071203
Contingent Provision against Standard Assets	91792	312863
Interest income on FDR	-2057178	0
Operating Profit before Working Capital Changes	128885677	37082291
Adjustment for :		
Trade & other Receivables	33719476	(30305349)
Investments	-125831620	(9387173)
Current and Non-current Liabilities	-1519811	(276750)
Cash Generated from operation	35253722	(2886981)
Less:		
Income tax paid	(4656840)	(1218225)
Net Cash from Operating Activities	30596882	(4105206)
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of Fixed Assets	0	(11813)
Interest income on FDR	2057178	0
Net Cash used in Investing Activities	2057178	(11813)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Note(s)	Year Ended	Year Ended
		31st March, 2017 (In ₹)	31st March, 2016 (In ₹)
Revenue from operations	13	149715800	38427066
Other Income	14	2057178	0
Total Revenue		<u>151772978</u>	<u>38427066</u>
Expenses:			
Employee Benefit Expense	15	14650062	15062606
Depreciation	7	925595	1071203
Other Expenses	16	16706102	12393232
Contingent Provision against Standard Assets		91792	312863
Total Expenses		<u>32373551</u>	<u>28839904</u>
Profit for the year before Tax		<u>119399427</u>	<u>9587162</u>
Tax expense:			
Current tax		13700000	600000
Tax adjustments for earlier years		(22798)	618225
Profit for the year after Taxation before Share of Profit/(Loss) in Associates		<u>105722225</u>	<u>8368937</u>
Share of Profit in Associates		10526041	26111063
Profit for the year after Taxation		<u>116248266</u>	<u>34480000</u>
Earning per equity share:	25		
Equity share of Par value ₹ 10/-each			
Basic and Diluted		4.89	1.45
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 35		

The accompanying notes form an integral part of the consolidated financial statements As per our Report of even date
For P. Bholusaria & Co. Chartered Accountants
FRN : 000468N

AMIT GOEL Partner Membership No.: 092648
ANIL GOYAL Director DIN 00001938
LALIT BHASIN Chairman DIN 00002114
ANIL KUMAR MITTAL Company Secretary
MAHESH KUMAR GUPTA Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	(Amount in ₹)	(Amount in ₹)
	Year Ended 31st March, 2017	Year Ended 31st March, 2016
C) CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash used in Financing Activities	0	0
Net Increase in Cash & Cash Equivalents	32654060	(4117019)
A+B+C		
Cash and Cash Equivalents (Opening Balance)	9368576	13485595
Cash and Cash Equivalents (Closing Balance)	42022636	9368576
Components of cash and cash equivalents at the end of the year		
Particulars		
-In Current and Deposit accounts	21501472	9240074
- Cheques / Drafts on hand	20000000	1900
Cash-on-Hand	521164	126602
	<u>42022636</u>	<u>9368576</u>

The accompanying notes form an integral part of the consolidated financial statements As per our Report of even date
For P. Bholusaria & Co. Chartered Accountants
FRN : 000468N

AMIT GOEL Partner Membership No.: 092648
ANIL GOYAL Director DIN 00001938
LALIT BHASIN Chairman DIN 00002114
ANIL KUMAR MITTAL Company Secretary
MAHESH KUMAR GUPTA Chief Financial Officer



SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2017

1. SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

1.1 PRINCIPLES OF CONSOLIDATION

The consolidated Financial Statements relate to HB Stockholdings Ltd. (the company) and its subsidiary company Mount Finance Ltd..The consolidated financial statements have been prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" on the following basis:

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

1.2 INVESTMENTS

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

1.3 OTHER SIGNIFICANT ACCOUNTING POLICIES

a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act,2013 ('Act') read with Rule7of the Companies (Accounts) Rules,2014 the provisions of the Act (to the extent notified),guidelines issued by Reserve Bank of India and guidelines issued by the Securities and Exchange Board of India (SEBI) . Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) USE OF ESTIMATES

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

c) REVENUE RECOGNITION

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

d) FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

e) DEPRECIATION

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

f) INVESTMENTS

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

Cost of investments is computed using the Weighted Average Method.

g) EMPLOYEE BENEFITS

- 1 Employee Benefits are recognized/accounted for on the basis of revised

AS-15 detailed as under :-

- 2 Short Term Employee benefits are recognized as expense at the undiscounted amount in the Statement of Profit & Loss of the year in which they are incurred.
- 3 Employee benefits under defined contribution plans comprise of contribution to Provident Fund and Superannuation. Contributions to Provident Fund are deposited with appropriate authorities and charged to Statement of Profit & Loss. Contribution to Superannuation are funded with Life Insurance Corporation of India.
- 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.
- 5 Termination benefits are recognized as an Expense as and when incurred.
- 6 The actuarial gains and losses arising during the year are recognized in the Statement of Profit & Loss of the year without resorting to any amortization.

h) TAXATION

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

i) IMPAIRMENT OF FIXED ASSETS

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

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

j) CONTINGENCIES:

