



BOARD OF DIRECTORS

Mr. Lalit Bhasin	Chairman
Mr. K. N. Malhotra	Director
Mr. Pradeep Kumar Mittal	Director
Mr. Gulshan Rai	Director
Mr. Harbans Lal	Director
Mr. Anil Goyal	Director
Mr. Vijay Sood	Managing Director
Mr. J.M.L. Suri	Executive Director

CHIEF FINANCIAL OFFICER

Mr. Mahesh Kumar Gupta

COMPANY SECRETARY

Mr. Anil Kumar Mittal

AUDITORS

M/s. P. Bholusaria & Co.

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

REGISTERED OFFICE

Plot No. 31, Echelon Institutional Area,
Sector-32, Gurgaon - 122 001, Haryana
Ph : 0124-4675500, Fax : 0124-4370985

WEBSITE

www.hbstockholdings.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. RCMC Share Registry Pvt. Ltd.

B-106, Sector - 2,
Noida - 201 301
Ph : 0120-4015880, Fax : 0120-2444346
E-mail : shares@rcmcdelhi.com

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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of the Company will be held as per the schedule given below:

Day : Tuesday
 Date : 25th August, 2009
 Time : 10:30 A.M.
 Place : GIA House I.D.C. Mehrauli Road, Opp. Sector 14 Gurgaon-122001, Haryana
 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date including the Notes to Accounts together with the Reports of Directors and Auditors thereon.
2. To appoint Director in place of Mr. K N Malhotra who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. P. K. Mittal who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

**By the Order of the Board
 For HB Stock Holdings Ltd.**

**Anil Kumar Mittal
 Company Secretary**

**Place : Gurgaon
 Date : 29th May, 2009**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HER SELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
 INSTRUMENT OF PROXIES IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 20th August, 2009 to 25th August, 2009 (both days inclusive).
3. Members / Proxies attending the meeting should bring Attendance Slips duly filled in for attending the meeting. They are also requested to bring their copies of Annual Report with them to the meeting, as the same will not be supplied again at the meeting as a measure of economy
4. **Members are requested to:**
 - (a) Notify any change in their address including Pin Code to the company or to the Registrar and Share Transfer Agent of the company namely, RCMC Share Registry Pvt. Ltd., B-106, Sector-2, NOIDA – 201 301. Phones: 0120-4015880. Fax: 0120-2444346. E-mail: shares@rcmcdelhi.com Members whose shareholding is in electronic mode are requested to direct Change of Address notifications and bank particulars for receiving the dividend, if declared, through electronic credit under ECS, to their respective Depository participants.
 - (b) Shareholders seeking any information with regard to Accounts of the Company are requested to write to the Company Secretary at their Gurgaon address at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
5. The Equity Shares of the Company are in the list of securities for compulsory trading in dematerialized form and can be dematerialized by the Shareholders under ISIN No: with National security Depository Ltd.(NSDL) or Central Depository services (India) Ltd. (CDSL) for which they may contract the Depository Participants of either of the above Depositories.
6. Details of the Directors seeking reappointment in the ensuing Annual General Meeting. (pursuant to Clause 49, Code of Corporate Governance of the Listing Agreement):

DIRECTORS SEEKING REAPPOINTMENT

Name of the Director	Mr. K N Malhotra	Mr. P K Mittal
Date of Birth	6th February 1926	10th August 1953
Profile / Expertise in specific functional areas	Sh. K N Malhotra has specialization in the insurance and having four decade of varied experience in the general insurance business. He retired as the Chairman & Managing Director of Oriental Insurance Company Ltd.	A Qualified Company Secretary and a practicing Advocate having varied experience in the field of Corporate Laws, Financial Management, Management Control Systems, Corporate Planning and Business Restructuring etc.
Qualifications	B.A.	B. Com, LLB, FCS
List of other private / public Ltd Companies in which directorship held as on 31.3.2009	1. HB Stockholdings Ltd. 2. Taurus Investment Trust Co. Ltd.	1. HB Stockholdings Ltd. 2. Raunaq International Ltd.
Chairman / Member of the Committees of the Board of the other companies in which he is a director as on 31.3.2009	Chairman — Shareholder/Investors Grievance Committee — Remuneration Committee HB Stockholdings Ltd.	Member — Audit Committee — Shareholder / Investor Grievances Committee — Remuneration Committee HB Stockholdings Ltd.

**By the Order of the Board
 For HB Stock Holdings Ltd.**

**Anil Kumar Mittal
 Company Secretary**

**Place : Gurgaon
 Date : 29th May, 2009**



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 22nd Annual Report with Audited Accounts of your Company for the financial year ended 31st March 2009.

FINANCIAL RESULTS

The summarised financial results for the year under review are as under:

PARTICULARS	(Amount in Rs.)	
	Year Ended 31.03.2009	Year Ended 31.03.2008
Gross Profit/(Loss)	(3,09,15,767)	12,03,46,654
Less :		
(a) Depreciation and profit / (loss) on termination of leases	12,39,315	10,24,038
(b) Provision for Income-Tax (including deferred tax)	—	1,10,00,000
(c) Fringe Benefit Tax	3,30,000	2,25,000
Net Profit/(Loss)	(3,24,85,082)	10,80,97,616
Add / (Less):		
(a) Income Tax for earlier year	(5,98,685)	(51,373)
(b) Transfer to Statutory Reserve Fund	—	(2,16,19,523)
(c) Effect of earlier period on account of accounting	28,711	(7,21,971)
Net Amount available for appropriation	(3,30,55,056)	8,57,04,749
Accumulated Loss Brought forward	(40,41,96,643)	(48,99,01,372)
Balance carried to Balance Sheet	(43,72,51,699)	(40,41,96,643)

PERFORMANCE REVIEW & OUTLOOK

During the year under review capital markets worldwide faced a major crisis due to the sub-prime and credit crisis in USA as well as all the major economies of the world. The crisis led to recession and downturn in economies the world over. The Indian economy and the Capital market were also not insulated from this downturn. BSE Sensex which was at 15771.72 at the beginning of the year, ended the year at 9708.50 i.e. an erosion of nearly 38%.

For the year under review, your Company registered a Turnover of Rs. 522.67 Lakhs (Rs. 1652.84 Lakhs in previous year) and Net Loss for the year was at Rs.330.84 Lakhs (Rs. 1080.47 Lakhs profit in the previous year)

The elections for the 15th Lok Sabha have led to a more stable government at the Centre and it is expected that the new government will carry out the reforms process vigorously and impart an impetus to the economy.

With an improvement in market sentiments, the management of your company expects to improve the financials of your company.

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

DIVIDEND

In view of inadequacy of Profits in the year under review and also due to accumulated and unabsorbed losses incurred during the previous years, your Directors do not recommend any dividend for the year ended 31st March 2009.

STATUTORY STATEMENTS

ANNULMENT OF FORFEITURE

In view of the requirement under the SEBI (Disclosure of Investors Protection) Guidelines, 2000 if, allotment / call money are in arrears / outstanding for more than 12 months, Equity Shares has to be forfeited by the Board after giving last and final opportunity to the defaulting shareholders to remit the allotment/call money due along with over due interest. The Company forfeited 16,51,039 Equity shares on which calls were outstanding vide Board Resolution dated 21st March, 2008, including already paid amount on these shares. However, forfeiture of 55 Equity Shares was annulled by the Board on 30th July, 2008 after receipt of proper document evidencing payment of allotment /call money from the concerned shareholders.

PUBLIC DEPOSITS

Your Company has neither invited nor accepted any Fixed Deposits from the Public/ shareholders during the year under review.

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

The particulars under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology absorption etc. are not applicable to the company.

During the year under review there have been no earnings or outgo of Foreign Exchange.

PERSONNEL

A list of Employee(s) under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are given in the enclosed statement forming part of this report as Annexure.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA), your directors hereby stated that in the preparation of the Annual Accounts for the year under review, the applicable Accounting Standards have been followed and no departures have been made their from. The Directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and further, that the Directors had prepared the annual accounts for the year under review on a going concern basis.

SUBSIDIARIES OF THE COMPANY

In view of the Company obtaining approval of Central Government under section 212(8) of the Companies Act, 1956, the Balance Sheet, Profit & Loss Account, Report of Directors and Auditors of the two subsidiaries viz. HB Prima Capital Ltd. and Mount Finance Ltd. has not been attached with the Balance Sheet of the Company. These documents are available upon request by any member of the Company interested in obtaining the same.

CORPORATE GOVERNANCE REPORT

Your Company is fully compliant with the requirements of the applicable Corporate Governance Code and is committed to ensure due compliance of any modifications stipulated by the stock exchange(s) from time to time and well ahead of their timely implementation. Compliances of your Company with the requirements are presented below. A Corporate Governance Report in detail together with Certificate from the Statutory Auditor's in respect of compliance(s) of Clause 49 of the Listing Agreement is enclosed herewith forming part of this report.

STATEMENT PURSUANT TO THE LISTING AGREEMENT

The Equity shares of the Company are listed at Bombay Stock Exchange Ltd.(BSE) and National Stock Exchange of India Ltd. (NSE) Mumbai.

The Listing fees to both the Stock Exchange(s) for the current financial year have been paid in time.

AUDITORS, AUDITOR'S REPORT

M/s. P. Bholusaria & Co., Chartered Accountants, Delhi, the Statutory Auditor who were appointed at the last Annual General Meeting, retire at the conclusion of the ensuing Annual General Meeting. A certificate under section 224(1B) of the Companies Act, 1956 has been submitted by the Auditors towards their eligibility and being eligible offers themselves for re-appointment. Necessary resolution relating to their reappointment has been included in the Notice of the AGM.

Auditor's observations in their report have been suitably explained, by way of appropriate notes to accounts wherever necessary.

DIRECTORS

Mr. K N Malhotra and Mr. P K Mittal Director(s) of the Company shall retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

Information desired as per Clause 49 of the Listing Agreement is enclosed as per the annexure of the Notice of the meeting.

ACKNOWLEDGEMENTS

Your directors acknowledge the services rendered by the employees of the Company at all levels and express their gratitude for the assistance, co-operation and support extended by various stakeholders during all these years.

For And Behalf of The Board

Place : Gurgaon

Lalit Bhasin

Date : 29th May, 2009

Chairman

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary	HB Prima Capital Ltd. 31-03-2009	Mount Finance Ltd. 31-03-2009
Financial Year of the subsidiary ended on		
No. of Equity Shares held by the Holding Company as on date (Face Value - Rs.10/-)	10,00,000	8,30,006
Extent of Holding (%)	100	100
The Net Aggregate of the Profit/(Loss) of subsidiary so far as they concern the members of the company for the year 31st March 2009 (in Rs.)		
(i) for the financial year of the subsidiary	1,16,798.80	(2,96,767.58)
(ii) for the previous financial periods of the subsidiary	93,631.81	(3,06,281.12)
The Net Aggregate of the Profit/(Loss) of subsidiary so far as they concern the members of the company and which are not dealt within the accounts of the company for the year 31st March 2009 (in Rs.)		
(i) for the financial year of the subsidiary	Nil	Nil
(ii) for the previous financial periods of the subsidiary	Nil	Nil


ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March 2009.

Name of Employee/ Age (Years)	Date of Employment	Qualifications	Designation/ Nature of job	Gross Remuneration (Rs.) during the year ended 31st March 2009	Particulars of previous Employment (Designation & Name of the Employer)	Experience (No. of years)	Whether relative of any Director or Manager of the Company
Mr. Vijay Sood 51 Yrs.	30-04-2007	AICWA, MBA from IIM Ahmedabad. Advance Management Programme from Wharton Business School, USA	Managing Director	Rs. 74,17,609/-	Group CFO, Renaissance Services SAOG, Oman	30	No

Note: Remuneration includes salary, Cost of leased accommodation, Company's contribution to Provident Fund ,wherever applicable and other sums & allowances actually received by the employee during the financial year and the Perquisites are valued in accordance with the Income Tax Act, 1961 and Rules made there under. The appointment is contractual.

MANAGEMENT DISCUSSION AND ANALYSIS
1. Operating Results

The Company earned an Income of Rs.522.67 lakhs during the year compared to Rs.1652.84 lakhs in the previous year. The administrative expenses during the year under review were Rs.423.65 lakhs as compared to Rs.355.33 lakhs during the previous year. The interest and financial charges for the year under review have been Rs.408.18 Lakhs as compared to Rs.94.05 lakhs during the previous year.

2. Industry Trends and Business Analysis

The continuing volatility and downward trend in the stock market in 2008-09 had an adverse impact on the profitability of the Company. Compared to 1st April 2008, the BSE Sensex dropped by over 14% in the first quarter till 30th June 2008 and close to 40% by 31st Dec 2008 and closed the year on 31st March 2009 with nearly 38% lower. This affected the Securities Trading profit (loss of Rs. 1438.26 Lakhs), as well as diminution in the value of investments (increase in the provision by Rs. 1939.33 Lacs) Profit Booked on Sale of investments (Rs. 3745.53 Lakhs mitigated these losses.

3. Opportunities and Threats

The international environment continues to remain uncertain although global equity and debt markets have shown a revival from March 2009 onwards. In India, the additional factor of political uncertainty has lifted from mid May with the election results are out and a government supporting pro reform growth agenda has assumed office. However, the reality on the ground will depend on the ability of the government to deliver on the promises made.

4. Future Prospects and Outlook

In order to change the focus of the business, the Company had curtailed its equity trading business from 2nd half of the previous accounting year and will remain focussed on investment in securities for a longer period. This change in the investment pattern shall reduce borrowings during the year and the burden of interest cost in the year under review.

5. Risks and concerns

Company, being associated with capital market is mainly exposed to market risk (including liquidity risk), interest risk and credit risk. However prudent business and risk management practices followed by the company over the years helps it to manage the threats imposed by the normal industry risk factors, which inter-alia includes economic / business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility, and credit risk.

The Company is confident of managing these risks by observing a conservative financial profile in investment and trading of securities business. Such prudent business practices and risk management practices gives an edge over other similar company's.

6. Internal control system and their adequacy

The Company has proper and adequate system of internal controls for business processes, with regard to operations, financial reporting, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibility for all managerial positions gives strength to the Internal Control system of the Organisation. Regular Internal Audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors periodically reviews the adequacy and effectiveness of internal control systems and suggests measures for improvement for strengthening the existing control system in view of changing business needs from time to time.

7. Financial performance

Share Capital: The Company's share capital consists of Equity Share Capital only. The Paid-up Share Capital of the company as at 31st March 2009 stood at Rs. 2433.54 lakhs (including Rs. 54.32 Lakhs towards the Share forfeited account) it comprises of 2,37,92,218 Equity Shares of Rs.10/- each (including 55 Equity Shares forfeiture of which were annulled by the Board during the year)

Reserves and Surplus: During the year under review the loss carried forward is Rs 4372.52 lakhs (previous year Rs. 4041.97 lakhs)]

Loans: Secured Loan from Bodies Corporate stood at Rs. 24.64 Lakhs (previous year Rs. 1520.92 Lakhs). There is an Unsecured Loan of Rs. 900 Lakhs as on the date of Balance Sheet of the Company in the year under review (Rs. 600 Lakhs in the previous year)

Current Assets & Current Liabilities: The current assets and current liabilities at the end of the year under review stood at Rs. 1937.80 lakhs and Rs.5201.67 lakhs respectively against Rs. 1409.51 lakhs and Rs. 4092.14 lakhs for the last year.

