



BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Rupesh Kumar

CHIEF FINANCIAL OFFICER (CFO)

Mr. Mahesh Kumar Gupta

MANAGER

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

STATUTORY AUDITORS

G. C. Agarwal & Associates

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

REGISTERED OFFICE

HB Stockholdings Limited
CIN L65929HR1985PLC033936

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

WEBSITE

www.hbstockholdings.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. RCMC Share Registry Pvt. Ltd.

CIN: U67120DL1950PTC601854

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

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 33RD ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF HB STOCKHOLDINGS LIMITED WILL BE HELD ON TUESDAY, 29TH SEPTEMBER, 2020, AT 03.00 P.M. THROUGH VIDEO CONFERENCING (“VC”)/ OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

- ADOPTION OF AUDITED FINANCIAL STATEMENTS INCLUDING CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS’ AND AUDITORS’ THEREON.**

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

“RESOLVED THAT the Audited Financial Statements including Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020, including the Audited Balance Sheet as at 31st March, 2020, the Statement of Profit & Loss, Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon be and are hereby approved and adopted.”

- APPOINTMENT OF MR. ANIL GOYAL (DIN: 00001938), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.**

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

“RESOLVED THAT pursuant to Section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Anil Goyal (DIN: 00001938), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company.”

SPECIAL BUSINESS:

- RE-APPOINTMENT OF MRS. ASHA MEHRA (DIN: 02658967) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mrs. Asha Mehra (DIN: 02658967), who has already attained age of seventy five years in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for second term of five (5) consecutive years with effect from 09th September, 2020 to 08th September, 2025 and she shall not be liable to retire by rotation.

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

- APPOINTMENT OF MR. ASHISH KAPUR (DIN: 00002320) NON-EXECUTIVE NON-INDEPENDENT DIRECTOR OF THE COMPANY.**

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

“RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there-under, including any statutory modification(s) or re-enactment thereof for the time being in force and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Ashish Kapur (DIN: 00002320), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who shall hold office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive Non-Independent Director of the Company and he shall be liable to retire by rotation.

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

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

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

Place : Gurugram
Date : 31st July, 2020

NOTES:

- In view of the massive outbreak and extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 05th May, 2020 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as “the Circulars”), the Companies are permitted to hold the Annual General Meeting (AGM) through Video

Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the Circulars as mentioned hereinabove, the 33rd AGM of the Company is being held through VC / OAVM. The deemed venue of this AGM shall be the Registered Office of the Company.

- Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members to attend and cast vote for the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September, 2020 to 29th September, 2020 (Both days inclusive).
- The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to Section 113 of the Companies Act, 2013, Institutional/Corporate Shareholders (i.e. other than Individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or Authorization Letter authorizing its representative to attend the AGM through VC / OAVM and to vote on their behalf through remote e-voting or through e-voting at the AGM. The said Resolution or Authorization Letter shall be sent to the Scrutinizer, Ms. Jyoti Sharma by an e-mail through its registered email address to csjyotisharma@gmail.com with a copy marked to evoting@nsdl.co.in.
- In compliance with MCA Circular No. 20/2020 dated 05th May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board’s Report, Auditor’s report or other documents required to be attached therewith (together referred to as Annual Report 2019-20) and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
- The Annual Report 2019-20 and Notice of AGM will also be available on the website of the Company, www.hbstockholdings.com; website of the Stock Exchange(s) i.e. BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and the website of NSDL (agency for providing the Remote e-voting facility) i.e. <https://www.evoting.nsdl.com>
- Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India] is annexed hereto and forms an integral part of this Notice.
- An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and forms an integral part of this Notice.
- All documents referred to in the Notice shall be made available for inspection in electronic mode, from the date of circulation of this Notice upto the date of the meeting. Members may request the same by sending an e-mail from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at corporate@hbstockholdings.com
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 shall be made available for inspection in electronic mode during the AGM upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>
- Members who would like to express their views/ask questions with regard to the Financial Statements or any other matter can submit their queries in advance through an e-mail from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at corporate@hbstockholdings.com on or before 25th September, 2020 till 05.00 P.M. The views/questions of those Members will only be taken up who have mailed it to the Company within time and the same will be replied by the Company suitably.
- Members holding shares in physical form are requested to intimate their PAN, e-mail address, Bank Account details, Change of Address, Change of Name, Registration of Nomination etc. immediately to the Registrar and Share Transfer Agent (RTA) of the Company namely,

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



Members holding shares in demat form can update their necessary details with their Depository Participants. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the Members.

15. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's RTA for assistance in this regard.
16. The Ministry of Corporate Affairs (MCA) has notified provisions relating to Unpaid / Unclaimed Dividend under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, the amount of Dividend remaining Unpaid or Unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

The dividend declared by the Company in the Annual General Meeting held in the year 2013 is due to be transferred to Investor Education and Protection Fund (IEPF) Authority. The Unpaid / Unclaimed Dividend amount stood at Rs. 24,24,709/- as on 31st March, 2020. The Company strongly recommends Shareholders to encash / claim their respective dividend on or before 25th September, 2020 from the Company's Registrar and Share Transfer Agents.

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

<http://www.hbstockholdings.com/Investor%20Information/Listing%20Information/ig.html>

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

(A) VOTING THROUGH ELECTRONIC MEANS:

- (i) In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and various Circulars issued by the Ministry of Corporate Affairs (MCA) and SEBI as mentioned above, the Members are provided with the facility to attend AGM through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to cast their vote electronically through the remote e-voting before the AGM and through e-voting during the AGM, through the Authorised Agency, **National Securities Depository Limited (NSDL)**.
- (ii) The remote e-voting period commences on **26th September, 2020 (09.00 A.M)** and ends on **28th September, 2020 (05.00 P.M)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (iii) The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 22nd September, 2020**, may cast their vote by remote e-voting / e-voting at the meeting.
- (iv) 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. 22nd September, 2020 may obtain the e-voting login Id and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your exiting user ID and password for casting your vote.
- (v) Ms. Jyoti Sharma, Company Secretary in Whole-time Practice (Membership No.: 8843, C.P. No.: 10196) failing her Ms. Purni Singhal, Company Secretary in Whole-time Practice (Membership No.: 40565, C.P. No.: 19493) have been appointed as the Scrutinizer(s) for conducting the remote e-voting & e-voting at AGM in a fair and transparent manner.
- (vi) **In case of any grievance connected with the facility for voting by electronic means, Members can directly contact Ms. Pallavi Mhatre, Manager - NSDL, e-mail ID: pallavid@nsdl.co.in / evoting@nsdl.co.in or call on Toll Free No.: 1800-222-990. Members may also write to the Company Secretary at the e-mail ID: corporate@hbstockholdings.com.**

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

How do I vote electronically using NSDL e-Voting system?

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

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

Step 2: Cast your vote electronically on NSDL e-voting system.

>> Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

- (i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.

- (ii) Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- (iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- (iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113758 then user ID is 113758001***

- (v) Your password details are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - If your e-mail address is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail address. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your e-mail address is not registered, please refer the **"PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS FOR OBTAINING E-VOTING USER ID & PASSWORD, NOTICE OF AGM, ANNUAL REPORT 2019-20 AND UPDATION OF BANK ACCOUNT DETAILS"** provided hereinafter.

- (vi) If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- (vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

- (viii) Now, you will have to click on "Login" button.

- (ix) After you click on the "Login" button, Home page of e-Voting will open.

>> Details on Step 2 is mentioned below:

How to cast your vote electronically on NSDL e-voting system?

- (i) After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- (ii) After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.



- (iii) Select "EVEN" of company for which you wish to cast your vote.
- (iv) Now you are ready for e-Voting as the Voting page opens.
- (v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- (vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

>> General Guidelines for Shareholders:

- (i) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- (ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- (iii) **In case of any queries / grievances, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on Toll Free No.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager - NSDL at pallavid@nsdl.co.in or evoting@nsdl.co.in**

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

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

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

- (i) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-voting system of NSDL.
- (ii) Members are encouraged to join the Meeting through Laptops for better experience.
- (iii) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Members who would like to express their views/ask questions during the meeting may pre-register themselves as a speaker by sending a request from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at corporate@hbstockholdings.com. Those Members who have registered themselves as a speaker on or before **25th September, 2020 till 5:00 P.M.** will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Questions that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

(E) PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS FOR OBTAINING E-VOTING USER ID & PASSWORD, NOTICE OF AGM, ANNUAL REPORT 2019-20 AND UPDATION OF BANK ACCOUNT DETAILS.

- (i) **Members holding shares in physical form** who have not registered their e-mail address are requested to send scanned copy of duly signed request letter to Company's Registrar and Share Transfer Agent (RTA), RCMC Share Registry Private Limited through an e-mail at investor.hb@rcmcdelhi.com providing Folio No., Name of Shareholder along with scanned copy of the Share Certificate (front and back), self-attested scanned copy of the PAN Card and any one of the following documents viz., Aadhaar Card, Driving Licence, Voter Card, Passport or Utility bill in support of the address proof of the Member as registered with the Company for the purpose of obtaining e-voting User ID & Password, Notice of AGM and Annual Report 2019-20.

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

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

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

(F) DECLARATION OF RESULTS ON THE RESOLUTIONS:

- (i) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first unblock the votes cast at the meeting through e-voting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than forty eight (48) hours 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.
- (ii) The Company shall submit to the BSE Limited & National Stock Exchange of India Limited, within forty eight (48) hours of the conclusion of the meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, <http://www.hbstockholdings.com> and on the website of NSDL, <https://www.evoting.nsdl.com> immediately after the declaration of results.
- (iii) Subject to the receipt of requisite number of votes, the resolution(s) shall be deemed to be passed on the date of the meeting.



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

PARTICULARS	MR. ANIL GOYAL	MRS. ASHA MEHRA	MR. ASHISH KAPUR
Directors Identification Number (DIN)	00001938	02658967	00002320
Date of Birth	22 nd February, 1959	08 th August, 1940	27 th July, 1969
Date of First Appointment on the Board	30 th July, 2005	30 th March, 2015	23 rd July, 2020
Profile / Expertise in Specific functional Areas.	Mr. Goyal is a Fellow member of the Institute of Chartered Accountants of India with expertise in the fields of Finance, taxation, investment banking, corporate restructuring and strategic planning. He has good experience of Corporate and Legal matters including SEBI related Laws.	Mrs. Mehra has held various prestigious positions with Government of India like Assistant/ Deputy Commissioner of Income Tax, Deputy Director, Income Tax, Commissioner of Income Tax, New Delhi, Chief Commissioner of Income Tax, Rajasthan, Member, Central Board of Direct Taxes (CBDT) etc. She has also worked as Member and Chairperson of Income Tax Settlement Commission, Principal Bench, New Delhi.	Mr. Kapur is a Commerce Graduate from Panjab University. He has also done Master in Business Administration with major in Finance from Narsee Monjee Institute of Management Studies (NMIMS). He has got more than two decades of rich working experience in Finance, Investments and Capital Markets. He started his career in 1993 with Jardine Fleming India as AVP Capital Markets. He is on the Board of Directors of few other Companies.
Qualifications	B.Com & C.A	Post Graduate, & Post Graduate Diploma in Tax Management, 1972	B.Com & MBA
List of Directorship in other Companies	<p>Listed Companies:</p> <ol style="list-style-type: none"> 1. HB Portfolio Ltd.- Managing Director 2. HB Leasing and Finance Co. Ltd.- Managing Director 3. HB Estate Developers Ltd.-Director (Chairman) <p>Other Companies:</p> <ol style="list-style-type: none"> 4. HB Financial Consultants Pvt. Ltd. 5. HB Securities Ltd. 6. Mount Finance Ltd. 7. RRB Securities Ltd. 8. HB Corporate Services Ltd. 9. Bhasin Investments Ltd. 10. Taurus Investment Trust Company Ltd. 11. R.R.B. House Finance Pvt. Ltd. 	<p>Listed Company:</p> <p>HB Estate Developers Ltd.</p>	<ol style="list-style-type: none"> 1. RRB Master Securities Delhi Ltd. – Managing Director 2. Leo Portfolios Pvt. Ltd. 3. Invest Shoppe India Pvt. Ltd. 4. BSP Constructions Pvt. Ltd. 5. Aquarius Portfolios Pvt. Ltd.
Membership of Committee of the Board in other Companies.	<p>Stakeholder's Relationship Committee</p> <ol style="list-style-type: none"> 1. HB Portfolio Ltd. (Member) 2. HB Leasing and Finance Co. Ltd. (Member) 3. HB Estate Developers Ltd. (Member) 4. RRB Securities Ltd. (Member) <p>Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> 1. RRB Securities Ltd. (Member) 2. HB Estate Developers Ltd. (Member) <p>Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> 1. HB Portfolio Ltd. (Member) 2. HB Estate Developers Ltd. (Member) <p>Finance and Borrowings Committee</p> <ol style="list-style-type: none"> 1. HB Portfolio Ltd. (Member) <p>Capital Restructuring Committee</p> <ol style="list-style-type: none"> 1. HB Portfolio Ltd. (Member) <p>Securities Committee</p> <ol style="list-style-type: none"> 1. HB Estate Developers Ltd. (Member) <p>Business Restructuring Committee</p> <ol style="list-style-type: none"> 1. HB Estate Developers Ltd. (Member) 	<p>Audit Committee</p> <ol style="list-style-type: none"> 1. HB Estate Developers Ltd. (Chairperson) <p>Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> 1. HB Estate Developers Ltd. (Chairperson) <p>Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> 1. HB Estate Developers Ltd. (Chairperson) 	None
No. of Equity Shares held	Nil	Nil	Nil
No. of Board Meetings attended/entitled to attend during the year	4/4	3/4	NA
Whether related to any Board Members, Manager or KMP of the Company	No	No	Mr. Lalit Bhasin, Director (Chairman) & Promoter of the Company is deemed interested.

BY ORDER OF THE BOARD
FOR HB STOCKHOLDINGS LIMITED

Place : Gurugram
Date : 31st July, 2020

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



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

ITEM NO. 3:

Mrs. Asha Mehra (DIN: 02658967) was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years by the Shareholders in their Annual General Meeting held on 9th September, 2015 pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and rules made thereunder (“the Act”) read with Schedule IV of the Act.

In terms of the said provisions, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board’s Report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

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

The Board of Directors, based on the performance evaluation of Independent Director and on the recommendation of the Nomination and Remuneration Committee in their meeting(s) held on 12th February, 2020 considered and recommended the re-appointment of Mrs. Asha Mehra (DIN: 02658967) aged 80 years as Non-Executive Independent Director of the Company for second term of five consecutive years pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Company has received a declaration to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing her candidature for the office of Director.

In the opinion of the Board, Mrs. Asha Mehra fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and she is independent of the management. She is not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

Copy of Draft letter for her re-appointment as Non-Executive Independent Directors setting out the terms and conditions would be made available for inspection through electronic mode without any fee by the members, up to the date of the AGM.

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

The Board of Directors recommends to the Shareholders that the association of Mrs. Asha Mehra would be beneficial to the Company based on her performance evaluation, knowledge, background, extensive experience and contributions made during her tenure, it is desirable to re-appoint her as Non-Executive Independent Director of the Company for second term of five consecutive years.

Except Mrs. Asha Mehra, None of the other Directors, Key Managerial Personnel (KMP) and / or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

The Board of Directors recommends the Special Resolution at Item No. 3 of the Notice for the approval of the members.

ITEM NO. 4:

Mr. Ashish Kapur (DIN: 00002320), aged 51 years, was appointed as an Additional Director of the Company w.e.f 23rd July, 2020 who shall hold office only up to the date of this Annual General Meeting (AGM).

The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended to appoint Mr. Ashish Kapur as Non-Executive Non-Independent Director within the meaning of Section 152 of the Companies Act, 2013 read with Rules made there under and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director. The documents mentioned hereinbefore would be made available for inspection through electronic mode without any fee by the members, up to the date of the AGM.

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

In the opinion of the Board of Directors, Mr. Ashish Kapur fulfills the conditions for appointment as a Non-Executive Non-Independent Director as specified in the Act and the Rules made thereunder. The Board recommends to the Shareholders that the association of Mr. Ashish Kapur would be beneficial to the Company considering his knowledge, background, extensive experience.

Mr. Lalit Bhasin, Director (Chairman) & Promoter of the Company is deemed interested in the proposed resolution. None of the other Directors and Key Managerial Personnel (KMP) or their relatives are concerned or interested in the proposed resolution.

The Board recommends the resolution set forth at Item No. 4 of the Notice for the approval of the members.

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

**Place : Gurugram
Date : 31st July, 2020**

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



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 33rd Annual Report together with the Audited Financial Statement for the Financial Year ended 31st March, 2020.

FINANCIAL RESULTS

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

(Amount in ₹ Lakh)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Interest Income	184.09	338.03	184.09	338.03
Dividend Income	12.31	10.19	12.31	10.19
Total Revenue from Operations	196.40	348.22	196.40	348.22
Other Income	18.29	0.00	18.29	0.13
Total Income	214.69	348.22	214.69	348.34
Expenses	944.05	900.46	948.97	906.20
Profit / (Loss) Before Tax	(729.36)	(552.24)	(734.28)	(557.85)
Tax Expense	0.56	21.53	0.56	21.53
Profit / (Loss) After Tax	(729.91)	(573.77)	(734.84)	(579.38)
Profit / (Loss) for the year	(729.91)	(573.77)	(734.84)	(579.38)
Other Comprehensive Income for the year, net of tax	(3.76)	(1.04)	(3.76)	(1.04)
Total Comprehensive Income for the year	(733.67)	(574.81)	(738.59)	(580.42)

ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND-AS)

The Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The transition to Ind-AS has been carried out in accordance with Ind-AS 101. Accordingly, the financial figures for the previous year ended 31st March, 2019 have also been regrouped / rearranged in accordance with Ind-AS.

DIVIDEND

In view of the brought forward losses and current year loss, the Board of Directors regrets their inability to recommend any Dividend for the Financial Year 2019-2020.

TRANSFER TO GENERAL RESERVE

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

PERFORMANCE REVIEW & OUTLOOK

The Company's business activities have been adversely impacted due to volatility in the stock market and uncertain business environment / outlook. The Company is maintaining its operations in adherence to the safety norms issued by the Government from time to time. The Company has taken adequate measures to control the cash flow and overhead expenditures to manage the operations. There has been no impact on the internal financial reporting and controls of the Company. At present, the Company is in position to fulfil its legal obligations. The Company is closely monitoring the situation and continues to evaluate the impact of COVID-19 as the situation evolves.

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

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

STATUTORY STATEMENTS

(i) Share Capital

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

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

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

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

(iii) Committees of the Board

The Company has several Committees which have been established in compliance with the requirement of the relevant provisions of applicable laws and statutes. As on 31st March, 2020, the Board has five committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Business Restructuring Committee. A detailed note on the composition of the Committees is provided in the Corporate Governance Report, which forms an integral part of the Board's Report.

(iv) Public Deposits

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

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

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

(vi) Particulars of Loans, Guarantees or Investments

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

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

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

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

(viii) Change in the Nature of Business

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

(ix) Maintenance of cost records

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

(x) Material Changes and commitments

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

(xi) Reporting of frauds by the Auditors

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

(i) Subsidiaries

The Company has following Subsidiary as on 31st March, 2020:

Name of the Company	As on 31 st March, 2020	
	No. of Shares	% of holding
1. Mount Finance Limited	830006	100.00%

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

The Board of Directors has approved a Policy for Determining Material Subsidiaries in compliance with the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for Determining Material Subsidiary has been suitably modified as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The said Policy is available on the website of the Company having following web-link,

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



HB STOCKHOLDINGS LIMITED

(ii) Joint Ventures

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

(iii) Associate Companies

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

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT

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

WHISTLE BLOWER POLICY – VIGIL MECHANISM

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

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

RELATED PARTY TRANSACTIONS

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

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

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

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

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

PRESERVATION OF DOCUMENTS & ARCHIVAL POLICY

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

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

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

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

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

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

PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace. The Board of Directors

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

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

(* Appointed w.e.f 16th June, 2020

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

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

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

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

INTERNAL FINANCIAL CONTROLS

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee) pursuant to the provisions of Section 135 of the Companies Act, 2013. The composition of the CSR Committee has been mentioned in the Corporate Governance Report forming part of this report. The Board of Directors, on the recommendation of the CSR Committee, has approved the Corporate Social Responsibility Policy (CSR Policy) of the Company which is available on the website of the Company having following web-link,

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

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

- The Company endeavors to adopt an integrated approach to address the community, societal & environmental concerns by taking one or more of the activities allowed as per Section 135 of the Companies Act, 2013 and the applicable rules and regulations.
- To identify the activities in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner.
- To provide financial assistance in the form of grant-in-aid assistance and corpus fund support etc. to support, supplement and improve the quality of life of different segments of the Society.
- As a responsible corporate entity, the Company will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on the social welfare activities.
- A total allocation of amount as prescribed by the Companies Act, 2013 and approved by the Board earmarked every year for implementation of CSR activities.

During the Financial Year 2019-2020, the Company has carried out following changes in the CSR Policy of the Company as per the provisions of the Companies Act, 2013 read with applicable Rules made thereunder, as amended:

The activities prescribed under Corporate Social Responsibility have been included / modified in following sub-clauses of clause no. 4 of the Policy:

- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- slum area development;

Explanation- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- disaster management, including relief, rehabilitation and reconstruction activities;



As a part of the CSR initiatives, your Company has undertaken CSR activity in accordance with Schedule VII of the Companies Act, 2013 during the financial year 2019-2020. The report on CSR activities is attached as "ANNEXURE – I" forming part of this report.

AUDITORS

(i) Statutory Auditors

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

As per the amended provisions of Sec 139(1) of the Companies Act, 2013, the requirement of ratification of the appointment of Statutory Auditors by members at every general meeting has been omitted. Accordingly, the resolution is proposed for the approval of members at the ensuing Annual General Meeting to dispense with the requirement of annual ratification of appointment of 'G.C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

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

(ii) Internal Auditors

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

(iii) Secretarial Auditors

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

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

- 1) *The Registrar of Companies, NCT of Delhi and Haryana has filed complaint (bearing case No. CC/606/2019 at District Courts, Dwarka, New Delhi for alleged violation of Section 134(3)(o) read with Section 135 of the Companies Act, 2013 against the Company and its officers. The Company has on its own made an application - e-Form RD-1 (SRN 34522995) dated 02.03.2020 for compounding of the offence. Final order is awaited.*

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

(a) Appointment / Re-appointment / Resignation of Directors and KMP

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Anil Goyal (DIN: 00001938), Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

Mr. Harbans Lal (DIN: 00076405) aged 77 years and Mr. Gulshan Rai (DIN: 000527181) aged 85 years has been re-appointed as Non-Executive Independent Directors for second term of five consecutive years by passing Special Resolution in the last Annual General Meeting held on 17th September, 2019.