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

NOTES ON CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2017

2. SHARE CAPITAL

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
AUTHORIZED		
7,00,00,000 (7,00,00,000) Equity Shares of ₹10/- each.	700000000	700000000
3,00,00,000 (3,00,00,000) Redeemable Preference Shares of ₹10/- each	300000000	300000000
	1000000000	1000000000
ISSUED		
2,54,43,257(2,54,43,257) Equity Shares of ₹10/- each.	254432570	254432570
	254432570	254432570
SUBSCRIBED & PAID UP		
2,37,92,218 (2,37,92,218) Equity Shares of ₹10/- each fully paid up.	237922180	237922180
Add: Forfeited shares- 16,51,039(16,51,039) Equity Shares (Amount originally paid up)	5431643	5431643
	243353823	243353823

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

– Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March,2017 & 31st March,2016 is as under:



Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	23792218	237922180	23792218	237922180
Number of shares at the end	23792218	237922180	23792218	237922180

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

Name of shareholder	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding
Delhi Iron & Steel Co. Pvt. Ltd.	1197402	5.03	-	-
Lalit Bhasin	12262307	51.54	12262307	51.54

– The dividend Proposed, if any, by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

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

3. RESERVES AND SURPLUS

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Securities Premium Reserve-opening balance	999689069	999689069
Add: Addition during the year	0	0
	999689069	999689069
Statutory Reserve -Opening balance *	158774968	157003824
Add: Transferred from Surplus	21241832	1771144
	180016800	158774968
Surplus -opening balance	(21288626)	(53997482)
Add: Net Profit after tax transferred from Statement of Profit & Loss	116248266	34480000
	94959640	(19517482)
Less: Transferred to Statutory Reserve	21241832	1771144
Surplus-Closing balance	73717808	(21288626)
	1253423677	1137175411

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

7. FIXED ASSET

(Amount in ₹)

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		As at 01 st April, 2016	Addition during the year	Deduction during the year	At at 31st March, 2017	As at 01st April, 2016	For the year	Deduction/ Adjustments during the year	At at 31st March, 2017	As on 31.03.2017	As on 31.03.2016
	Tangible Assets										
1	Flat	4823385	0	0	4823385	2308977	327040	0	2636017	2187368	2514408
2	Vehicles	6336277	0	0	6336277	3933175	567063	0	4500238	1836039	2403102
3	Office Equipment	2294948	0	0	2294948	2252465	7810	0	2260275	34673	42483
4	Data Processing Machine	499309	0	0	499309	483503	9683	0	493186	6123	15806
5	Air conditioners	996578	0	0	996578	950817	13999	0	964816	31762	45761
	Total	14950497	0	0	14950497	9928937	925595	0	10854532	4095965	5021560
	(Previous Year)	22679382	11813	7740698	14950497	16598432	1071203	7740698	9928937	5021560	6080950

4. LONG TERM PROVISIONS

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Provisions For Employee Benefits		
Leave encashment	377986	1229965
Others		
-For Diminution in value of Long term/ Non current Investments	35490595	41952621
-Contingent provision against Standard Assets	121369	104030
	35989950	43286616

5. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Unpaid Dividends *	2374884	2382476
Expenses Payable	1395697	1702862
TDS Payable	93204	455220
	3863785	4540558

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

6. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Provisions For Employees Benefit		
Leave encashment	317173	308232
Others		
Income Tax	13700000	600000
Sub-standard and Doubtful Assets	10000000	10000000
Diminution in value of Current Investments	3853831	28268356
Contingent Provision against Standard Assets	1170296	1095843
	29041300	40272431



8. INVESTMENTS

(Amount in ₹)