8. Human Resources

The Company has adequate and experienced professionals related to the Industry to carry out its business operations and is integral to the Company's ongoing success. Attending various refresher courses, orientation programme and training sessions by the in house professionals has improved their business skill and vision which reflects in the decision making process. All these have played a significant role and enabled the Company to deliver an improved performance.

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, direct tax regimes, credit appraisal and monitoring system, Notifications and guidelines issued by Reserve bank of India, economic developments and other factors such as litigation etc.



REPORT ON CORPORATE GOVERNANCE

1. Corporate Governance philosophy

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

2. Composition of the Board

The Board of your Company comprises of 8 directors, out of whom 6 directors are non-executive and 5 Directors are independent. Mr. Lalit Bhasin is Non-executive Chairman of the Board and holds the position since 30th June 2004. The other non-executive director(s) are proficient in their respective fields and bring with them tremendous experience in the areas of corporate finance, taxation, legal, securities market operations,

corporate affairs and management. Mr. Vijay Sood Managing Director and Mr. J.M.L. Suri, Executive Director, both these working Executive(s) have to their credit over three and four decades of corporate experience respectively in Foreign Banks, Indian and Foreign Companies including Multinational Companies. Both these working director(s) share the overall responsibility of the day to day management of the company and execute the Board's plan and policies. The composition of the present Board is in conformity of the amended Clause 49 of the Listing Agreement.

3. Number of Board Meetings

During the year under review, Five (5) meetings of the Board of Directors of the Company were held (i.e. from 1.04.2008 to 31.03.2009) on 24th May 2008; 30th July 2008; 11th September 2008; 24th October 2008; and 16th January 2009 respectively. The gap between the two Board meetings was not more than 4 months except the first Board Meeting which held on 24th May 2008.

4. Directors Attendance & Directorships

Composition of the present Board of Directors and attendance of the members in the Board with shareholdings and Status of attendance in the last AGM are given hereunder:

Name of the Director & Category	Directorships in other public companies		Committee Membership held in Other public companies		No. of Board Meetings during the year		Attended Last AGM	Shares held in the company & % to the subscribed capital
	Director	Chairman	Member	Chairman	Held	Attended		
Mr. Lalit Bhasin Promoter & Non-Executive	14	3	4	Nil	5	5	Yes	4,84,799 (2.037%)
Mr. K. N. Malhotra Independent & Non Executive	1	Nil	Nil	Nil	5	5	Yes	130 (Not Significant)
Mr. P. K. Mittal Independent & Non Executive	1	Nil	Nil	Nil	5	4	Yes	NIL
Mr. Gulshan Rai Independent & Non Executive	Nil	Nil	Nil	Nil	5	5	Yes	NIL
Mr. Anil Goyal Independent & Non Executive	11	Nil	4	1	5	5	Yes	NIL
Mr. Harbans Lal Independent & Non Executive	Nil	Nil	Nil	Nil	5	5	Yes	NIL
Mr. J.M.L. Suri Executive Director	7	Nil	3	2	5	5	Yes	1000 (Not Significant)
Mr. Vijay Sood Managing Director	1	Nil	2	Nil	5	5	Yes	Nil

One-third of the rotational directors of the Company shall retire at every Annual General Meeting in terms of the Companies Act, 1956, and Articles of Association of the Company. Accordingly, Mr. K N Malhotra and Mr. P K Mittal Director(s) being longest in their respective office(s) shall retire by rotation at the ensuing Annual General Meeting and being eligible offer them selves for reappointment.

5. Board Committees

As per the provisions of Clause 49 of the Listing Agreement, all mandatory committee's of the Board of the Company are in place and their Constitution meets the requirements as stipulated in the provisions. The Board of Directors in its Meeting held on 7th March, 2001, constituted two Committee(s) namely; the Audit Committee also in due compliance with Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement and Shareholders/ Investors Grievance Committee. In order to comply with other requirements a Remuneration Committee has been constituted in the meeting of Board of Directors held on October 30, 2004 as required under the Listing Agreement and the Companies Act, 1956 (Schedule XIII).

(A) Audit Committee: The Audit Committee of the Board stands as follows:

1. Mr. Gulshan Rai, Chairman
2. Mr. Pradeep Kumar Mittal, Member
3. Mr. Anil Goyal, Member
4. Mr. Harbans Lal, Member

Mr. Vijay Sood, Managing Director and Mr. J. M. L. Suri, Executive Director, are the two permanent invitees at the Audit Committee Meetings. The Audit Committee shall mandatory review the following information: Management discussion and analysis of financial condition, Results of operations; Statement of significant related party transactions (as defined by the audit committee), submitted by the management; Management letter / letters of internal control weaknesses pointed out by the statutory auditors; Internal audit reports relating to internal control and the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee. The Audit Committee has been empowered, inter-alia, to carry out the following functions:

- 1) To lay down, review and revise the accounting policies of the company.
- 2) To review the financial operations and performance of the company.
- 3) To review the half-yearly and annual financial accounts and other financial reports and statements, before placement thereof before the Board of Directors.
- 4) To consider and constitute sub-committees, wherever necessary for carrying out and /or monitoring the financial operations of the company.
- 5) To appoint whenever deemed expedient, an independent internal auditor to carry out continuous audit of the accounts and systems of the company, and also consider and /or review the appointment and removal of auditors of the company.
- 6) To consider and set up adequate internal control systems and review and monitor the same in consultation with the internal auditors and the auditors of the company and ensure compliance of the same.
- 7) To receive, discuss and consider the observations and reports of the internal auditors

and auditors of the company time to time.

- 8) To review and investigate on the matter of financial nature, as and when deemed necessary and expedient.
- 9) To give report and /or recommendations to the Board on the matters concerning financial operations of the company.
- 10) To consider and act on any matters as are included under Clause 49 of the Listing Agreement and/or as may be so included from time to time.

During the year under review, 4 (Four) meeting(s) of the Audit Committee were held on 24-05-2008, 30-07-2008, 24-10-2008 and on 16-01-2009 respectively. Mr. Gulshan Rai, Mr. Harbans Lal and Mr. Anil Goyal have attended all the meetings of the Audit Committee and Mr. P.K. Mittal attended last three meeting(s) of the Audit Committee held during the year 2008-09 and leave of absence was granted for the first meeting held on 24-05-2008.

(B) Shareholders / Investors Grievance Committee: The Shareholders /Investors

Grievance Committee of the Board comprises of Mr. K.N. Malhotra (Chairman of the Committee), Mr. P. K. Mittal and Mr. J.M.L. Suri. The Secretary of the Company acts as Secretary to the Committee. The functions of the Committee, inter alia, include approval / rejection of transfers, transmission of shares, issue of fresh / duplicate certificates upon split / consolidation / renewal / mutilation / loss or otherwise, review the status of dematerialisation of company's shares and matters incidental thereto, monitor the matters of litigation related to shareholders and take decisions relating thereto, consider, review and monitor the matters related to the shareholders grievances.

Mr. J.M.L. Suri, Executive Director of the Company has been empowered to approve transfer of Equity Shares up to 10,000 Equity Shares under one folio at a time in between the Committee meeting(s).

During the year under review, 4 meetings of the Shareholders / Investors Grievances Committee were held respectively on 24-05-2008, 30-07-2008, 24-10-2008 and on 16-01-2009. Mr. K.N. Malhotra and Mr. J.M.L. Suri attended all the meetings of the Committee whereas Mr. P.K.Mittal attended only three meetings and leave of absence was granted to him in respect of the meeting held on 24th May 2008.

(C) Remuneration Committee: The Remuneration Committee of the Board comprises of

Mr. K.N. Malhotra, Chairman, Mr. P. K. Mittal and Mr. Gulshan Rai the two members. The functions of the Committee, inter alia, includes to lay down, review and revise the remuneration of the managerial personnel, to give recommendations to the Board of Directors on the matters concerning the managerial remuneration, to deal with any other matter related or incidental to the above or as may be delegated by the Board from time to time.

During the year under review, a sole Remuneration Committee meeting was held on 24th May 2008 to reappoint Mr. J.M.L. Suri, Executive Director for a further period of Five years w. e. f. 01st July 2008 up to 30th June 2013 and for payment of remuneration as presently drawn by him.

The Non-Executive directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees thereof constituted by the Board. During the year under



review, Director(s) of the Company were paid remuneration as mentioned hereunder during the period (01.04.2008 to 31.03.2009) under review:

Director (s)	Relationship with other Director(s)	Sitting Fees (Rs.)	Salary & Perks (Rs.)	Commission, if any
Mr. K. N. Malhotra	—	60,000	Nil	Nil
Mr. P. K. Mittal	—	76,000	Nil	Nil
Mr. Lalit Bhasin	—	50,000	Nil	Nil
Mr. J. M. L. Suri	—	Nil	18,69,745	Nil
Mr. Gulshan Rai	—	1,02,000	Nil	Nil
Mr. Anil Goyal	—	1,00,000	Nil	Nil
Mr. Harbans Lal	—	1,00,000	Nil	Nil
Mr. Vijay Sood	—	Nil	74,17,609	Nil

The sitting fee for each meeting of the Board of Directors and the Committee of Directors are fixed by the Board of Directors within the overall ceiling laid down under the Companies Act. Salary and perquisites paid in aggregate value for the year ended March 31, 2009 to Mr. Vijay Sood Managing Director and Mr. J.M.L. Suri, Executive Director are as under: Mr. Vijay Sood : Salary Rs.45,00,000/- and Perquisites Rs. 29,17,609/- Lakhs respectively. Mr. J M L Suri : Salary Rs.9,00,000/- and Perquisites Rs. 9,69,745/- Lakhs respectively. Besides, that Sh. J M L Suri, the Executive Director is also entitled to Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, and Sh Vijay Sood Managing Director is entitled to Gratuity and encashment of leave at the end of tenure, as per rules of the Company.

SHARE HOLDERS INFORMATION:

General Body Meetings:

Details of Annual General meeting(s) held during the last three years are summarised hereunder:-

Year	Type	Location	Date	Time
2007-08	21st AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001.	11-09-08	10.00 A.M.
2006-07	20th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001.	28-08-07	10.00 A.M.
2005-06	19th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001.	08.09.06	10.00 A.M.

Details of Special Resolutions passed in the previous 3 AGMs

S. No.	Subject Matter(s)	Reference and Date of passing at the AGM
1.	• Re-appointment of Sh. J M L Suri as Executive Director for a period of Five years and payment of remuneration	21st AGM 11-09-2008
2.	• Appointment of Sh. Vijay Sood as Managing Director for a period of Three years and towards payment of Remuneration to him.	20th AGM 28-08-2007
3.	• Approval for investment by FII's in the shares of the Company by purchase or acquisition from market under Portfolio Investment Scheme. • Approval to remunerate non-executive directors by way of commission commencing from the financial year 2007-08 onwards	19th AGM 08-09-2006

Neither any Special Resolution is proposed to be conducted through Postal Ballot. nor any Special Resolutions were put through Postal Ballot process in the previous year(s).

Disclosures:

- I. There have been no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31-03-2009 (Refer Note No. 10 of Notes to Accounts – Schedule 12 forming part of the Balance Sheet & Profit & Loss Account). Accordingly the same have not been reproduced here.
- II. No penalty has been imposed or any strictures 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 company has adopted a Code of Conduct applicable to all the Directors and Senior Management personnel of the company and the same has been posted on the website of the company www.hbstockholdings.com. For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of said Code. A declaration to this effect from Managing Director of the Company is also given to this effect at the end of this report.
- IV. Risk Assessment and Minimisation procedures are in existence and are reviewed periodically.
- V. None of the Company's subsidiaries viz., HB Prima Capital Limited and Mount Finance Limited falls under "Material Non Listed Subsidiary" in terms of Clause 49 of the Listing Agreement. However, the financial results and the investments (as and when made) are regularly placed before the Audit Committee meeting of the company for their review.
- VI. The Managing Director, the CEO and the CFO have given their Certification on the review of financial statements, including cash flow, for the year ended 31.03.2009 to the Board of Directors for review.
- VII. Whistle Blower Policy being a Non Mandatory Requirement has not been adopted by the company.

VIII. All the mandatory requirements under Clause 49 (relating to Corporate Governance norms) of the Listing Agreement are being adhered to/complied with. Non mandatory requirement relating to Remuneration Committee has been adopted by the company.

6. Means of Communication:

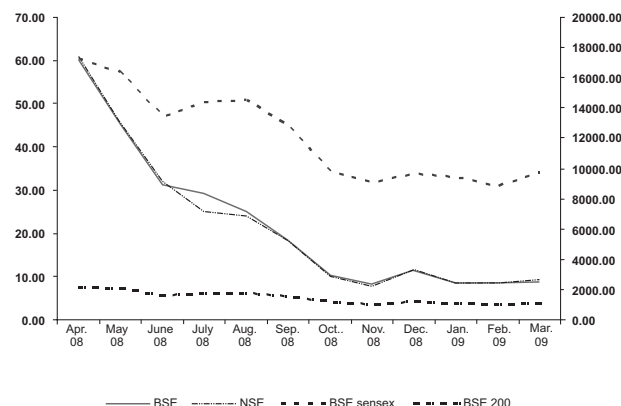
- I. Quarterly Results: Dissemination through Stock Exchange, SEBI site by filling up the data soon after the Board Meeting for Adoption of Results, Company's website and through publication in Newspapers as required under Listing Agreement.
- II. Newspapers wherein results normally published – Financial Express and Jansatta
- III. Financial Results were uploaded for displayed at – www.hbstockholdings.com
- IV. Website of the Company also displays official News releases and important communications made to Stock Exchanges. As and when any presentations shall be made to institutional investors the same would be simultaneously uploaded on the Company's website.