Mrs. Asha Mehra (DIN: 02658967), aged 80 years is proposed to be re-appointed as Non-Executive Independent Directors for second term of five consecutive years. The Company has received a declaration to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and are not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. In the opinion of the Board, Mrs. Asha Mehra fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

Pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends to the Shareholders that the association of Mrs. Asha Mehra would be beneficial to the Company based on her performance evaluation, considering her knowledge, background, extensive experience and contributions made by her during her tenure and it is desirable to re-appoint her as Non-Executive Independent Directors of the Company for second term of five consecutive years.

Mr. Rachit Tandon (M.No. A-30169) has resigned from the position of the Company Secretary with effect from 31st January, 2020.

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

(b) Declaration from Independent Directors

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

(c) Nomination and Remuneration Policy

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

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

- Nomination and Remuneration Committee has been empowered inter-alia to carry out the following functions:
 - Identification and selection of persons for appointment as Director, KMP or at Senior Management level considering their qualification, experience and integrity.
 - Determining the appropriate size, diversity and composition of the Board.
 - Developing a succession plan for the Board and Senior Management of the Company.
 - To recommend all remuneration, in whatever form, payable to senior management.
 - Considering and determining the remuneration based upon the performance to attract retain and motivate members of the Board.
 - Approving the remuneration of the Senior Management including KMPs of the Company.
 - Evaluation of performance of the Board, its committees, individual directors and Senior Management Personnel on yearly basis.
 - To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
 - Approval of the Shareholders by way of Special Resolution is required in following cases:
 - To appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years.
 - To appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years.
 - To re-appoint Independent Directors for second terms of five consecutive years.
 - Payment of fees or compensation to executive directors who are promoters or members of the promoter group exceeding particular limits specified in the policy.
 - The annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors.
 - Executive Directors / Managing Director are paid remuneration as per applicable provisions of the Companies Act, 2013 and rules made there under.
 - Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board. The sitting fee for each meeting of Board of Directors and the Committee of Directors has been fixed by the Board of Directors within the overall ceiling laid down under the Companies Act, 2013.
- Following changes were made in the Nomination and Remuneration Policy of the Company during the Financial Year 2019-2020 as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:
- 1) The Nomination and Remuneration Committee to recommend to the Board, all remuneration, in whatever form, payable to the Directors, key managerial personnel and Senior Management.
 - 2) "Senior Management" means officers / personnel of the Company who are members of the core management team excluding Board of Directors comprising all members of management one level below the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
 - 3) The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
 - 4) The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-



- (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the company, whichever is higher; or
- (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the company:

Provided that the approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

- 5) The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

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

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

(d) Board Diversity

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

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

(e) Board Evaluation

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

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

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

a) Details of top ten employee in terms of remuneration drawn as on 31st March, 2020:

Sl. No.	Name	Designation	Gross Remuneration received (In ₹)	Nature of Employment	Qualification	Experience (In Year)	Date of Commencement of Employment	Age (In Year)	Last Employment held before joining the Company	Number & Percentage of Equity Shares held	Whether any such employee is a relative of any director or manager of the company
1	Mr. Mahesh Kumar Gupta	Chief Financial Officer (KMP)	21,30,400	Permanent	Graduate, CMA	30	13-03-1995	51	Hero Cycle Limited	-	No
2	Mr. Jag Mohan Lal Suri	Manager (KMP)	19,05,500	Permanent	BSc, BE (Mech.)	60	13-01-1992	82	WIMCO Limited	-	No
3	Mr. Murari Lal	Accountant	2,93,012	Permanent	M.com	21	04-11-2006	45	Sudesh Soni & Co. (CA Firm)	-	No
4	Mr. Jitendra Kumar	Secretarial Assistant	2,39,424	Permanent	LLB	13	08-07-2015	40	HB Portfolio Ltd.	-	No
5	Mr. Ganga Singh Rawat	Assistant	1,86,376	Permanent	Matric	22	01-04-2017	49	QR Properties Pvt. Ltd.	-	No
6	Mr. Rupesh Kumar [#]	Officer - Secretarial	36,773	Permanent	CS	5	13-03-2020	27	Jindal Poly Investment & Finance Co. Ltd.	-	No

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

Appointed w.e.f 13th March, 2020

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

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

Sr. No.	Name	Category	Ratio/Times per Median of employee remuneration	% Increase in remuneration
1.	Mr. Lalit Bhasin	Director (Non-Executive)	N.A	N.A
2.	Mr. Anil Goyal	Director (Non-Executive)	N.A	N.A
3.	Mr. Harbans Lal	Director (Non-Executive)	N.A	N.A
4.	Mr. Gulshan Rai	Director (Non-Executive)	N.A	N.A
5.	Mrs. Asha Mehra	Director (Non-Executive)	N.A	N.A
6.	Mr. Mahesh Kumar Gupta	Chief Financial Officer		20.36
7.	Mr. Rachit Tandon*	Company Secretary		N.A
8.	Mr. Jag Mohan Lal Suri	Manager		N.A

(*) Resigned w.e.f 31st January, 2020.

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

- (ii) The increase in the median remuneration in current financial year as compared to previous financial year is 11.03%.
- (iii) There are six (6) permanent employees on the rolls of the Company as on 31st March, 2020.
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 22.28% as compared to the percentile increase of 20.30% in the managerial remuneration of the Chief Financial Officer.
- (v) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- (vi) Statement of particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) &(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31st March, 2020:

SECRETARIAL STANDARDS

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

EXTRACT OF ANNUAL RETURN

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

The Annual Return (Form MGT-7) filed by the Company for FY 2018-19 with the Registrar of Companies is available on the website of the Company having following web link,

<https://www.hbstockholdings.com/Investor%20Information/Annual%20Returns/indexx.html>



DIRECTORS RESPONSIBILITY STATEMENT

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

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

- e) the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENTS

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

For and on behalf of the Board

Sd/
LALIT BHASIN
(Chairman)
DIN: 00002114

Place: New Delhi
Date: 16th June, 2020

ANNEXURE – "I"

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(A) Average Net Profits and prescribed CSR expenditure:

(Amount in ₹)

Particulars	
Average net profits of the Company for last three financial years	3,22,62,219
Prescribed CSR expenditure	6,45,244

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

Particulars	
Total amount spent during the financial year	6,50,000
Total	6,50,000
Amount unspent, if any	Nil

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

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1.	Contribution to The Akshaya Patra Foundation towards sponsorship of Mid-Day Meal Program for children studying in Delhi Government Schools	Eradicating Hunger, Malnutrition and Promotion of Education of Underprivileged Children	Delhi	Rs. 5,00,000	Rs. 5,00,000	Rs. 5,00,000	Implementing Agency *
2.	Contribution to Delhi Langar Seva Society for feeding the Hungry People	Eradicating Hunger, Malnutrition and Promotion of Education of Underprivileged Children	Delhi	Rs. 1,50,000	Rs. 1,50,000	Rs. 1,50,000	Implementing Agency **
Total (In Rs.)				6,50,000	6,50,000	6,50,000	-

(*) The Akshaya Patra Foundation is a Registered Trust and the world's largest NGO running the mid-day meal program for Government school children. They started their program of feeding 1500 children in the year 2000. As on date, they are feeding 17+ Lakhs children everyday studying in 16,000+ government schools across 12 states in India. They are currently running their operations from 43 different locations.

(**) Delhi Langar Seva Society (DLSS) is a Registered Trust, and is focused on 'Feeding the Hungry' people. DLSS started its activity of feeding hungry people approx. 300 persons once a week outside AIIMS (All India Institute of Medical Sciences), New Delhi. Presently, DLSS is feeding approx. 1300 hungry people every day at eight different locations in Delhi.

Responsibility Statement

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

For HB Stockholdings Limited

For HB Stockholdings Limited

Sd/
ANIL GOYAL
(Director)

Sd/
LALIT BHASIN
(Chairman – CSR Committee)



**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

(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, 2020** 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, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings*.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018*;
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014*;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008*;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009* and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018*

*Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv) of para 1 above and SEBI Regulations listed at sub-para (v) Serial Nos. (e), (f), (g), (h) and (i) above are not applicable to the Company for 2019-20 as there were no corporate decisions/actions attracting these regulations.

- (vi) The Other Laws applicable specifically to the Company are:
 - (a) The Reserve Bank of India Act, 1934.
 - (i) Non-Banking Financial Company – non-systemically Important Non-Deposit Taking Company (Reserve Bank) Directions 2016, as amended and other applicable guidelines/instructions issued by RBI;
 - (ii) 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) Credit Information Companies (Regulation) Act, 2005.
 - (c) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- 2. We have also examined the compliances with the applicable Regulations/Standards of the following:
 - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements with Bombay Stock Exchange Ltd. and the National Stock Exchange of India Ltd; and
 - (ii) Secretarial Standards issued by the Institute of Company Secretaries of India.

3. During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Standards, Guidelines, etc. mentioned above subject to following observations:-

The Registrar of Companies, NCT of Delhi and Haryana has filed complaint (bearing case No. CC/606/2019 at District Courts, Dwarka, New Delhi for alleged violation of Section 134(3)(o) read with Section 135 of the Companies Act, 2013 against the Company and its officers. The Company has on its own made an application - e-Form RD-1 (SRN 34522995) dated 02.03.2020 for compounding of the offence. Final order is awaited.

- 4. We further report that:
 - a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Woman Director and Independent Directors. There is no change in the composition of the Board of Directors during the period under Audit.
 - b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - c) Majority decisions are carried through while dissenting members' views are captured and recorded as part of the minutes.
- 5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 6. We further report that during the audit period, no major decisions having a bearing on Company's affairs in pursuance of the above referred laws, rules/regulations were taken.

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

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

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

**Place: New Delhi
Date: 16th June, 2020**

**ICSI Unique Code: S1995DE014900
UDIN: F001070B000336878**

Annexure 'A'

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

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

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

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

**Place: New Delhi
Date: 16th June, 2020**

**ICSI Unique Code: S1995DE014900
UDIN: F001070B000336878**

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the Financial Year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF	3768691	0	3768691	52.80	3768691	0	3768691	52.80	0.00
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt. (s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	29644	0	29644	0.42	29644	0	29644	0.42	0.00
e) Banks / FI	0	0	0	0	0	0	0	0	0.00
f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1):-	3798335	0	3798335	53.22	3798335	0	3798335	53.22	0.00
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.00
b) Other - Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks / FI	0	0	0	0	0	0	0	0	0.00
e) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-Total (A) (2):	0	0	0	0	0	0	0	0	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	3798335	0	3798335	53.22	3798335	0	3798335	53.22	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	105	2475	2580	0.04	105	2475	2580	0.04	0.00



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	
b) Banks / FI	0	87	87	0	0	87	87	0	0.00
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt. (s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIs	0.00	0	0.00	0.00	0	0	0	0	0.00
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify)	0	0	0	0	0	0	0	0	0.00
SUB-TOTAL (B) (1):-	105	2562	2667	0.04	105	2562	2667	0.04	0.00
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	126402	11471	137873	1.93	107732	11426	119158	1.67	(0.26)
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding Nominal Share Capital upto Rs.1 lakh	1924907	1008096	2933003	41.09	1904800	988865	2893665	40.54	(0.55)
ii) Individual shareholders holding Nominal Share Capital in excess of Rs 1 lakh	120060	0	120060	1.68	151110	0	151110	2.12	0.44
c) Others (specify)									
i) Clearing members	22626	30	22656	0.32	308	330	338	0.00	(0.32)
ii) Non -Residents	90492	32276	122768	1.72	140695	31502	172197	2.41	0.69
iii) Foreign Company	0	0	0	0	0	0	0	0	0.00
iv) Trusts	165	0	165	0	165	0	165	0.00	0.00
v) NBFC	138	0	138	0	30	0	30	0.00	0.00
SUB-TOTAL (B) (2):-	2284790	1051873	3336663	46.74	2304840	1032123	3336663	46.74	0.00
Total Public Share holding (B)=(B)(1)+ (B)(2)	2284895	1054435	3339330	46.78	2304945	1034385	3339330	46.78	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total (A+B+C)	6083335	1054330	7137665	100.00	6103280	1034385	7137665	100.00	0.00

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	
1.	Lalit Bhasin	3678691	51.54	0.00	3678691	51.54	0.00	0.00
2.	Ayush Kapur	22500	0.32	0.00	22500	0.32	0.00	0.00
3.	Kanishk Kapur	22500	0.32	0.00	22500	0.32	0.00	0.00
4.	Manasvin Arora	22500	0.32	0.00	22500	0.32	0.00	0.00
5.	Mehar Arora	22500	0.32	0.00	22500	0.32	0.00	0.00
6.	Merrygold Investments Ltd	9148	0.13	0.00	9148	0.13	0.00	0.00
7.	HB Corporate Services Ltd	20496	0.29	0.00	20496	0.29	0.00	0.00
	Total	3798335	53.22	0.00	3798335	53.22	0.00	0.00

(iii) Change in Promoters' Shareholding:

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year				
2	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)	No changes in Promoters Shareholding during the year			
3	At the end of the year				



(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	SANJEEV DEVARAJ.					
	At the beginning of the year 01/04/2019		19175	0.27	19175	0.27
	05/04/2019	Buy	5573	0.08	24748	0.35
	12/04/2019	Buy	9596	0.13	34344	0.48
	19/04/2019	Buy	452	0.01	34796	0.49
	26/04/2019	Buy	1731	0.02	36527	0.51
	03/05/2019	Buy	5037	0.07	41564	0.58
	10/05/2019	Buy	7161	0.11	48725	0.68
	17/05/2019	Buy	2826	0.04	51551	0.72
	24/05/2019	Buy	279	0.00	51830	0.73
	31/05/2019	Buy	8597	0.12	60427	0.85
	07/06/2019	Buy	10101	0.14	70528	0.99
	14/06/2019	Buy	2000	0.03	72528	1.02
	05/07/2019	Buy	800	0.01	73328	1.03
	30/08/2019	Buy	1000	0.01	74328	1.04
At the end of the year 31/03/2020				74328	1.04	
2	KARAMJIT SINGH					
	At the beginning of the year 01/04/2019		65701	0.92	65701	0.92
	31/05/2019	Buy	1940	0.03	67641	0.95
At the end of the year 31/03/2020				67641	0.95	
3	KUMARA SWAMY BS					
	At the beginning of the year 01/04/2019		21132	0.30	21132	0.30
	At the end of the year 31/03/2020				21132	0.30
4	SAGARIKA INFRASTRUCTURE PRIVATE LIMITED					
	At the beginning of the year 01/04/2019		14249	0.20	14249	0.20
	04/10/2019	Buy	400	0.01	14649	0.21
	25/10/2019	Buy	1100	0.02	15749	0.22
	29/11/2019	Buy	2200	0.03	17949	0.25
	13/12/2019	Buy	1900	0.03	19849	0.28
	At the end of the year 31/03/2020				19849	0.28
5	HARISH VERMA					
	At the beginning of the year 01/04/2019		0.00	0.00	0.00	0.00
	05/07/2019	Buy	9420	0.13	9420	0.13
	12/07/2019	Buy	6839	0.10	16259	0.23
	02/08/2019	Buy	236	0.00	16495	0.23
	30/08/2019	Buy	47	0.00	16542	0.23
	13/09/2019	Buy	622	0.01	17164	0.24
	20/09/2019	Buy	70	0.00	17234	0.24
	27/09/2019	Buy	496	0.01	17730	0.25
	04/10/2019	Buy	119	0.00	17849	0.25
	11/10/2019	Buy	534	0.01	18383	0.26
	18/10/2019	Buy	471	0.01	18854	0.26
	25/10/2019	Buy	56	0.00	18910	0.26
	06/12/2019	Sell	(71)	0.00	18839	0.26
	13/12/2019	Buy	11	0.00	18850	0.26
	20/12/2019	Buy	30	0.00	18880	0.26
	27/12/2019	Buy	10	0.00	18890	0.26
	03/01/2020	Buy	25	0.00	18915	0.27
	10/01/2020	Buy	272	0.00	19187	0.27
	17/01/2020	Sell	(348)	0.00	18839	0.26
	At the end of the year 31/03/2020				18839	0.26
	6	ISHA SECURITIES LIMITED				
At the beginning of the year 01/04/2019			15900	0.22	15900	0.22
At the end of the year 31/03/2020					15900	0.22



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
7	VARSHA BHAVESH SHAH					
	At the beginning of the year 01/04/2019		15150	0.21	15150	0.21
	At the end of the year 31/03/2020				15150	0.21
8	HARIDAS NAMDEORAO BALKI					
	At the beginning of the year 01/04/2019		15000	0.21	15000	0.21
	At the end of the year 31/03/2020				15000	0.21
9	KLB SECURITIES PVT. LTD.					
	At the beginning of the year 01/04/2019		13973	0.20	13973	0.20
	12/04/2019	Sell	(13973)	(0.20)	0.00	0.00
	20/12/2019	Buy	13973	0.20	13973	0.20
	At the end of the year 31/03/2020				13973	0.20
10	VINAY R SOMANI					
	At the beginning of the year 01/04/2019		15272	0.21	15272	0.21
	12/07/2019	Sell	(9)	0.00	15263	0.21
	19/07/2019	Sell	(68)	0.00	15195	0.21
	27/09/2019	Sell	(1272)	(0.02)	13923	0.20
	At the end of the year 31/03/2020				13923	0.20

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

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Lalit Bhasin	3678691	51.54	3678691	51.54
2.	Mr. Anil Goyal	0	0	0	0
3.	Mrs. Asha Mehra	0	0	0	0
4.	Mr. Gulshan Rai	0	0	0	0
5.	Mr. Harbans Lal	0	0	0	0
6.	Mr. Mahesh Kr Gupta CFO (KMP)	0	0	0	0
7.	Mr. Rachit Tandon, CS (KMP) (upto 31.01.2020)	0	0	0	0
8.	Mr. Jag Mohan Lal Suri, Manger (KMP)	0	0	0	0

V. INDEBTEDNESS

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	62,03,145	NIL	NIL	62,03,145
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ ii+ iii)	62,03,145	NIL	NIL	62,03,145
Changes in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	17,42,546	NIL	NIL	17,42,546
Net Change	17,42,546	NIL	NIL	17,42,546
Indebtedness at the end of the financial year				
i) Principal Amount	44,60,599	NIL	NIL	44,60,599
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ ii+ iii)	44,60,599	NIL	NIL	44,60,599


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

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of the Managing Director / Whole Time Director/Manager	
		Mr. Jag Mohan Lal Suri, Manager	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) The Income-tax Act, 1961 (c) Profits in lieu of Salary under section 17(3) Income tax Act, 1961	15,87,500 75,000 -	
2.	Stock Option	-	
3.	Sweat Equity	-	
4.	Commission	-	
5.	Others, PF & Superannuation	2,43,000	
	Total (A)	19,05,500	
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013	

B. Remuneration to other directors:

(Amount in ₹)

Sl. no.	Particulars of Remuneration	Name of Director(s)			Total Amount
		Mr. Gulshan Rai	Mr. Harbans Lal	Mrs. Asha Mehra	
1.	Independent Director(s)				
	• Fee for attending Board / Committee Meetings	1,05,000	1,08,000	56,000	2,69,000
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	Total (1)	1,05,000	1,08,000	56,000	2,69,000
2.	Other Non -Executive Director	Mr. Lalit Bhasin	Mr. Anil Goyal		
	• Fee for attending Board / Committee Meetings	35,000	93,000		1,28,000
	• Commission	NIL	NIL		NIL
	• Others, please specify	NIL	NIL		NIL
	Total (2)	35,000	93,000		1,28,000
	Total Managerial Remuneration				3,97,000
	Ceiling as per the Act	Sitting fee paid as per the provisions of the Companies Act, 2013.			

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

(Amount in ₹)

SL. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
		Mr. Rachit Tandon (upto 31.01.2020)	Mr. Mahesh Kumar Gupta	
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	5,22,093 - -	19,69,000 39,000 -	24,91,093 39,000 -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	- -	- -	- -
5.	Others, PF	1,22,500	29,400	1,51,900
	Total	5,51,493	21,30,400	26,81,993

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1) OPERATING RESULTS

During the year under review, the Company's Total Revenue is Rs. 214.69 Lakhs as compared to Rs. 348.22 Lakhs in the previous year. The Company incurred total expenses amounted to Rs. 944.05 as compared to Rs. 900.46 Lakhs during the previous year. Profit/(Loss) after tax stood at Rs. (729.91) Lakhs as against Rs. (573.77) Lakhs in the previous year.

2) INDUSTRY STRUCTURE AND DEVELOPMENTS

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The financial services sector is poised to grow eventually on the back of strong fundamentals, adequate liquidity in the economy, significant government and regulatory support, and the increasing pace of digital adoption.

In India, equity market also fell sharply in sync with global markets with the outbreak of COVID-19. The growth softened in 2019 as economic and regulatory uncertainty, together with concerns about the health of the non-banking financial sector, weighed on demand. There was a strong hope of recovery in the last quarter of 2019-20. However, the COVID-19 pandemic made this recovery extremely difficult in the near to medium term.

During the year, the government has taken several steps to lift growth, including a cut in corporate tax rates, setting up of a real estate fund for stressed housing projects and a national infrastructure pipeline. The Union Budget 2020 has focused on long-term policy direction, agricultural sector, education, infrastructure, healthcare, financial services, improving ease of doing business and better tax governance.

During 2019-20, the Reserve Bank undertook several measures to develop the financial markets further in terms of broadening the participation base in various segments of the markets, easing access and transaction norms, expanding the range of financial products, simplifying procedures and improving financial market infrastructure, while maintaining rigorous surveillance to ensure market integrity. The Reserve Bank's liquidity management operations, in rupees and forex, were stepped up and unconventional instruments were also deployed to ensure adequate liquidity, the normal functioning of markets and the stability of the financial system in the face of the dislocation caused by COVID-19.

3) OPPORTUNITY AND THREATS

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

Although NBFC enjoy considerably lower regulatory overheads, they experience challenges in raising

debt, as all NBFCs can't accept public deposits and hence

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

4) FUTURE PROSPECTS AND OUTLOOK

With the worldwide outbreak of COVID-19, the global economy is staring at a recession of a magnitude never seen before in recent history. To counter the pandemic, countries across the globe has resorted to lockdowns, which has already brought the economy to a standstill. Continued lockdown due to COVID-19 can lead to a serious impact on the organisation, including a significant decline in profitability, liquidity concerns and others.

Outlook for the coming financial year continues to remain uncertain, with the COVID-19 situation evolving each day. Apart from agriculture, health care and related activities, most other sectors of the economy have been adversely impacted by the pandemic and are expected to show de-growth. The Company's present business operations are preponderantly that of an investment company, future of which largely depends upon financial and capital markets. The management is optimistic about the future outlook of the Company. The Company will expand its activities, consistent with its status as a NBFC.