Name of the Company	Face Value	As at 31st March, 2017		As at 31st March, 2016	
	(₹)	Qty.(Nos.)	Amount in ₹	Qty.(Nos.)	Amount in ₹
NON CURRENT INVESTMENTS					
(LONG TERM INVESTMENTS)					
(1) IN ASSOCIATE					
-UNQUOTED (NON-TRADE) FULLY PAID UP EQUITY SHARES					
TAURUS ASSET MANAGEMENT CO LIMITED.					
Cost of acquisition :	10	3406500	48314480	3028000	38754750
Add / (Less) : Group Share of Profits/(Losses) upto 31.03.2017			38161417		27635376
Add: Amount of Goodwill / Capital Reserve			10500770		
		3406500	96976667	3028000	66390126
TOTAL-(1) Investments in Associate Company		3406500	96976667	3028000	66390126
(2) IN OTHERS					
A. TRADE INVESTMENTS (QUOTED)					
INVESTMENT IN EQUITY INSTRUMENTS					
-FULLY PAID UP EQUITY SHARES					
DCM SHRIRAM INDUSTRIES LIMITED	10	3894846	437339770	4346615	488067462
HB ESTATE DEVELOPERS LTD.	10	1465608	24900104	1465608	24900104
JAIPRAKASH ASSOCIATES LIMITED	2	4029367	36081316	3418367	27138404
RRB SECURITIES LIMITED*	10	100000	10000000	100000	10000000
TOTAL (A) (TRADE INVESTMENTS)		9489821	508321190	9330590	550105970
B. NON TRADE INVESTMENTS					
B.1 Investment in Equity Instruments					
-FULLY PAID UP EQUITY SHARES (UNQUOTED)					
TAURUS INVESTMENT TRUST CO LIMITED	10	15430	155458	15430	155458
HB TELECOMMUNICATION LIMITED	10	100	1000	100	1000
HB INSURANCE ADVISORS LIMITED	10	15000	150000	15000	150000
HARSAI INVESTMENTS LIMITED	10	200000	2000000	200000	2000000
Q R PROPERTIES PVT LIMITED	10	4500	45000	4500	45000
SOVIKA AIRLINE SERVICES LIMITED	10	400000	12000000	400000	12000000
HB PRIMA CAPITAL LIMITED	10	45000	1128375	45000	1128375
-EQUITY SHARE APPLICATION					
HB INSURANCE ADVISORS LTD	10	260000	2600000	260000	2600000
FALCON PORTFOLIO PRIVATE LIMITED.	10	-	-	75000	750000
TOTAL B.1		940030	18079833	1015030	18829833
B.2 Investments in Preference Shares					
FULLY PAID-UP REDEEMABLE PREFERENCE SHARE (UNQUOTED)					
HB ESTATE DEVELOPERS LTD.(9% NON CUMULATIVE)	100	750000	75000000	750000	75000000
HB GROWTH FUND LIMITED (3% NON CUMULATIVE)	10	50000	500000	50000	500000
HB SECURITIES LIMITED (6% CUMULATIVE)	1000	10000	10000000	10000	10000000
HB TELECOMMUNICATION LIMITED (3% NON CUMULATIVE)	10	40000	400000	40000	400000
GEMINI PORTFOLIOS PVT. LTD (9% NON CUMULATIVE)	100	500000	50000000	500000	50000000
PREFERNCE SHARE APPLICATION (UNQUOTED)					
HB GROWTH FUND LTD (9% NON CUMULATIVE)	100	685000	68500000	685000	68500000
NARMADA CAPITAL SERVICES PVT LTD (9% CUMULATIVE)	100	435000	43500000	435000	43500000
FALCON PORTFOLIO MANAGEMENT PVT. LTD. (9% NON CUMULATIVE)	100	1125000	112500000	1125000	112500000
TOTAL B.2		3595000	360400000	3595000	360400000
TOTAL B.1+B.2 (NON TRADE INVESTMENTS)		4535030	378479833	4610030	379229833
TOTAL-2 (A+B) INVESTMENTS IN OTHERS		14024851	886801023	13940620	929335803
TOTAL- (1+2) NON CURRENT/LONG TERM INVESTMENTS		17431351	983777690	16968620	995725929



Name of the Company	Face Value	As at 31st March, 2017		As at 31st March, 2016	
	(₹)	Qty.(Nos.)	Amount in ₹	Qty.(Nos.)	Amount in ₹
CURRENT INVESTMENTS					
(A) INVESTMENTS IN EQUITY INSTRUMENTS					
a) QUOTED, FULLY PAID UP EQUITY SHARES					
AMRIT CORPORATION LIMITED	10	400	5600	400	5600
ARVIN LIQUID GASES LIMITED*	10	10000	182500	10000	182500
ASHOK LEYLAND LIMITED	1	200	7603	200	7603
BHARAT HOTELS LIMITED	10	300	6752	300	6752
CIBA INDIA LIMITED	10	50	500	50	500
CLARIS LIFESCIENCE LIMITED	10	4000	1336520	----	----
COAL INDIA LIMITED	10	3250	995685	----	----
DOLPHIN OFFSHORE ENTERPRISES I LIMITED	10	10000	1166901	10000	1166901
DCM SHRIRAM LIMITED	2	17500	3755450	----	----
DESIGN AUTO SYSTEMS LIMITED*	10	----	----	671400	3953867
DIGITAL WORLD INDIA LIMITED*	10	----	----	162400	3136228
HINDUSTAN ENGINEERING & INDS. LTD.*	10	108	147220	108	147220
HARYANA PETROCHEMICALS LIMITED*	10	9050	212192	9050	212192
HB ESTATE DEVELOPERS LIMITED	10	150000	1500000	150000	1500000
HB LEASING & FINANCE CO LIMITED	10	43200	1186050	43200	1186050
HB PORTFOLIO LIMITED	10	100000	1000000	100000	1000000
HINDUSTAN OIL EXPLORATION COMPANY LIMITED	10	216	25684	216	25684
HOTLINE GLASS LIMITED*	10	166382	552770	166382	552770
HOTLINE TELETUBE & COMPONENTS LIMITED*	10	----	----	344400	9751268
ICP SECURITIES LIMITED*	10	1800	18000	1800	18000
ISPAT PROFILES INDIA LIMITED*	10	10000	235020	10000	235020
JP POWER VENTURES LTD.	10	400000	2859983	400000	2859983
KIRAN OVERSEAS EXPORTS LIMITED*	10	10000	335000	10000	335000
LCC INFOTECH LIMITED*	2	56300	387984	56300	387984
LUNAR DIAMONDS LIMITED*	10	21000	439065	21000	439065
MMTC LIMITED	1	50000	2510510	----	----
NMDC LIMITED	1	20000	2492643	----	----
NAHAR POLYFILMS LIMITED	5	444	17643	444	17643
NUCHEM LIMITED*	10	64755	168363	64755	168363
ORISSA EXTRUSIONS LIMITED*	10	10728	21456	10728	21456
ORIENTAL BANK OF COMMERCE	10	100	12745	100	12745
OIL INDIA LTD.	10	3000	985983	----	----
ORKAY INDUSTRIES LIMITED*	10	----	----	135650	3152053
PATHREJA FORGINGS LIMITED*	10	1000	19326	1000	19326
PRISM MILLS LIMITED*	10	10000	187500	10000	187500
PUNJAB WIRELESS LIMITED*	10	100	6100	100	6100
RAMA VISION LIMITED*	10	18300	553061	18300	553061
RELIANCE INDUSTRIES LTD.	10	1100	1161099	----	----
RELIANCE CAPITAL LIMITED	10	4	1910	4	1910
SAJJAN UDYOG EXPORTS LIMITED*	10	23600	590000	23600	590000
SAVANI FINANCIALS LIMITED*	10	7000	140000	7000	140000
SHREYANS INDUSTRIES LIMITED*	10	5600	96873	5600	96873
SRI VASAVI INDUSTRIES LIMITED*	10	10890	584631	10890	584631
STEEL EXCHANGE OF INDIA LTD.	10	121	4060	121	4060
GLOBAL STONE INDIA LIMITED*	10	2000	34000	2000	34000
SUMMIT SECURITIES LTD.	10	6	1494	6	1494
U P HOTELS LIMITED*	10	45697	10209940	1900	136630
VEDANTA LTD.	1	4250	978775	----	----
TOTAL (a)		1292451	37134591	2459404	32838032