7. General Shareholder Information:

- I. Ensuuing Annual General Meeting Day, Date, time and venue:
 - Date : Tuesday, 25th August, 2009
 - Time : 10.30 A.M.
 - Venue : GIA House, I.D.C., Mehrauli Road, Opp. Sector-14, Gurgaon- 122 001 (Haryana)
- II. Financial Year : 1st April 2008- 31st March 2009
- III. Date of Book Closure : 20th August, 2009 to 25th August, 2009 both days inclusive)
- IV. Dividend Payment Date : No dividend has been recommended for the year.
- V. Listing on Stock Exchange(s)
 - Bombay Stock Exchange Ltd., Mumbai
 - National Stock Exchange of India Ltd. Mumbai.
- VI. Stock Code
The Company's Scrip Code is as follows:
BSE , Mumbai **532216**
NSE, Mumbai **HBSTOCK**
- VII. Dematerialisation of Share and Liquidity
The trading in the Equity Shares of the Company has come under compulsory dematerialisation w.e.f. 27th November 2000 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29th May 2000.
The Company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL).
The ISIN No. allotted to Equity Shares of the Company is INE550B01014.
As at 31-03-2009; 1,92,17,810 Equity Shares of the company are held in dematerialised form constituting 80.77% of the Company's subscribed share capital.
- VIII. Market Price Data: The monthly High, Low during each month in the last financial year at BSE & NSE are as under:

Month	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-08	66.00	40.15	60.15	160256	66.55	40.60	61.05	95517
May-08	61.50	44.00	45.40	165047	62.00	45.05	45.70	149208
Jun-08	45.75	31.15	31.15	66629	45.50	32.05	32.05	43190
Jul-08	33.40	25.35	29.10	84749	34.05	25.15	28.85	57366
Aug-08	30.85	24.15	25.00	100659	30.60	24.05	24.85	80731
Sep-08	28.75	17.00	18.40	76077	28.80	17.60	18.35	50769
Oct-08	20.00	10.25	10.25	51640	19.95	10.00	10.00	37546
Nov-08	12.50	7.90	8.16	46103	12.65	7.50	7.75	39032
Dec-08	13.72	8.16	11.70	52869	13.85	8.00	11.50	20551
Jan-09	12.79	7.95	8.49	34265	12.90	7.80	8.45	19459
Feb-09	10.20	8.10	8.61	83760	10.20	8.00	8.50	14315
Mar-09	10.20	7.30	8.74	53549	10.20	7.15	9.20	77322

IX. Relative performance vis-à-vis major indices





HB STOCKHOLDINGS LIMITED

- X. Stock Performance-Absolute returns vis-à-vis Major Indices during the year under review
 HB Stock -80.62%
 BSE Sensex -37.87%
 BSE 200 -40.90%
- XI. The distribution of shareholdings of the company as on 31st March 2009 is as under:

No of Shares	Shareholders		Shareholding	
	Nos.	% to total	Shares	% to total
1-500	81019	98.62	6631010	27.87
501-1000	686	0.84	517527	2.18
1001-2000	233	0.28	337863	1.42
2001-3000	74	0.09	184635	0.78
3001-4000	32	0.04	115954	0.49
4001-5000	20	0.02	91896	0.38
5001-10000	41	0.05	288935	1.21
10001 and above	51	0.06	15624398	65.67
TOTAL	82156	100.00	23792218	100.00

The category-wise distribution of Shareholders as on 31st March, 2009 is as follows:

Category	No. of Shares held	% of Shareholding
A. PROMOTERS HOLDING		
1. Indian Promoter	12121464	50.95
2. Foreign Promoters	0	0.00
B. PUBLIC SHAREHOLDING		
1. Institutional	421764	1.77
2. Non- Institutional	112,48,990	47.28
GRAND TOTAL	23792218	100.00

- (XII) The Company has no GDR's / ADR's / Warrants or any other instruments outstanding for Conversion into Equity Shares.

- (XIII) Share Transfer System

Share Transfers are recorded in the Registers and returned to the investors within a period of 30 days from the date of lodgement if the documents are complete in all respects and found to be in order. The authority for transfer of shares has been delegated to the shareholders/investors grievance Committee, which meets as and when, required. However, when no meetings are in the offing then Executive Director exercises his power for transfer of shares up to a fixed number beyond which the matters are placed before the Committee. The statistics of share transfers during the period under review as well as request for Demat of shares are as under:

Transfer Period	No of cases	No of Shares	% to Shares
1-30	982	71895	100
31 & Above	—	—	—

Demat Period	No of cases	No of Shares	% to Shares
1-15	2621	231708	100
16 & Above	—	—	—

- (XIV) The status of Investor's Grievance Redressal during the year 1-04-2008 to 31-03-2009 is as under:

Grievance / Query received from	Received	Disposed off
Investors	55	55
Stock Exchanges	—	—
SEBI	36	36
NSDL	—	—
Total	91	91

- (XV) Sh. Anil K. Mittal- Company Secretary is the Compliance officer of the company.

- (XVI) Registrar and Share Transfer Agent of the company:

RCMC Share Registry Pvt. Ltd.,
 B-106, Sector-2, Noida-201301
 Phones: -0124- 4015880; 0124-4015886, Fax : - 0124- 2444346
 E-mail:- shares@ rcmcdelhi.com .

- (XVII) Address for Correspondence:

The Company Secretary
 HB Stockholdings Ltd.
 Plot No. 31, Echelon Institutional Area, Sector-32, Gurgaon- 122 001, (Haryana)

Managing Director's Declaration on Code of Conduct

To
 The Members of
 HB Stockholdings Limited
 Gurgaon

I, Vijay Sood, Managing Director of the Company declare that all the members of the Board of Directors; and Senior Management of the Company has affirmed compliance with the Code of Conduct.

For HB Stockholdings Limited

Place : Gurgaon
 Date : 29th May, 2009

Vijay Sood
 Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a Certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges.

To the Members of
 HB Stockholdings Limited
 Gurgaon

We have examined the compliance of conditions of Corporate Governance by HB STOCKHOLDINGS LIMITED for the year ended on 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on 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 Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR P. BHOLUSARIA & CO.
 CHARTERED ACCOUNTANTS

Place : Gurgaon
 Date : 29th May, 2009

AMIT GOEL
 PARTNER
 (Membership No. 92648)



AUDITOR'S REPORT

**THE MEMBERS OF
HB STOCKHOLDINGS LIMITED**

We have audited the attached Balance Sheet of M/s. HB STOCKHOLDINGS LIMITED as at 31st March, 2009 and also the Profit and Loss Account and Cash flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by Companies (Auditor's Report) Order, 2003(as amended) issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:-
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the company so far, as appears from our examination of the said books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the accounting Standards referred to in Sub Section (3C) of section 211 of the Companies Act, 1956.
 - e) As informed and explained to us, none of the directors of the company is disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with significant accounting policies and notes thereon (particularly Note No.14) give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - a) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March, 2009 and
 - b) In the case of the Profit & Loss account of the Loss for the year ended on that date and
 - c) In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For P. BHOLUSARIA & CO.
Chartered Accountants
(AMIT GOEL)
PARTNER
(Membership No. 92648)

Place : Gurgaon
Dated : 29th May, 2009

**ANNEXURE TO AUDITORS' REPORT
Re: HB Stockholdings Ltd.**

Referred to in Paragraph 1 of our report even date for the year ended 31st March,2009

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 fixed assets have been physically verified by the management during the year 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. In our opinion, the Company has not disposed of substantial part of fixed assets during the year that would affect going concern status of the Company.
2. a. As explained to us, inventories (Investments) have been physically verified by the management at reasonable intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories (Investments) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the accounts.
3. a. The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. However advances in the nature of Loans amounting to Rs.31,85,144/- were outstanding recoverable as at the year end from two parties, both wholly owned subsidiaries of the company. The amount granted during the year was Rs.90,000/- and maximum amount outstanding during the year was Rs.5,38,60,144/-
- b. The aforesaid advances granted by the Company are interest free. In our opinion and according to the information and explanations given to us, other terms and conditions of aforesaid advances are not prima facie prejudicial to the interest of the Company.
- c. There are no stipulations in writing as to the repayment of aforesaid advances. As explained to us, the same is repayable on demand.
- d. In respect of aforesaid advances given by the Company, since these are repayable on demand, therefore the question of over due amounts does not arise.
- e. During the year the company has taken loan of Rs.9,00,00,000/- from one company listed in the register maintained under section 301 of the Companies Act,1956. The maximum amount involved during the year and outstanding as at the year end is Rs.9,00,00,000/-..

- f. The rate of interest and other terms and conditions of this loan are, in our opinion, prima facie not prejudicial to the interest of the company
- g. The payment of principal amounts and interest in respect of such loan is regular/as per stipulation.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and sale of goods. During the year there was no sale of services. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
5. a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act,1956 have been entered into in the register required to be maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the market price prevailing at the relevant time..
6. The Company has not accepted any deposits from the public.
7. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
8. The nature of the company's business/activities is such that Clause 4(viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of Cost Records is not applicable to the company.
9. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, 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, 2009 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to Rs.89,05,374/- that have not been deposited on account of matters pending before appropriate authorities are as under:

Sr. No.	Name of the statute	A.Y.	Nature of the Dues	Forum where Dispute is pending	Amount (Rs.)
1.	Income Tax Act, 1961	2001-02	Income Tax	Commissioner Income Tax (Appeal)	38,55,091/-
2.	Income Tax Act, 1961	1994-95	Penalty u/s 271(1)(c)	Income Tax Appellate Tribunal	33,02,953/-
3.	Income Tax Act, 1961	2005-06	Income Tax	Commissioner of Income Tax (Appeal)	2,64,920/-
4.	Income Tax Act, 1961	2006-07	Income Tax	Commissioner of Income Tax (Appeal)	14,82,410/-
TOTAL					89,05,374/-

10. The accumulated losses of the company at the end of financial year are less than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loan & advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of trading (Investments) in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name except for shares/debentures that are pledged or given as margin or which are under process of transfer or are pending for rectification of bad deliveries.
15. As per the information and explanation given to us, there are no outstanding guarantees given by the company for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company and considering the activities of the company, we report that the funds raised on short- term basis have not been used for long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. No debentures have been issued by the company and hence the question of creating securities in respect thereof does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For P. BHOLUSARIA & CO.
Chartered Accountants
(AMIT GOEL)
PARTNER
(Membership No. 92648)

Place : Gurgaon
Dated : 29th May, 2009



HB STOCKHOLDINGS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedules	As at 31st March, 2009 (In Rs.)	As at 31st March, 2008 (In Rs.)
SOURCES OF FUNDS			
Shareholders Funds			
Share Capital	1	243353823.00	243353823.00
Reserves & Surplus	2	1053117486.45	1053117486.45
		<u>1296471309.45</u>	<u>1296471309.45</u>
LOAN FUNDS			
Secured Loans	3	2463874.31	152091916.72
Unsecured Loans		90000000.00	60000000.00
		<u>92463874.31</u>	<u>212091916.72</u>
TOTAL		<u>1388935183.76</u>	<u>1508563226.17</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	19249709.12	17861902.13
Less : Depreciation		10108412.53	9125724.43
Net Block		<u>9141296.59</u>	<u>8736177.70</u>
INVESTMENTS			
CURRENT ASSETS, LOANS & ADVANCES	5	1268929405.35	1363893666.00
Sundry Debtors	6	0.00	227128.45
Cash & Bank Balances		14904931.64	8157271.69
Loans and Advances		178874624.34	132566562.30
		<u>193779555.98</u>	<u>140950962.44</u>
LESS : CURRENT LIABILITIES & PROVISIONS			
Liabilities	7	4084348.63	76406627.84
Provisions		516082425.16	332807595.60
		<u>520166773.79</u>	<u>409214223.44</u>
NET CURRENT ASSETS		<u>(326387217.81)</u>	<u>(268263261.00)</u>
PROFIT & LOSS ACCOUNT (As per annexed Account)		437251699.63	404196643.47
TOTAL		<u>1388935183.76</u>	<u>1508563226.17</u>
SIGNIFICANT ACCOUNTING POLICIES			
NOTES ON ACCOUNTS	11		
	12		

As per our Report of even date

For P. Bholusaria & Co. Chartered Accountants		For and on behalf of the Board	
Amit Goel	Anil Kumar Mittal	Lalit Bhasin	Vijay Sood
Partner	Company Secretary	Chairman	Managing Director
Place : Gurgaon	Mahesh Kumar Gupta		
Date : 29th May, 2009	Chief Financial Officer		

SCHEDULE '1' : SHARE CAPITAL

	As at 31st March, 2009 (In Rs.)	As at 31st March, 2008 (In Rs.)
AUTHORISED CAPITAL		
7,00,00,000 Equity Shares of Rs.10/- each	700000000.00	700000000.00
3,00,00,000 Redeemable Preference Shares of Rs.10/- each.	300000000.00	300000000.00
	<u>1000000000.00</u>	<u>1000000000.00</u>
ISSUED		
2,54,43,257 Equity shares of Rs.10/- each.	254432570.00	254432570.00
	<u>254432570.00</u>	<u>254432570.00</u>
SUBSCRIBED AND PAIDUP		
2,37,92,218 (previous year 2,37,92,163) Equity shares of Rs.10/- each Fully Paid up	237922180.00	237921630.00
	<u>237922180.00</u>	<u>237921630.00</u>
Add : Forfeited Shares {16,51,039 Equity Shares (previous year 16,51,094)} (Amount originally paid up)	5431643.00	5432193.00
TOTAL	<u>243353823.00</u>	<u>243353823.00</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedules	Year Ended 31st March, 2009 (In Rs.)	Year Ended 31st March, 2008 (In Rs.)
INCOME			
Income from Operations & Other Income	8	52267222.34	165283750.34
TOTAL		<u>52267222.34</u>	<u>165283750.34</u>
EXPENDITURE			
Administrative & Other Expenses	9	42364915.47	35532548.58
Interest & Financial Charges	10	40818073.57	9404547.64
Depreciation		1239315.46	1024038.29
TOTAL		<u>84422304.50</u>	<u>45961134.51</u>
Profit/(Loss) for the year before Taxation		(32155082.16)	119322615.83
Provision for Taxation			
- Current		—	(11000000.00)
- Deferred		—	—
- Fringe Benefit		(330000.00)	(225000.00)
- Tax adjustments for earlier year		(598685.00)	(51393.00)
Profit/(Loss) for the year after Taxation		(33083767.16)	108046222.83
(-) Transferred to Statutory Reserve Fund		—	(21619523.00)
- Effect of earlier period on account of Accounting Standard-15 (refer note no.19(a))		28711.00	(721971.00)
Balance brought forward from last year		(404196643.47)	(489901372.30)
Balance carried to Balance Sheet		<u>(437251699.63)</u>	<u>(404196643.47)</u>
Earning per Share (in Rs.)			
- Basic		(1.39)	4.54
- Diluted		(1.39)	4.25
SIGNIFICANT ACCOUNTING POLICIES			
NOTES ON ACCOUNTS	11		
	12		

As per our Report of even date

For P. Bholusaria & Co. Chartered Accountants		For and on behalf of the Board	
Amit Goel	Anil Kumar Mittal	Lalit Bhasin	Vijay Sood
Partner	Company Secretary	Chairman	Managing Director
Place : Gurgaon	Mahesh Kumar Gupta		
Date : 29th May, 2009	Chief Financial Officer		

SCHEDULE '2': RESERVES AND SURPLUS

	As at 31st March, 2009 (In Rs.)	As at 31st March, 2008 (In Rs.)
(A) SHARE PREMIUM ACCOUNT		
As per Last Account	999689069.00	998869038.22
Add : Recovery of Allotment Money during the year	—	820030.78
Total - (A)	<u>999689069.00</u>	<u>999689069.00</u>
(B) INVESTMENT ALLOWANCE RESERVE (UTILISED) ACCOUNT		
As per Last Account	477000.00	477000.00
Total-(B)	<u>477000.00</u>	<u>477000.00</u>
(C) STATUTORY RESERVE FUND (*)		
As per last Account	52951417.45	31331894.45
Add : Transferred from Profit & Loss Account	0.00	21619523.00
Total - (C)	<u>52951417.45</u>	<u>52951417.45</u>
Total (A+B+C)	<u>1053117486.45</u>	<u>1053117486.45</u>

(*) Created pursuant to The Reserve Bank of India (Amendment) Act, 1997.