RBI expects India's GDP growth in 2021 to remain in the negative territory. India, like rest of the world, is in unchartered territory in the pandemic. The pandemic and the lockdown resulted in the stoppage and even collapse of several economic activities. Considering the pandemic-related economic slowdown, the next year's fiscal deficit is expected to rise further. The economic disruption caused by the pandemic would result in demand and supply shocks, combined with large scale job losses, countering any recovery anticipated earlier in the year.

5) RISKS AND CONCERNS

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

Risk Management Policy

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

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

- (a) The macroeconomic risks, investee company specific risks are covered by investment decisions based on third party research and internal assessment.
- (b) Market wide risks are assessed and managed by investment timing decisions.
- (c) The execution risk is managed by dealing with reputed intermediaries and through own back office discipline re accounting and follow up of trades.
- (d) All investment decisions are made after distinguishing among alternative courses of action with identification of expected risks.

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

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

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

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

6) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

7) FINANCIAL PERFORMANCE

a) **Share Capital:** The Company's Issued and Subscribed Share Capital consists of Equity Share Capital only. The Paid-up Share Capital of the Company as at 31st March, 2020 stood at Rs. 7,13,76,650/- comprising of 7137665 Equity Shares of Rs. 10/- each.

a) **Financial Assets and Non-Financial Assets:** The Financial Assets and Non-Financial Assets for the year under review stood at Rs. 3,133.47 Lakhs and Rs. 185.12 Lakhs respectively as against Rs. 3,883.16 Lakhs and Rs. 184.98 Lakhs for the previous year.

b) **Financial Liabilities and Non-Financial Liabilities:** During the year under review, the Financial Liabilities and Non-Financial Liabilities stood at Rs. 83.12 Lakh and Rs. 114.26 Lakh respectively as against Rs. 99.45 Lakh and Rs. 113.82 Lakh during the previous year.

b) **Key Financial Ratios (Standalone):**

Particulars	FY 2019-20	FY 2018-19	% change over previous year
1. Debtors Turnover Ratio	N.A.	N.A.	-
2. Inventory Turnover Ratio	N.A.	N.A.	-
3. Interest Coverage Ratio	(169.47)	(97.65)	(73.55)
4. Current Ratio	15.97	18.21	12.29
5. Debt Equity Ratio	0.014	0.016	11.19
6. Operating Profit Margin (%)	(337.73)	(156.98)	(115.14)
7. Net Profit Margin (%)	(339.99)	(164.77)	(106.33)
8. Return on Net-Worth (%)	(23.41)	(14.91)	(56.99)

Reason for change of more than 25% in Key Financial Ratios:

The change in Interest Coverage Ratio occurred due to decrease in finance cost and increase in Total Losses during the current financial year. The change in Operating Profit Margin, Net Profit Margin and Return on Net Worth has occurred due to decrease in Total Revenue and increase in Total Losses of the Company during the current financial year.

8) HUMAN RESOURCES

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

9) CAUTIONARY STATEMENT

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



REPORT ON CORPORATE GOVERNANCE

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

The particulars regarding composition of the Board of Directors and its Meetings held during the year with their shareholding in the Company as on 31st March, 2020 and presence in last AGM are given hereunder:

Name of the Director	Category	Directorships in other Public Companies as on 31 st March, 2020		#Committee Membership held in other Public Companies as on 31 st March, 2020		No. of Board Meetings attended/ entitled during the year	Whether Attended last AGM	No. of Equity Shares held
		Director	Chairman	Member	Chairman			
Mr. Lalit Bhasin	Chairperson Promoter Non-Executive	6	3	3	1	3/4	Yes	3678691
Mr. Anil Goyal	Non-Independent Non- Executive	9	NIL	4	NIL	4/4	Yes	NIL
Mr. Gulshan Rai	Independent Non – Executive	NIL	NIL	NIL	NIL	4/4	Yes	NIL
Mr. Harbans Lal	Independent Non – Executive	2	NIL	2	NIL	4/4	Yes	NIL
Mrs. Asha Mehra	Independent Non –Executive	1	NIL	NIL	1	3/4	Yes	NIL

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

Details of Directorships held in other listed entities by the Directors of the Company and the Category of their Directorship as on 31st March, 2020 is given as under:

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

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

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

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

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

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

In terms of the provisions of the Articles of Association of the Company, one-third of the Directors of the Company, who are liable to retire by rotation, shall retire at every Annual General Meeting. Accordingly, Mr. Anil Goyal (DIN: 00001938), Director shall retire at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

2. SIZE AND COMPOSITION OF THE BOARD

The Board of Directors of your Company comprises of Five Non-Executive Directors out of which three are Independent Directors including one Woman Director as on 31st March, 2020. The Non-Executive Directors are proficient in their own fields and bring with them decades of rich experience. Mr. Lalit Bhasin, Director (Promoter) is the Chairman and Non-Executive Director of the Company. All the Non-Executive Directors are proficient in their respective fields and bring with them vast experience in the area of Banking, Finance, Investment, Legal expertise, Securities Market Operations. The strength of the Independent Directors is half of the total strength of the Board. The composition of the Board is in conformity with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Four (4) Board meetings were held during the year under review on 30th May, 2019, 7th September, 2019, 7th December, 2019 and 12th February, 2020.

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

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

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

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

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

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

Key Board Skills / Expertise / Competencies:

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


Name of the Directors who have these expertise and skills:

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

4. MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors met on 12th February, 2020, inter alia, to discuss and evaluate:

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

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

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

All the Independent Directors were present at the Meeting.

5. PERFORMANCE EVALUATION CRITERIA

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

The Independent Directors in their meeting held on 12th February, 2020 have done necessary performance evaluation of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors. All the Independent Directors expressed their satisfaction with the performance of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company.

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

The Nomination and Remuneration Committee and the Board of Directors in their meeting held on 12th February, 2020 expressed their satisfaction with the performance evaluation of all individual Directors being the Independent Directors, Non-Independent Directors, Chairman, Board as a whole and its committees in terms of the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

6. BOARD COMMITTEES

The terms of reference of the Board Committee(s), their composition and attendance of the respective members at the various Committee Meeting(s) held during the year 2019-20 are set out below:

(A) AUDIT COMMITTEE

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

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

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

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

The Company Secretary acting as Secretary to the Committee.

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

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

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee shall mandatorily review the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses; and



- e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
 - f) Statement of deviations:
 - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
 - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.
22. The Audit Committee shall also have powers, which should include the following:
- a) To investigate any activity within its terms of reference.
 - b) To seek information from any employee.
 - c) To obtain outside legal or other professional advice.
 - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
 - e) To consider and act on any matters as or included under Clause 49 of the Listing Agreement and/or as may be so included from time to time, whether provided here in above or not.
 - f) To deal with any other matters related and or incidental to the above or as may be assigned, in addition to the aforesaid, by the Board from time to time.

During the year under review, four (4) Audit Committee Meetings were held on 30th May, 2019, 7th September, 2019, 7th December, 2019 and 12th February, 2020. All the members were present in all the Committee Meetings.

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

(B) NOMINATION AND REMUNERATION COMMITTEE

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

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

The Nomination and Remuneration Committee consists of three Directors as members. All of whom are Non-Executive and Independent Directors including the Chairman of the Committee. There was no change in the Constitution of the Committee during the period under review. The Nomination and Remuneration Committee comprises of following members:

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

The Company Secretary acting as Secretary to the Committee.

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

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

During the year under review Two (2) Nomination and Remuneration Committee Meeting was held on 30th May, 2019 and 12th February, 2020 and the same were attended by all the committee members.

Remuneration paid during the year ended 31st March, 2020 is as under:

Director(s)	Relationship with other Director (s)	Sitting Fees (In ₹)	Salary & Perks (In ₹)	Commission, if any
Mr. Lalit Bhasin	N.A.	35,000/-	NIL	NIL
Mr. Anil Goyal	N.A.	93,000/-	NIL	NIL
Mr. Harbans Lal	N.A.	1,08,000/-	NIL	NIL
Mr. Gulshan Rai	N.A.	1,05,000/-	NIL	NIL
Mrs. Asha Mehra	N.A.	56,000/-	NIL	NIL

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

Brief outline / salient features of the Nomination and Remuneration Policy including changes made therein during the year has been included in the Board's Report. The complete Nomination and Remuneration Policy of the Company is available on the website of the Company having following web-link, <http://www.hbstockholdings.com/InvestorInformation/CorporateGovernance/index.html>

(C) STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

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

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

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

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

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

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

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

During the year under review Four (4) Stakeholders Relationship Committee Meetings were held on 9th April, 2019, 12th July, 2019, 11th October, 2019 and 7th January, 2020 the same were attended by all the Committee members except Mrs. Asha Mehra, who were granted leave of absence for the Committee Meeting held on 7th January, 2020.



Number of Shareholders Complaints received and redressed during the year 2019-2020:

Nature of Grievance	Received	Disposed Off	Pending
Non-receipt of Dividend	1	1	NIL
Non-receipt of Annual Report	1	1	NIL
Transfer, Transmission, Issue of Share Certificate etc.	5	5	NIL
Complaints received through SEBI/ Stock Exchange	0	0	NIL
Total	7	7	NIL

(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

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

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

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

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

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

(E) BUSINESS RESTRUCTURING COMMITTEE

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

The Business Restructuring Committee comprises of following members:

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

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

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

7. GENERAL BODY MEETINGS

Details of Annual General Meetings (AGM):

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

Year	Type	Location	Date	Time
2018-19	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurugram - 122 001(Haryana)	17-09-2019	03:00 P.M.
2017-18	AGM		27-09-2018	11.00 A.M.
2016-17	AGM		26-09-2017	11.00 A.M.

List of Special Resolutions passed in the previous 3 AGMs:

S. No.	Subject Matter	AGM Reference and Date of passing
1	<ul style="list-style-type: none"> ● Appointment of Mr. Jag Mohan Lal Suri As Manager Designated as Executive Director (Operations) of the Company ● Re-Appointment of Mr. Harbans Lal (Din: 00076405) as an Independent Director of the Company ● Re-Appointment of Mr. Gulshan Rai (DIN: 00527181) as an Independent Director of the Company ● Continuation of Directorship of Mrs. Asha Mehra (DIN: 02658967) Non-Executive Independent Director of the Company 	32 nd AGM 17 th September, 2019
2	None	31 st AGM 27 th September, 2018
3	None	30 th AGM 26 th September, 2017

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

- (iii) Whether any Special Resolutions passed last year through Postal : **No**
- (iv) Whether any Special Resolution is proposed to be conducted through Postal Ballot: **No**

8. MEANS OF COMMUNICATION

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

9. DISCLOSURES

- I. There have been no materially significant Related Party transactions, pecuniary transactions or relationships other than those disclosed in the Financial Statements for the year ended 31st March, 2020 (**Refer Note No. 27 of Financial Statements**) forming part of the Financial Statements. The Policy on Related Party Transactions has been uploaded on the website of the Company, having following web-link, <http://hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>
- II. No penalty has been imposed nor any structures have been passed by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during the last three years.
- III. The Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors has been uploaded on the website of the Company having following web-link, <http://hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>
- IV. Mount Finance Limited, a Wholly Owned Subsidiary Company does not fall under 'Material Un-Listed Subsidiary' of the Company in terms of Regulation 24 of the SEBI Listing Regulations 2015. However, the Financial Results and the Investments (as and when made), are placed before the Audit Committee of the Company regularly for review. The Policy for determining Material Subsidiary is available on the website of the Company, having following web-link, <http://hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>
- V. All the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance are being adhered to / complied with.
- VI. Mr. Mahesh Kumar Gupta, Chief Financial Officer (CFO) and Mr. Jag Mohan Lal Suri, Manager has given the Compliance Certificate on the review of Financial Statements, including Cash Flow Statement for the Financial Year ended 31st March, 2020 to the Board of Directors as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VII. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable.
- VIII. A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority is attached and forms an integral part of this report.



- IX. The Board of Directors has duly accepted the recommendation of its Committee(s), wherever required in accordance with the provisions of applicable laws.
- X. Total fees paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditors is given as under:

Amount in ₹	
Audit Fees	1,79,750
Tax Audit Fees	25,000
Limited Review Reports	40,000
Certification and others	54,000
Total	2,98,750

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

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

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

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

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

10. GENERAL SHAREHOLDER INFORMATION:

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

The ensuing Annual General Meeting of the Company will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on **Tuesday, 29th September, 2020 at 03.00 P.M.** The deemed venue of the 33rd AGM shall be the Registered Office of the Company.

II. Financial Year : 1st April 2019 to 31st March 2020.

III. Date of Book Closure: 23rd September, 2020 to 29th September, 2020

IV. Listing on Stock Exchanges:

The Company's Equity Shares are listed at BSE Limited (BSE) and at National Stock Exchange of India Limited (NSE), Mumbai The Annual Listing Fee for the financial year 2020-21 has been paid to BSE and NSE respectively.

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

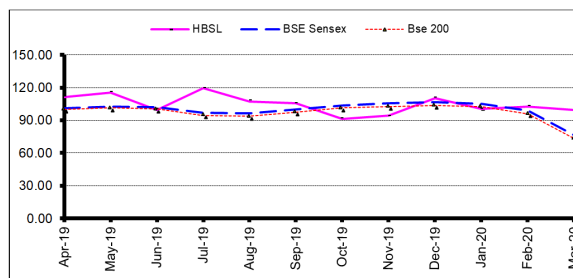
BSE 532216

NSE HBSL

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

Month(s)	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-19	9.10	6.66	7.79	18152	9.70	7.00	7.85	33283
May-19	8.54	6.86	8.08	14323	8.20	6.75	7.80	28519
Jun-19	9.30	6.73	6.97	28944	9.20	6.30	6.85	28565
Jul-19	8.40	6.28	8.37	21057	7.80	6.25	7.80	10002
Aug-19	8.77	7.50	7.50	1325	7.70	7.30	7.30	1469
Sep-19	8.23	7.04	7.40	1945	7.80	6.85	6.90	4716
Oct-19	7.67	6.15	6.40	6466	7.35	6.40	6.85	2918
Nov-19	7.45	6.10	6.60	10679	7.40	6.35	6.70	2721
Dec-19	8.05	6.27	7.75	3286	7.70	6.40	7.70	1369
Jan-20	7.50	6.18	7.05	5276	8.35	6.60	6.65	6322
Feb-20	7.20	5.70	7.20	4060	6.60	5.90	5.90	1816
Mar-20	7.90	5.82	6.96	6837	6.55	5.90	6.10	2231

VII. Performance in Broad Based Indices



Stock Performance-Absolute returns

Particulars	1 Year
	BSE
HB Stockholdings	-16.85
BSE Sensex	-24.50
BSE 200	-26.56

VIII. Registrar and Share Transfer Agents:

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

IX. Share Transfer System

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

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

X. The distribution of shareholdings of the Company as on 31st March, 2020 is as under:

Shareholding of value of Rs.	Shareholders		Shareholding		
	No. of Shares	% to total	Shares	Amount	% to total
Up to 5000	67234	99.03	2081980	20,819,800	29.17
5001-10000	337	0.50	233441	2,334,410	3.27
10001-20000	181	0.27	253132	2,531,320	3.55
20001-30000	63	0.09	159900	1,599,000	2.24
30001-40000	15	0.02	54349	543,490	0.76
40001-50000	17	0.03	75661	756,610	1.06
50001-100000	26	0.04	187381	1,873,810	2.63
100001 and above	20	0.03	4091821	40,918,210	57.33
TOTAL	67893	100.00	7137665	71,376,650	100.00

The category-wise distribution of Shareholders is as follows:

Category	No of Shares held	% of Shareholding
A. Promoters Holding		
➤ Indian Promoter	3798335	53.22
➤ Foreign Promoters	Nil	0.00
B. Public Shareholding (Institutions)		
➤ Mutual Funds and UTI	2580	0.04
➤ Banks/Financial Institutions	87	0.00
➤ Foreign Institutional Investors	Nil	0.00
C. Public Shareholding (Non-Institutions)		
➤ Indian Public:	3044775	42.66
➤ Bodies Corporate	119158	1.67
➤ NRIs	172197	2.41
➤ Clearing Members	338	0.00
➤ Trusts	165	0.00
➤ NBFCs	30	0.00
Total	7137665	100.00



XI. Dematerialization of Share and Liquidity:

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

The ISIN No. allotted to the Company is INE550B01022. As at 31st March 2020, 6103280 Equity Shares of the Company are held in dematerialized form constituting 85.51% of the Company's subscribed share capital.

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

XII. The Company has no outstanding GDRs/ ADRs/ Warrants or any other instruments convertible into equity.

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

XIV. Address for Correspondence:

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

DIRECTOR'S DECLARATION ON CODE OF BUSINESS CONDUCT

To
 The Members of
 HB Stockholdings Limited
 Gurugram

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

For HB Stockholdings Ltd

Sd/-
ANIL GOYAL
 (Director)
 DIN: 00001938

Place: New Delhi
 Date: 16th June, 2020

AUDITORS' CERTIFICATE FOR CORPORATE GOVERNANCE

To,
 The Members of
 HB Stockholdings Limited
 Gurugram

- We have examined the compliance of conditions of Corporate Governance by **HB STOCKHOLDINGS LIMITED** ("the Company"), for the financial year ended on **31st March, 2020**, as stipulated in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 and Paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") pursuant to the Listing Agreement entered into by the Company with the Stock Exchange.
- The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
- We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
- In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the period under review.
- We state that such Compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place: New Delhi
 Date: 16th June, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS OF HB STOCKHOLDINGS LIMITED

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

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

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

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal - www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending **31st March, 2020** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Government of India, or any such statutory authority.

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

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of management of the Company. Our responsibility is to express opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A.N. Kukreja & Co.
 Company Secretaries

Sd/-
 (A.N. Kukreja)
 Proprietor

FCS 1070; CP 2318
 ICSI Unique Code: S1995DE014900
 UDIN: F001070B000337076

Place: New Delhi
 Date: 16th June, 2020



INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

TO
THE MEMBERS OF HB STOCKHOLDINGS LIMITED

Report on the Audit of the Standalone financial statements

Opinion

We have audited the Standalone Financial Statements of **HB Stockholdings Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March, 2020 and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

We have determined that there is no key audit matter to communicate in our report.

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the Directors' Report to be included in the Company's Annual Report, but does not include the Standalone Financial Statements and our Auditor's Report thereon. The other information is expected to be made available to us after the date of this Auditor's Report. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, Profit/ Loss and Other Comprehensive Income, changes in Equity and Sash Flows of the Company in accordance with the a accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements for the financial year ended 31st March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March, 2020 on its financial position in its Financial Statements – Refer Note No. 42.
 - ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2020.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - (h) With respect to the matter to be included in the Auditor's Report under Section 197(16):

The Company has not paid any managerial remuneration for the year ended 31st March, 2020 to its directors.

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

PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

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



ANNEXURE – A

ANNEXURE – B

The annexure referred to in Independent Auditor's Report to the members of HB Stockholdings Limited on the Standalone Financial Statements for the year ended on 31st March, 2020, We Report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- b. As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. The Company does not have any immovable property.
2. As explained to us, inventories (Investments) have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. a. As explained to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of Section 185 and 186 of the Act, with respect to the loans and investment made, to the extent applicable to the Company. As per the information and explanation given to us, the Company has not given any guarantee or provided any security in connection with a loan to any other body corporate or person.
5. The Company has not accepted any deposits from the public.
6. The nature of the company's business/activities is such that maintenance of Cost Records under Section 148(1) of the Act is not applicable to the Company.
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value added tax, Cess and other statutory dues to the extent and as applicable to the Company have been generally regularly deposited by the Company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2020 for a period of more than six months from the date of becoming payable.
- b. According to the records of the Company, there are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loan/ borrowing from bank. The Company does not have any loans or borrowings from any financial institution, government or debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans (vehicle loan) were utilized for the purpose for which they were obtained.
10. In our opinion and according to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not paid/ provided for managerial remuneration during the year.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is required to be registered under section 45-IA of the Reserve bank of India Act, 1934 and such registration has been obtained by the Company.