Name of the Company	Face Value	As at 31st March, 2017		As at 31st March, 2016	
	(₹)	Qty.(Nos.)	Amount in ₹	Qty.(Nos.)	Amount in ₹
b) UNQUOTED, FULLY PAID UP EQUITY SHARES					
KESORAM TEXTILE LIMITED	10	172	4161	172	4161
TOTAL (b)		172	4161	172	4161
c) UNQUOTED PARTLY PAID UP EQUITY SHARES					
RATHI ALLOYS & STEELS LIMITED	10	46293	694395	46293	694395
TOTAL (c)		46293	694395	46293	694395
TOTAL- A (a+b+c)		1338916	37833147	2505869	33536588
(B) INVESTMENTS IN MUTUAL FUND					
UNQUOTED MUTUAL FUND- FULLY PAID UP					
RELIANCE LIQUID FUND- TRASURY PLAN-DAILY DIVIDEND	10	67119	102606748	0	0
		67119	102606748	0	0
TOTAL- (A+B)		1406035	140439895	2505869	33536588

* Listed but not quoted

NOTES	Non Current/Long Term Investments		Current Investments	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
8.1 Aggregate Amount of Quoted Investments	508321190	550105970	37134591	32838032
8.2 Market Value of Quoted Investments	1285342467	567298308	33979315	5268231
8.3 Aggregate Amount of Unquoted Investments	475456500	445619959	103305304	698556
8.4 Aggregate Provision for Diminution in Value of Investments	35490595	41952621	3853831	28268356

8.5 Provision for diminution in the value of investments is charged in the statement of Profit & Loss and shown correspondingly under the head "Provisions" in the Balance sheet without showing it as deduction from the value of investments. This is being done in compliance with "Non-Banking Financial Company- Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016. It has no impact on the Profit for the year and also on the net carried amount of the investments. The Net carrying value of investments are as under-

	Non Current/Long Term Investments		Current Investments	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Gross Amount of Investments	98377690	995725929	140439895	33536588
Less: Provision for Diminution in the Value of Investments	35490595	41952621	3853831	28268356
Net Carrying Value	948287095	953773308	136586064	5268232

8.6 The Detail of Diminution in the value of Non-Current/Long Term Investments where the net Carrying Amount is other than at Cost (i.e at cost Less Provision for diminution other than temporary diminution) are as under:

Name of Investment	Amount in ₹	Amount in ₹
	As at March 31, 2017	As at March 31, 2016
Equity Shares		
RRB Securities Limited	8500000	8500000
HB Prima Capital Limited	1128375	1128375
HB Estate Developers Ltd.	9511220	14201166
HB Telecommunication Ltd	1000	1000
HB Insurance Advisor Limited	150000	150000
Jaiprakash Associates Ltd	0	1022080
Sovika Airline Services Limited	11600000	11600000
Harsai Investments limited	2000000	2000000
Equity Share Application		
HB Insurance Advisor Ltd	2600000	2600000
Falcon Portfolio Management Private Limited.	0	750000
Total	35490595	41952621


9. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
(Unsecured, Considered Good)- Standard		
Security Deposits *	34697124	34697124
	34697124	34697124

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

10. CASH AND BANK BALANCES

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Cash & Cash equivalents		
Balances with Banks		
-In Current Accounts	21501472	9240074
- Cheques / Drafts on hand	20000000	1900
Cash-on-Hand	521164	126602
Other Bank balances		
- In Earmarked Unpaid Dividend Account	2374884	2382476
	44397520	11751052

11. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Unsecured, Considered Good, Unless otherwise stated:		
Advance to related Parties*	620397	2780856
Others		
Inter Corporate Loans & Deposits (including loans to LLPs) -Standard	316450000	330400000
Inter Corporate Deposit-Doubtful	10000000	10000000
Advance against Property-Standard	15000000	30000000
Recoverable From Staff	45000	56880
Prepaid Expenses	324513	247209
Income Tax/Tax deducted at source	8606925	5105147
	351046835	378590092

* To RRB Master Securities (Delhi) Ltd. Also refer to Note no. 21

12. OTHER CURRENT ASSETS

Particulars	As at 31st March, 2017 (In ₹)	As at 31st March, 2016 (In ₹)
Interest accrued on loans / Inter Corporate Deposits	7217506	9306494
	7217506	9306494

13. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31st March, 2017 (In ₹)	For the Year ended 31st March, 2016 (In ₹)
Profit/(Loss) in Securities dealing/ Equity derivative trading	301192	(1909697)
Profit/(Loss) on sale/disposal of investments (1)	52474152	(12344865)
Provision for diminution in value of investments written back/(made) (2)	30876551	5403769
Interest on Loan / Inter Corporate Deposit (Tax deducted at Source ₹ 39,51,503 /-(Previous Year ₹ 17,38,850/-)	37659199	42875015
Dividend Income (Gross)	28404706	4402844
	149715800	38427066

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

- (1) Profit/(Loss) on Sale/Disposal of Investments includes Loss of ₹ 18679565/- (Previous Year Loss ₹ 3,53,496/-) on Current Investments and Profit of ₹ 71153717/- (Previous Year Loss ₹ 1,19,91,369/-) on Non current/Long Term Investments.
- (2) Provision for diminution in value of Investments written back include ₹6462026/- provision written back (previous year ₹ 79,99,176/-written back) in respect of Non Current/Long Term Investments and ₹ 24414525/-provision written back (Previous Year provision made ₹ 25,95,407/-) in respect of Current Investments .
- (3) Dividend Income includes ₹ 28015575/- (Previous Year ₹ 43,46,615/-) on Long Term/Non current Investments and ₹ 389131/- (Previous year ₹ 56,229/-) on Current Investments.

14. OTHER INCOME

Particulars	For the Year ended 31st March, 2017 (In ₹)	For the Year ended 31st March, 2016 (In ₹)
Interest Income on Fixed Deposit with Bank (Gross) (Tax deduction at Source Rs. 2,05,718/- Previous Year Nil)	2057178	0
	2057178	

15. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2017 (In ₹)	For the Year ended 31st March, 2016 (In ₹)
Salaries and Benefits	11416211	14480909
Contribution to Provident fund and superannuation fund	463864	485314
Gratuity	2631945	(57338)
Staff welfare	138042	153721
	14650062	15062606

16. OTHER EXPENSES

Particulars	For the Year ended 31st March, 2017 (In ₹)	For the Year ended 31st March, 2016 (In ₹)
Rent/Facility Charges	1259539	1341598
Vehicle Running and Maintenance	973476	771963
Insurance	84573	81619
Communication	1699661	938415
Travelling and Conveyance	2599778	2771423
Printing and Stationery	3127065	1223846
Office Repairs and Maintenance	314135	354364
Depository and custodial	135715	88084
Subscription and Membership	255787	246698
Legal and Professional	3319695	2079865
Advertisement & Publicity	354287	251603
Listing Fees	458000	359552
Business Promotion	909733	947432
Miscellaneous	245357	206750
Auditors Remuneration		
-Audit Fees	184215	183200
-Tax Audit Fees	28750	28625
-Limited Review Reports	34500	34250
- Income Tax matters	40250	0
-Certification and others	81377	369092
Directors Sitting Fees	60209	58531
	16706102	12393232



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

Name Of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year Ended
Mount Finance Ltd.	India	100% Subsidiary of HB stockholdings Ltd	31-3-2017

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

S No.	Name of Company	Associates	Country of Incorporation	Proportion of ownership interest
(i)	Taurus Asset Management Co. Ltd.(*)		India	20.12% (20.12%)

*Valuation done on the basis of available unaudited, management certified financial statements for year ended 31.03.2017.