SCHEDULE '3': LOAN FUNDS

	As at 31st March, 2009 (In Rs.)	As at 31st March, 2008 (In Rs.)
(A) SECURED LOAN		
From Body Corporate	0.00	15000000.00
(Against pledge of securities)		
From Banks (secured by hypothecation of vehicles financed) (repayable with in a year Rs.14,54,364/-, Previous year Rs.830456/-)	2463874.31	2091916.72
Total - A	<u>2463874.31</u>	<u>152091916.72</u>
(B) UNSECURED LOAN		
From Body Corporate	90000000.00	60000000.00
Total - B	<u>90000000.00</u>	<u>60000000.00</u>
Total (A + B)	<u><u>92463874.31</u></u>	<u><u>212091916.72</u></u>

SCHEDULE '4' : FIXED ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening As at 01.04.2008 (In Rs.)	Addition during the year (In Rs.)	Deduction during the year (In Rs.)	Total As at 31.03.2009 (In Rs.)	Upto 31.03.2008 (In Rs.)	For the year (In Rs.)	Adjustments (In Rs.)	Total upto 31.03.2009 (In Rs.)	As at 31.03.2009 (In Rs.)	As at 31.03.2008 (In Rs.)
Office Equipment	1913790.83	23625.00	—	1937415.83	1031215.02	91636.79	—	1122851.81	814564.02	882575.81
Vehicles	5720524.22	1983090.00	694848.01	7008766.21	1459581.33	642117.79	256627.36	1845071.76	5163694.45	4260942.89
Furniture & Fixture	6590883.08	—	—	6590883.08	3631839.50	417202.90	—	4049042.40	2541840.68	2959043.58
Data Processing	—	—	—	—	—	—	—	—	—	—
Machinery	2890877.00	38252.00	—	2929129.00	2656476.47	52671.25	—	2709147.72	219981.28	234400.53
Air Conditioners	680867.00	37688.00	—	718555.00	301131.38	32601.12	—	333732.50	384822.50	379735.62
Generator Set	64960.00	—	—	64960.00	45480.73	3085.60	—	48566.33	16393.67	19479.27
Total	17861902.13	2082655.00	694848.01	19249709.12	9125724.43	1239315.46	256627.36	10108412.53	9141296.60	8736177.70
Previous Year	16526220.13	1335682.00	—	17861902.13	8101686.14	1024038.29	—	9125724.43	8736177.70	8424533.99

SCHEDULE '5' : INVESTMENTS

Name of the Company	Face Value	Balance as at 31st March, 2009		Balance as at 31st March, 2008	
	(In Rs.)	Qty.(Nos.)	Amount (In Rs.)	Qty.(Nos.)	Amount (In Rs.)
(A) CURRENT INVESTMENTS-TRADE					
QUOTED FULLY PAID UP EQUITY SHARES					
ABC PAPER LIMITED	10	800	11200.00	800	11200.00
ABAN OFFSHORE LIMITED	2	200	522480.00	—	—
AHLUWALIA CONTRACTS (INDIA) LIMITED	2	84950	17697316.19	84950	17697316.19
AHLCON PARENTAL LIMITED	10	775	47945.00	775	47945.00
AMRIT BANASPATI COMPANY LIMITED	10	400	5600.00	400	5600.00
AMRIT CORP. LIMITED	10	400	5600.00	400	5600.00
ANSAL BUILDWELL LIMITED	10	0	0.00	20000	2556620.15
ARVIND LIQUID GASES LIMITED	10	10000	182500.00	10000	182500.00
ASHOK LEYLAND LIMITED	1	200	7602.83	200	7602.83
BHARAT HOTELS LIMITED	10	300	6751.76	300	6751.76
CAMBRIDGE SOLUTION LIMITED	10	4197	288867.22	—	—
CEAT LIMITED	10	0	0.00	112	4481.66
CENTURY TEXTILES LIMITED	10	2500	2728726.36	2500	2728726.36
CHI INVESTMENTS LIMITED	10	37	1493.89	—	—
CIBA SPECIALITY LIMITED	10	50	500.00	50	500.00
COMPACT DISC INDIA LIMITED	10	28926	668598.72	40000	924564.36
DCM SHRIRAM CONSOLIDATED LIMITED	10	72845	7202668.38	72845	7202668.38
DESIGN AUTO SYSTEMS LIMITED	10	671400	3953866.50	671400	3953866.50
DIGITAL WORLD INDIA LIMITED	10	162400	3136228.37	162400	3136228.37
GSAL (INDIA) LIMITED.	10	8120	4060.00	8120	4060.00
GLAXO SMITH CONSUMERS LIMITED	10	5503	3371423.83	—	—
HARYANA PETROCHEMICALS LIMITED	10	9050	212191.59	9050	212191.59
HB ESTATE DEVELOPERS LIMITED (*)	10	150000	1500000.00	150000	1500000.00
HB LEASING & FINANCE CO LIMITED	10	43200	1186049.57	43200	1186049.57
HB PORTFOLIO LIMITED (*)	10	100000	1000000.00	100000	1000000.00
HINDUSTAN ENGINEERING & INDUSTRIES LIMITED	10	0	0.00	3085	41999.15
HINDUSTAN OIL EXPLORATION COMPANY LIMITED	10	216	25683.73	449	35466.53
HOTLINE GLASS LIMITED	10	166382	552770.07	166382	552770.07
HOTLINE TELETUBE & COMPONENTS LIMITED	10	344400	9751268.09	344400	9751268.09
ICP SECURITIES LIMITED	10	1800	18000.00	1800	18000.00
ICICI BANK LIMITED	10	1000	585962.80	—	—
INDIAN HOTELS LIMITED	1	—	—	5000	677876.65
ISPAT PROFILES INDIA LIMITED	10	10000	235020.00	10000	235020.00
JAI CORP. LIMITED	1	10074	10366167.29	10074	10366167.29
KIRAN OVERSEAS EXPORTS LIMITED	10	10000	335000.00	10000	335000.00
LCC INFOTECH LIMITED	2	56300	387984.18	56300	387984.18
LUNAR DIAMONDS LIMITED	10	21000	439065.00	21000	439065.00
MALANPUR STEEL LIMITED	10	10814	147220.41	10814	147220.41
MALWA COTTON SPINNING MILLS LIMITED	10	19300	2284158.97	19300	2284158.97
MAWANA SUGAR LIMITED	10	45773	7898348.42	45773	7898348.42
MEGA SOFT LIMITED	10	32500	3774848.02	32500	3774848.02



Name of the Company	Face Value (In Rs.)	Balance as at 31st March, 2009		Balance as at 31st March, 2008	
		Qty.(Nos.)	Amount (In Rs.)	Qty.(Nos.)	Amount (In Rs.)
MICRO INKS LIMITED	10	26632	11614756.60	26632	11614756.60
MILKFOOD LIMITED	10	3800	34200.00	3800	34200.00
NITTA GELATIN INDIA LIMITED	10	48415	1953389.51	48415	1953389.51
NAHAR POLYFILMS LIMITED	5	444	17643	88081	3499936.73
NAHAR CAPITAL & FINANCIAL SERVICES LIMITED	10	—	—	1618	182603.13
NAHAR SPINNING MILLS LIMITED	5	—	—	143482	14664121.60
NIIT LIMITED	2	110000	15989272.23	115000	16716057.33
NUCHEM LIMITED	10	64755	168363.00	64755	168363.00
ORISSA EXTRUSIONS LIMITED	10	10728	21456.00	10728	21456.00
ORINTAL BANK OF COMMERCE	10	100	12745.00	—	—
ORKAY INDUSTRIES LIMITED	10	135650	3152052.50	135650	3152052.50
PARSVNATH DEVELOPERS LIMITED	10	81000	25774492.48	92545	33100721.80
PATHREJA FORGINGS LIMITED	10	1000	19325.51	1000	19325.51
PHOENIX INTERNATIONAL LIMITED	10	14400	900000.00	14400	900000.00
PILANI INVESTMENT& INDUSTRIES CORPORATION LTD	10	250	251006.25	250	251006.25
POLYCHEM LIMITED	10	125	501825.00	125	501825.00
PRISM MILLS LIMITED	10	10000	187500.00	10000	187500.00
PUNJAB WIRELESS LIMITED	10	100	6100.00	100	6100.00
RAMA VISION LIMITED	10	18300	553061.47	18300	553061.47
RELIANCE CAPITAL LIMITED	10	4	1909.99	4	1909.99
RELIANCE COMMUNICATIONS LIMITED	5	5085	2772214.88	85	41183.15
RELIANCE INDUSTRIES LIMITED	10	2085	4691044.17	85	95004.54
SAJJAN UDYOG EXPORTS LIMITED	10	23600	590000.00	23600	590000.00
SAVANI FINANCIALS LIMITED	10	7000	140000.00	7000	140000.00
SHREYANS INDUSTRIES LIMITED	10	5600	96872.57	5600	96872.57
SRI VASAVI INDUSTRIES LIMITED	10	10890	584631.48	10890	584631.48
STI GRANITE INDIA LIMITED	10	2000	34000.00	2000	34000.00
SUBEX LIMITED	10	25161	14414392.45	25161	14414392.45
THERMAX LIMITED	2	2000	77214.58	2000	77214.58
UFLEX LIMITED	10	85772	17093858.20	170227	33925246.00
UNIMERS INDIA LIMITED	10	1732	444464.00	1732	444464.00
UNITECH LIMITED	2	642072	246879007.26	642072	246879007.26
UNIVERSAL PRIME ALUMINIUM LIMITED	10	23820	868067.16	23820	868067.16
U P HOTELS LIMITED	10	1900	136630.42	1900	136630.42
USHA INTERNATIONAL LIMITED	10	30052	934732.60	6830	934732.60
		3480284	431459395.03	3812266	466109498.13
UNQUOTED FULLY PAID UP EQUITY SHARES					
CHI INVESTMENTS LTD	10	—	—	37	1493.89
KESORAM TEXTILE LIMITED	10	172	4161.48	172	4161.48
		172	4161.48	209	5655.37
UNQUOTED PARTLY PAID UP EQUITY SHARES					
RATHI ALLOYS & STEELS LIMITED	10	46293	694395.00	46293	694395.00
		46293	694395.00	46293	694395.00
UNQUOTED FULLY PAID UP DEBENTURES					
HDC LIMITED 14% PCD IX-SERIES	50	440	17600.00	440	17600.00
SHREYANS INDUSTRIES LIMITED 14% NCD	100	1120	112000.00	1120	112000.00
		1560	129600.00	1560	129600.00
TOTAL- (A)		3528309	432287551.51	3860328	466939148.50
(B) LONG TERM INVESTMENTS					
QUOTED (TRADE) FULLY PAID UP EQUITY SHARE					
BELL CERAMICS LIMITED	10	913685	18403229.18	913685	18403229.18
CHEMPLAST SANMA LIMITED	1	78426	641832.01	500000	4091959.38
CROMPTON GREAVES LIMITED	2	35000	1353835.30	35000	1353835.30
DCM SHRIRAM INDUSTRIES LIMITED	10	4189941	473993067.64	3704808	412901415.94
GREAVES COTTON LIMITED	10	83000	28225970.16	83000	28225970.16
JAIPRAKASH ASSOCIATES LIMITED	2	9849859	77775328.41	12899550	101855949.17
JAYPEE HOTEL LIMITED	10	223219	40695278.91	215373	40194143.08
MAWANA SUGAR LIMITED	10	60491	15994478.04	60491	15994478.04
ORISSA SPONGE IRON & STEEL LIMITED	10	—	—	176654	93472842.77
PVP VENTURES LIMITED	10	35694	5182123.56	36740	5333983.85
RRB SECURITIES LIMITED *	10	100000	1000000.00	100000	1000000.00
VENKAT PHARMA LIMITED	10	41790	2124442.63	41790	2124442.63
		15611105	674389585.84	18767091	733952249.50
IN WHOLLY OWNED SUBSIDIARY COMPANIES					
(Unquoted (Non-Trade) Fully Paid Up Equity Shares)					
HB PRIMA CAPITAL LIMITED	10	1000000	25075000.00	1000000	25075000.00
MOUNT FINANCE LIMITED	10	830006	8300060.00	830006	8300060.00
UNQUOTED(NON -TRADE) FULLY PAID-UP EQUITY SHARE					
ASSOCIATED INFOTECH LIMITED	10	600000	45000000.00	600000	45000000.00
JAIPUR STOCK EXCHANGE LIMITED	10	324500	5841000.00	324500	5841000.00
TAURUS INVESTMENT TRUST CO LIMITED	10	15430	155458.00	15430	155458.00
TAURUS ASSET MANAGEMENT CO LIMITED.	10	2525000	18634750.00	2525000	18634750.00
HB TELECOMMUNICATION LIMITED	10	100	1000.00	100	1000.00
HB INSURANCE ADVISORS LIMITED	10	15000	150000.00	15000	150000.00
HARSAI INVESTMENTS LIMITED	10	200000	2000000.00	200000	2000000.00
Q R PROPERTIES PVT LIMITED	10	4500	45000.00	4500	45000.00
PISCES PORTFOLIOS PVT. LIMITED.	10	2290000	24900000.00	2290000	24900000.00
SOVIKA INFOTEK LIMITED	10	400000	12000000.00	400000	12000000.00



HB STOCKHOLDINGS LIMITED

Name of the Company	Face Value (In Rs.)	Balance as at 31st March, 2009		Balance as at 31st March, 2008	
		Qty.(Nos.)	Amount (In Rs.)	Qty.(Nos.)	Amount (In Rs.)
UNQUOTED(NON -TRADE) FULLY PAID-UP REDEEMABLE PREFERENCE SHARE					
HB GROWTH FUND LIMITED (2% NON CUMULATIVE)	10	5000	500000.00	5000	500000.00
HB SECURITIES LIMITED (*) (6% CUMULATIVE)	1000	10000	10000000.00	10000	10000000.00
HB TELECOMMUNICATION LIMITED (2% NON CUMULATIVE)	10	40000	400000.00	40000	400000.00
UNQUOTED(NON -TRADE) -EQUITY SHARE APPLICATION					
CORE TELECOM PRIVATE LIMITED	10	850000	8500000.00	850000	8500000.00
FALCON PORTFOLIO PRIVATE LIMITED.	10	75000	750000.00	150000	1500000.00
TOTAL- (B)		24840641	836641853.84	28071627	896954517.50
TOTAL- (A+B)		28368950	1268929405.35	31931955	1363893666.00

NOTES :

- (1) Aggregate Cost of Quoted Investments Rs. 110,58,48,981/- (Previous Year Rs.120,00,61,748/-)
- (2) Market Value of Quoted Investments Rs.113,64,98,814/- (Previous Year Rs.377,25,41,662/-)
- (3) Aggregate Cost of Unquoted Investments Rs.16,30,80,425/- (Previous Year Rs.16,38,31,918/-)
- (4) Shares costing Rs.37,39,39,946/- (Previous year Rs.29,53,74,141/-) were lying pledged/given as margin as at the year end.
- (*) Companies under the same management