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

We have audited the Internal Financial Controls over financial reporting of **HB Stockholdings Limited** ("the Company") as of 31st March, 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

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

PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

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



BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Notes	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
I. ASSETS				
Financial Assets				
a. Cash and cash equivalents	4	3,915,975	21,075,606	7,372,996
b. Bank Balance other than (a) above	5	2,424,709	2,428,469	2,365,843
c. Loans	6	146,000,000	158,500,000	382,250,000
d. Investments	7	90,292,616	138,871,414	211,971,522
e. Other Financial Assets	8	70,713,484	67,440,423	88,147,401
Non-Financial Assets				
a. Current tax assets (Net)	9	1,840,937	1,250,278	-
b. Property, Plant and Equipment	10	8,369,565	10,226,322	12,100,263
c. Other non-financial assets	11	8,301,555	7,021,770	6,339,519
TOTAL ASSETS		331,858,841	406,814,282	710,547,544
II. LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
a. Borrowings	12	4,460,599	6,203,145	7,813,742
b. Other financial liabilities	13	3,851,444	3,741,555	247,260,137
Non-Financial Liabilities				
a. Current tax liabilities (Net)	14	-	-	34,211
b. Provisions	15	11,362,900	11,335,155	12,397,731
c. Other non-financial liabilities	16	63,308	46,738	72,854
Equity				
a. Equity Share Capital	17	76,808,293	76,808,293	76,808,293
b. Other Equity	18	235,312,297	308,679,396	366,160,576
TOTAL LIABILITIES AND EQUITY		331,858,841	406,814,282	710,547,544

Significant accounting policies and 1-50 notes to the Standalone Financial Statements

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

As Per our Report of even date attached

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

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

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

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Notes	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
INCOME			
Revenue from Operations			
(i) Interest Income	19	18,409,358	33,802,692
(ii) Dividend Income	20	1,230,970	1,019,017
I Total Revenue from operations		19,640,328	34,821,709
II Other Income	21	1,828,586	-
III Total Income (I+II)		21,468,914	34,821,709
EXPENSES			
(i) Finance Costs	22	427,858	559,808
(ii) Employee Benefits Expenses	23	5,542,894	5,776,663
(iii) Depreciation and Amortisation Expense	9	1,881,842	1,952,831
(iv) Others Expenses	24	10,431,962	12,050,633
(v) Net loss on fair value changes	25	61,089,489	68,108,182
(vi) Net loss in Equity derivative trading/ Share Dealing		15,070,336	2,532,512
(vii) Contingent Provision on Standard Assets/ (written back)		(39,805)	(934,642)
IV Total Expenses (IV)		94,404,577	90,045,987
V Profit/ (Loss) Before Tax (III-IV)		(72,935,663)	(55,224,278)
VI Tax Expense			
(i) Current Tax		-	2,130,000
(ii) Tax for earlier years		55,694	23,039
(iii) Deferred Tax (credit) / charge		-	-
Total Tax Expense (VI)		55,694	2,153,039
VII Profit/(Loss) for the year (V-VI)		(72,991,357)	(57,377,317)
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement gain/ (losses) on defined benefit plan		(375,742)	(103,864)
- Income tax relating to above mentioned item		-	-
Other Comprehensive Income for the year, net of tax		(375,742)	(103,864)
Total Comprehensive Income for the year (VII +VIII)		(73,367,099)	(57,481,181)
IX Earnings per Equity Share of face value of Rs. 10 each (previous year Rs. 10 each)			
Basic (Rs.)		(10.23)	(8.04)
Diluted (Rs.)		(10.23)	(8.04)

Significant accounting policies and notes to the 1-50 Standalone Financial Statements

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

As Per our Report of even date attached

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

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

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

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	For the year ended 31 March, 2020 (In ₹)	For the year ended 31 March, 2019 (In ₹)
A. CASH FLOW FROM OPERATION ACTIVITIES		
Profit before tax	(72,935,663)	(55,224,278)
Adjustment for :		
Depreciation	1,881,842	1,952,831
Other Comprehensive Income	(375,742)	(103,864)
Finance Cost	427,858	559,808
Cash generated from operation before Working Capital Changes	(71,001,705)	(52,815,503)
Working Capital Changes		
Increase/ (decrease) in loans and advances	12,500,000	223,750,000
Increase/ (decrease) in other financial assets	(3,273,061)	20,706,978
Increase/ (decrease) in other non-financial assets	(1,279,786)	(682,250)
Increase/(decrease) in other financial liabilities	113,649	(243,581,208)
Increase/(decrease) in Investment/ Financial assets	48,578,798	73,100,109
(Increase) /decrease in provisions	27,745	(1,062,576)
(Increase) /decrease in other non financial liabilities	16,570	(26,116)
Cash Flows before OCI and Tax	(14,317,790)	19,389,434
Income Tax paid	646,353	3,437,528
NET CASH FLOW FROM/ (USED) OPERATING ACTIVITIES	(14,964,143)	15,951,906
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(25,085)	(78,890)
NET CASH USED IN INVESTING ACTIVITIES	(25,085)	(78,890)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings	(1,742,546)	(1,610,598)
Interest Paid	(427,858)	(559,808)
NET CASH USED IN FINANCING ACTIVITIES	(2,170,404)	(2,170,406)
NET INCREASE/ DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(17,159,632)	13,702,610
OPENING CASH AND CASH EQUIVALENTS	21,075,606	7,372,996
CLOSING CASH AND CASH EQUIVALENTS	3,915,975	21,075,606

Note: 1. Standalone Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statement).
2. Cash and Cash Equivalents consist of cash in hand balances with banks.

Change in Liability arising from Financing Activities

(Amount in ₹)

Particulars	Borrowings (Refer Note No. 12)
Balance as on 1st April 2018	7,813,742
Proceeds/ Repayments of borrowing	(1,610,598)
Non cash change (Fair Value)	-
Balance as on 31st March 2019	6,203,145
Balance as on 1st April 2019	6,203,145
Proceeds/ Repayments of borrowing	(1,742,546)
Non cash change (Fair Value)	-
Balance as on 31st March 2020	4,460,599

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

As Per our Report of even date attached

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

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

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

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

STANDALONE STATEMENT OF CHANGES IN EQUITY

a. Equity Share Capital

Particulars	Number of Shares	(Amount in ₹)
As at April 01, 2018	7137665	71,376,650
Changes in Equity Share Capital during the year	-	-
As at March 31, 2019	7137665	71,376,650
Changes in Equity Share Capital during the year	-	-
As at March 31, 2020	7137665	71,376,650

b. Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Statutory Reserve	Securities Premium	Retained Earnings		
Balance as at April 01, 2018	163,961,174	230,763,189	(29,351,053)	787,266	366,160,576
Profit for the year	-	-	(57,377,316)	-	(57,377,316)
Other Comprehensive Income (net of tax)	-	-	-	(103,864)	(103,864)
Transferred to/(from)	-	-	-	-	-
Total Comprehensive Income for the year	163,961,174	230,763,189	(86,728,369)	683,402	308,679,396
Balance as at March 31, 2019	163,961,174	230,763,189	(86,728,369)	683,402	308,679,396
Balance as at April 01, 2019	163,961,174	230,763,189	(86,728,369)	683,402	308,679,396
Profit for the year	-	-	(72,991,357)	-	(72,991,357)
Other Comprehensive Income for the year	-	-	-	(375,742)	(375,742)
Transferred to/(from)	-	-	-	-	-
Total Comprehensive Income for the year	163,961,174	230,763,189	(159,719,726)	307,660	235,312,297
Balance as at March 31, 2020	163,961,174	230,763,189	(159,719,726)	307,660	235,312,297

Significant accounting policies and notes to the Standalone Financial Statements 1-50

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

As Per our Report of even date attached

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

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

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PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

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



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1. COMPANY INFORMATION / OVERVIEW

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS.

(A) Compliance with Ind As

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

For all periods up to and including the year ended 31st March, 2019, the Company prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) notified under the Act read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'Indian GAAP' or 'previous GAAP').

The transition to Ind As has been carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 1st April, 2018.

An explanation of how the transition to Ind AS from the previous GAAP has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note .

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

(B) Presentation of Financial Statements

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

(C) Basis of preparation

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

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Use of estimates and judgement

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

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

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

A) Effective Interest Rate (EIR) Method

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

B) Impairment of Loans Portfolio

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

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

C) Defined Employee Benefit Assets and Liabilities

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

D) Fair Value Measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

E) Other Estimates:

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

3.2 Financial Instruments

A) Initial Recognition and measurement

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

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

B) Classification and Subsequent measurement of Financial Assets-

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

a. Amortised Cost

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

b. FVOCI- Debt Instruments

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

c. FVOCI- Equity Instruments

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

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

d. FVTPL

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

Subsequent Measurement of Financial Assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains



and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of Profit and Loss.

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

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

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

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

C. Financial Liabilities and Equity Instruments

Classification as Debt or Equity

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

Equity Instruments

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

Financial Liabilities

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

D. Derecognition

Financial Assets

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

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

Financial liabilities

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

E. Offsetting

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

F. Impairment

The Company recognises lifetime Expected Credit Losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the

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

G. Write offs

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

3.3 Cash and Cash Equivalents

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

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

3.4 Property, Plant and Equipments (PPE)

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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

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

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

3.5 Intangible Assets

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



3.6 Impairment of Assets other than Financial Assets

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

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

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

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

3.7 Investments in Subsidiaries and Associates

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

3.8 Provisions

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

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

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

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.9 Revenue Recognition

A) Recognition of Interest Income on Loans

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

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

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

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

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

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

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

B) Fees and Commission Income

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

Commission and Brokerage Income earned for the services rendered are recognised as and when they are due.

C) Dividend and Interest Income on Investments

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

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

3.10 Employee Benefits

A) Short-term Employee Benefits

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

B) Contribution to Provident Fund and ESIC

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

C) Gratuity

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

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

Remeasurement Gains/ Losses

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

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

D) Superannuation Fund

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

E) Leave Encashment / Compensated Absences/ Sick Leave

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

F) Employee Stock Options

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.



3.11 Finance Costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank Term Loans, Non-Convertible Debentures, Fixed Deposits mobilised, Commercial Papers, Subordinated Debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of Profit and Loss.

3.12 Taxation - Current and Deferred Tax

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

A) Current Tax

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

B) Deferred Tax

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

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

3.13 Leases

As a lessee

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

3.14 Exceptional Items

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

3.15 Earning Per Share

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

3.16 Cash Flow Statement

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

4. CASH AND CASH EQUIVALENT

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash on Hand	541,170	590,497	537,232
Balance with Banks			
- In current and deposit account	1,374,805	4,485,109	6,835,764
- Cheques on Hand	2,000,000	16,000,000	-
Total	3,915,975	21,075,606	7,372,996

5. BANK BALANCE OTHER THAN ABOVE

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Earmarked balances with Banks-			
- Unclaimed dividend accounts	2,424,709	2,428,469	2,365,843
Total	2,424,709	2,428,469	2,365,843

6. LOANS

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
A) Loans (at amortised cost) :			
Others:			
Inter Corporate Loans - Standard	136,000,000	148,500,000	372,250,000
Inter Corporate Loans & Deposits -Doubtful*	10,000,000	10,000,000	10,000,000
Total (Gross)	146,000,000	158,500,000	382,250,000
Less: Impairment loss allowance	-	-	-
Total (Net)	146,000,000	158,500,000	38,2250,000
B) i) Secured by Tangible Assets	-	-	-
ii) Unsecured	146,000,000	158,500,000	382,250,000
Total (Gross)	146,000,000	158,500,000	382,250,000
Less: Impairment loss allowance	-	-	-
Total (Net)	146,000,000	158,500,000	382,250,000
C) i) Loans in India			
a) Public Sector	-	-	-
b) Others	146,000,000	158,500,000	382,250,000
Total (Gross)	146,000,000	158,500,000	382,250,000
Less: Impairment loss allowance	-	-	-
Total (Net) -C (i)	146,000,000	158,500,000	382,250,000
ii) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total (Net) -C (ii)	-	-	-
Total (Net) -C (i + ii)	146,000,000	158,500,000	38,2250,000

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

Credit quality of assets

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

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Low credit risk- Stage I	136,000,000	148,500,000	372,250,000
Significant increase in credit risk- Stage II			
Credit impaired- Stage III	10000000	10000000	10,000,000
	146,000,000	158,500,000	382,250,000

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

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


7. INVESTMENTS

Name of the Company	Face Value	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	(₹)	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹
(A) INVESTMENTS IN EQUITY INSTRUMENTS							
(a) Quoted Instrument fully paid up Equity Shares(At FVTPL)							
AMRIT CORPORATION LIMITED	10	132	80,329	132	104,412	400	478,000
ARVIN LIQUID GASES LIMITED*	10	10000	--	10000	--	10000	--
ASHOK LEYLAND LIMITED	1	--	--	--	--	200	--
BHARAT HOTELS LIMITED	10	300	--	300	--	300	--
CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED	10	--	--	--	--	3815	902,438
CIBA INDIA LIMITED	10	--	--	--	--	50	--
COAL INDIA LIMITED	10	3250	455,000	3250	769,600	3250	921,375
DWARIKESH SUGAR INDUSTRIES LTD.	1	72500	1,196,250	72500	2,240,250	72500	18,34,250
DEEPAK SPINNERS LIMITED	10	--	--	--	--	1000	83,000
DOLPHIN OFFSHORE ENTERPRISES I LIMITED	10	10000	48,100	10000	466,000	10000	837,500
DCM SHRIRAM LIMITED	2	50726	10,908,626	50726	21,099,480	54384	2,3047,939
EIH LIMITED	2	47601	3,132,146	47601	9,641,583	46500	7,398,150
FOODS & INNS LIMITED	1(10)	136200	4,692,090	45400	8,206,050	4540	7,553,425
GVK POWER & INFRA LIMITED	1	60000	133,200	25000	193,250	25000	353,750
HINDUSTAN ENGINEERING & INDS. LIMITED*	10	108	--	108	--	108	--
HARYANA PETROCHEMICALS LIMITED*	10	9050	--	9050	--	9050	--
HARYANA LEATHER CHEMICALS LIMITED	10	31347	620,671	31347	783,675	31347	1,271,121
HB ESTATE DEVELOPERS LIMITED	10	125400	711,018	125400	2,475,396	125400	3,960,000
HB LEASING & FINANCE CO LIMITED	10	--	--	--	--	43200	99,360
HB PORTFOLIO LIMITED	10	60000	675,000	60000	1,518,000	60000	3,495,000
HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED	1	35000	315,700	35000	798,000	200000	5,180,000
HINDUSTAN OIL EXPLORATION COMPANY LIMITED	10	--	--	--	--	216	23,846
HOTLINE GLASS LIMITED*	10	166382	--	166382	--	166382	--
ICP SECURITIES LIMITED*	10	1800	--	1800	--	1800	--
ISPAT PROFILES INDIA LIMITED*	10	10000	--	10000	--	10000	--
IDFC BANK LIMITED	10	--	--	50000	2,760,000	50000	2,367,500
INDRAPRASTHA GAS LIMITED	2	--	--	--	--	27500	7,668,375
IST LIMITED	10	114682	32,110,960	40767	21,404,713	17890	16,024,073
JK PAPER LIMITED	10	14015	1,044,818	16015	2,288,544	16015	2,166,029
JAI CORP LIMITED	1	13000	657,150	13000	1,500,850	13000	1,735,500
JAI PRAKASH ASSOCIATES LIMITED	2	6613904	7,076,877	3683671	20,260,191	3207671	60,785,365
JAYPEE INFRATECH LIMITED	10	60000	38,400	60000	148,200	60000	502,800
JP POWER VENTURES LIMITED	10	1695000	1,101,750	1695000	3,152,700	1650000	7,920,000
KIRAN OVERSEAS EXPORTS LIMITED*	10	10000	--	10000	--	10000	--
LCC INFOTECH LIMITED*	2	56300	--	56300	--	56300	--
LT FOODS LIMITED	1	5000	99,750	5000	195,500	5000	425,000
LUNAR DIAMONDS LIMITED*	10	21000	--	21000	--	21000	--
MAWANA SUGARS LIMITED	10	10000	226,000	10000	457,000	10000	458,000
MERCATOR LIMITED	1	50000	26,000	50000	344,000	50000	1,735,000
MMTC LIMITED	1	48750	602,063	48750	1,365,000	32500	1,808,625
NMDC LIMITED	1	--	--	20000	2,083,000	20000	237,000
NAHAR CAPITAL AND FINANCIAL SERVICES LTD.	10	3000	154,350	3000	271,500	3000	369,000
NAHAR POLYFILMS LIMITED	5	--	--	--	--	444	23,643
NBCC (INDIA) LIMITED	1/(2)	22000	359,700	22000	1,458,600	11000	2,093,850
NUCHEM LIMITED*	10	64755	--	64755	--	64755	--
ORISSA EXTRUSIONS LIMITED*	10	10728	--	10728	--	10728	--
ORIENTAL BANK OF COMMERCE	10	--	--	--	--	100	9,160
OIL INDIA LIMITED	10	4500	372,150	4500	834,075	3000	645,900
OSWAL AGRO MILLS LIMITED	10	30000	123,900	30000	245,400	30000	390,000
PATHREJA FORGINGS LIMITED*	10	1000	--	1000	--	1000	--
PETRONET LNG LIMITED	10	--	--	--	--	34500	79,79,850
PRISM MILLS LIMITED*	10	10000	--	10000	--	10000	--
PUNJAB WIRELESS LIMITED*	10	100	--	100	--	100	--



Name of the Company	Face Value	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	(₹)	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹
RAMA VISION LIMITED*	10	18300	58,560	18300	107,055	18300	345,870
RELIANCE INDUSTRIES LIMITED	10	350	389,358	2350	3,203,168	2300	2,030,440
RELIANCE HOME FINANCE LIMITED	10	--	--	--	--	4	241
RELIANCE CAPITAL LIMITED	10	--	--	--	--	4	1,694
SAJJAN UDYOG EXPORTS LIMITED*	10	23600	--	23600	--	23600	--
SAREGAMA INDIA LIMITED	10	5000	981,250	5000	2,961,250	5000	3,289,000
SAVANI FINANCIALS LIMITED*	10	7000	--	7000	51,100	7000	51,800
SHREYANS INDUSTRIES LIMITED*	10	5600	--	5600	--	5600	--
SATIN CREDITCARE NETWORKS LIMITED	10	10000	638,000	10000	3,649,000	10000	3,993,500
SRI VASAVI INDUSTRIES LIMITED*	10	10890	--	10890	--	10890	--
STEEL EXCHANGE OF INDIA LTD.	10	--	--	--	--	244	6,027
GLOBAL STONE INDIA LIMITED*	10	2000	--	2000	--	2000	--
SUMMIT SECURITIES LIMITED	10	2856	785,400	2856	1,685,183	2856	2,235,820
UNITECH LIMITED	2	1900000	2,04,000	1000000	1,390,000	1000000	5,560,000
U P HOTELS LIMITED*	10	45697	8,090,561	45697	7,551,717	45697	7,228,470
VEDANTA LIMITED	1	4250	275,188	4250	783,913	4250	1,182,775
WELSPUN ENTERPRISES LIMITED	10	20000	818,000	20000	2,124,000	20000	2,826,000
YES BANK LIMITED	2	35200	790,240	--	--	--	--
TOTAL (a)		11778273	81,992,556	7787125	130,571,354	7452690	203,671,462
(b) Unquoted Fully Paid up Equity Shares(At FVTPL)							
KESORAM TEXTILE LIMITED	10	172	--	172	--	172	--
TOTAL (b)		172	--	172	--	172	--
(c) Unquoted Partly Paid up Equity Shares(At FVTPL)							
RATHI ALLOYS & STEELS LIMITED	10	--	--	--	--	46293	--
TOTAL (c)		--	--	--	--	46293	--
(d) Unquoted Fully Paid up Equity Shares in Wholly Owned Subsidiary (At Cost)							
MOUNT FINANCE LIMITED	10	830006	8,300,060	830006	8,300,060	830006	8,300,060
TOTAL (d)		830006	8,300,060	830006	8,300,060	830006	8,300,060
TOTAL INVESTMENTS (a+b+c+d)		12608451	90,292,616	8617303	138,871,414	8329161	211,971,522

	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Amount in ₹	Amount in ₹	Amount in ₹
Aggregate cost of quoted investment	242,554,268	229,691,247	234,484,268
Carrying amount/ fair value of quoted investment	81,992,556	130,571,354	203,671,462
Aggregate cost of unquoted investment	8,304,221	8,304,221	8,304,221

(*) Listed but not quoted

1. All above investments are in India itself

8. OTHER FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Security Deposits*	34,523,500	34,546,380	34,546,380
Interest accrued on loans / Inter Corporate Deposits	5,739,279	5,014,899	11,551,860
Recoverable From Staff	-	-	45,000
Receivable from HB Estate Developers Ltd. Pursuant to Scheme of Arrangement	-	-	4,214,449
Advance to others	20,000,000	20,000,000	20,000,000
Advance to related parties	10,450,705	7,879,144	17,789,712
Total	70,713,484	67,440,423	88,147,401

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

9. CURRENT TAX ASSETS (NET)

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Tax Deducted at Source (Net of provision)	1,840,937	1,250,278	-
Total	1,840,937	1,250,278	-

The components of Income Tax expenses :

(Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Current tax	-	2,130,000
Adjustments in respect of current income tax of prior years	55,694	23,039
Deferred tax relating to origin and reversal of temporary differences	-	-
Income tax expense reported in statement of profit and loss	55,694	2,153,039
Income tax recognised on other comprehensive income (OCI)	-	-
Deferred tax related to items recognised in OCI during the period:	-	-
- Remeasurement of defined benefit plans	-	-
Income tax charged to OCI	-	-

Reconciliation of the total tax charge:

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2019 and year ended March 31, 2018 is, as follows:

(Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Accounting Profit Before Tax	(72,935,663)	(55,224,278)
Applicable Statutory Enacted Income Tax Rate	29.12%	29.12%
Computed Tax Expenses	-	-
- Adjustments recognised in relation to tax of prior years	55,694	23,039
- Current year tax provision	-	2,130,000
Income tax expense reported in the Statement of Profit and Loss	55,694	2,153,039

10. PROPERTY, PLANT & EQUIPMENT

(Amount in ₹)

Particulars	Air Conditioners	Office Equipment	Vehicles	Data Processing Machine	Total
GROSS BLOCK					
As at 1st April, 2018	718,555	2,134,373	17,956,623	555,019	21,364,570
Additions during the year	-	78,890	-	-	78,890
Deletions during the year	-	-	-	-	-
As at 31st March, 2019	718,555	2,213,263	17,956,623	555,019	21,443,460
Additions during the year	-	15,999	-	9,086	25,085
Deletions during the year	-	-	-	-	-
As at 31st March, 2020	718,555	2,229,262	17,956,623	564,105	21,468,545
ACCUMULATED DEPRECIATION					
As at 1st April, 2018	706,180	2,033,684	6,017,623	506,820	9,264,307
Additions during the year	4,659	35,069	1,895,483	17,620	1,952,831
Adjustment during the year	-	-	-	-	-
As at 31st March, 2019	710,839	2,068,753	7,913,106	524,440	11,217,138
Additions during the year	0	37,545	1,824,693	19,604	1,881,842
Adjustment during the year	-	-	-	-	-
As at 31st March, 2020	710,839	2,106,298	9,737,799	544,044	13,098,980
NET BLOCK					
As at 31st March, 2020	7,716	122,964	8,218,824	20,061	8,369,565
As at 31st March, 2019	7,716	144,510	10,043,517	30,579	10,226,322
As at 1st April, 2018	12,375	100,689	11,939,000	48,199	12,100,263

11. OTHER NON FINANCIAL ASSETS

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Prepaid Expenses	2,438,140	2,409,849	1,727,598
Recoverable from Tax Authorities	5,863,415	4,611,921	4,611,921
Total	8,301,555	7,021,770	6,339,519

12. BORROWINGS

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(A) In India			
At amortised cost:			
Term loan from Bank	4,460,599	6,203,145	7,813,742
Outside India	-	-	-
(B) Out of above			
Secured against Hypothecation of Vehicle financed	4,460,599	6,203,145	7,813,742
Unsecured	-	-	-
Total	4,460,599	6,203,145	7,813,742

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

	0-1 Years	1-2 Years	2-3 Years
' - Vehicle Loan from HDFC Bank	1,885,305	2,039,760	535,534

13. OTHER FINANCIAL LIABILITIES

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Unpaid Dividends*	2,424,709	2,428,469	2,365,843
Expenses payable	1,426,735	1,313,086	1,485,260
Payable to HB Portfolio Ltd. pursuant to Scheme of Arrangement	-	-	243,409,034
Total	3,851,444	3,741,555	247,260,137

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

14. CURRENT TAX LIABILITIES (NET)

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Current Tax Liabilities	-	-	34,211
[Net of advanced tax and tax deducted at source]	-	-	-
Total	-	-	34,211

15. PROVISIONS

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for Employee Benefits			
Leave Encashment	559,003	491,453	619,386
Others			
Contingent provision against Standard Assets	803,897	843,702	1,778,345
Sub Standard & Doubtful Assets	10,000,000	10,000,000	10,000,000
Total	11,362,900	11,335,155	12,397,731