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

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

- (a) Income Tax demand disputed ₹ 87,93,070/- (Previous year ₹ 85,63,300/-) against which appeals are pending with appropriate authorities and in respect of which the management is confident that appeals will be decided in favour of the company.

21 RELATED PARTY TRANSACTIONS

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

- a) Key Managerial Personnel
 - Shri Vijay Sood, (Managing Director upto 30.11.2016)
 - Shri J.M.L.Suri, (Executive Director upto 31.05.2016)
 - Shri Anil Kumar Mittal, Company Secretary
 - Mahesh Kumar Gupta, Chief Financial Officer
- b) Person having control/significant influence /major shareholders
 - Shri Lalit Bhasin
- c) Associate
 - Taurus Assets Management Co.Ltd.
- d) Enterprises over which control/significant influence exist of the relatives of persons mentioned in (b) above :-
 - RRB Master Securities Delhi Ltd.
- e) Enterprises under direct or indirect common control/significant influence:
 - HB Portfolio Ltd.
 - HB Estate Developers Ltd.
 - HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)

21.2 Transaction during the financial year ended 31.03.2017 with related Parties are as under.

Sr. No.	Nature of Transaction	Related Party Referred in 1(a) above	Related Party Referred in 1(b) above	Related Party Referred in 1(c) above	Related Party referred in 1(d) above	Related Party referred in 1(e) above
1	Advances given (net)	Nil	Nil	Nil	620397	Nil
		(Nil)	(Nil)	(Nil)	(2682056)	(Nil)
2	Rent/Facility Charges Paid	Nil	Nil	Nil	Nil	989714
		(Nil)	(Nil)	(Nil)	(Nil)	980898
3	Margin /Advances paid & received back	Nil	Nil	Nil	10061650	Nil
		(Nil)	(Nil)	(Nil)	(52981448)	(Nil)
4	Dividend Received	Nil	Nil	Nil	Nil	50000
		(Nil)	(Nil)	(Nil)	(Nil)	(50000)
5	Sitting Fee Paid	Nil	40000	Nil	Nil	Nil
		(Nil)	(40000)	(Nil)	(Nil)	(Nil)
6	Depository Charges	Nil	Nil	Nil	Nil	15490
		(Nil)	(Nil)	(Nil)	(Nil)	(2209)
7	Remuneration & Other Services	11133824	Nil	Nil	Nil	Nil
		(11230948)	(Nil)	(Nil)	(Nil)	(Nil)
8	Purchase of Investment through them	Nil	Nil	Nil	21823056	Nil
		(Nil)	(Nil)	(Nil)	(4026884)	(Nil)

Sr. No.	Nature of Transaction	Related Party Referred in 1(a) above	Related Party Referred in 1(b) above	Related Party Referred in 1(c) above	Related Party referred in 1(d) above	Related Party referred in 1(e) above
9	Subscription for shares	Nil	Nil	20060500	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)	(Nil)
10	Sale of Investment through them	Nil	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(6856918)	(Nil)
11	Net Turnover of Derivative Trading	Nil	Nil	Nil	301192	Nil
		(Nil)	(Nil)	(Nil)	(1909697)	(Nil)
12	Outstanding as on 31.03.2017					
	- Receivables in respect of Loans & Advances.	Nil	Nil	Nil	620397	34500000
		(Nil)	(Nil)	(Nil)	(2780856)	(34500000)

22 SEGMENT REPORTING

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

23 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15

Defined Contribution Plan

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

Particulars	Current Year	Previous Year	Head under which shown in Statement of Profit & Loss
	Amount (₹)	Amount (₹)	
Contribution to Provident Fund	3,28,864/-	3,50,314/-	Contribution to Provident fund and superannuation fund
Contribution to superannuation fund	1,35,000/-	1,35,000/-	Contribution to Provident fund and superannuation fund

Defined Benefit Plan

Movement in net liability

Particulars	Gratuity		Leave Encashment	
	(Funded)		(Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	22,48,740/-	21,31,418/-	15,38,197/-	14,44,008/-
Interest Cost (B)	1,68,656/-	1,70,513/-	1,15,365/-	1,15,521/-
Current service cost (C)	1,34,617/-	92,887/-	43,200/-	1,40,833/-
Benefits paid (D)	27,02,885/-	Nil/-	7,76,868/-	70,180/-
Actuarial loss/ (gain) on obligation (E)	25,26,521/-	(1,46,078/-)	(2,24,735/-)	(91,985/-)
Present value of obligations as at the end of the year (F=A+B+C-D+E)	23,75,649/-	22,48,740/-	6,95,159/-	15,38,197/-