SCHEDULE '6' : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 2009 (In Rs.)	As at 31st March, 2008 (In Rs.)
A. CURRENT ASSETS		
(a) Sundry Debtors		
(Unsecured considered good unless otherwise stated)		
Considered Good :-		
– Outstanding exceeding six months	—	—
– Others	0.00	227128.45
(b) Cash & Bank Balance		
Cash in hand	170419.00	151230.00
(As certified by the Management)		
Balance with Scheduled Banks		
– In Current Accounts (including Nil (previous year Rs. 4200000/-) in Escrow Account)	14734512.64	8006041.69
Total 'A'	14904931.64	8384400.14
B. LOANS AND ADVANCES		
(Unsecured, Considered good, unless otherwise stated)		
(a) Inter Corporate Deposit (including interest receivable Rs.9,28,079/- (previous year Rs 930629/-)) - Standard	10928079.00	10930629.00
(b) Dividend Receivable	0.00	159792.00
(c) Advances Recoverable in cash or in kind or for value to be received-Standard	120945434.98	56714580.33
(d) Advance Tax & Tax Deducted at Source	12264826.40	23517618.40
(e) Security Deposits with Govt. Department and others (including margin Deposit paid)	34736283.96	41243942.57
Total 'B'	178874624.34	132566562.30
Total 'A'+ 'B'	193779555.98	140950962.44

SCHEDULE '7': CURRENT LIABILITIES AND PROVISIONS

(A) CURRENT LIABILITIES		
i) Sundry Creditors		
– Due to Micro and Small Enterprises	—	—
– Others	629953.63	2095843.84
ii) Advance received	0.00	7000000.00
iii) Other Liabilities	1694222.00	1344000.00
iv) Interest accrued but not due on loan	1760173.00	2966784.00
Total-A	4084348.63	76406627.84
(B) PROVISIONS		
i) For Income Tax	0.00	11000000.00
ii) For Fringe Benefit Tax	330000.00	225000.00
iii) For Gratuity	454533.00	378160.00
iv) For Leave Encashment	1235810.00	1180270.00
v) For Diminution in value of Investments	513956929.47	320024165.60
vi) For Loss on Equity Derivative Instruments	105152.69	0.00
Total - B	516082425.16	332807595.60
Total - (A+B)	520166773.79	409214223.44

SCHEDULE '8' : INCOME FROM OPERATIONS & OTHER INCOME

	Year Ended 31st March, 2009 (In Rs.)	Year Ended 31st March, 2008 (In Rs.)
Profit/(Loss)(Net) in Securities dealing/ Equity derivative trading	(143825977.92)	(34241748.17)
Interest Income :-		
– On Fixed Deposits with banks (Tax deducted at source Rs. Nil/- (Previous Year Rs.29,965/-))	0.00	145465.12
– On Inter corporate Deposit (Tax Deducted At Source Rs.2,72,121/- (Previous Year Rs.18,33,412/-))	1200000.00	8090958.00
– On Margin Funding (Gross, TDS Rs. Nil)	0.00	755671.00
– On Others (Tax deducted at source Rs.16,347/- (Previous year Rs. Nil))	79356.27	—
– On Allotment Money received	1000.00	996956.53
Profit on sale of Fixed Assets	21779.35	—
Net Gain on sale of Investments	374553160.87	251519843.87
Provision for diminution in value of Investments	(193932763.87)	(80728470.48)
Dividend Income (Gross) Tax deducted at source Rs. Nil	14170667.64	18745074.47
Total	52267222.34	165283750.34

SCHEDULE '9' : ADMINISTRATIVE & OTHER EXPENSES

Salaries & Benefits	6923283.00	2303742.00
Managerial Remuneration	9287354.00	9215191.00
Contribution to Provident Fund & other funds	687411.00	534810.00
Directors Sitting Fees	488000.00	446000.00
Listing Fees	115823.00	76500.00
Travelling & Conveyance	2129428.51	1938934.45
Communication	271566.08	338170.13
Postage	3478486.80	1046640.90
Printing & Stationery	1341799.00	623394.00
Office Repairs and Maintenance	265959.40	425609.40
Vehicle running & maintenance	717644.00	525954.00
Rent/Facility Charges	1614373.00	1979409.00
Insurance	70830.00	52451.90
Depository & Custodial	727341.55	611410.23
Subscription & Membership	1901102.93	279818.65
Legal & Professional	10407446.00	8328148.00
Advertisement	161093.00	373414.00
Business Promotion	566805.37	414949.94
Miscellaneous	355905.83	176436.57
Bad & Doubtful Assets Written Off	0.00	1776057.69
Staff welfare	130620.00	127339.00
Securities Transaction Tax	560327.00	3780710.72
Auditor's Remuneration		
– Audit Fees	99270.00	101124.00
– Tax Audit Fees	27575.00	28090.00
– Certification & Others	35471.00	28243.00
Total	42364915.47	35532548.58

SCHEDULE '10' : INTEREST & FINANCIAL CHARGES

On Vehicle Financed from banks	303214.59	179616.64
On Loan from Body Corporates	36421682.48	9224931.00
On Margin Financing	4093176.50	—
Total	40818073.57	9404547.64



HB STOCKHOLDINGS LIMITED

SCHEDULE '11': SIGNIFICANT ACCOUNTING POLICIES

Annexed to and forming part of the Statement of Accounts for the year ended 31st March, 2009.

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

- (1) The Financial Statements are prepared under the Historical Cost Convention method in accordance with the generally accepted Accounting Principles and the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- (2) Use of Estimates : The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

B. REVENUE RECOGNITION: -

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

C. FIXED ASSETS: Fixed Assets are stated at cost less depreciation.

D. DEPRECIATION: Depreciation is provided on Fixed Assets on Straight Line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

E. INVESTMENTS: -

- i) Investments are classified into Current Investments and Long Term Investments.
- ii) Current Investments are valued at lower of cost or fair market value on category wise basis. Long Term Investments are valued at cost less permanent diminution, if any, on scrip wise basis. Provision for reduction/diminution in the value of Investments and reversal of such reduction/ diminution are included in the Profit & Loss Account. For the purpose of disclosure and presentation in the financial statements (refer note no. 6), and in compliance with the Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank Directions 2007 :-
 - (a) on the assets side, investments are shown at cost;
 - (b) the diminution/depreciation is shown correspondingly under the head "Provisions" in the liabilities side in the Balance Sheet without showing it as deduction from the value of Investments.
- iii) Cost of investments is computed using the Weighted Average Method.

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

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

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

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

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

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

SCHEDULE '12' - NOTES ON ACCOUNTS

Annexed to and forming part of the Statement of Accounts for the year ended 31st March, 2009.

1. (a) Advances recoverable includes due from subsidiary companies Rs.24,50,000/-

(Previous year Rs.5,32,00,000/-) from HB Prima Capital Ltd., maximum balance outstanding during the year Rs.5,32,00,000/-(Previous year 5,32,00,000/-) and Rs.7,35,144/- (Previous year Rs.6,45,144/-) due from Mount Finance Ltd. Maximum balance outstanding during the year Rs.7,35,144/- (Previous year Rs.6,45,144/-).

- (b) Security Deposit paid shown under the head "Loan & Advances" includes due from the following companies under the same management:-

Name of Company	Amount outstanding (Rs)	Maximum amount outstanding during the year (Rs.)
HB Estate Developers	3,45,00,000/- (3,45,00,000)	3,45,00,000/- (3,45,00,000)
HB Securities Ltd.	Nil (45,00,000/-)	2,26,63,596/- (21,45,00,000/-)

- (c) Loans given includes Rs. Nil (previous year Rs. Nil) due from HB Estate Developers Ltd., a company under the same management. Maximum amount outstanding at any time during the year Rs. Nil (Previous Year Rs.8,00,00,000/-).

2. Contingent Liability in respect of:-

- (a) Income Tax demand disputed Rs.89,05,374/-(Previous year Rs.74,22,964/-) 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. The company has also filed various rectification applications. Moreover substantial refund due to the company for various years are pending adjustment against the aforesaid demand. Once the aforesaid rectification applications are disposed off and refund due to the company are adjusted, there will be no demand outstanding payable.

3. In the opinion of the management, current assets, loans and advances are approximately of the value stated, if realised, in the ordinary course of the business.

4. Gain on Sale of Investments (Net) as shown in Profit & Loss Account includes Loss of Rs.2,07,36,324/-on Trade Current Investments in securities (Previous Year Gain Rs.2,25,71,309/-), Gain of Rs.20,88,47,484/- (Previous Year Rs.22,89,48,535/-) on Long Term Trade Investments in securities and Gain of Rs.18,64,42,000/-(previous year Rs. Nil) on properties(current investment- trade). Provision for diminution in value of Investments as shown in Profit & Loss Account include Rs.1,83,95,601/- (previous year Rs.2,19,65,054/-) on account of provision written back in respect of Long Term Investments in securities and Rs. 21,23,28,365/- provision made in respect of Current Investments in securities(Previous Year Rs.10,26,93,524/-).

5. Dividend Income includes Rs.92,33,961/- (Previous Year Rs 1,28,15,959/-) on Long Term Investments-Trade, Rs. 49,36,706/-(Previous year Rs. 59,29,115/-) on Current Investments-Trade.

6. Provision for diminution in the value of Investments is charged to Profit & Loss Account and shown correspondingly under the head "Provisions" in the Balance Sheet without showing it as deduction from the value of Investments. This is being done in compliance with Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007. It has no impact on the profit for the year and also on the net carried amount of the investments. Provision for diminution in value of Investments as shown in Balance Sheet includes Rs.14,88,83,456/-(Previous Year Rs. 16,72,79,057/-) on Long term Investments and Rs. 36,50,73,474/-(Previous Year Rs.15,27,45,109/-) on Current Investments

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

8. Disclosure pursuant to Accounting Standard AS-19 for Leases :- Operating Lease

- a) Particulars of the minimum lease payments under Operating Lease:-
 - I. Not Later than One year (Previous Year Rs.1063720/-) Rs. 11,85,240/-
 - II. Later than one year but not (Previous Year Rs.967692/-) Rs. 14,01,240/- Later than five years
 - III. Later than five years Rs. Nil (Previous Year NIL)
- b) Minimum lease payments recognised in the statement of profit & loss account during the year ended 31st March, 2009 is Rs. 16,14,373/-(Previous Year Rs.19,79,409/-).
- c) General description of the lease arrangement.
 - I. The lease is for an initial period of 3 years, which may be renewal for further period as may be mutually agreed upon.
 - II Restrictions imposed by lease arrangement:-
 - The Lessee shall not sublet or otherwise part with possession of a part or whole of the premise without the previous consent in writing of the lessor.
 - The lessee shall use the premises for commercial purposes only.
 - The lease can be terminated by the lessee by serving three months notice to the lessor in respect of one agreement and one month notice in respect of second agreement.

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

10. Disclosure of related party transaction in accordance with the Accounting Standard (AS-18) "Related Party Disclosures" is as per annexure attached.

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

Particulars	Current Year (Amount Rs.)	Previous Year (Amount Rs.)
Net Profit /(Loss) for the year as per Profit & Loss Account after Tax	(3,30,83,767)	10,80,46,223
Net Profit/(Loss) available for Equity Share holders	(3,30,83,767)	10,80,46,223
Basic Earning Per Share (face value of Rs.10 each)		
Weighted Average Nos. of Equity Share Outstanding	2,37,92,218	2,37,92,163
Earning per share(Rs.)	(1.39)	4.54
Diluted Earning per share (Face Value of Rs.10/- each.)		
Weighted Average Nos. of Equity Share Outstanding	2,37,92,218	2,53,98,145
Earning per share(Rs.)	(1.39)	4.25



HB STOCKHOLDINGS LIMITED

12. Quantitative information in respect of: - Investment in securities

Particulars	As at 31st March, 2009		As at 31st March, 2008	
	Qty.(Nos.)	Amount(Rs.)	Qty.(Nos.)	Amount(Rs.)
Opening Balance	31931955	1363893666	25636527	980736177
Purchases/conversions	83336938	1025552160	52212246	1721357789
Sales/conversions	86899943	1308627581	45916818	1589720144
Closing Balance	28368950	1268929405	31931955	1363893666

13. Profit on sale of properties included in net gain on sale of investments as shown in the Profit & Loss Account represents profit earned on sale of space measuring 93,221 sq.ft.

15. Disclosure of Loans/Advances in the nature of loans in terms of provision of clause 32 of Listing Agreement with Stock Exchanges-

(Amount in Rs.)

S. No.	Particulars	Outstanding Balance as on 31.03.2009	Max. Balance Outstanding during the year	Outstanding as on 31.03.2008	Max. Balance outstanding during the previous year
i.	Loans & Advances in the nature of Loans to subsidiaries:- (a) Mount Finance Ltd. (b) HB Prima Capital Ltd.	7,35,144 24,50,000	7,35,144 5,32,00,000	6,45,144 5,32,00,000	6,45,144 5,32,00,000
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 372A of the Companies Act, 1956	Nil	Nil	Nil	Nil
iv.	Loans & Advances in the nature of loans to firms/companies in which directors are interested. (a) HB Estate Developers Ltd. * Loan given at market rate of interest	Nil Nil	Nil Nil	Nil Nil	Nil 8,00,00,000
v.	Investments by Loanee in the Shares of parent company and subsidiary company when the company has made loan or advance in the nature of Loan.	No. of Shares Nil	Amount Nil	No. of Shares Nil	Amount Nil

16. Particulars of Managerial Remuneration are as under:-

Particulars	Current year (Amount Rs.)	Previous year (Amount Rs.)
Salary	54,00,000	54,00,000
House Rent	30,60,000	30,60,000
Contribution to Provident & superannuation Fund	2,43,000	2,45,500
LTA	4,75,000	4,25,000
Medical Reimbursement	1,09,354	84,691
Total	92,87,354	92,15,191

Note: The figure do not include Leave encashment & Gratuity as valuation for same is available for company as a whole.

17. During the previous year, the company had forfeited 16,51,094 number of partly paid up equity shares (of the face value of Rs.10/- each) on which allotment money/calls were overdue, out of which forfeiture of 55 shares was annulled during the year.

18. Traveling Expenses includes Rs.12,52,160/-(Previous Year Rs.12,63,296/-)on account of Director's Travelling.

19. Disclosure pursuant to Accounting Standard - 15

a) The company has adjusted Rs.28,711(previous year Rs. 7,21,971/-) below the line in Profit & Loss Account towards the earlier years effect of defined benefit obligation in respect of employee benefits.

b) Defined Contribution Plan

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

Particulars	Current Year Amount(Rs.)	Previous Year Amount(Rs.)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	5,46,689/-	2,58,829/-	Managerial Remuneration Rs.1,08,000/-(previous year Rs.1,10,500/-,contribution to Provident Fund & other fund Rs.4,38,689/ (previous year Rs.1,48,329/)
Contribution to superannuation fund	1,35,000/-	1,35,000/-	Managerial Remuneration

c) Defined Benefit Plan Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	10,97,838/-	4,62,007/-	11,80,270/-	1,21,271/-
Adjustment for increase (decrease) in opening obligation (B)	(28,711/-)	2,05,300/-	Nil	5,16,671/-
Interest Cost (C)	85,530/-	53,385/-	94,422/-	51,035/-
Current service cost (D)	2,38,148/-	1,31,247/-	1,09,042/-	2,53,383/-
Benefits paid (E)	Nil	Nil	25,644/-	8,003/-
Actuarial loss/ (gain) on obligation (F)	(6,183)	2,45,899/-	(1,22,280/-)	2,45,913/-
Present value of obligations as at the end of the year (G=A+B+C+D-E+F)	13,86,622/-	10,97,838/-	12,35,810/-	11,80,270/-

acquired during the year for Rs.3,72,88,400/- (previous year Rs. Nil).Loss for the year before consideration of this item is Rs.21,95,25,767/- (previous year Profit Rs.10,80,46,223/-) and loss for the year after consideration of this item is Rs.3,30,83,767/- (previous year Profit Rs. 10,80,46,223/-).