16. OTHER NON-FINANCIAL LIABILITIES

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Statutory Dues Payable	63,308	46,738	72,854
Total	63,308	46,738	72,854

17. EQUITY SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
a. Authorised:			
25000000 Equity Shares of Rs. 10/- each	250,000,000	250,000,000	250,000,000
10000000 Redeemable Preference Shares of Rs. 10/- each	100,000,000	100,000,000	100,000,000
Total	350,000,000	350,000,000	350,000,000
b. Issued			
8788704 Equity Shares of Rs. 10/- each	87,887,040	87,887,040	87,887,040
Total	87,887,040	87,887,040	87,887,040
c. Subscribed and Paid up			
7137665 Equity Shares of Rs. 10/- each fully paid up	71,376,650	71,376,650	71,376,650
Total	71,376,650	71,376,650	71,376,650
Add: Forfeited shares 1651039 (Other than Directors)	5,431,643	5,431,643	5,431,643
Total	76,808,293	76,808,293	76,808,293

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



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

Particulars	Number of Shares	Amount in ₹
As At April 01, 2018	7137665	71,376,650
Issued during the year	-	-
As At March 31, 2019	7137665	71,376,650
Issued during the year	-	-
As At March 31, 2020	7137665	71,376,650

e. Terms / Rights attached to the Equity Shares

Issued Share Capital of the Company has only one class of shares referred to as Equity Shares having Par value of ₹ 10/- Each holder of Equity Shares is entitled to One vote per share. In the event of the Liquidation of the Company, the holder of Equity Shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

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

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

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Lalit Bhasin	3678691	51.54%	3678691	51.54%	3678691	51.54%

18. OTHER EQUITY (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
a. Securities Premium			
Opening Balance	230,763,189	230,763,189	-
Closing Balance	230,763,189	230,763,189	230,763,189
b. Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)			
Opening Balance	163,961,174	163,961,174	-
Closing Balance	163,961,174	163,961,174	163,961,174
c. Other Comprehensive Income			
Opening Balance	683,402	787,266	-
Add: Remeasurement gain/(losses) on defined benefit plan	(375,742)	(103,864)	-
Closing Balance	307,660	683,402	787,266
d. Retained Earning			
Opening Balance	(86,728,369)	(29,351,053)	-
Add: Profit for the current year	(72,991,357)	(57,377,316)	-
Closing Balance	(159,719,726)	(86,728,369)	(29,351,053)
TOTAL OTHER EQUITY	235,312,297	308,679,396	366,160,576

Description of the nature and purpose of Other Equity:

Securities Premium

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

Statutory Reserve

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

Other Comprehensive Income-Remeasurement gain/ (losses) on defined benefit plan

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

Retained Earnings

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

19. INTEREST INCOME (ON FINANCIAL ASSETS, MEASURES AT AMORTISED COST) (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on Loans / Inter Corporate Deposit	18,409,358	33,802,692
Total	18,409,358	33,802,692

20. DIVIDEND (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Dividend income from investment	1,230,970	1,019,017
Total	1,230,970	1,019,017

21. OTHER INCOME (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Excess Provision/old balances written back	1,771,676	-
Interest on Income Tax Refund	56,910	-
Total	1,828,586	-

22. FINANCE COST (ON BORROWINGS, AT AMORTISED COST) (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on Vehicle Loan	427,858	559,808
Total	427,858	559,808

23. EMPLOYEE BENEFIT EXPENSES (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and Benefits	4,877,845	5,150,899
Contribution to Provident Fund and Superannuation Fund	462,375	485,743
Gratuity	14,619	-1,722
Staff Welfare	188,055	141,743
Total	5,542,894	5,776,663

24. OTHER EXPENSES (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Rent/Facility Charges	1,170,914	1,156,165
Vehicle Running and Maintenance	1,717,833	1,089,664
Insurance	233,833	225,322
Communication	155,956	249,730
CSR Expenses	650,000	600,000
Travelling and Conveyance	2,131,060	2,081,374
Printing and Stationery	744,964	1,215,609
Office Repairs and Maintenance	76,862	162,582
Depository and custodial	67,540	420,739
Subscription and Membership	193,055	201,920
Legal and Professional	769,699	1,591,025
Advertisement & Publicity	366,266	332,922
Listing Fees	540,000	873,200
Business Promotion	686,994	995,426
Miscellaneous	244,906	214,455
Auditor's Remuneration		
-Audit Fees	165,000	165,000
-Tax Audit Fees	25,000	25,000
-Limited Review Reports	40,000	40,000
-Certification and others	54,000	27,500
Directors Sitting Fees	398,080	383,000
Total	10,431,962	12,050,633



25. NET LOSS ON FAIR VALUE CHANGES (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net gain/ (loss) on financial instruments measured at fair value through profit or loss		
Realised (gain)/loss on equity instruments at FVTPL	(352,331)	495,488
Unrealised (gain)/loss on equity instruments at FVTPL	61,441,820	67,612,694
Total	61,089,489	68,108,182

26. EARNING PER SHARE (EPS) (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit/(Loss) for the year (Amount in Rs.)	(72,991,357)	(57,377,317)
Weighted average number of Equity Shares used in computing basic EPS	7,137,665	7,137,665
Weighted average number of Equity Shares used in computing diluted EPS	7,137,665	7,137,665
Basic Earnings Per Share (Rs.)	(10.23)	(8.04)
Diluted Earnings Per Share (Rs.)	(10.23)	(8.04)
Face value per share (Rs.)	10	10

27. RELATED PARTY DISCLOSURES

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

a) Key Managerial Personnel:

- Shri Anil Kumar Mittal, (Company Secretary upto 15.02.2019)
- Shri Rachit Tandon, (Company Secretary w.e.f 15.02.2019 and left on 31.01.2020)
- Shri Mahesh Kumar Gupta, Chief Financial Officer
- Shri Jag Mohan Lal Suri, (Magaer w.e.f.15.02.2019)

b) Person having control/significant influence /major shareholders

- Shri Lalit Bhasin

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

- RRB Master Securities Delhi Ltd.

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

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

e) Transactions during the financial year ended 31.03.2020 with Related Parties as under :

(Amount in ₹)

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2020	For the year ended 31.03.2019
i	RRB Master Securities Delhi Ltd.	Advances given (net)	10,450,705	7,879,144
		Margin / Advances paid & received back	2,850,000	27,250,000
		Purchase of Investment through them	7,773,993	17,671,969
		Sale of Investment through them	6,914,402	37,660,994
		Net Turnover of Derivative Trading	15,070,336	2,532,512
		Receivable at the year end in respect of Loans & Advances	10,450,705	7,879,144

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2020	For the year ended 31.03.2019
ii	HB Estate Developers Ltd.	Rent/ Facility Charges Paid	1016263	1016263
		Received against amount receivable from HB Estate Developers Ltd. Pursuant to scheme of arrangement	Nil	4214449
		Receivable at the year end in respect of Loans & Advances	34500000	34500000
iii	HB Portfolio Ltd	Repayment against amount payable to HB Portfolio Ltd. pursuant to scheme of arrangement	Nil	243409034
iv	HB Securities Ltd.	Depository Charges	5356	9639
v	Lalit Bhasin	Sitting Fees paid	35000	40000
		Sale of Securities	Nil	80784
vi	Rachit Tandon	Remuneration & other services	591493	78210
vii	Anil Kumar Mittal	Remuneration & other services	Nil	1411741
viii	Mahesh Kumar Gupta	Remuneration & other services	2130400	1770000
ix	Jag Mohan Lal Suri	Remuneration & other services	1905500	208500

28. RETIREMENT BENEFIT OBLIGATIONS

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

A) Defined Contributions Plans:

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

Particulars	Current Year	Previous Year
	Amount (₹)	Amount (₹)
Company Contribution to Provident Fund	327,375	326,956
Company Contribution to Superannuation Fund	135,000	135,000

B) Defined Benefit Plans:

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2019 and March 31, 2020, being the respective measurement dates:

(i) Movement in defined benefit obligation (Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation -at the beginning of the period	812,206	980,533	491,453	619,386
Interest cost	56,854	75,991	34,402	48,002
Current service cost	51,639	41,106	25,347	23,637
Benefits paid	-	(317,308)	(113,006)	(270,640)
Remeasurements - actuarial (gain)/ loss	161,061	31,884	120,807	71,068
Present value of obligation -at the end of the period	1,081,760	812,206	559,003	491,453



(ii) Movement in Plan Assets – Gratuity (Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Fair value of plan assets at beginning of year	1,341,056	1,533,143	-	-
Expected return on plan assets	93,874	118,819	-	-
Employer contributions	-	7,314	-	-
Benefits paid	-	(317,308)	-	-
Actuarial gain / (loss)	(93,874)	(912)	-	-
Fair value of plan assets at end of year*	1,341,056	1,341,056	-	-

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

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

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation-at the end of the period	1,081,760	812,206	559,003	491,453
Fair value of plan assets at end of year	1,341,056	1,341,056	-	-
Net liability/(asset) recognized in Balance Sheet	(259,296)	(528,850)	559,003	491,453
Funded Status- Surplus/ (Deficit)	259,296	528,850	(559,003)	(491,453)

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

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Interest cost	56,854	75,991	34,402	48,002
Current Service cost	51,639	41,106	25,347	23,637
Expected return on plan assets	(93,874)	(118,819)	-	-
Expenses to be recognised in P&L	14,619	(1,722)	59,749	71,639

(v) Recognised in Other Comprehensive Income (Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(474,974)	(507,770)	(208,428)	(279,496)
Remeasurement - Actuarial (gain)/loss -Obligation	161,061	31,884	120,807	71,068
Remeasurement - Actuarial (gain)/loss -Plan assets	93,874	912	-	-
Total Actuarial (gain)/loss	254,935	32,796	120,807	71,068
Cumulative unrecognized actuarial (gain)/loss opening. C/F	(220,039)	(474,974)	(87,621)	(208,428)

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

(Amount in ₹)

Weighted average actuarial assumptions	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate	7.00 % p.a.	7.75 % p.a.	7.00 % p.a.	7.75 % p.a.
Expected Rate of increase in salary	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
Mortality rate	IALM 2012-14	IALM 2006-08 Ultimate	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal Rate- 18 to 30 Years	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
- 30 to 44 Years	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.
- 44 to 70 Years	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.

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

(vii) Sensitivity Analysis

For the year ended March 31, 2020

Particulars	Change in assumption	Effect on Gratuity	Effect on leave encashment
Discount Rate	+1%	947,283	524,620
	-1%	1,241,689	599,985
Salary Growth Rate	+1%	1,243,432	600,432
	-1%	943,669	523,698
Attrition Rate	+1%	1,108,543	565,992
	-1%	1,051,826	551,170

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

(Amount in ₹)

Particulars	Gratuity	Leave encashment
01 Apr 2020 to 31 Mar 2021	34,700	292,509
01 Apr 2021 to 31 Mar 2022	10,574	266,494
01 Apr 2022 to 31 Mar 2023	10,574	-
01 Apr 2022 to 31 Mar 2024	10,570	-
01 Apr 2022 to 31 Mar 2025	10,568	-
01 Apr 2025 Onwards	1,004,774	-

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

CONTINGENT LIABILITIES:

Income Tax demand disputed ₹ 25,27,133/-(Previous year ₹ 92,03,003/-) 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.

30. QUANTITATIVE DETAILS

Quantitative information in respect of Investments in securities:

EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount ₹	Qty.(Nos.)	Amount ₹
Opening Balance	8617303	138,871,414	8329161	243,483,423
Purchases/conversions	4065148	19,425,093	697726	42,956,457
Sales/Conversions/Transfer*	74000	6,914,402	409584	47,948,384
Closing Balance	12608451	90,292,616	8617303	138,871,414

31. 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, 2020 and 31st March, 2019.


32. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD IND AS-12 FOR ACCOUNTING FOR TAXES ON INCOME: -
32.1 Taxation

The Company is having brought forward losses under the Income Tax Act. As per Ind AS 12 Company has not recognised deferred tax assets due to probability that taxable profits will not be available against which the deductible temporary differences can be utilised.

32.2 Current Tax

In view of brought forward unabsorbed losses as well as current year loss, no provision for current tax expense is required to be made.

33. Disclosure of Loans/Advances in the nature of loans in terms of provision of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 -

Particulars	Outstanding Balance as on 31.03.2020	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2019	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

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

- a) Cash Margin amounting to ₹ 1,04,50,705/- (₹ 78,79,144/-) 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 31.03.2020 :

Name of Equity Stock Future	No. of Contracts	Units (In Nos.)	Units (In Nos.)
		Long	(Short)
Hero Motors Co Limited	18	200	Nil
	Nil	Nil	Nil
ITC Limited	20	2400	Nil
	4	2400	Nil
Bharti Airtel Limited	5	1851	Nil
	5	1700	Nil
GMR Infrastructure Limited	6	45000	Nil
	6	45000	Nil
Yes Bank Limited	Nil	Nil	Nil
	20	1750	Nil
L&T Limited	6	375	Nil
	Nil	Nil	Nil
Reliance Industries Limited	4	500	Nil
	Nil	Nil	Nil

35. FIRST-TIME ADOPTION OF IND AS

These Financial Statements, for the year ended March 31, 2020, are the first financial statements the Company has prepared in accordance with Ind AS.

For periods up to and including the year ended March 31, 2019, the Company has prepared its Financial Statements in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared Financial Statements which comply with Ind AS applicable for year ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant

accounting policies. In preparing these Financial Statements, the Company's opening balance sheet was prepared as at April 01, 2018, the Company's date of transition to Ind AS. These Financial Results may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs or other Regulators, which will be implemented as and when the same are issued and made applicable.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2018 and the Financial Statements as at and for the year ended March 31, 2019.

(A) Mandatory exceptions and optional exemptions available :

Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS, which were considered to be material or significant by the Company.

Mandatory Exceptions

The Company has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below:

(i) Estimates

Ind AS 101 prescribes that an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

(ii) Derecognition of Financial Assets and Financial Liabilities

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(iii) Classification and measurement of Financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(iv) Impairment of Financial Assets

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

Optional exemptions available
(i) Investments in Subsidiaries, Associates

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary at the Previous GAAP carrying amount as its deemed cost on the transition date.

(ii) Property, Plant, Equipment & Intangible Assets

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at March 31, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on April 01, 2018.

(iii) Business Combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of Subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2018. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

B) Reconciliation between Ind AS and previous GAAP are given below:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following table represent the reconciliation from previous GAAP to Ind AS.

Reconciliation of Balance Sheet as at date of transition 1st April, 2018
(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
ASSETS				
Financial Assets				
a. Cash and cash equivalents	4	7,372,996	-	7,372,996
b. Bank Balance other than (a) above	5	2,365,843	-	2,365,843
c. Loans	6	382,250,000	-	382,250,000
d. Investments	7	243,482,883	31,511,361	211,971,522
e. Other Financial Assets	8	88,147,401	-	88,147,401
Non-Financial Assets				
a. Property, Plant and Equipment	10	12,100,263	-	12,100,263
b. Current tax assets	9	0	-	0
c. Other non -financial assets	11	6,339,519	-	6,339,519
TOTAL ASSETS		742,058,905	31,511,361	710,547,544

LIABILITIES AND EQUITY LIABILITIES

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
Financial Liabilities				
a. Borrowings	12	7,813,742	-	7,813,742
b. Other financial liabilities	13	247,260,137	-	247,260,137
Non-Financial Liabilities				
a. Current tax liabilities (Net)	14	34,211	-	34,211
b. Provisions	15	40,927,623	28,529,892	12,397,731
c. Other non-financial liabilities	16	72,854	-	72,854
Equity				
a. Equity Share Capital	17	76,808,293	-	76,808,293
b. Other Equity	18	369,142,045	2,981,469	366,160,576
TOTAL LIABILITIES		742,058,905	31,511,361	710,547,544

*The Previous GAAP figures have been reclassified to confirm to IndAS presentation requirements for the purpose of this note.

Reconciliation of Balance Sheet as at date of transition 31st March, 2019

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
ASSETS				
Financial Assets				
a. Cash and cash equivalents	4	21,075,606	-	21,075,606
b. Bank Balance other than (a) above	5	2,428,469	-	2,428,469
c. Loans	6	158,500,000	-	158,500,000
d. Investments	7	237,995,468	99,124,054	138,871,414
e. Other Financial Assets	8	67,440,423	-	67,440,423
Non-Financial Assets				
a. Property, Plant and Equipment	10	10,226,322	-	10,226,322
b. Current tax assets	9	1,250,278	-	1,250,278
c. Other non-financial assets	11	7,021,770	-	7,021,770
TOTAL ASSETS		505,938,336	99,124,054	406,814,282
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
a. Borrowings	12	6,203,145	-	6,203,145
b. Other financial liabilities	13	3,741,555	-	3,741,555
Non-Financial Liabilities				
a. Current tax liabilities (Net)	14	-	-	-
b. Provisions	15	107,800,988	96,465,833	11,335,155
c. Other non-financial liabilities	16	46,738	-	46,738
Equity				
a. Equity Share Capital	17	76,808,293	-	76,808,293
b. Other Equity	18	311,337,617	2,658,221	308,679,396
TOTAL LIABILITIES		505,938,336	99,124,054	406,814,282

*The Previous GAAP figures have been reclassified to confirm to IndAS presentation requirements for the purpose of this note.

Reconciliation of Equity as at 1st April, 2018 and as at 31st March, 2019 summarised in below table:

(Amount in ₹)

Particulars	Note	As at 31st March, 2019	As at 1st April, 2018
Equity as reported under previous GAAP		388,145,910	445,950,338
Adjustments			
Fair valuation of investments classified under FVTPL		2,658,221	2,981,469
Impact due to fair valuation of investments designated under FVOCI			
		2,658,221	2,981,469
Less: Tax adjustments		-	-
Equity as per Ind AS		385,487,689	442,968,869

Reconciliation of total Comprehensive Income for the year ended 31st March, 2019

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
INCOME				
Revenue from operations				
(i) Interest Income	19	33,802,692	-	33,802,692
(ii) Dividend Income	20	1,019,017	-	1,019,017
I Total Revenue from operations		34,821,709	-	34,821,709
II Other Income	21	-	-	-
III Total income (I+II)		34,821,709	-	34,821,709
EXPENSES				
Finance Costs	22	559,808	-	559,808
Employee Benefits Expenses	23	5,880,527	103,864	5,776,663
Depreciation and amortisation expense	9	1,952,831	-	1,952,831
Others expenses	24	12,050,633	-	12,050,633
Net loss on fair value changes	25	68,431,429	323,247	68,108,182
Net loss in Equity derivative trading/ Share Dealing		2,532,512	-	2,532,512
Contingent Provision on Standard Assets/(written back)		(934,642)	-	(934,642)
IV Total expenses (IV)		90,473,097	427,111	90,045,986
V Profit/ (loss) before tax (III-IV)		(55,651,388)	427,111	(55,224,278)
VI Tax expense				
(i) Current tax		2,130,000	-	2,130,000
(ii) Deferred tax (credit) / charge		-	-	-
(iii) Income tax for earlier years		23,039	-	23,039
Total Tax expense (VI)		2,153,039	-	2,153,039
VII Profit for the year (V-VI)		(57,804,427)	427,111	(57,377,317)
VIII Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss				
- Remeasurements of defined benefit plans		-	(103,864)	(103,864)
Other Comprehensive Income for the year, net of tax		-	(103,864)	(103,864)
Total Comprehensive Income for the year (VII +VIII)		(57,804,427)	323,247	(57,481,181)

Reconciliation of total Comprehensive Income for the year ended 31st March, 2019 summarised in below table

(Amount in ₹)

Particulars	31st March, 2019
Profit after tax as reported under previous GAAP	(57,804,427)
Adjustments:	
Net (loss)/ gain on fair value changes	427,111
Net Profit After Tax as per Ind AS	(57,377,317)
Remeasurement of defined benefit plan	(103,864)
Other Comprehensive Income	(103,864)
Total Comprehensive Income as per Ind AS	(57,481,181)

36. CAPITAL MANAGEMENT

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

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

37. FINANCIAL RISK MANAGEMENT
Financial Risk Factors

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

I. Market Risk

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

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



Interest Rate Risk

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

Currency Risk

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

Equity Price Risk

(a) Exposure

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

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

(b) Sensitivity analysis- Equity price Risk

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

(Amount in ₹)

Particulars	Impact on Profit & Loss for the year ended 31st March 2020	
	31-Mar-20	31-Mar-19
NSE/ BSE Index - Increase by 2 %	1,639,851	2,611,427
NSE/ BSE Index - Decrease by 2 %	(1,639,851)	(2,611,427)

II. Credit risk

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

III. Liquidity risk

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

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

38. MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

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

(Amount in ₹)

Particulars	31st March, 2020			31st March, 2019			1st April, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS									
Financial Assets									
Cash and cash equivalents	3,915,975		3,915,975	21,075,606		21,075,606	7,372,996		7,372,996
Bank Balance other than above	2,424,709		2,424,709	2,428,469		2,428,469	2,365,843		2,365,843
Loans	146,000,000		146,000,000	158,500,000		158,500,000	382,250,000		382,250,000
Investments	81,992,556	8,300,060	90,292,616	130,571,354	8,300,060	138,871,414	203,671,462	8,300,060	211,971,522
Other Financial Assets	70,713,484		70,713,484	67,440,423		67,440,423	88,147,401		88,147,401
Non-Financial Assets									
Property, Plant and Equipment	8,369,565		8,369,565	10,226,322		10,226,322	12,100,263		12,100,263
Current tax assets	1,840,937		1,840,937	1,250,278		1,250,278	-		-
Other non-financial assets	8,301,555		8,301,555	7,021,770		7,021,770	6,339,519		6,339,519
TOTAL ASSETS	323,558,781	8,300,060	331,858,841	398,514,222	8,300,060	406,814,282	702,247,484	8,300,060	710,547,544
LIABILITIES									
Financial Liabilities									
Borrowings	1,885,305	2,575,294	4,460,599	1,742,546	4,460,599	6,203,145	1,610,597	6,203,145	7,813,742
Other financial liabilities	3,851,444		3,851,444	3,741,555		3,741,555	247,260,137		247,260,137
Non Financial Liabilities									
Current tax liabilities (Net)	-		-	-		-	34,211		34,211
Provisions	11,096,406	266,494	11,362,900	11,132,136	203,019	11,335,155	12,071,720	326,011	12,397,731
Other non-financial liabilities	63,308		63,308	46,738		46,738	72,854		72,854
TOTAL LIABILITIES	16,896,463	2,841,788	19,738,251	16,662,975	4,663,618	21,326,593	261,049,519	6,529,156	267,578,675

39. FAIR VALUES

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

40. FAIR VALUE HIERARCHY

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

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

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

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

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

(Amount in ₹)