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

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	23,75,649/-	22,48,740/-	6,95,159/-	15,38,197/-
Estimated fair value of plan assets (B)	24,74,064/-	22,66,215/-	Nil	Nil
Net Liability (Assets) (C=A-B)	(98,415/-)	(17,475/-)	6,95,159/-	15,38,197/-
Amounts in the Balance Sheet				
Liabilities (Assets)	(98,415/-)	(17,475/-)	6,95,159/-	15,38,197/-
Amount charged to Statement of Profit & Loss				
Current Service Cost	1,34,617/-	92,887/-	43,200/-	1,40,833/-
Interest Cost	1,68,656/-	1,70,513/-	1,15,365/-	1,15,521/-
Expected Return on Plan Asset	(1,69,966/-)	(1,74,660/-)	Nil	Nil
Actuarial(Gain)/Loss	25,08,638/-	(1,46,078/-)	(2,24,735/-)	(91,985/-)
	26,41,945/-	(57,338/-)	(66,170/-)	1,64,369/-



Head under which shown in the Profit & Loss account	Gratuity	Salary & benefits
---	----------	-------------------

The Actual Return on Plan Assets is as follows

Particulars	Gratuity	
	Current Year	Previous Year
Actual return on plan assets	1,69,966/-	1,74,660/-

Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	7.50%	8%
Expected Rate of Return on Plan Assets	7.50%	9%
Salary Escalation Rate	5%	6%

A reconciliation of the opening and closing balances of the fair value of plan assets :

Sl. No.	Particulars	Gratuity	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	22,66,215/-	20,85,834/-
i)	Expected Return on Plan Assets	1,69,966/-	1,74,660/-
ii)	Actuarial Gains / (Losses)	17,883/-	Nil
iii)	Contribution by the Employer	20,000/-	5,721/-
iv)	Benefits Paid	Nil	Nil
	Closing Fair Value of Plan Assets	24,74,064/-	22,66,215/-

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

Operating Lease

- Particulars of the minimum lease payments under Operating Lease:-
 Not Later than One year ₹ 12,61,332/- (Previous Year ₹ 12,44,124/-)
 Later than one year but not Later than five years ₹ 22,575/- (Previous Year ₹ 12,65,624/-)
 Later than five years ₹ Nil (Previous Year ₹ Nil)
- Minimum lease payments recognised in the statement of profit & loss account during the year ended 31st March 2017 is ₹ 12,59,539/- (Previous Year ₹ 13,41,598/-).
- General description of the lease arrangement.
 The lease is for an initial period of 3 years, which may be renewal for further period as may be mutually agreed upon.
 Restrictions imposed by lease arrangement:-
 - The Lessee shall not sublet or otherwise part with possession of a part or whole of the premise without the previous consent in writing of the lessor.
 - The lessee shall use the premises for commercial purposes only.

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

Particulars	Current Year	Previous Year
	₹	₹
Net Profit as Per Statement of Profit and Loss attributable to Equity Shareholders.	116248266	34480000
Earning Per Share (face value of ₹10 each)		
Weighted Average Nos. of Equity Share Outstanding	23792218	23792218
Basic and diluted Earning per share (₹)	4.89	1.45

26. Due to Micro, Small and Medium Enterprises

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2017 and 31st March, 2016.

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

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

28. Dividend paid to Non-Resident Shareholders:- Nil (Previous Year Nil)

29. Additional information as per schedule III of the Companies Act, 2013.

Name of the entity	Net Assets i.e Total assets minus total Liabilities		Share in Profit/ Loss	
	As % of consolidated net assets	Amount	As % of consolidated Profit/Loss	Amount
1	2	3	4	5
Parent				
HB Stockholdings Ltd.	93.51	1399594593	91.36	106209157
	(95.14)	(1313446850)	(25.68)	(8855718)
Subsidiary (Indian)				
Mount Finance Ltd.	0.01	206240	-0.42	-486018
	(0.05)	(692258)	(-1.41)	(-486781)
Associates (Investments as per Equity method)				
Taurus Assets Management Co Limited	6.48	96976667	9.05	10526041
	(4.81)	(66390126)	(75.73)	(26111063)
Total	100.00	1496777500	100.00	116249180
	(100.00)	(1380529234)	(100.00)	(34480000)

* Figure in bracket relates to previous year.

30 Litigation

The Group is in appeal in respect of various income tax matters. The Contingent liability in respect thereof is disclosed in note no. 20 (a). Besides, in respect of appeals decided in favour of the company, the department is in appeals in certain cases.

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

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

32 The Company had filed a Composite Scheme of Arrangement ('the Scheme') amongst HB Stockholdings Limited, HB Portfolio Limited and HB Estate Developers Limited and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956 before the Hon'ble High Court for the States of Punjab and Haryana at Chandigarh. The matter now stands transferred to National Company Law Tribunal (NCLT), Chandigarh as per the provisions of Sections 230 to 233 of the Companies Act, 2013. The Appointed Date for the Scheme is opening of business hours as on April 1, 2015 & April 2, 2015 as defined in Part A of the Scheme. The effect of the Scheme on the Financial statements of the Company from the said Appointed Date shall be given upon sanction of Scheme by the NCLT and receipt of various other requisite approvals.