14. (a) The company had in the earlier year made Investments of Rs.3,33,75,060/- in two wholly owned Subsidiaries(un-quoted) namely HB Prima Capital Ltd. and Mount Finance Ltd. These Subsidiaries have incurred losses. In the opinion of Management, no provision is required for the diminution in there value, as the same is temporary and also in view of long term/ strategic involvement of the company with these subsidiaries (also refer to note no.1(a) above).

(b) In the opinion of management no provision is required for diminution amounting to Rs.27,58,08,858/-(previous year Rs.38,90,613/-)in the value of Long term investment in DCM Shriram Industries Ltd. as the same is considered to be temporary.

d) The amounts recognized in the balance sheet and Profit & loss account are as follows :

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	13,86,622/-	10,97,838/-	12,35,810/-	11,80,270/-
Estimated fair value of plan assets (B)	9,32,089/-	7,19,678/-	Nil	Nil
Net Liability (C=A-B)	4,54,533/-	3,78,160/-	12,35,810/-	11,80,270/-
Amounts in the Balance Sheet				
Liabilities	4,54,533/-	3,78,160/-	12,35,810/-	11,80,270/-
Amount charged to Profit & Loss Account				
Current Service Cost	2,38,148/-	1,31,247/-	1,09,042/-	2,53,383/-
Interest Cost	85,530/-	53,385/-	94,422/-	51,035/-
Expected Return on Plan Asset	(68,773)	(37,885)	Nil	Nil
Actuarial(Gain)/Loss	(6,183)	2,39,734/-	(1,22,280/-)	2,45,913/-
	2,48,722/-	3,86,481/-	81,184/-	5,50,331/-
Head under which shown in the Profit & Loss account	Contribution to Provident Fund and other Funds		Salary & benefits	

e) The Actual Return on Plan Assets is as follows :

Sr. No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Actual return on plan assets	68,773	44,050

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

Sr. No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Discount Rate	8%	8%
ii)	Expected Rate of Return on Plan Assets	9%	9%
iii)	Salary Escalation Rate	5%	5%

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

Sr. No.	Particulars	Gratuity	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	7,19,678	4,62,007/-
i)	Expected Return on Plan Assets	68,773/-	37,885/-
ii)	Actuarial Gains / (Losses)		6,165/-
iii)	Contribution by the Employer	1,43,638/-	2,13,621/-
iv)	Benefits Paid	Nil	Nil
	Closing Fair Value of Plan Assets	9,32,089	7,19,678/-



HB STOCKHOLDINGS LIMITED

20. (a) To the extent information available with the company, Sundry Creditors include Nil, (Previous year Nil) due to Small Scale Industrial Undertaking.
 (b) The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent information available with the company, the company does not owe any sum including interest required to be disclosed under the said Act.
21. Disclosure pursuant to Guidance Note issued by The Institute of Chartered Accountants of India on 'Accounting for Equity Index & Equity Stock Futures & Options':-
- (a) Cash Margin amounting to Rs.Nil(Rs.61,90,859/-) on Equity Derivative instruments contracts has been paid and outstanding as at the end of previous year. Besides, Shares having book value of Rs.69,09,000/-(Previous year Rs.72,24,918/-)Market Value Rs.7,36,75,000/-(Previous Year Rs.20,73,39,000/-) were also given as margin at the year end.
- (b) Detail of Open Interest in Equity Stock Futures Contracts as at the year end 31.03.2009

Name of Equity Stock Future	No. of Contracts	Units (in Nos.) (Long)	Units (in Nos.) (Short)
IDBI Ltd.	Nil (164)	Nil (196800)	Nil (Nil)
IDFC Ltd.	Nil (126)	Nil (185850)	Nil (Nil)
ITC Ltd.	Nil (89)	Nil (100125)	Nil (Nil)
IFCI Ltd.	7 (103)	110320 (202910)	Nil (Nil)
Indian Hotel Ltd.	Nil (86)	Nil (163314)	Nil (Nil)
IOC Ltd.	Nil (67)	Nil (40200)	Nil (Nil)
JP Associates Ltd.	Nil (220)	Nil (165000)	Nil (Nil)
J P Hydro Ltd.	24 (96)	300000 (300000)	Nil (Nil)
Omaxe Ltd.	Nil (47)	Nil (30550)	Nil (Nil)
Parsvnath Developers Ltd.	Nil (336)	Nil (235200)	Nil (Nil)
Reliance Infrastructure Ltd.	9 (36)	4968 (4968)	Nil (Nil)
Unitech Ltd.	Nil (172)	Nil (154800)	Nil (Nil)
Zee Television Ltd.	Nil (71)	Nil (49700)	Nil (Nil)

22. Previous Year figures have been regrouped/rearranged wherever considered necessary.
 23. Additional information pursuant to part IV of Schedule VI of the Company Act, 1956 is annexed.
 24. Additional Information pursuant to Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 is annexed.
 25. Schedules 1 to 12 form an integral part of the accounts.

As per our Report of even date

For P. Bholusaria & Co.
Chartered Accountants

For and on behalf of the Board

Amit Goel
 Partner

Anil Kumar Mittal
 Company Secretary

Lalit Bhasin
 Chairman

Vijay Sood
 Managing Director

Place : Gurgaon

Mahesh Kumar Gupta

Date : 29th May, 2009

Chief Financial Officer

ANNEXED REFERRED TO IN NOTE NO. 10 OF SCHEDULE 12 TO THE ACCOUNTS RELATED PARTY DISCLOSURES (AS IDENTIFIED BY MANAGEMENT AND RELIED UPON BY AUDITORS)

As per Accounting Standard (AS-18) on "Related Party Disclosures", the disclosure of transactions with the related party as defined in the Accounting Standard are given below:

- List of related parties with whom transactions have taken place and relationship :
 - Subsidiaries.
 - HB Prima Capital Limited
 - Mount Finance Ltd.
 - Key Managerial Personnel
 - Shri Vijay Sood, Managing Director
 - Shri J.M.L.Suri, Executive Director
 - Shri Anil Kumar Mittal, Company Secretary
 - Person having control/significant influence /major shareholders
 - Shri H C Bhasin (no transaction during the year)
 - Shri Lalit Bhasin
 - Enterprise over where significant influence exist:-
 - Pisces Portfolios Private Limited
 - Enterprises over which control/significant influence exist of the relatives of persons mentioned in (c) above :-
 - RRB Master Securities Delhi Ltd.
 - Enterprises under direct or indirect common control/significant influence :-
 - HB Portfolio Ltd.
 - HB Estate Developers Ltd.
 - HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)
 - RRB Securities Ltd.

2. Transactions during the Year with Related Parties.

Sr. No.	Nature of Transaction	Related Party Referred in 1(a) above	Related Party Referred in 1(b) above	Related Party Referred in 1(c) above	Related Party referred in 1(d) above	Related Party referred in 1(e) above	Related Party referred in 1(f) above
1	Amount recovered against Loan & Advances	50750000 (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (80000000)
2	Loan taken	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (85000000)	Nil (Nil)	90000000 (Nil)
3	Loan repaid	Nil (Nil)	Nil (Nil)	Nil (Nil)	60000000 (25000000)	Nil (Nil)	Nil (Nil)
4	Interest paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	1347945 (77260)	Nil (Nil)	6369066 (Nil)
5	Loans & Advances given	90000 (325000)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (80000000)
6	Security deposit Paid for premises on rent	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (34500000)
7	Rent/Facility Charges Paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	966213 (949949)
8	Margin Securities/Advances paid & received back	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	43500000 (13000000)	85000000 (796000000)
9	Dividend Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	500000 (480000)
10	Sitting Fee Paid	Nil (Nil)	Nil (Nil)	50000 (50000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
11	Depository Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	680424 (575821)
12	Interest Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (6890958)
13	Remuneration & Other Services	Nil (Nil)	10062980 (9411576)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
14	Reimbursement of Expenses.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	378900 (1148700)
15	Purchase of Investment(inclusive of brokerage paid) through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	47032870 (139379438)	Nil (62609869)
16	Sale of Investment (inclusive of brokerage paid) through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	313832476 (130784899)	13956 (30816323)
17	Net Turnover of Derivative Trading (inclusive of brokerage)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	19214899 (2464546)	107219373 (19422921)



HB STOCKHOLDINGS LIMITED

18	Investments made in Preference Shares	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (10000000)
19	Outstanding as on 31.03.2009						
	— Payable in respect of loan & interest thereon	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (60059753)	Nil (Nil)	91760173 (Nil)
	— Receivables in respect of Current Assets, Loans & Advances.	3185144 (53845144)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	34500000 (39000000)

ANNEXURE TO NOTE NO.24 OF SCHEDULE 12 TO THE BALANCE SHEET OF HB STOCKHOLDINGS LTD (AS REQUIRED IN TERMS OF PARAGRAPH 13 OF NON-BANKING FINANCIAL (NON-DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007

Particulars	(Rs. in lakhs)	
	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
: Unsecured (other than falling within the meaning of public deposits)	Nil	Nil
(b) Deferred Credits	Nil	Nil
(c) Term Loans	Nil	Nil
(d) Inter-corporate loans and borrowing	900	Nil
(e) Commercial Paper	Nil	Nil
(f) Public Deposits	Nil	Nil
(g) Other Loans (Vehicle Loan)	24.64	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
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
(c) Other public deposits	Nil	Nil

Particulars	(Rs. in lakhs)	
	Amount outstanding*	
ASSETS SIDE :		
(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
(a) Secured		Nil
(b) Unsecured		1666.10
*Net of provisions		
(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease		Nil
(b) Operating lease		Nil
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on hire		Nil
(b) Repossessed Assets		Nil
(iii) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed		Nil
(b) Loans other than (a) above		Nil

Particulars	(Rs. in lakhs)	
	Amount outstanding*	
(5) BREAK-UP OF INVESTMENTS :		
Current Investments :		
1. Quoted :		
(i) Shares : (a) Equity	4314.59	
(b) Preference	Nil	
(ii) Debentures and Bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government Securities	Nil	
(v) Others (please specify)	Nil	
2. Unquoted :		
(i) Shares : (a) Equity	6.99	
(b) Preference	Nil	
(ii) Debentures and Bonds	1.30	
(iii) Units of mutual funds	Nil	
(iv) Government Securities	Nil	
(v) Others (Please specify)	Nil	

Long Term investments :

1. Quoted :		
(i) Share : (a) Equity	6743.90	
(b) Preference	Nil	
(ii) Debentures and Bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government Securities	Nil	
(v) Others (Please specify)	Nil	
2. Unquoted :		
(i) Shares : (a) Equity	1513.52	
(b) Preference	109.00	
(ii) Debentures and Bonds	Nil	
(iii) Units of mutual funds	Nil	
(iv) Government Securities	Nil	
(v) Others (Please specify)	Nil	

(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances : Please see Note 2 below

Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil	31.85	31.85
(b) Companies in the same group	Nil	345.00	345.00
(c) Other related parties	Nil	Nil	Nil
2. Other than related parties	Nil	1289.25	1289.25
TOTAL	Nil	1666.10	1666.10

(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see note 3 below

Category	Market Value / Break up or fair value or NAV(*)	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	281.51	333.75
(b) Companies in the same group	259.08	225.00
(c) Other related parties	1320.85	435.35
2. Other than related parties	11308.83	6555.62
TOTAL	14170.27	7549.72

(*) Breakup value in case of unquoted companies has been taken on the basis of last available Balance Sheet, where the Balance sheet is not available, the breakup value/fair value/NAV has been taken at cost.

(8) Other information

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

Additional Disclosure as per Para 10 of aforesaid Directions

1. CRAR		
Items	Current Year	Previous Year
i) CRAR (%)	60%	61%
ii) CRAR - Tier-I Capital (%)	60%	61%
iii) CRAR - Tier-II Capital (%)	Nil	Nil
2. Exposures		
Exposures to Real Estate Sector		
Category	Current Year	Previous Year
a) Direct Exposure	—	—
(i) Residential Mortgages -	—	—
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs. 15 lakh may be shown separately)	—	—
(ii) Commercial Real Estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multifamily residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	—	—
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures	—	—
a. Residential.		
b. Commercial Real Estate.		
b) Indirect Exposure	—	—
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		


3. Asset Liability Management

Maturity pattern of certain items of assets and liabilities

(Rs. In lacs)

	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities									
Borrowings from bank Vehicle Loan	1.35	1.35	1.35	4.05	8.10	10.57	—	—	26.77
Market									
Borrowings Inter Corporate Loan	17.60	—	—	—	900.00	—	—	—	917.60
Assets									
Advances -Inter Corporate Loan	9.28	—	100	—	—	—	—	—	109.28
Investments (net of provision)	—	—	672.14	—	—	—	66.00	6811.58	7549.72

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

 (Amount in Rs. '000) (Amount in Rs. '000)
 Year Ended Year Ended
 31st March, 2009 31st March, 2008

A) CASH FLOW FROM OPERATION ACTIVITIES

Net Profit before tax and Extraordinary Items	-32155	119323
Adjustment for :		
Depreciation	1239	1024
Net Gain on Sale of Investments/Provision made/ w/back	-180620	-170791
Profit on sale of Fixed Asset	-22	0
Bad and Doubtful Assets W/O	—	1284
Interest/Dividend	25367	-19329
Operating Profit before Working Capital Changes	-186191	-68489
Adjustment for :		
Trade & other Receivables	-46081	-52957
Inventories	Nil	Nil
Trade Payables	-83521	65566
Cash Generated from operation	-315792	-55881
Interest Paid	-40818	-9405
Income tax paid	-599	-51
Fringe Benefit Tax	—	0
Cash Flow before extraordinary Items	-357209	-65337
Employee Benefits for earlier year	29	-722
Net Cash from Operation Activities	-357180	-66059

B) CASH FLOW FROM INVESTMENTS ACTIVITIES

Purchase of Fixed Assets	-2083	-1336
Sale of Fixed Assets	460	0
Purchase of Investments	-1062841	-1721358
Sale of Investments	1532358	1589720
Interest Received	1280	9989
Dividend Received	14171	18745
Net Cash used in Investing Activities	483346	-104239

C) CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Issue of Share Capital & Share Premium	0	187
Proceeds from Share Application Money & Share Premium	0	329
Proceeds from Borrowings	-119628	150315
Dividend Paid	—	—
Net Cash used in Financing Activities	-119628	150831
Net Increase in Cash & Cash Equivalents A+B+C	6537	-19467
Cash and Cash Equivalents (Opening Balance)	8157	27624
Cash and Cash Equivalents (Closing Balance)	14904	8157