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

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019:

(Amount in ₹)

Particulars	Ammortised cost	Fair value through P&L	Total carrying value	Total Fair value	Fair value			
					Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	21,075,606	-	21,075,606	21,075,606	-	-	-	-
Bank Balance other than above	2,428,469	-	2,428,469	2,428,469	-	-	-	-
Loans	158,500,000	-	158,500,000	158,500,000	-	-	-	-
Investments	-	-	-	-	-	-	-	-
-Quoted shares	-	130,571,354	130,571,354	130,571,354	130,571,354	-	-	130,571,354
-Unquoted shares	-	-	-	-	-	-	-	-
-Subsidiary	8,300,060	-	8,300,060	8,300,060	-	-	-	-
Other Financial Assets	67,440,423	-	67,440,423	67,440,423	-	-	-	-
	257,744,558	130,571,354	388,315,912	388,315,912	130,571,354	-	-	130,571,354
Financial Liabilities								
Borrowings	6,203,145	-	6,203,145	6,203,145	-	-	-	-
Other financial liabilities	3,741,555	-	3,741,555	3,741,555	-	-	-	-
	9,944,700	-	9,944,700	9,944,700	-	-	-	-

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at April 1, 2018:

(Amount in ₹)

Particulars	Ammortised cost	Fair value through P&L	Total carrying value	Total Fair value	Fair value			
					Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	7,372,996	-	7,372,996	7,372,996	-	-	-	-
Bank Balance other than above	2,365,843	-	2,365,843	2,365,843	-	-	-	-
Loans	382,250,000	-	382,250,000	382,250,000	-	-	-	-
Investments	-	-	-	-	-	-	-	-
-Quoted shares	-	203,671,462	203,671,462	203,671,462	203,671,462	-	-	203,671,462
-Unquoted shares	-	-	-	-	-	-	-	-
-Subsidiary	8,300,060	-	8,300,060	8,300,060	-	-	-	-
Other Financial Assets	88,147,401	-	88,147,401	88,147,401	-	-	-	-
	488,436,300	203,671,462	692,107,762	692,107,762	203,671,462	-	-	203,671,462
Financial Liabilities								
Borrowings	7,813,742	-	7,813,742	15,627,485	-	-	-	-
Other financial liabilities	247,260,137	-	247,260,137	494,520,274	-	-	-	-
	255,073,879	-	255,073,879	510,147,759	-	-	-	-



41. Schedule as required in terms of Paragraph 18 of “ Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

(₹ in Lakhs)

Particulars	Amount outstanding	Amount overdue
LIABILITIES SIDE :		
(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
(a) Debentures : Secured	Nil (Nil)	Nil (Nil)
: Unsecured	Nil (Nil)	Nil (Nil)
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	Nil (Nil)	Nil (Nil)
(c) Term Loans	Nil (Nil)	Nil (Nil)
(d) Inter- Corporate Loans and Borrowing	Nil (Nil)	Nil (Nil)
(e) Commercial Paper	Nil (Nil)	Nil (Nil)
(f) Public Deposits	Nil (Nil)	Nil (Nil)
(g) Other Loans (Vehicle Loan)	44.61 (62.03)	Nil (Nil)
(2) Break-up of(1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid		
(a) In the form of Unsecured Debentures	Nil (Nil)	Nil (Nil)
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil (Nil)	Nil (Nil)
(c) Other Public Deposits	Nil (Nil)	Nil (Nil)

ASSETS SIDE :

(₹ in Lakhs)

Particulars	Amount outstanding *
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :	
(a) Secured	Nil (Nil)
(b) Unsecured	2091.52 (2183.50)
* Net of Provisions and includes security deposits etc	
(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities	
(i) Lease assets including lease rentals under sundry debtors :	
(a) Financial lease	Nil (Nil)
(b) Operating lease	Nil (Nil)
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	Nil (Nil)
(b) Repossessed Assets	Nil (Nil)
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	Nil (Nil)
(b) Loans other than (a) above	Nil (Nil)
(5) Break-up of Investments :	
Current Investments	
1. Quoted :	
(i) Shares : (a) Equity	819.93 1305.71
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)

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

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

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

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

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)	449.51 (423.79)	449.51 (423.79)
(c) Other Related Parties	Nil (Nil)	Nil (Nil)	Nil (Nil)
2. Other than Related Parties			
	Nil (Nil)	1642.01 (1759.71)	1642.01 (1759.71)
Total	Nil (Nil)	2091.52 (2183.50)	2091.52 (2183.50)



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

(₹ in Lakhs)

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	NIL (Nil)	83.00 (83.00)
(b) Companies in the same group*	13.86 (39.93)	13.86 (39.93)
(c) Other Related Parties	Nil (Nil)	Nil (Nil)
2. Other than Related Parties	806.07 (1265.78)	806.07 (1265.78)
Total	819.93 (1305.71)	902.93 (1388.71)

(8) Other Information

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

42. LITIGATION :

The Company is in appeal in respect of various income tax matters. The Contingent liability in respect thereof is disclosed in note no. 29. 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.

43. LEASE

Expenses recognised in the statement of profit & loss in respect of short term lease for ₹ 1,170,914/- (PY ₹ 1,165,165/-)

44. SEGMENT REPORTING

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

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

46. The Company is required to spend ₹ 645,244/- (Previous year ₹ 573,821/-) on Corporate Social Responsibility (CSR) activities during the year. Amount spent during the year ₹ 650,000/- (Previous Year ₹ 600,000/-).

47. The 'Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)', generally known as COVID-19, which was declared as a global pandemic by World Health Organisation on 11th March, 2020, continues to spread across globe and in India. Globally countries and businesses are under lockdown. On 24th March, 2020, the Government of India announced a 21 days lockdown initially, which was extended by 19 days across the country to contain the spread of the virus. Considering the severe health hazard associated with COVID-19 pandemic, certain parts of the country have further extended the lockdown. There is high level of uncertainty about the duration of the lockdown and the time required to return to normalcy. The extent to which COVID-19 pandemic will impact the Company's provision on assets is dependent on the future developments which are highly uncertain. The impact of the global health pandemic may be different from that estimated at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions.

48. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

49. Certain investments in securities held by the Company being physical not available were written off in the earlier years. They shall be accounted for as and when they are recovered/retrieved by the Company.

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

As Per our Report of even date attached

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

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

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)
PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

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



INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members
Of HB STOCKHOLDINGS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **HB Stockholdings Limited** (hereinafter referred to as "the Holding Company") and its Subsidiary (the Holding company and its Subsidiary together referred to as "the group"), which comprise the Consolidated Balance Sheet as at 31st March, 2020 and the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, of its Consolidated Loss and Other Comprehensive Income, Consolidated Changes in Equity and Consolidated Cash Flows for the year ended on that date.

Basis of Opinion

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

Key Audit Matters

We have determined that there is no key audit matter to communicate in our report.

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

The respective Board of Directors of the Group are responsible for the other information. The other information comprises the Directors report to be included in the Company's Annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements matters stated in Section 134(5) of the Act with respect to that give a true and fair view of the consolidated state of affairs, Consolidated Profit/Loss and Consolidated Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the Companies included in the Group are responsible for overseeing the Financial Reporting process of the Group.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended 31st March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the Directors of respective companies included in the Group as on 31st March, 2020 taken on record by the Board of Directors of the respective companies included in the Group, none of the directors of the Group Companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclosed the impact of pending litigations on the consolidated financial position of the Group – Refer Note 41 to the Consolidated Financial Statements;
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group Company.
- (h) With respect to the matter to be included in the Auditor's Report under section 197(16):

The Group has not paid any managerial remuneration for the year ended 31st March, 2020 to its Directors.

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

Sd/-
G. C. AGARWAL
(PROPRIETOR)
PLACE : NEW DELHI
DATED : 16TH JUNE, 2020

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

Annexure – A

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, We have audited the internal financial controls over financial reporting of **HB Stockholdings Limited** ("the Holding Company") and its subsidiary company which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
G. C. AGARWAL
(PROPRIETOR)
PLACE : NEW DELHI
DATED : 16TH JUNE, 2020

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


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

Particulars	Notes	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
I. ASSETS				
Financial Assets				
a. Cash and cash equivalents	4	4,037,474	2,116,2219	7,406,088
b. Bank Balance other than (a) above	5	2,424,709	2,428,469	2,365,843
c. Loans	6	146,000,000	158,500,000	382,250,000
d. Investments	7	81,992,556	130,571,355	203,671,462
e. Other Financial Assets	8	70,733,824	67,460,763	88,167,741
Non-Financial Assets				
a. Current tax assets (Net)	9	1,840,937	1,250,278	-
b. Property, Plant and Equipment	10	9,602,104	11,785,980	13,986,961
c. Other non-financial assets	11	8,502,805	7,223,020	6,540,769
TOTAL ASSETS		<u>325,134,409</u>	<u>400,382,084</u>	<u>704,388,864</u>
II. LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
a. Borrowings	12	4,460,599	6,203,145	7,813,742
b. Other financial liabilities	13	6,766,194	6,456,305	24,968,7387
Non-Financial Liabilities				
a. Current tax liabilities (Net)	14	-	-	34,211
b. Provisions	15	11,362,900	11,335,155	12,397,731
c. Other non-financial liabilities	16	63,308	46,738	72,854
Equity				
a. Equity Share Capital	17	76,808,293	76,808,293	76,808,293
b. Other Equity	18	225,673,115	299,532,448	357,574,646
TOTAL LIABILITIES AND EQUITY		<u>325,134,409</u>	<u>400,382,084</u>	<u>704,388,864</u>
Significant accounting policies and notes to the Consolidated Financial Statements	1-50			

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

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

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

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	Notes	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
INCOME			
Revenue from Operations			
(i) Interest Income	19	18,409,358	3,380,2692
(ii) Dividend Income	20	1,230,970	1,019,017
I Total Revenue from Operations		19,640,328	34,821,709
II Other Income	21	1,828,586	12,500
III Total Income (I+II)		<u>21,468,914</u>	<u>34,821,709</u>
EXPENSES			
(i) Finance Costs	22	427,858	559,808
(ii) Employee Benefits Expenses	23	5,542,894	5,776,663
(iii) Depreciation and amortisation expense	10	2,208,961	227,9871
(iv) Others expenses	24	10,597,078	12,297,111
(v) Net loss on fair value changes	25	61,089,489	68,108,182
(vi) Net loss in Equity derivative trading/ Share Dealing		15,070,336	2,532,512
(vii) Contingent Provision on Standard Assets/(written back)		(39,805)	(934,642)
IV Total expenses (IV)		94,896,811	90,619,505
V Profit/ (loss) Before Tax (III-IV)		(73,427,897)	(55,785,296)
VI Tax expense			
(i) Current tax		-	2,130,000
(ii) Tax for earlier years		55,694	23,039
(iii) Deferred tax (credit) / charge		-	-
Total Tax Expense (VI)		55,694	2,153,039
VII Profit/(Loss) for the year (V-VI)		(73,483,591)	(57,938,335)
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Remeasurement gain/ (losses) on defined benefit plan		(375,742)	(103,864)
- Income tax relating to above mentioned item		-	-
Other Comprehensive Income for the year, net of tax		(375,742)	(103,864)
Total Comprehensive Income for the year (VII +VIII)		(73,859,333)	(58,042,199)
IX Earnings per Equity Share of face value of Rs. 10 each (previous year Rs. 10 each)	26		
Basic (Rs.)		(10.30)	(8.12)
Diluted (Rs.)		(10.30)	(8.12)
Significant accounting policies and notes to the Consolidated Financial Statements	1-50		

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

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

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

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

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


CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars	For the year ended 31 March, 2020 (In ₹)	For the year ended 31 March, 2019 (In ₹)
A. CASH FLOW FROM OPERATION ACTIVITIES		
Profit before tax	(73,427,897)	(55,785,296)
Adjustment for :		
Depreciation	2,208,961	2,279,871
Other Comprehensive Income	(375,742)	(103,864)
Finance Cost	427,858	559,808
Cash generated form operation before working capital changes	(71,166,820)	(53,049,481)
Working capital changes		
Increase/ (decrease) in loans and advances	12,500,000	223,750,000
Increase/ (decrease) in other financial assets	(3,273,061)	20,706,978
Increase/ (decrease) in other non-financial assets	(1,279,786)	(682,250)
Increase/(decrease) in other financial liabilities	313,649	(243,293,708)
Increase/(decrease) in Investment/ Financial assets	48,578,798	73,100,109
(Increase) /decrease in provisions	27,745	(1,062,576)
(Increase) /decrease in other non financial liabilities	16,570	(26,116)
Cash Flows before OCI and Tax	(14,282,904)	19,442,955
Income Tax paid	646,353	3,437,528
NET CASH FLOW FROM/ (USED) OPERATING ACTIVITIES	(14,929,257)	16,005,427
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(25,085)	(78,890)
NET CASH USED IN INVESTING ACTIVITIES	(25,085)	(78,890)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings	(1,742,546)	(1,610,598)
Interest paid	(427,858)	(559,808)
NET CASH USED IN FINANCING ACTIVITIES	(2,170,404)	(2,170,405)
NET INCREASE/ DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	(17,124,745)	13,756,132
OPENING CASH AND CASH EQUIVALENTS	21,162,219	7,406,088
CLOSING CASH AND CASH EQUIVALENTS	4,037,474	21,162,219

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

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

Change in Liability arising from Financing Activities
(Amount in ₹)

Particulars	Borrowings (Refer Note No. 12)
Balance as on 1st April 2018	7,813,742
Proceeds/ Repayments of borrowing	(1,610,598)
Non cash change (Fair Value)	-
Balance as on 31st March 2019	6,203,145
Balance as on 1st April 2019	6,203,145
Proceeds/ Repayments of borrowing	(1,742,546)
Non cash change (Fair Value)	-
Balance as on 31st March 2020	4,460,599

The accompanying notes form an integral part of the Consolidated Financial Statements

As Per our Report of even date attached

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

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

Sd/- G C AGARWAL (PROPRIETOR) MEMBERSHIP NO. : 083820	Sd/- ANIL GOYAL (DIRECTOR) DIN: 00001938	Sd/- LALIT BHASIN (CHAIRMAN) DIN: 00002114
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PLACE: NEW DELHI DATED: 16TH JUNE, 2020	Sd/- MAHESH KUMAR GUPTA (CHIEF FINANCIAL OFFICER)	Sd/- RUPESH KUMAR (COMPANY SECRETARY) M. NO.: ACS43104
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
a. Equity Share Capital

Particulars	Number of Shares	Amount in ₹
As at 01st April, 2018	7137665	76,808,293
Changes in Equity Share Capital during the year	-	-
As at 31st March, 2019	7137665	76,808,293
Changes in Equity Share Capital during the year	-	-
As at 31st March, 2020	7137665	76,808,293

b. Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Statutory Reserve	Securities Premium	Retained Earnings		
Balance as at 01st April, 2018	163,961,174	230,763,189	(37,936,983)	787,266	357,574,646
Profit for the year	-	-	(57,938,334)	-	(57,938,334)
Other comprehensive income for the year	-	-	-	(103,864)	(103,864)
Transferred to/(from)	-	-	-	-	-
Total comprehensive income for the year	163,961,174	230,763,189	(95,875,317)	683,402	299,532,448
Balance as at 01st April, 2019	163,961,174	230,763,189	(95,875,317)	683,402	299,532,448
Profit for the year	-	-	(73,483,591)	-	(73,483,591)
Other comprehensive income for the year	-	-	-	(375,742)	(375,742)
Transferred to/(from)	-	-	-	-	-
Total comprehensive income for the year	163,961,174	230,763,189	(169,358,908)	307,660	225,673,115
Dividends	-	-	-	-	-
Tax on Dividend	-	-	-	-	-
Balance as at 31st March, 2020	163,961,174	230,763,189	(169,358,908)	307,660	225,673,115

Significant accounting policies and notes to the Consolidated Financial Statements 1-50

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

As Per our Report of even date attached

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

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

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

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN: 00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: NEW DELHI
DATED: 16TH JUNE, 2020

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1. COMPANY INFORMATION / OVERVIEW

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

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS.

(A) Compliance with Ind As

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

For all periods up to and including the year ended March 31, 2019, the group prepared its Financial Statements in accordance with Companies (Accounting Standards) Rules, 2006 (as amended) notified under the Act read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), guidelines issued by the RBI and other generally accepted accounting principles in India (collectively referred to as 'Indian GAAP' or 'previous GAAP').

The transition to Ind As has been carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April, 2018.

An explanation of how the transition to Ind AS from the previous GAAP has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 35.

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

(B) Presentation of Financial Statements

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

(C) Basis of preparation

The Consolidated Financial Statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments and plan assets of defined benefit plans, which are measured at fair values at the end of each reporting as explained in the accounting policies below. All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest rupees in compliance with Schedule III of the Act, unless otherwise stated.

(D) Principles of Consolidation

(i) The Consolidated Financial Statements incorporate the financial statements of the Parent Company and all its Subsidiaries (from the date control is gained), being the entities that it controls. Control is evidenced where the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company.

(ii) The Consolidated Financial Statements include results of the subsidiaries of HB Stockholdings Ltd. (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Name of the Company	Country of incorporation	Proportion of ownership as at reported date	Consolidated as
Mount Finance Ltd.	India	100%	Subsidiary

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Use of estimates and judgement

The preparation of Consolidated Financial Statements in conformity with Ind AS requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the income and expense for the reporting period. The actual results could differ from these estimates.

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

Accounting policies of the group require critical accounting estimates that involve complex and subjective judgments and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. Such critical accounting estimates could change from period to period and may have a material impact on the Company's financial condition, changes in financial condition or results of operations. Critical accounting estimates could also involve estimates where management could have reasonably used another estimate in the current accounting period. The critical policies that involves critical accounting estimates includes valuation of financial instruments, impairment of financial assets, recognition of interest income/expenses using Effective Interest Rate (EIR) method and deferred tax. Management believes that the estimates used in the preparation of the Company's financial statements are prudent and reasonable.

A) Effective Interest Rate (EIR) Method

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

B) Impairment of Loans Portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

C) Defined employee benefit assets and liabilities

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

D) Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

E) Other Estimates

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

3.2 Financial Instruments

A) Initial Recognition and measurement

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

B) Classification and Subsequent measurement of financial assets-

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

a. Amortised Cost

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



b. FVOCI- Debt Instruments

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

c. FVOCI- Equity Instruments

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

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

d. FVTPL

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

Subsequent Measurement of Financial Assets

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

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

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

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

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

C. Financial Liabilities and Equity Instruments

Classification as Debt or Equity

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

Equity Instruments

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

Financial Liabilities

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

D. Derecognition

Financial Assets

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

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

Financial Liabilities

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

E. Offsetting

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

F. Impairment

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

G. Write offs

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

3.3 Cash and cash equivalents

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

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

3.4 Property, Plant and Equipments (PPE)

Property, Plant and Equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

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

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

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



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

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

3.5 Intangible Assets

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

3.6 Impairment of Assets other than Financial Assets

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

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

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

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

3.7 Provisions

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

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

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

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.8 Revenue Recognition

A) Recognition of Interest Income on Loans

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

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

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

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

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

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

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

B) Rental Income

Income from operating leases is recognised in the Statement of Profit and Loss as per contractual rentals unless another systematic basis is more representative of the time pattern in which benefit derived from the leased asset is diminished.

C) Dividend and Interest Income on Investments

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

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

3.9 Employee Benefits

A) Short-term employee benefits

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

B) Contribution to provident fund and ESIC

Group's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss.

C) Gratuity

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

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

Remeasurement gains/ losses

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

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

D) Superannuation Fund

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

E) Leave Encashment / Compensated Absences / Sick Leave

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

F) Employee Stock Options

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the graded vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.