33 Disclosure on Specified Bank Notes (SBNs)

In terms of MCA notification G.S.R 308(E) dated March 30th, 2017, the details/disclosure on Specified Bank Notes (SBN) held and transacted during the period from November 8th, 2016 to December 30th, 2016, is as under:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	51500	65542	117042
(+) Permitted receipts	0	316704	316704
(-) Permitted payments	0	141038	141038
(-) Amount deposited in Banks	51500	0	51500
Closing cash in hand as on 30.12.2016	0	241208	241208

34 The Company is required to spent Rs.4,21,756/- (Previous year Rs. Nil/-) on Corporate Social Responsibility(CSR) activities during the year. Amount spent during the year Rs. Nil/- (Previous Year Rs. Nil/-). The management is taking necessary step for spending the same.

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

As per our Report of even date
For P. Bholusaria & Co.
Chartered Accountants
FRN : 000468N

For and on behalf of the Board

AMIT GOEL
Partner
Membership No.: 092648

ANIL GOYAL
(Director)
DIN 00001938

LALIT BHASIN
Chairman
DIN 00002114

Place : Gurugram
Date : 26th May, 2017

ANIL KUMAR MITTAL **MAHESH KUMAR GUPTA**
Company Secretary **Chief Financial Officer**



Form AOC-1

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

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

Part "A": SUBSIDIARIES

(Information in respect of each subsidiary to be presented)

Amount (In ₹)

Sl. No.	Particulars	Company - Details
1.	Name of the Subsidiary	Mount Finance Limited
2.	Reporting period for the Subsidiary concerned, if different from the holding company's reporting period	31st March 2017
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Indian Rupees
4.	Share Capital	83,00,060
5.	Reserves & Surplus	(80,94,736)
6.	Total Assets	25,29,324
7.	Total Liabilities	25,29,324
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	(4,86,934)
11.	Provision for taxation	Nil
12.	Profit after taxation	(4,86,934)
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

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

For and on behalf of the Board

Sd/-
ANIL GOYAL
DIRECTOR

Sd/-
LALIT BHASIN
CHAIRMAN

PLACE: GURUGRAM
DATE: 26TH MAY, 2017

Sd/-
ANIL KUMAR MITTAL
COMPANY SECRETARY

Sd/-
MAHESH KUMAR GUPTA
CHIEF FINANCIAL OFFICER

Part "B": Associates and Joint Ventures

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

S. No.	Name of Associates / WJoint Ventures	Taurus Asset Management Company Limited (TAMCO)
1.	Latest Audited Balance Sheet Date	31-03-2016
2.	Shares of Associate / Joint Ventures held by the company on the year end	
	No. of Equity Shares of the ₹ 10/- each	34,06,500
	Amount of Investment in Associates/Joint Venture	₹ 4,83,14,480/-
	Extend of Holding %	20.12%
3.	Description of how there is significant influence	Shareholding is more than 20% of the Paid-up
4.	Reason why the Associate / Joint venture is not consolidated	Not Applicable
5.	Net worth attributable to shareholding as per latest unaudited Balance Sheet #	₹ 50,15,35,964 (100%)
		₹ 10,09,07,120 (20.12%)
6.	Profit/Loss for the year #	
	Considered in Consolidation	₹ 1,17,85,282/-
	Not Considered in Consolidation	Nil

Refer Note No. 18 of Consolidated Financial Statement.

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

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

For and on behalf of the Board

Sd/-
ANIL GOYAL
DIRECTOR

Sd/-
LALIT BHASIN
CHAIRMAN

PLACE: GURUGRAM
DATE: 26TH MAY, 2017

Sd/-
ANIL KUMAR MITTAL
COMPANY SECRETARY

Sd/-
MAHESH KUMAR GUPTA
CHIEF FINANCIAL OFFICER

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HB STOCKHOLDINGS LIMITED

FORM NO. MGT-11

PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **30th ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, the **26th day of September 2017** at **11:00 A.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurugram - 122 001, Haryana** and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements (including Consolidated Financial Statements) for the financial year ending March 31, 2017 and the report of Board of Directors and Auditors' thereon.
2. Re-appointment of Mr. Lalit Bhasin as Director of the Company.
3. Appointment of M/s. G.C. Agarwal & Associates, Chartered Accountants, Delhi as the Statutory Auditors of the Company for a term of Five (5) years and authorise the Board to fix their remuneration.

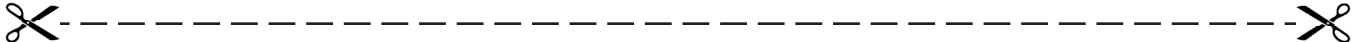
Signed this _____ day of _____, 2017

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

Affix
Rupee 1/-
Revenue
Stamp

Notes:

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



HB STOCKHOLDINGS LIMITED

ATTENDANCE SLIP

30TH ANNUAL GENERAL MEETING

Day : Tuesday
 Time : 11.00 A.M., 26th day of September, 2017
 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 30th Annual General Meeting held on Tuesday, 26th day of September, 2017 at 11.00 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurugram - 122 001, Haryana

Folio No. / DP-Id :

Client-Id :

No. of Shares :

Signature(s).....

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

ROUTE MAP OF GIA HOUSE