As per our Report of even date

For P. Bholusaria & Co.
 Chartered Accountants

 Amit Goel
 Partner

 Anil Kumar Mittal
 Company Secretary

For and on behalf of the Board

 Lalit Bhasin
 Chairman

 Vijay Sood
 Managing Director

 Place : Gurgaon
 Date : 29th May, 2009

 Maresh Kumar Gupta
 Chief Financial Officer

STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2009

(Amount in Rupees)

Name of the Subsidiary	Paid up Capital	Reserve	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turnover	Profit before Taxation	Provision of Taxation	Profit after Taxation	Proposed Dividend
HB Prima Capital Ltd (Previous Year)	1,00,00,000	1,50,75,000	2,50,75,000	2,50,75,000	7,66,28,500	1,38,900	1,16,799	Nil	1,16,799	Nil
	1,00,00,000	1,50,75,000	2,50,75,000	2,50,75,000	7,66,28,500	1,68,900	93,632	Nil	93,632	Nil
Mount Finance Limited (Previous Year)	83,00,060	Nil	83,00,060	83,00,060	Nil	Nil	-2,96,767.58	Nil	-2,96,767.58	Nil
	83,00,060	Nil	83,00,060	83,00,060	Nil	Nil	-3,06,281.12	Nil	-3,06,281.12	Nil

ANNEXED REFERRED TO IN NOTE NO. 23 OF SCHEDULE 12 TO THE NOTES TO THE ACCOUNT BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART-(IV) OF THE COMPANIES ACT, 1956

I. Registration Details

Registration No.	33936	State Code	05
Balance Sheet Date	31.03.2009		

II. Capital Raised during the year

(Rs. '000)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds

(Rs. '000)

Total Liabilities	1388935	Total Assets	1388935
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Sources of Funds

Paid-up Share capital	243354	Reserves & Surplus	1053117
Secured Loans	2464	Unsecured Loans	90000

Application of Funds

Net Fixed Assets	9141	Investments	1268929
Net Current Assets	-326386	Miscellaneous Expenditure	NIL
Accumulated losses	437251		

IV. Performance of the Company

(Rs. '000)

Total Turnover	52267	Total Expenditure	84422
Profit/Loss Before Tax	-32155	Profit/Loss After Tax	-33682
Earnings per share (Rs.)			
– Basic	-1.39		
– Diluted	-1.39		
– Dividend rate (%)	NIL		

V. Generic names of principal Products/Services of Company (as per monetary terms)

Item Code	N.A.
Product Description	Investments



HB STOCKHOLDINGS LIMITED

AUDITORS' REPORT

The Board of Directors of HB STOCKHOLDINGS LIMITED

Report on the Consolidated Financial Statements of HB Stockholdings Ltd. and its Subsidiaries.

We have audited the attached Consolidated Balance Sheet of HB Stockholdings Ltd. and its two subsidiaries as at 31st March, 2009 and the Consolidated Profit & Loss Account and Consolidated Cash Flow Statement for the year than ended annexed thereto.

These Consolidated financial statements are the responsibility of the HB Stockholdings Ltd.'s Management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of Mount Finance Ltd. Subsidiary of the company which have been audited by other Auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on the report of the auditor.

The financial statements of two associates companies are unaudited and our opinion in so far as it relates to the amounts included in respect of these two associates companies is based solely on the management certified financial statements(also refer note no.2 of schedule 12).

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS)21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for investments in associates in consolidated financial statements notified pursuant to Companies (Accounting Standard) Rules, 2006.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of HB Stockholdings Ltd. and its aforesaid two subsidiaries and on the other financial information of the components, we are of the opinion that the said consolidated financial statements give a true & fair view in conformity with the Accounting principles generally accepted in India:-

- In the case of Consolidated Balance Sheet of the consolidated state of affairs as at 31st March, 2009 and
- In the case of Consolidated Profit & Loss Account of the consolidated results of operations for the year ended on that date and
- In the case of Consolidated Cash Flow Statement, of the Consolidated Cash Flow for the year ended on that date.

For P. BHOLUSARIA & CO.
Chartered Accountants

Amit Goel
Partner

(Membership No. 92648)

Place : Gurgaon
Date : 29th May, 2009

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedules	As at 31st March, 2009 (In Rs.)	As at 31st March, 2008 (In Rs.)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	243353823.00	243353823.00
Reserves & Surplus	2	1053117486.45	1053117486.45
		<u>1296471309.45</u>	<u>1296471309.45</u>
LOAN FUNDS			
Secured Loans	3	2463874.31	152091916.72
Unsecured Loans		90000000.00	60000000.00
		<u>92463874.31</u>	<u>212091916.72</u>
Total		<u>1388935183.76</u>	<u>1508563226.17</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	26122226.12	24734419.13
Less : Depreciation		13088927.34	11933894.54
Net Block		<u>13033298.78</u>	<u>12800524.59</u>
INVESTMENTS			
- In Associates	5	232084778.86	260217778.00
- In others		1268648095.35	1363612356.00
		<u>1500732874.21</u>	<u>1623830134.00</u>
CURRENT ASSETS, LOANS & ADVANCES			
Sundry Debtors	6	0.00	227128.45
Cash & Bank Balances		15144507.76	9037153.69
Loans and Advances		176311152.34	79343090.30
		<u>191455660.10</u>	<u>88607372.44</u>
LESS : CURRENT LIABILITIES & PROVISIONS			
Liabilities	7	54129976.63	76424936.84
Provisions		583568467.16	397711145.60
		<u>637698443.79</u>	<u>474136082.44</u>
NET CURRENT ASSETS		<u>(446242783.69)</u>	<u>(385528710.00)</u>
PROFIT & LOSS ACCOUNT			
(As per annexed Account)		321411794.46	257461277.58
Total		<u>1388935183.76</u>	<u>1508563226.17</u>
SIGNIFICANT ACCOUNTING POLICIES			
	11		
NOTES ON ACCOUNTS			
	12		

As per our Report of even date

For P. Bholusaria & Co.
Chartered Accountants

Amit Goel
Partner

Anil Kumar Mittal
Company Secretary

For and on behalf of the Board

Lalit Bhasin
Chairman

Vijay Sood
Managing Director

Place : Gurgaon
Date : 29th May, 2009

Mahesh Kumar Gupta
Chief Financial Officer

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedules	Year Ended 31st March, 2009 (In Rs.)	Year Ended 31st March, 2008 (In Rs.)
INCOME			
Income from Operations & Other Income	8	49823630.34	153004840.34
Total		<u>49823630.34</u>	<u>153004840.34</u>
EXPENDITURE			
Administrative & Other Expenses	9	42511440.35	35688493.59
Interest & Financial Charges	10	40818073.57	9404547.64
Depreciation		1411660.16	1206642.59
Total		<u>84741174.08</u>	<u>46299683.82</u>
Profit/(Loss) for the year before Taxation		<u>(34917543.74)</u>	106705156.52
Provision for Taxation			
- Current		—	(11000000.00)
- Deferred		—	—
- Fringe Benefit		(330000.00)	(225000.00)
- Tax adjustments for earlier year		(598685.00)	(53437.00)
Profit/(Loss) for the year after Taxation		<u>(35846228.74)</u>	95426719.52
Share of (Loss)/Profit in Associates		<u>(28132999.14)</u>	76879878.00
(-) Transferred to Statutory Reserve Fund		—	(21619523.00)
- Effect of earlier period on account of Accounting Standard-15 (refer note no.9(a))		28711.00	(721971.00)
Balance brought forward from last year		<u>(257461277.58)</u>	<u>(407426381.10)</u>
Balance carried to Balance Sheet		<u>(321411794.46)</u>	<u>(257461277.58)</u>
Earning per Share(in Rs.)			
- Basic		(2.69)	7.24
- Diluted		(2.69)	6.78
SIGNIFICANT ACCOUNTING POLICIES			
	11		
NOTES ON ACCOUNTS			
	12		

As per our Report of even date

For P. Bholusaria & Co.
Chartered Accountants

Amit Goel
Partner

Anil Kumar Mittal
Company Secretary

For and on behalf of the Board

Lalit Bhasin
Chairman

Vijay Sood
Managing Director

Place : Gurgaon
Date : 29th May, 2009

Mahesh Kumar Gupta
Chief Financial Officer



HB STOCKHOLDINGS LIMITED

SCHEDULE '1' : SHARE CAPITAL

	As at 31st March, 2009 (In Rs.)	As at 31st March, 2008 (In Rs.)
AUTHORISED CAPITAL		
7,00,00,000 Equity Shares of Rs.10/- each	700000000.00	700000000.00
3,00,00,000 Redeemable Preference Shares of Rs.10/- each.	300000000.00	300000000.00
	1000000000.00	1000000000.00
ISSUED		
2,54,43,257 Equity shares of Rs.10/- each.	254432570.00	254432570.00
	254432570.00	254432570.00
SUBSCRIBED AND PAIDUP		
2,37,92,218 (previous year 2,37,92,163) Equity shares of Rs.10/- each Fully Paid up	237922180.00	237921630.00
	237922180.00	237921630.00
Add : Forfeited Shares {16,51,039 Equity Shares (previous year 16,51,094)} (Amount originally paid up)	5431643.00	5432193.00
	243353823.00	243353823.00

SCHEDULE '2' : RESERVES AND SURPLUS

(A) SHARE PREMIUM ACCOUNT		
As per Last Account	999689069.00	998869038.22
Add : Recovery of Allotment Money during the year	—	820030.78
Total-(A)	999689069.00	999689069.00

SCHEDULE '4' : FIXED ASSETS

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening As at 01.04.2008 (In Rs.)	Addition during the year (In Rs.)	Deduction during the year (In Rs.)	Total As at 31.03.2009 (In Rs.)	Upto 31.03.2008 (In Rs.)	For the year (In Rs.)	Adjustments (In Rs.)	Total upto 31.03.2009 (In Rs.)	As at 31.03.2009 (In Rs.)	As at 31.03.2008 (In Rs.)
Office Premises	4823385.00			4823385.00	1183170.70	78621.18		1261791.88	3561593.12	3640214.30
Office Equipment	2163165.83	23625.00	—	2186790.83	1001714.94	103482.10	—	1105197.04	1081593.79	1161450.89
Vehicles	5720524.22	1983090.00	694848.01	7008766.21	1627097.90	642117.79	256627.36	2012588.33	4996177.88	4093426.32
Furniture & Fixture	7675738.08		—	7675738.08	4567525.86	485874.22	—	5053400.08	2622338.00	3108212.22
Data Processing Machinery	3327756.00	38252.00	—	3366008.00	3093355.47	52671.25	—	3146026.72	219981.28	234400.53
Air Conditioners	958890.00	37688.00	—	996578.00	415548.94	45808.02	—	461356.96	535221.04	543341.06
Generator Set	64960.00	—	—	64960.00	45480.73	3085.60	—	48566.33	16393.67	19479.27
Total	24734419.13	2082655.00	694848.01	26122226.12	11933894.54	1411660.16	256627.36	13088927.34	13033298.79	12800524.59
Previous Year	23294091.13	1440328.00	—	24734419.13	10727251.95	1206642.59	—	11933894.54	12800524.59	12566839.18

SCHEDULE '5' : INVESTMENTS

Name of the Company	Face Value (In Rs.)	Balance as at 31st March, 2009		Balance as at 31st March, 2008	
		Qty.(Nos.)	Amount (In Rs.)	Qty.(Nos.)	Amount (In Rs.)
(1) In Associates					
UNQUOTED(NON -TRADE) FULLY PAID-UP EQUITY SHARE					
TAURUS ASSET MANAGEMENT CO LIMITED.	10	2525000		2525000	
Cost of acquisition			18634750.00		18634750.00
Add / (Less) : Group Share of Profits/(Losses) upto 31.03.2009			361397.00		19968965.00
		2525000	18996147.00	2525000	38603715.00
PISCES PORTFOLIOS PVT. LIMITED.	10	2290000		2290000	
Cost of acquisition			24900000.00		24900000.00
Add / (Less) : Group Share of Profits/(Losses) upto 31.03.2009			188188631.86		196714063.00
		2290000	213088631.86	2290000	221614063.00
Total-(1)		4815000	232084778.86	4815000	260217778.00
(2) In Others					
(A) CURRENT INVESTMENTS TRADE					
QUOTED FULLY PAID UP EQUITY SHARES					
ABC PAPER LIMITED	10	800	11200.00	800	11200.00
ABAN OFFSHORE LIMITED	2	200	522480.00		
AHLWALIA CONTRACTS (INDIA) LIMITED	2	84950	17697316.19	84950	17697316.19
AHLCON PARENTAL LIMITED	2	775	47945.00	775	47945.00
AMRIT BANASPATI COMPANY LIMITED	10	400	5600.00	400	5600.00
AMRIT CORP. LIMITED	10	400	5600.00	400	5600.00
ANSAL BUILDWELL LIMITED	10	0	0.00	20000	2556620.15
ARVIND LIQUID GASES LIMITED	10	10000	182500.00	10000	182500.00
ASHOK LEYLAND LIMITED	1	200	7602.83	200	7602.83
BHARAT HOTELS LIMITED	10	300	6751.76	300	6751.76
CAMBRIDGE SOLUTION LIMITED	10	4197	288867.22		
CEAT LIMITED	10	0	0.00	112	4481.66
CENTURY TEXTILES LIMITED	10	2500	2728726.36	2500	2728726.36
CH INVESTMENTS LIMITED	10	37	1493.89		
CIBA SPECIALITY LIMITED	10	50	500.00	50	500.00

(B) INVESTMENT ALLOWANCE RESERVE

(UTILISED) ACCOUNT		
As per Last Account	477000.00	477000.00
Total-(B)	477000.00	477000.00

(C) STATUTORY RESERVE FUND (*)

As per last Account	52951417.45	31331894.45
Add: Transferred from Profit & Loss Account	0.00	21619523.00
Total-(C)	52951417.45	52951417.45
Total (A+B+C)	1053117486.45	1053117486.45

(*) Created pursuant to The Reserve Bank of India(Amendment) Act,1997.