3.10 Finance Costs

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

3.11 Taxation - Current and Deferred Tax

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

A) Current Tax

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

B) Deferred Tax

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

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

3.12 Leases
As a lessee

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

3.13 Exceptional Items

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

3.14 Earning Per Share

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

3.15 Cash Flow Statement

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

4. CASH AND CASH EQUIVALENT
(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Cash on Hand	554,744	604,071	550,806
Balance with Banks			
- In current and deposit account	1,482,730	4,558,148	6,855,282
- Cheques on Hand	2,000,000	16,000,000	-
Total	4,037,474	21,162,219	7,406,088

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Earmarked balances with banks-			
-Unclaimed dividend accounts	2,424,709	2,428,469	2,365,843
Total	2,424,709	2,428,469	2,365,843

6. LOANS
(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
A) Loans (at amortised cost) :			
Others:			
Inter Corporate Loans - Standard	136,000,000	148,500,000	372,250,000
Inter Corporate Loans & Deposits -Doubtful*	10,000,000	10,000,000	10,000,000
Total (Gross)	146,000,000	158,500,000	382,250,000
Less: Impairment loss allowance	-	-	-
Total (Net)	146,000,000	158,500,000	382,250,000
B) i) Secured by Tangible Assets	-	-	-
ii) Unsecured	146,000,000	158,500,000	382,250,000
Total (Gross)	146,000,000	158,500,000	382,250,000
Less: Impairment loss allowance	-	-	-
Total (Net)	146,000,000	158,500,000	382,250,000
C) i) Loans in India			
a) Public Sector	-	-	-
b) Others	146,000,000	158,500,000	382,250,000
Total (Gross)	146,000,000	158,500,000	382,250,000
Less: Impairment loss allowance	-	-	-
Total (Net) -C (i)	146,000,000	158,500,000	382,250,000
ii) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
Total (Net) -C (ii)	-	-	-
Total (Net) -C (i + ii)	146,000,000	158,500,000	382,250,000

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

Credit quality of assets

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

(Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Low credit risk- Stage I	136,000,000	148,500,000	372,250,000
Significant increase in credit risk- Stage II			
Credit impaired- Stage III	10,000,000	10,000,000	10,000,000
Total	146,000,000	158,500,000	382,250,000

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

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



7. INVESTMENTS

Name of the Company	Face Value	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	(₹)	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹
(A) INVESTMENTS IN EQUITY INSTRUMENTS							
(a) Quoted Instrument fully paid up Equity Shares(At FVTPL)							
AMRIT CORPORATION LIMITED	10	132	8,0329	132	104,412	400	478,000
ARVIN LIQUID GASES LIMITED*	10	10000	-	10000	-	10000	-
ASHOK LEYLAND LIMITED	1	-	-	-	-	200	-
BHARAT HOTELS LIMITED	10	300	-	300	-	300	-
CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED	10	-	-	-	-	3815	902,438
CIBA INDIA LIMITED	10	-	-	-	-	50	-
COAL INDIA LIMITED	10	3250	45,5000	3250	769,600	3250	921,375
DWARIKESH SUGAR INDUSTRIES LIMITED	1	72500	1,196,250	72500	2,240,250	72500	1,834,250
DEEPAK SPINNERS LIMITED	10	-	-	-	-	1000	83,000
DOLPHIN OFFSHORE ENTERPRISES I LIMITED	10	10000	48,100	10000	466,000	10000	837,500
DCM SHRIRAM LIMITED	2	50726	10,908,626	50726	21,099,480	54384	23,047,939
EIH LIMITED	2	47601	3,132,146	47601	9,641,583	46500	7,398,150
FOODS & INNS LIMITED	1(10)	136200	4,692,090	45400	820,6050	4540	7,553,425
GVK POWER & INFRA LIMITED	1	60000	133,200	25000	193,250	25000	353,750
HINDUSTAN ENGINEERING & INDS. LIMITED*	10	108	-	108	-	108	-
HARYANA PETROCHEMICALS LIMITED*	10	9050	-	9050	-	9050	-
HARYANA LEATHER CHEMICALS LIMITED	10	31347	620,671	31347	783,675	31347	1,271,121
HB ESTATE DEVELOPERS LIMITED	10	125400	711,018	125400	2,475,396	125400	3,960,000
HB LEASING & FINANCE CO LIMITED	10	-	-	-	-	43200	99,360
HB PORTFOLIO LIMITED	10	60000	675,000	60000	1,518,000	60000	3,495,000
HIMACHAL FUTURISTIC COMMUNICATIONS LIMITED	1	35000	315,700	35000	798,000	200000	5,180,000
HINDUSTAN OIL EXPLORATION COMPANY LIMITED	10	-	-	-	-	216	23,846
HOTLINE GLASS LIMITED*	10	166382	-	166382	-	166382	-
ICP SECURITIES LIMITED*	10	1800	-	1800	-	1800	-
ISPAT PROFILES INDIA LIMITED*	10	10000	-	10000	-	10000	-
IDFC BANK LIMITED	10	-	-	50000	2,760,000	50000	2,367,500
INDRAPRASTHA GAS LIMITED	2	-	-	-	-	27500	7,668,375
IST LIMITED	10	114682	32,110,960	40767	21,404,713	17890	1,6024,073
JK PAPER LIMITED	10	14015	1,044,818	16015	2,288,544	16015	2,166,029
JAI CORP LIMITED	1	13000	657,150	13000	1,500,850	13000	1,735,500
JAI PRAKASH ASSOCIATES LIMITED	2	6613904	7,076,877	3683671	20,260,191	3207671	60,785,365
JAYPEE INFRATECH LIMITED	10	60000	38,400	60000	148,200	60000	502,800
JP POWER VENTURES LIMITED	10	1695000	1,101,750	1695000	3,152,700	1650000	7,920,000
KIRAN OVERSEAS EXPORTS LIMITED*	10	10000	-	10000	-	10000	-
LCC INFOTECH LIMITED*	2	56300	-	56300	-	56300	-
LT FOODS LIMITED	1	5000	99,750	5000	195,500	5000	425,000
LUNAR DIAMONDS LIMITED*	10	21000	-	21000	-	21000	-
MAWANA SUGARS LIMITED	10	10000	226,000	10000	457,000	10000	458,000
MERCATOR LIMITED	1	50000	26,000	50000	344,000	50000	1,735,000
MMTC LIMITED	1	48750	602,063	48750	1,365,000	32500	1,808,625
NMDC LIMITED	1	-	-	20000	2,083,000	20000	2,373,000
NAHAR CAPITAL AND FINANCIAL SERVICES LIMITED	10	3000	154,350	3000	271,500	3000	369,000
NAHAR POLYFILMS LIMITED	5	-	-	-	-	444	23,643
NBCC (INDIA) LIMITED	1/(2)	22000	359,700	22000	1,458,600	11000	2,093,850
NUCHEM LIMITED*	10	64755	-	64755	-	64755	-
ORISSA EXTRUSIONS LIMITED*	10	10728	-	10728	-	10728	-
ORIENTAL BANK OF COMMERCE	10	-	-	-	-	100	9,160
OIL INDIA LIMITED	10	4500	372,150	4500	834,075	3000	645,900
OSWAL AGRO MILLS LIMITED	10	30000	123,900	30000	245,400	30000	390,000
PATHREJA FORGINGS LIMITED*	10	1000	-	1000	-	1000	-
PETRONET LNG LIMITED	10	-	-	-	-	34500	7,979,850
PRISM MILLS LIMITED*	10	10000	-	10000	-	10000	-
PUNJAB WIRELESS LIMITED*	10	100	-	100	-	100	-



Name of the Company	Face Value	As at 31st March, 2020		As at 31st March, 2019		As at 1st April, 2018	
	(₹)	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹
RAMA VISION LIMITED*	10	18300	58,560	18300	107,055	18300	345,870
RELIANCE INDUSTRIES LIMITED	10	350	389,358	2350	3,203,168	2300	2,030,440
RELIANCE HOME FINANCE LIMITED	10	-	-	-	-	4	241
RELIANCE CAPITAL LIMITED	10	-	-	-	-	4	1,694
SAJJAN UDYOG EXPORTS LIMITED*	10	23600	-	23600	-	23600	-
SAREGAMA INDIA LIMITED	10	5000	981,250	5000	2,961,250	5000	3,289,000
SAVANI FINANCIALS LIMITED*	10	7000	-	7000	51,100	7000	51,800
SHREYANS INDUSTRIES LIMITED*	10	5600	-	5600	-	5600	-
SATIN CREDITCARE NETWORKS LIMITED	10	10000	638,000	10000	3,649,000	10000	3,993,500
SRI VASAVI INDUSTRIES LIMITED*	10	10890	-	10890	-	10890	-
STEEL EXCHANGE OF INDIA LIMITED	10	-	-	-	-	244	6,027
GLOBAL STONE INDIA LIMITED*	10	2000	-	2000	-	2000	-
SUMMIT SECURITIES LIMITED	10	2856	785,400	2856	1,685,183	2856	2,235,820
UNITECH LIMITED	2	1900000	2,204,000	1000000	1,390,000	1000000	5,560,000
U P HOTELS LIMITED*	10	45697	8,090,561	45697	7,551,717	45697	7,228,470
VEDANTA LIMITED	1	4250	275,188	4250	783,913	4250	1,182,775
WELSPUN ENTERPRISES LIMITED	10	20000	818,000	20000	2,124,000	20000	2,826,000
YES BANK LIMITED	2	35200	790,240	-	-	-	-
TOTAL (a)		11778273	81,992,556	7787125	130,571,355	7452690	203,671,462
(b) Unquoted Fully Paid up Equity Shares(At FVTPL)							
KESORAM TEXTILE LIMITED	10	172	-	172	-	172	-
TOTAL (b)		172	-	172	-	172	-
(c) Unquoted Partly Paid up Equity Shares(At FVTPL)							
RATHI ALLOYS & STEELS LIMITED	10	-	-	-	-	46293	-
TOTAL (c)		-	-	-	-	46293	-
TOTAL INVESTMENTS (a+b+c+d)		11778445	81,992,556	7787297	130,571,355	7499155	203,671,462

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
	Amount in ₹	Amount in ₹	Amount in ₹
Aggregate cost of quoted investment	242,554,268	229,691,247	234,484,268
Carrying amount/ fair value of quoted investment	81,992,556	130,571,355	203,671,462
Aggregate cost of unquoted investment	4,161	4,161	4,161

Notes

- (*) Listed but not quoted
 1. All above investments are in India itself

8. OTHER FINANCIAL ASSETS (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Security Deposits*	34,543,840	34,566,720	34,566,720
Interest accrued on loans / Inter Corporate Deposits	5,739,279	5,014,899	11,551,860
Recoverable From Staff	-	-	45,000
Receivable from HB Estate Developers Ltd. Pursuant to scheme of arrangement	-	-	4,214,449
Advance to others	20,000,000	20,000,000	20,000,000
Advance to related parties	10,450,705	7,879,144	17,789,712
Total	70,733,824	67,460,763	88,167,741

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

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

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
TDS deducted	1,840,937	1,250,278	-
Total	1,840,937	1,250,278	-

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

Particulars	Flat	Air Con- ditioners	Office Equipment	Vehicles	Data Processing Machine	Total
GROSS BLOCK						
As at 1st April, 2018	4,823,385	996,578	2,383,748	17,956,623	555,019	26,715,353
Additions during the year	-	-	78,890	-	-	78,890
Deletions during the year	-	-	-	-	-	-
As at 31st March, 2019	4,823,385	996,578	2,462,638	17,956,623	555,019	26,794,243
Additions during the year	-	-	15,999	-	9,086	25,085
Deletions during the year	-	-	-	-	-	-
As at 31st March, 2020	4,823,385	996,578	2,478,637	17,956,623	564,105	26,819,328
ACCUMULATED DEPRECIATION						
As at 1st April, 2018	2,963,057	970,302	2,270,590	6,017,623	506,820	12,728,392
Additions during the year	327,040	4,659	35,069	1,895,483	17,620	2,279,871
Adjustment during the year	-	-	-	-	-	-
As at 31st March, 2019	3,290,097	974,961	2,305,659	7,913,106	524,440	15,008,263
Additions during the year	327,119	-	37,545	1,824,693	19,604	2,208,961
Adjustment during the year	-	-	-	-	-	-
As at 31st March, 2020	3,617,216	974,961	2,343,204	9,737,799	544,044	17,217,224
NET BLOCK						
As at 31st March, 2020	1,206,169	21,617	135,433	8,218,824	20,061	9,602,104
As at 31st March, 2019	1,533,288	21,617	156,979	10,043,517	30,579	11,785,980
As at 1st April, 2018	1,860,328	26,276	113,158	11,939,000	48,199	13,986,961



11. OTHER NON FINANCIAL ASSETS (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Prepaid Expenses	2,438,140	2,409,849	1,727,598
Recoverable from Tax Authorities	6,064,665	4,813,171	4,813,171
Total	8,502,805	7,223,020	6,540,769

12. BORROWINGS (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
(A) In India			
At amortised cost:			
Term loan from Bank	4,460,599	6,203,145	7,813,742
Outside India	-	-	-
(B) Out of above			
Secured against Hypothecation of Vehicle financed	4,460,599	6,203,145	7,813,742
Unsecured	-	-	-
Total	4,460,599	6,203,145	7,813,742

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

- Maturity Profile of Secured Term Loan from banks are as under:			
Particulars	0-1 Years	1-2 Years	2-3 Years
- Vehicle Loan from HDFC Bank	1,885,305	2,039,760	535,534

13. OTHER FINANCIAL LIABILITIES (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Unpaid Dividends*	2,424,709	2,428,469	2,365,843
Expenses payable	1,441,485	1,327,836	1,512,510
Payable to HB Portfolio Ltd. pursuant to Scheme of Arrangement	-	-	243,409,034
Advance from customers and others	2,900,000	2,700,000	2,400,000
Total	6,766,194	6,456,305	249,687,387

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

14. CURRENT TAX LIABILITIES (NET) (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Current Tax Liabilities	-	-	34,211
[Net of advancetax and tax deducted at source]	-	-	-
Total	-	-	34,211

15. PROVISIONS (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Provision for Employee Benefits			
Leave Encashment	559,003	491,453	619,386
Others			
Contingent provision against Standard Assets	803,897	843,702	1,778,345
Sub Standard & Doubtful Assets	10,000,000	10,000,000	10,000,000
Total	11,362,900	11,335,155	12,397,731

16. OTHER NON-FINANCIAL LIABILITIES (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
TDS payable	63,308	46,738	72,854
Total	63,308	46,738	72,854

17. EQUITY SHARE CAPITAL (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
a. Authorised:			
25000000 Equity Shares of ₹ 10/- each	250,000,000	250,000,000	250,000,000
10000000 Redeemable Preference Shares of ₹ 10/- each	100,000,000	100,000,000	100,000,000
Total	350,000,000	350,000,000	350,000,000
b. Issued			
8788704 Equity Shares of ₹ 10/- Each	87,887,040	87,887,040	87,887,040
Total	87,887,040	87,887,040	87,887,040
c. Subscribed and Paid up			
7137665 Equity Shares of ₹ 10/- Each fully paid up	71,376,650	71,376,650	71,376,650
	71,376,650	71,376,650	71,376,650
Add: Forfeited Shares 1651039 (Other than Directors)	5,431,643	5,431,643	5,431,643
Total	76,808,293	76,808,293	76,808,293

d. Reconciliation of number of Equity Shares outstanding at the beginning and end of the year :

Particulars	Number of Shares	Amount in ₹
As At 01st April, 2018	7,137,665	76,808,293
Issued during the year	-	-
As At 31st March, 2019	7,137,665	76,808,293
Issued during the year	-	-
As At 31st March, 2020	7,137,665	76,808,293

e. Terms / rights attached to the Equity Shares

Issued Share Capital of the Company has only one class of shares referred to as Equity Shares having Par value of ₹ 10/Each holder of Equity Shares is entitled to One vote per share. In the event of the Liquidation of the Company, the holder of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

During the FY 2017-18, pursuant to Scheme of Arrangement between the Company and HB Portfolio Ltd and HB Estate Developers Ltd, the issued and Paid up Equity Share Capital of the Company was reduced by reducing the face value of the Equity Shares from ₹ 10/- fully paid up to ₹ 3/- each fully paid.As a result, the issued and paid up equity share capital was reduced from ₹ 23,79,22,180 comprising of 23792218 shares of ₹ 10/- each to ₹ 7,13,76,654 comprising of 23792218 shares of ₹ 3/- each. Simultaneously, 10 (Ten) Equity Shares of ₹ 3 each fully paid up stood consolidated into 3 (three) fully paid-up share of ₹ 10/- each resulting in 71,37,665 fully paid-up Equity Shares of ₹ 10/- each after ignoring fractional shares.

f. Shareholders holding more than 5% equity shares in the Company:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Lalit Bhasin	3678691	51.54%	3678691	51.54%	3678691	51.54%

18. OTHER EQUITY (Amount in ₹)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
a. Securities Premium			
Opening Balance	230,763,189	230,763,189	-
Closing Balance	230,763,189	230,763,189	230,763,189
b. Statutory Reserve (Pursuant to Section 45-IC of The RBI Act, 1934)			
Opening Balance	163,961,174	163,961,174	-
Closing Balance	163,961,174	163,961,174	163,961,174



Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
c. Other Comprehensive Income			
Opening Balance	683,402	787,266	-
Add: Remeasurement gain/ (losses) on defined benefit plan	(375,742)	(103,864)	-
Closing Balance	307,660	683,402	787,266
d. Retained Earning			
Opening Balance	(95,875,317)	(37,936,983)	-
Add: Profit for the current year	(73,483,591)	(57,938,334)	-
Closing Balance	(169,358,908)	(95,875,317)	(37,936,983)
TOTAL OTHER EQUITY	225,673,115	299,532,448	357,574,646

Description of the nature and purpose of Other Equity:

Securities Premium

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

Statutory Reserve

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

Other Comprehensive Income-Remeasurement gain/ (losses) on defined benefit plan

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

Retained Earnings

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

19. INTEREST INCOME (ON FINANCIAL ASSETS, MEASURES AT AMORTISED COST) (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on Loans / Inter Corporate Deposit	18,409,358	33,802,692
Total	18,409,358	33,802,692

20. DIVIDEND (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Dividend income from investment	1,230,970	1,019,017
Total	1,230,970	1,019,017

21. OTHER INCOME (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Excess Provision/old balances written back	1,771,676	-
Interest on Income Tax Refund	56,910	-
Liability no longer required written back	-	12,500
Total	1,828,586	12,500

22. FINANCE COST (ON BORROWINGS, AT AMORTISED COST) (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on Vehicle Loan	427,858	559,808
Total	427,858	559,808

23. EMPLOYEE BENEFIT EXPENSES (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salaries and Benefits	4,877,845	5,150,899
Contribution to Provident fund and superannuation fund	462,375	485,743
Gratuity	14,619	(1,722)
Staff welfare	188,055	141,743
Total	5,542,894	5,776,663

24. OTHER EXPENSES (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Rent/Facility Charges	1,170,914	1,156,165
Vehicle Running and Maintenance	1,717,833	1,089,664
Insurance	233,833	225,322
Communication	155,956	249,730
CSR Expenses	650,000	600,000
Travelling and Conveyance	2,131,060	2,081,374
Printing and Stationery	744,964	1,215,609
Office Repairs and Maintenance	205,362	292,130
Depository and Custodial	67,540	420,739
Subscription and Membership	193,055	201,920
Legal and Professional	784,803	1,688,847
Advertisement & Publicity	366,266	332,922
Listing Fees	540,000	873,200
Business Promotion	686,994	995,426
Miscellaneous	251,668	218,813
Auditor's Remuneration		
-Audit Fees	179,750	179,750
-Tax Audit Fees	25,000	25,000
-Limited Review Reports	40,000	40,000
-Certification and others	54,000	27,500
Directors Sitting Fees	398,080	383,000
Total	10,597,078	12,297,111

25. NET LOSS ON FAIR VALUE CHANGES (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net gain/ (loss) on financial instruments measured at fair value through profit or loss		
Realised (gain)/loss on equity instruments at FVTPL	(352,331)	495,488
Unrealised (gain)/loss on equity instruments at FVTPL	61,441,820	67,612,694
Total	61,089,489	68,108,182

26. EARNING PER SHARE (EPS) (Amount in ₹)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Profit/(Loss) for the year (Amount in ₹)	(73,483,591)	(57,938,335)
Weighted average number of Equity Shares used in computing basic EPS	7,137,665	7,137,665
Weighted average number of Equity Shares used in computing diluted EPS	7,137,665	7,137,665
Basic Earnings Per Share (₹)	(10.30)	(8.12)
Diluted Earnings Per Share (₹)	(10.30)	(8.12)
Face value per share (₹)	10	10

27. RELATED PARTY DISCLOSURES

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

a) Key Managerial Personnel:

- Shri Anil Kumar Mittal, (Company Secretary upto 15.02.2019)
- Shri Rachit Tandon, (Company Secretary w.e.f 15.02.2019 and left on 31.01.2020)
- Shri Mahesh Kumar Gupta, Chief Financial Officer
- Shri Jag Mohan Lal Suri, (Manager w.e.f.15.02.2019)

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

- Shri Lalit Bhasin

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

- RRB Master Securities Delhi Ltd.

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

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

e) Transactions during the financial year ended 31.03.2020 with related Parties as under:

(Amount in ₹)

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2020	For the year ended 31.03.2019
i	RRB Master Securities Delhi Ltd.	Advances given (net)	10,450,705	7,879,144
		Margin / Advances paid & received back	2,850,000	27,250,000
		Purchase of Investment through them	7,773,993	17,671,969
		Sale of Investment through them	6,914,402	37,660,994
		Net Turnover of Derivative Trading	15,070,336	2,532,512
		Receivable at the year end in respect of Loans & Advances	10,450,705	7,879,144
ii	HB Estate Developers Ltd.	Rent/ Facility Charges Paid	1,016,263	1,016,263
		Received against amount receivable from HB Estate Developers Ltd. Pursuant to scheme of arrangement	-	4,214,449
		Receivable at the year end in respect of Loans & Advances	34,500,000	34,500,000
iii	HB Portfolio Ltd	Repayment against amount payable to HB Portfolio Ltd. pursuant to scheme of arrangement	-	243,409,034
iv	HB Securities Ltd.	Depository Charges	5,356	9,639
v	Lalit Bhasin	Sitting Fees paid	35,000	40,000
		Sale of Securities	-	80,784
vi	Rachit Tandon	Remuneration & other services	591,493	78,210
vii	Anil Kumar Mittal	Remuneration & other services	-	1,411,741
viii	Mahesh Kumar Gupta	Remuneration & other services	2,130,400	1,770,000
ix	Jag Mohan Lal Suri	Remuneration & other services	1,905,500	208,500

28. RETIREMENT BENEFIT OBLIGATIONS

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

A) Defined Contributions Plans:

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

Particulars	Current Year	Previous Year
	Amount (₹)	Amount (₹)
Company Contribution to Provident Fund	327,375	326,956
Company Contribution to Superannuation Fund	135,000	135,000

B) Defined Benefit Plans:

Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognized in the Balance Sheet as of March 31, 2019 and March 31, 2020, being the respective measurement dates:

(i) Movement in defined benefit obligation

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation -at the beginning of the period	812,206	980,533	491,453	619,386
Interest cost	56,854	75,991	34,402	48,002
Current service cost	51,639	41,106	25,347	23,637
Benefits paid	-	(317,308)	(113,006)	(270,640)
Remeasurements - actuarial (gain)/ loss	161,061	31,884	120,807	71,068
Present value of obligation -at the end of the period	1,081,760	812,206	559,003	491,453

(ii) Movement in Plan Assets – Gratuity

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Fair value of plan assets at beginning of year	1,341,056	1,533,143	-	-
Expected return on plan assets	93,874	118,819	-	-
Employer contributions	-	7,314	-	-
Benefits paid	-	(317,308)	-	-
Actuarial gain / (loss)	(93,874)	(912)	-	-
Fair value of plan assets at end of year*	1,341,056	1,341,056	-	-

*100% of fund is managed by Insurance Company

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

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Present value of obligation -at the end of the period	1,081,760	812,206	559,003	491,453
Fair value of plan assets at end of year	1,341,056	1,341,056	-	-
Net liability/(asset) recognized in Balance Sheet	(259,296)	(528,850)	559,003	491,453
Funded Status- Surplus/ (Deficit)	259,296	528,850	(559,003)	(491,453)

(iv) Expense recognised in the Statement of Profit and Loss

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Interest cost	56,854	75,991	34,402	48,002
Current Service cost	51,639	41,106	25,347	23,637
Expected return on plan assets	(93,874)	(118,819)	-	-
Expenses to be recognised in P&L	14,619	(1,722)	59,749	71,639



(v) Recognised in Other Comprehensive Income (Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(474,974)	(507,770)	(208,428)	(279,496)
Remeasurement - Actuarial (gain)/loss -Obligation	161,061	31,884	120,807	71,068
Remeasurement - Actuarial (gain)/loss -Plan assets	93,874	912	-	-
Total Actuarial (gain)/loss	254,935	32,796	120,807	71,068
Cumulative unrecognized actuarial (gain)/loss opening. C/F	(220,039)	(474,974)	(87,621)	(208,428)

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

Weighted average actuarial assumptions	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate	7.00 % p.a.	7.75 % p.a.	7.00 % p.a.	7.75 % p.a.
Expected Rate of increase in salary	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
Mortality rate	IALM 2012-14	IALM 2006-08 Ultimate	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal Rate- 18 to 30 Years	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
- 30 to 44 Years	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.
- 44 to 70 Years	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.

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

(vii) Sensitivity analysis:

For the year ended March 31, 2020 (Amount in ₹)

Particulars	Change in Assumption	Effect on Gratuity	Effect on Leave Encashment
Discount rate	+1%	947,283	524,620
	-1%	1,241,689	599,985
Salary Growth rate	+1%	1,243,432	600,432
	-1%	943,669	523,698
Attrition Rate	+1%	1,108,543	565,992
	-1%	1,051,826	551,170

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

(Amount in ₹)

Particulars	Gratuity	Leave encashment
01 Apr 2020 to 31 Mar 2021	34,700/-	292,509
01 Apr 2021 to 31 Mar 2022	10,574/-	266,494
01 Apr 2022 to 31 Mar 2023	10,574/-	-
01 Apr 2022 to 31 Mar 2024	10,570/-	-
01 Apr 2022 to 31 Mar 2025	10,568/-	-
01 Apr 2025 Onwards	1,004,774/-	-

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

CONTINGENT LIABILITIES:

Income Tax demand disputed ₹ 2,527,133/- (Previous year ₹ 9,203,003/-) 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.

30. QUANTITATIVE DETAILS

Quantitative information in respect of Investments in securities:

EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount ₹	Qty.(Nos.)	Amount ₹
Opening Balance	7787297	130,571,355	7499155	243,483,423
Purchases/conversions	4065148	1,942,5093	697726	42,956,457
Sales/conversions/Transfer*	74000	6,914,402	409584	47,948,384
Closing Balance	11778445	81,992,556	7787297	130,571,355

31. 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, 2020 and 31st March, 2019.

32. DISCLOSURE PURSUANT TO ACCOUNTING STANDARD IND AS-12 FOR ACCOUNTING FOR TAXES ON INCOME: -

32.1 Taxation

The Company is having brought forward losses under the Income Tax Act. As per Ind AS 12 Company has not recognised deferred tax assets due to probability that taxable profits will not be available against which the deductible temporary differences can be utilised.

32.2 Current tax

In view of brought forward unabsorbed losses as well as current year loss, no provision for current tax expense is required to be made

33. Disclosure of Loans/Advances in the nature of loans in terms of provision of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 -

Particulars	Outstanding Balance as on 31.03.2020	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2019	Max. Balance outstanding during the previous Year
i. Loans & Advances in the nature of loans to subsidiary.	-	-	-	-
ii. Loans & Advances in the nature of loans to Associates.	-	-	-	-
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	-	-	-	-
iv. Loans & Advances in the nature of loans to firms/companies in which directors are interested.	-	-	-	-
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.
	-	-	-	-

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

- Cash Margin amounting to ₹ 10,450,705/- (₹ 7,879,144/-) on Equity Derivative instruments contracts has been paid and outstanding as at the end of previous year.
- Detail of Open Interest in Equity Stock Futures Contracts as at the year-end 31st March, 2020:

Name of Equity Stock Future	No. of Contracts	Units (In Nos.)	
		Long	(Short)
Hero Motors Co Limited	18	200	-
	-	-	-
ITC Limited	20	2400	-
	4	2400	-
Bharti Airtel Limited	5	1851	-
	5	1700	-
GMR Infrastructure Limited	6	45000	-
	6	45000	-
Yes Bank Limited	-	-	-
	20	1750	-
L&T Limited	6	375	-
	-	-	-
Reliance Industries Limited	4	500	-
	-	-	-



35. FIRST-TIME ADOPTION OF IND AS

These Financial Statements, for the year ended March 31, 2020, are the first financial statements the group has prepared in accordance with Ind AS.

For periods up to and including the year ended March 31, 2019, the group has prepared its Financial Statements in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP).

Accordingly, the group has prepared Financial Statements which comply with Ind AS applicable for year ending on March 31, 2020, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2018, the Company's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the Balance Sheet as at April 01, 2018 and the financial statements as at and for the year ended March 31, 2019.

(A) Mandatory exceptions and optional exemptions availed :

Set out below are the applicable Ind AS 101 mandatory exceptions and optional exemptions applied in the transition from previous GAAP to Ind AS, which were considered to be material or significant by the Company.

Mandatory exceptions

The Company has adopted all relevant mandatory exceptions set out in Ind AS 101 which are as below:

(i) Estimates

Ind AS 101 prescribes that an entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

The Company's Ind AS estimates as at the transition date are consistent with the estimates as at the same date made in conformity with previous GAAP.

(ii) Derecognition of financial assets and financial liabilities

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

(iii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(iv) Impairment of financial assets

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

Optional exemptions availed

(i) Investments in Subsidiaries, Associates

Ind AS 101 permits a first time adopter to measure its investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost. The deemed cost of such investment shall be its fair value at the Company's date of transition to Ind AS, or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary at the Previous GAAP carrying amount as its deemed cost on the transition date.

(ii) Property, Plant, Equipment & Intangible Assets

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets as at March 31, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment and intangible assets as on April 01, 2018.

(iii) Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2018. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS.

B) Reconciliation between Ind AS and previous GAAP are given below:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following table represent the reconciliation from previous GAAP to Ind AS.

Reconciliation of Balance Sheet as at date of transition 1st April, 2018

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
ASSETS				
Financial Assets				
a. Cash and cash equivalents	4	7,406,088	-	7,406,088
b. Bank Balance other than (a) above	5	2,365,843	-	2,365,843
c. Loans	6	382,250,000	-	382,250,000
d. Investments	7	235,182,824	31,511,362	203,671,462
e. Other Financial Assets	8	88,167,741	-	88,167,741
Non-Financial Assets				
a. Property, Plant and Equipment	10	13,986,961	-	13,986,961
b. Current tax assets	9	-	-	-
c. Other non-financial assets	11	6,540,769	-	6,540,769
TOTAL ASSETS		735,900,226	31,511,362	704,388,864
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
a. Borrowings	12	7,813,742	-	7,813,742
b. Other financial liabilities	13	249,687,387	-	249,687,387
Non-Financial Liabilities				
a. Current tax liabilities (Net)	14	34,211	-	34,211
b. Provisions	15	40,927,623	28,529,892	12,397,731
c. Other non-financial liabilities	16	72,854	-	72,854
Equity				
a. Equity Share Capital	17	76,808,293	-	76,808,293
b. Other Equity	18	360,556,116	2,981,470	357,574,646
TOTAL LIABILITIES		735,900,226	31,511,362	704,388,864

(*) The Previous GAAP figures have been reclassified to confirm to IndAS presentation requirements for the purpose of this note.

Reconciliation of Balance Sheet as at date of transition 31st March, 2019

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
ASSETS				
Financial Assets				
a. Cash and cash equivalents	4	21,162,219	-	21,162,219
b. Bank Balance other than (a) above	5	2,428,469	-	2,428,469
c. Loans	6	158,500,000	-	158,500,000
d. Investments	7	229,695,407	99,124,052	130,571,355
e. Other Financial Assets	8	67,460,763	-	67,460,763
Non-Financial Assets				
a. Property, Plant and Equipment	10	11,785,980	-	11,785,980
b. Current tax assets	9	1,250,278	-	1,250,278
c. Other non-financial assets	11	7,223,020	-	7,223,020
TOTAL ASSETS		499,506,136	99,124,052	400,382,084
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
a. Borrowings	12	6,203,145	-	6,203,145
b. Other financial liabilities	13	6,456,305	-	6,456,305
Non-Financial Liabilities				
a. Current tax liabilities (Net)	14	-	-	-
b. Provisions	15	107,800,988	96,465,833	11,335,155
c. Other non-financial liabilities	16	46,738	-	46,738
Equity				
a. Equity Share Capital	17	76,808,293	-	76,808,293
b. Other Equity	18	302,190,668	2,658,219	299,532,448
TOTAL LIABILITIES		499,506,136	99,124,052	400,382,085

(*) The Previous GAAP figures have been reclassified to confirm to IndAS presentation requirements for the purpose of this note.

Reconciliation of Equity as at 1st April, 2018 and as at 31st March, 2019 summarised in below table:
(Amount in ₹)

Particulars	Note	As at 31st March, 2019	As at 1st April, 2018
Equity as reported under previous GAAP		378,998,961	437,364,409
Adjustments			
Fair valuation of investments classified under FVTPL		2,658,219	2,981,470
Impact due to fair valuation of investments designated under FVOCI			
		2,658,219	2,981,470
Less: Tax adjustments		-	-
Equity as per Ind AS		376,340,741	434,382,939

Reconciliation of total Comprehensive Income for the year ended 31st March, 2019
(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
INCOME				
Revenue from Operations				
(i) Interest Income	19	33,802,692	-	33,802,692
(ii) Dividend Income	20	1,019,017	-	1,019,017
I Total Revenue from Operations		34,821,709	-	34,821,709
II Other Income	21	12,500	-	12,500
III Total Income (I+II)		34,834,209	-	34,834,209
EXPENSES				
Finance Costs	22	559,808	-	559,808
Employee Benefits Expenses	23	5,880,527	103,864	5,776,663
Depreciation and amortisation expense	10	2,279,871	-	2,279,871
Others Expenses	24	12,297,111	-	12,297,111
Net loss on fair value changes	25	68,431,429	323,247	68,108,182
Net loss in Equity derivative trading/ Share Dealing		2,532,512	-	2,532,512
Contingent Provision on Standard Assets/(written back)		(934,642)	-	(934,642)
IV Total Expenses (IV)		91,046,615	427,111	90,619,504
V Profit/ (Loss) Before Tax (III-IV)		(56,212,406)	427,111	(55,785,296)
VI Tax Expense				
(i) Current Tax		2,130,000	-	2,130,000
(ii) Deferred Tax (credit) / charge		-	-	-
(iii) Income Tax for earlier years		23,039	-	23,039
Total Tax expense (VI)		2,153,039	-	2,153,039
VII Profit for the year (V-VI)		(58,365,445)	427,111	(57,938,335)
VIII Other Comprehensive Income				
(a) Items that will not be reclassified to profit or loss				
- Remeasurements of defined benefit plans		-	(103,864)	(103,864)
Other Comprehensive Income for the year, net of tax		-	(103,864)	(103,864)
Total Comprehensive Income for the year (VII +VIII)		(58,365,445)	323,247	(58,042,199)

Reconciliation of total Comprehensive Income for the year ended 31st March, 2019 summarised in below table:
(Amount in ₹)

Particulars	31st March, 2019
Profit after tax as reported under previous GAAP	(58,365,445)
Adjustments:	
Net (loss)/ gain on fair value changes	427,111
Net Profit After Tax as per Ind AS	(57,938,335)
Remeasurement of defined benefit plan	(103,864)
Other Comprehensive Income	(103,864)
Total Comprehensive Income as per Ind AS	(58,042,199)

36. CAPITAL MANAGEMENT

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

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

37. FINANCIAL RISK MANAGEMENT
Financial Risk Factors

The group's principal financial liabilities, comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to manage finances for the group's operations. The group's principal financial assets include inter corporate deposits, loans, cash and cash equivalents and other receivables. The Group's activities expose it to a variety of financial risks:

I. Market Risk

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

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

Interest Rate Risk

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

Currency Risk

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

Equity Price Risk
(a) Exposure

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

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

(b) Sensitivity analysis- Equity price risk

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

(Amount in ₹)

Particulars	Impact on Profit & Loss for the year ended 31st March 2020	
	31-Mar-20	31-Mar-19
NSE/ BSE Index - Increase by 2 %	1,639,851	2,611,427
NSE/ BSE Index - Decrease by 2 %	(1,639,851)	(2,611,427)

II. Credit Risk

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



III. Liquidity Risk

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

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

(Amount in ₹)

As at 31st March, 2020	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and cash equivalents	4,037,474	-	4,037,474
Bank Balance other than above	2,424,709	-	2,424,709
Loans	146,000,000	-	146,000,000
Investments	81,992,556	-	81,992,556
Other Financial Assets	70,733,824	-	70,733,824
Total	305,188,563	-	305,188,563
Financial Liabilities			
Borrowings	1,885,305	2,575,294	4,460,599
Other financial liabilities	6,766,194	-	6,766,194
Total	8,651,499	2,575,294	11,226,793

(Amount in ₹)

As at 31st March, 2019	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and cash equivalents	21,162,219	-	21,162,219
Bank Balance other than above	2,428,469	-	2,428,469
Loans	158,500,000	-	158,500,000
Investments	130,571,355	8,300,060	130,571,355
Other Financial Assets	67,460,763	-	67,460,763
Total	380,122,806	-	380,122,806
Financial Liabilities			
Borrowings	1,742,546	4,460,599	6,203,145
Other financial liabilities	6,456,305	-	6,456,305
Total	8,198,851	4,460,599	12,659,450

(Amount in ₹)

As at 1st April, 2018	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and cash equivalents	7,406,088	-	7,372,996
Bank Balance other than above	2,365,843	-	2,365,843
Loans	382,250,000	-	382,250,000
Investments	203,671,462	8,300,060	220,271,582
Other Financial Assets	88,167,741	-	88,167,401
Total	683,861,134	8,300,060	700,407,822
Financial Liabilities			
Borrowings	1,610,597	6,203,145	7,813,742
Other financial liabilities	249,687,387	-	249,687,387
Total	251,297,984	6,203,145	257,501,129

38. MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

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

(Amount in ₹)

Particulars	31st March, 2020			31st March, 2019			1st April, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
ASSETS									
Financial Assets									
Cash and cash equivalents	4,037,474	-	4,037,474	21,162,219	-	21,162,219	7,406,088	-	7,406,088
Bank Balance other than above	2,424,709	-	2,424,709	2,428,469	-	2,428,469	2,365,843	-	2,365,843
Loans	146,000,000	-	146,000,000	158,500,000	-	158,500,000	382,250,000	-	382,250,000
Investments	81,992,556	-	81,992,556	130,571,355	-	130,571,355	203,671,462	-	203,671,462
Other Financial Assets	70,733,824	-	70,733,824	67,460,763	-	67,460,763	88,167,741	-	88,167,741
Non-Financial Assets									
Property, Plant and Equipment	9,602,104	-	9,602,104	11,785,980	-	11,785,980	13,986,961	-	13,986,961
Current tax assets	1,840,937	-	1,840,937	1,250,278	-	1,250,278	-	-	-
Other non-financial assets	8,502,805	-	8,502,805	7,223,020	-	7,223,020	6,540,769	-	6,540,769
TOTAL ASSETS	325,134,409	-	325,134,409	400,382,084	-	400,382,084	704,388,864	-	704,388,864
LIABILITIES									
Financial Liabilities									
Borrowings	1,885,305	2,575,294	4,460,599	1,742,546	4,460,599	6,203,145	1,610,597	6,203,145	7,813,742
Other financial liabilities	6,766,194	-	6,766,194	6,456,305	-	6,456,305	249,687,387	-	249,687,387
Non Financial Liabilities									
Current tax liabilities (Net)	-	-	-	-	-	-	34,211	-	34,211
Provisions	11,096,406	266,494	11,362,900	11,132,136	203,019	11,335,155	12,071,720	326,011	12,397,731
Other non-financial liabilities	63,308	-	63,308	46,738	-	46,738	72,854	-	72,854
TOTAL LIABILITIES	19,811,213	2,841,788	22,653,001	19,377,225	4,663,618	24,041,343	263,476,769	6,529,156	270,005,925

39. FAIR VALUES

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

40. FAIR VALUE HIERARCHY

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

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

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

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

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

(Amount in ₹)

Particulars	Ammortised cost	Fair value through P&L	Total carrying value	Total Fair value	Fair value			
					Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	4,037,474	-	4,037,474	4,037,474	-	-	-	-
Bank Balance other than above	2,424,709	-	2,424,709	2,424,709	-	-	-	-
Loans	146,000,000	-	146,000,000	146,000,000	-	-	-	-
Investments	-	-	-	-	-	-	-	-
-Quoted shares	-	81,992,556	81,992,556	81,992,556	81,992,556	-	-	81,992,556
-Unquoted shares	-	-	-	-	-	-	-	-
Other Financial Assets	70,733,824	-	70,733,824	70,733,824	-	-	-	-
	223,196,006	81,992,556	305,188,563	305,188,563	81,992,556	-	-	81,992,556
Financial Liabilities								
Borrowings	4,460,599	-	4,460,599	4,460,599	-	-	-	-
Other financial liabilities	6,766,194	-	6,766,194	6,766,194	-	-	-	-
	11,226,793	-	11,226,793	11,226,793	-	-	-	-

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019:

(Amount in ₹)

Particulars	Ammortised cost	Fair value through P&L	Total carrying value	Total Fair value	Fair value			
					Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	21,162,219	-	21,162,219	21,162,219	-	-	-	-
Bank Balance other than above	2,428,469	-	2,428,469	2,428,469	-	-	-	-
Loans	158,500,000	-	158,500,000	158,500,000	-	-	-	-
Investments	-	-	-	-	-	-	-	-
-Quoted shares	-	130,571,355	130,571,355	130,571,355	130,571,355	-	-	130,571,355
-Unquoted shares	-	-	-	-	-	-	-	-
Other Financial Assets	67,460,763	-	67,460,763	67,460,763	-	-	-	-
	249,551,451	130,571,355	380,122,806	380,122,806	130,571,354	-	-	130,571,355
Financial Liabilities								
Borrowings	6,203,145	-	6,203,145	6,203,145	-	-	-	-
Other financial liabilities	6,456,305	-	6,456,305	6,456,305	-	-	-	-
	12,659,450	-	12,659,450	12,659,450	-	-	-	-

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at April 1, 2018:

(Amount in ₹)

Particulars	Ammortised cost	Fair value through P&L	Total carrying value	Total Fair value	Fair value			
					Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	7,406,088	-	7,406,088	7,406,088	-	-	-	-
Bank Balance other than above	2,365,843	-	2,365,843	2,365,843	-	-	-	-
Loans	382,250,000	-	382,250,000	382,250,000	-	-	-	-
Investments	-	-	-	-	-	-	-	-
-Quoted shares	-	203,671,462	203,671,462	203,671,462	203,671,462	-	-	203,671,462
-Unquoted shares	-	-	-	-	-	-	-	-
Other Financial Assets	88,167,741	-	88,167,741	88,167,741	-	-	-	-
	480,189,672	203,671,462	683,861,134	683,861,134	203,671,462	-	-	203,671,462
Financial Liabilities								
Borrowings	7,813,742	-	7,813,742	15,627,485	-	-	-	-
Other financial liabilities	249,687,387	-	249,687,387	499,374,774	-	-	-	-
	257,501,129	-	257,501,129	515,002,259	-	-	-	-


41. LITIGATION

The Company is in appeal in respect of various income tax matters. The Contingent liability in respect thereof is disclosed in note no. 29. Besides, in respect of appeals decided in favour of the Company, the department is in appeals in certain cases.

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

42. LEASE

Expenses recognised in the statement of Profit & Loss in respect of short term lease for ₹ 1,170,914/- (PY ₹ 1,165,165/-)

43. SEGMENT REPORTING

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

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

45. The Company is required to spent ₹ 645,244/- (Previous year ₹ 573,821/-) on Corporate Social Responsibility (CSR) activities during the year. Amount spent during the year ₹ 650,000/- (Previous Year ₹ 600,000/-).

46. The 'Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2)', generally known as COVID-19, which was declared as a global pandemic by World Health Organisation on 11th March, 2020, continues to spread across globe and in India. Globally countries and businesses are under lockdown. On 24th March, 2020, the Government of India announced a 21 days lockdown initially, which was extended by 19 days across the Country to contain the spread of the virus. Considering the severe health hazard associated with COVID-19 pandemic, certain parts of the country have further extended the lockdown. There is high level of uncertainty about the duration of the lockdown and the time required to return to normalcy. The extent to which COVID-19 pandemic will impact the Company's provision on assets is dependent on the future developments which are highly uncertain. The impact of the global health pandemic may be different from that estimated at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions.

47. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATIONS OF CONSOLIDATED FINANCIAL STATEMENTS:

(Amount in ₹)

Name of the entity in the	Net Assets i.e Total assets minus total Liabilities		Share in Profit/ Loss		Shares in other Comprehensive income	Amount	Shares in total Comprehensive income	Amount
	As % of consolidated net assets	Amount	As % of consolidated Profit/Loss	Amount				
1	2	3	4	5				
Parent								
HB Stockholding Ltd.	100.44 (100.22)	303820532 (377187628)	99.33 (99.03)	-73367098 (-57481180)	100.00 (100.00)	-375742 (-103864)	99.33 (99.03)	-73367099 (-57481180)
Subsidiary (Indian)								
Mount Finance Ltd.	-0.44 (-0.22)	-1339124 (-846889)	0.67 (0.97)	-492235 (-561019)	0.00 (0.00)	0.00 (0.00)	0.67 (0.97)	-492235 (-561019)
Total	100.00 (100.00)	302481408 (376337739)	100.00 (100.00)	-73859333 (-58042199)	100.00 (100.00)	-375742 (-103864)	100.00 (100.00)	-73859334 (-58042199)

(*) Figure in bracket relates to previous year.

48. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

49. Certain investments in securities held by the Company being physical not available were written off in the previous years. They shall be accounted for as and when they are recovered / retrieved by the Company.

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

The accompanying notes form an integral part of the Consolidated Financial Statements

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

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

PLACE: NEW DELHI
 DATED: 16TH JUNE, 2020

Sd/-
 ANIL GOYAL
 (DIRECTOR)
 DIN: 00001938

Sd/-
 MAHESH KUMAR GUPTA
 (CHIEF FINANCIAL OFFICER)

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

Sd/-
 LALIT BHASIN
 (CHAIRMAN)
 DIN: 00002114

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



Form AOC-1

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

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

Part "A": Subsidiaries:

(Amount In ₹)

S. No.	Particulars	
1.	Name of the Subsidiary	Mount Finance Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	N.A.
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
4.	Share capital	83,00,060
5.	Reserves and surplus	(96,39,184)
6.	Total Assets	15,75,627
7.	Total Liabilities	15,75,627
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit/(Loss) before taxation	(4,92,234)
11.	Provision for taxation/Deferred Tax	Nil
12.	Profit after taxation	(4,92,234)
13.	Proposed Dividend	Nil
14.	% of shareholding(Equity)	100%

Notes:

- Names of Subsidiaries which are yet to commence operations: N.A.
- Names of Subsidiaries which have been liquidated or sold during the year: N.A.

Part "B": Associates and Joint Venture: Not Applicable

FOR AND ON BEHALF OF THE BOARD
HB STOCKHOLDINGS LIMITED

Sd/-
ANIL GOYAL
(DIRECTOR)
DIN:00001938

Sd/-
LALIT BHASIN
(CHAIRMAN)
DIN: 00002114

PLACE: NEW DELHI
DATE : 16TH JUNE, 2020

Sd/-
MAHESH KUMAR GUPTA
(CHIEF FINANCIAL OFFICER)

Sd/-
RUPESH KUMAR
(COMPANY SECRETARY)
ACS-43104