SCHEDULE '3' : LOAN FUNDS

(A) SECURED LOAN		
From Body Corporate (Against pledge of securities)	0.00	150000000.00
From Banks (secured by hypothecation of vehicles financed) (repayable with in a year Rs.14,54,364/-, Previous year Rs.830456/-)	2463874.31	2091916.72
Total-A	2463874.31	152091916.72
(B) UNSECURED LOAN		
From Body Corporate	90000000.00	60000000.00
Total-B	90000000.00	60000000.00
Total (A+B)	92463874.31	212091916.72



HB STOCKHOLDINGS LIMITED

Name of the Company	Face Value (In Rs.)	Balance as at 31st March, 2009		Balance as at 31st March, 2008	
		Qty.(Nos.)	Amount (In Rs.)	Qty.(Nos.)	Amount (In Rs.)
COMPACT DISC INDIA LIMITED	10	28926	668598.72	40000	924564.36
DCM SHRIRAM CONSOLIDATED LIMITED	10	72845	7202668.38	72845	7202668.38
DESIGN AUTO SYSTEMS LIMITED	10	671400	3953866.50	671400	3953866.50
DIGITAL WORLD INDIA LIMITED	10	162400	3136228.37	162400	3136228.37
GSAL (INDIA) LIMITED.	10	8120	4060.00	8120	4060.00
GLAXO SMITH CONSUMERS LIMITED	10	5503	3371423.83		
HARYANA PETROCHEMICALS LIMITED	10	9050	212191.59	9050	212191.59
HB ESTATE DEVELOPERS LIMITED (*)	10	150000	1500000.00	150000	1500000.00
HB LEASING & FINANCE CO LIMITED	10	43200	1186049.57	43200	1186049.57
HB PORTFOLIO LIMITED (*)	10	100000	1000000.00	100000	1000000.00
HINDUSTAN ENGINEERING & INDUSTRIES LIMITED	10	0	0.00	3085	41999.15
HINDUSTAN OIL EXPLORATION COMPANY LIMITED	10	216	25683.73	449	35466.53
HOTLINE GLASS LIMITED	10	166382	552770.07	166382	552770.07
HOTLINE TELETUBE & COMPONENTS LIMITED	10	344400	9751268.09	344400	9751268.09
ICP SECURITIES LIMITED	10	1800	18000.00	1800	18000.00
ICICI BANK LIMITED	10	1000	585962.80		
INDIAN HOTELS LIMITED	1	0	0.00	5000	677876.65
ISPAT PROFILES INDIA LIMITED	10	10000	235020.00	10000	235020.00
JAI CORP. LIMITED	1	10074	10366167.29	10074	10366167.29
KIRAN OVERSEAS EXPORTS LIMITED	10	10000	335000.00	10000	335000.00
LCC INFOTECH LIMITED	2	56300	387984.18	56300	387984.18
LUNAR DIAMONDS LIMITED	10	21000	439065.00	21000	439065.00
MALANPUR STEEL LIMITED	10	10814	147220.41	10814	147220.41
MALWA COTTON SPINNING MILLS LIMITED	10	19300	2284158.97	19300	2284158.97
MAWANA SUGAR LIMITED	10	45773	7898348.42	45773	7898348.42
MEGA SOFT LIMITED	10	32500	3774848.02	32500	3774848.02
MICRO INKS LIMITED	10	26632	11614756.60	26632	11614756.60
MILKFOOD LIMITED	10	3800	34200.00	3800	34200.00
NAHAR POLYFILMS LIMITED	5	444	17643	88081	3499936.73
NAHAR CAPITAL & FINANCIAL SERVICES LIMITED	10	—	—	1618	182603.13
NAHAR SPINNING MILLS LIMITED	5	—	—	143482	14664121.60
NITTA GELATIN INDIA LIMITED	10	48415	1953389.51	48415	1953389.51
NIIT LIMITED	2	110000	15989272.23	115000	16716057.33
NUCHEM LIMITED	10	64755	168363.00	64755	168363.00
ORISSA EXTRUSIONS LIMITED	10	10728	21456.00	10728	21456.00
ORINTAL BANK OF COMMERCE	10	100	12745.00	—	—
ORKAY INDUSTRIES LIMITED	10	135650	3152052.50	135650	3152052.50
PARSVNATH DEVELOPERS LIMITED	10	81000	25774492.48	92545	33100721.80
PATHREJA FORGINGS LIMITED	10	1000	19325.51	1000	19325.51
PHOENIX INTERNATIONAL LIMITED	10	14400	900000.00	14400	900000.00
PILANI INVESTMENT & INDUSTRIES CORPORATION LTD	10	250	251006.25	250	251006.25
POLYCHEM LIMITED	10	125	501825.00	125	501825.00
PRISM MILLS LIMITED	10	10000	187500.00	10000	187500.00
PUNJAB WIRELESS LIMITED	10	100	6100.00	100	6100.00
RAMA VISION LIMITED	10	18300	553061.47	18300	553061.47
RELIANCE CAPITAL LIMITED	10	4	1909.99	4	1909.99
RELIANCE COMMUNICATIONS LIMITED	5	5085	2772214.88	85	41183.15
RELIANCE INDUSTRIES LIMITED	10	2085	4691044.17	85	95004.54
SAJJAN UDYOG EXPORTS LIMITED	10	23600	590000.00	23600	590000.00
SAVANI FINANCIALS LIMITED	10	7000	140000.00	7000	140000.00
SHREYANS INDUSTRIES LIMITED	10	5600	96872.57	5600	96872.57
SRI VASAVI INDUSTRIES LIMITED	10	10890	584631.48	10890	584631.48
STI GRANITE INDIA LIMITED	10	2000	34000.00	2000	34000.00
SUBEX LIMITED	10	25161	14414392.45	25161	14414392.45
THERMAX LIMITED	2	2000	77214.58	2000	77214.58
UFLEX LIMITED	10	85772	17093858.20	170227	33925246.00
UNIMERS INDIA LIMITED	10	1732	444464.00	1732	444464.00
UNITECH LIMITED	2	642072	246879007.26	642072	246879007.26
UNIVERSAL PRIME ALUMINIUM LIMITED	10	23820	868067.16	23820	868067.16
U P HOTELS LIMITED	10	1900	136630.42	1900	136630.42
USHA INTERNATIONAL LIMITED	10	30052	934732.60	6830	934732.60
		3480284	431459395.03	3812266	466109498.13
UNQUOTED FULLY PAID UP EQUITY SHARES					
CHI INVESTMENTS LTD	10	0	0.00	37	1493.89
KESORAM TEXTILE LIMITED	10	172	4161.48	172	4161.48
		172	4161.48	209	5655.37
UNQUOTED PARTLY PAID UP EQUITY SHARES					
RATHI ALLOYS & STEELS LIMITED	10	46293	694395.00	46293	694395.00
		46293	694395.00	46293	694395.00
UNQUOTED FULLY PAID UP DEBENTURES					
HDC LIMITED 14% PCD IX-SERIES	50	440	17600.00	440	17600.00
SHREYANS INDUSTRIES LIMITED 14% NCD	100	1120	112000.00	1120	112000.00
		1560	129600.00	1560	129600.00
TOTAL- (A)		3528309	432287551.51	3860328	466939148.50
B) LONG TERM INVESTMENTS					
QUOTED (TRADE) FULLY PAID UP EQUITY SHARE					
BELL CERAMICS LIMITED	10	913685	18403229.18	913685	18403229.18
CHEMPLAST SANMA LIMITED	1	78426	641832.01	500000	4091959.38
CROMPTON GREAVES LIMITED	2	35000	1353835.30	35000	1353835.30
DCM SHRIRAM INDUSTRIES LIMITED	10	4189941	473993067.64	3704808	412901415.94
GREAVES COTTON LIMITED	10	83000	28225970.16	83000	28225970.16
JAIPRAKASH ASSOCIATES LIMITED	2	9849859	77775328.41	12899550	101855949.17
JAYPEE HOTEL LIMITED	10	23219	40695278.91	215373	40194143.08
MAWANA SUGAR LIMITED	10	60491	15994478.04	60491	15994478.04
ORISSA SPONGE IRON & STEEL LIMITED	10	—	—	176654	93472842.77
PVP VENTURES LIMITED	10	35694	5182123.56	36740	5333983.85
RRB SECURITIES LIMITED *	10	100000	1000000.00	100000	1000000.00
VENKAT PHARMA LIMITED	10	41790	2124442.63	41790	2124442.63
		15611105	674389585.84	18767091	733952249.50



Name of the Company	Face Value (In Rs.)	Balance as at 31st March, 2009		Balance as at 31st March, 2008	
		Qty.(Nos.)	Amount (In Rs.)	Qty.(Nos.)	Amount (In Rs.)
QUOTED (NON TRADE) FULLY PAID UP EQUITY SHARE					
ELCOT POWER CONTROL LIMITED	10	500	37500.00	500	37500.00
MALWA COTTON SPINNING MILLS LIMITED	10	50000	32500000.00	50000	32500000.00
NAHAR SPINNING MILLS LIMITED	5	15000	11437500.00	15000	11437500.00
NAHAR CAPITAL & FINANCIAL SERVICES LIMITED	10	15000	11437500.00	15000	11437500.00
PHOENIX INTERNATIONAL LIMITED	10	17200	6106000.00	17200	6106000.00
RATAN VANASPATI LIMITED	10	400000	7600000.00	400000	7600000.00
RRB SECURITIES LIMITED *	10	62600	6260000.00	62600	6260000.00
		560300	75378500.00	560300	75378500.00
UNQUOTED (NON -TRADE) FULLY PAID-UP EQUITY SHARE					
ASSOCIATED INFOTECH LIMITED	10	600000	45000000.00	600000	45000000.00
JAIPUR STOCK EXCHANGE LIMITED	10	324500	5841000.00	324500	5841000.00
TAURUS INVESTMENT TRUST CO LIMITED	10	15430	155458.00	15430	155458.00
FINCAP FINANCIAL CORPORATION LIMITED	10	125000	1250000.00	125000	1250000.00
HB TELECOMMUNICATION LIMITED	10	100	1000.00	100	1000.00
HB INSURANCE ADVISORS LIMITED	10	15000	150000.00	15000	150000.00
HARSAI INVESTMENTS LIMITED	10	200000	2000000.00	200000	2000000.00
Q R PROPERTIES PVT LIMITED	10	4500	45000.00	4500	45000.00
SOVIKA INFOTEK LIMITED	10	400000	12000000.00	400000	12000000.00
UNQUOTED (NON -TRADE) FULLY PAID-UP REDEEMABLE PREFERENCE SHARE					
HB GROWTH FUND LIMITED (2% NON CUMULATIVE)	10	50000	500000.00	50000	500000.00
HB SECURITIES LIMITED (*) (6% CUMULATIVE)	1000	10000	1000000.00	10000	1000000.00
HB TELECOMMUNICATION LIMITED (2% NON CUMULATIVE)	10	40000	400000.00	40000	400000.00
UNQUOTED(NON -TRADE) -EQUITY SHARE APPLICATION					
CORE TELECOM PRIVATE LIMITED	10	850000	8500000.00	850000	8500000.00
FALCON PORTFOLIO PRIVATE LIMITED.	10	75000	750000.00	150000	1500000.00
TOTAL- (B)		18880935	836360543.84	22111921.00	896673207.50
TOTAL- (A+B)		22409244	1268648095.35	25972249	1363612356.00
TOTAL- (1+2)		27224244	1500732874.21	30787249	1623830134.00

NOTES:

- Aggregate Cost of Quoted Investments Rs. 118,24,77,481/- (Previous Year Rs.127,66,90,248/-)
- Market Value of Quoted Investments Rs.114,43,91,272/-(Previous Year Rs.378,30,16,612/-)
- Shares costing Rs.37,39,39,946/-(Previous year Rs.29,53,74,141/-) were lying pledged/given as margin as at the year end.
- Companies under the same management.

SCHEDULE '6' : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31st March, 2009 (In Rs.)	As at 31st March, 2008 (In Rs.)
A. CURRENT ASSETS		
(a) Sundry Debtors (Unsecured considered good unless otherwise stated) Considered Good:-		
- Outstanding exceeding six months	—	—
- Others	0.00	227128.45
(b) Cash & Bank Balance		
Cash in hand	213992.90	194803.90
(As certified by the Management)		
Balance with Scheduled Banks		
- In Current Accounts (including Nil (previous year Rs. 4200000/-) in Escrow Account)	14930514.86	8842349.79
Total 'A'	15144507.76	9264282.14
B. LOANS AND ADVANCES		
(Unsecured, Considered good, unless otherwise stated)		
(a) Inter Corporate Deposit	10928079.00	10930629.00
(including interest receivable Rs.9,28,079/- (previous year Rs 930629/-)- Standard		
(b) Dividend Receivable	0.00	159792.00
(c) Advances Recoverable in cash or in kind or for value to be received-Standard	117760290.98	2869436.33
(d) Advance Tax & Tax Deducted at Source	12466158.40	23718950.40
(e) Security Deposits with Govt. Department and others (including margin Deposit paid)	35156623.96	41664282.57
Total 'B'	176311152.34	79343090.30
Total 'A' + 'B'	191455660.10	88607372.44

SCHEDULE '7': CURRENT LIABILITIES AND PROVISIONS

(A) CURRENT LIABILITIES		
i) Sundry Creditors		
- Due to Micro and Small Enterprises	—	—
- Others	675581.63	2114152.84
ii) Advance received.	50000000.00	70000000.00
iii) Other Liabilities	1694222.00	1344000.00
iv) Interest accrued but not due on loan	1760173.00	2966784.00
Total-A	54129976.63	76424936.84

SCHEDULE '7': CURRENT LIABILITIES AND PROVISIONS (Contd...)

	As at 31st March, 2009 (In Rs.)	As at 31st March, 2008 (In Rs.)
(B) PROVISIONS		
i) For Income Tax	0.00	11000000.00
ii) For Fringe Benefit Tax	330000.00	225000.00
iii) For Gratuity	454533.00	378160.00
iv) For Leave Encashment	1235810.00	1180270.00
v) For Diminution in value of Investments	581442971.47	384927715.60
vi) For Loss on Equity Derivative Instruments	105152.69	0.00
Total-B	583568467.16	397711145.60
Total-(A+B)	637698443.79	474136082.44

SCHEDULE '8' : INCOME FROM OPERATIONS & OTHER INCOME

	Year Ended 31st March, 2009 (In Rs.)	Year Ended 31st March, 2008 (In Rs.)
Profit/(Loss)(Net) in Securities dealing/ Equity derivative trading	(143825977.92)	(34241748.17)
Interest Income :-		
- On Fixed Deposits with banks (Tax deducted at source Rs. Nil/- (Previous Year Rs.29,965/-)	0.00	145465.12
- On Inter corporate Deposit (Tax Deducted at Source Rs.2,72,121/- (Previous Year Rs.18,33,412/-)	1200000.00	8090958.00
- On Margin Funding (Gross, TDS Rs. Nil)	0.00	755671.00
- On Others (Tax deducted at source Rs.16,347/- (Previous year Rs. Nil))	79356.27	—
- On Allotment Money received	1000.00	996956.53
Profit on sale of Fixed Assets	21779.35	—
Net Gain on sale of Investments	374553160.87	251476843.87
Provision for diminution in value of Investments	(196515255.87)	(93133280.48)
Dividend Income (Gross)		
Tax deducted at source Rs. Nil	14309567.64	18913974.47
Total	49823630.34	153004840.34



HB STOCKHOLDINGS LIMITED

SCHEDULE '9' : ADMINISTRATIVE & OTHER EXPENSES

	Year Ended 31st March, 2009 (In Rs.)	Year Ended 31st March, 2008 (In Rs.)
Salaries & Benefits	6923283.00	2303742.00
Managerial Remuneration	9287354.00	9215191.00
Contribution to Provident Fund & other funds	687411.00	534810.00
Directors Sitting Fees	488000.00	446000.00
Listing Fees	115823.00	76500.00
Travelling & Conveyance	2129428.51	1938934.45
Communication	271566.08	338170.13
Postage	3478486.80	1046640.90
Printing & Stationery	1341799.00	623394.00
Office Repairs and Maintenance	336025.40	547751.40
Vehicle running & maintenance	717644.00	525954.00
Rent/Facility Charges	1614373.00	1979409.00
Insurance	70830.00	52451.90
Depository & Custodial	734897.75	617410.23
Subscription & Membership	1906102.93	285818.65
Legal & Professional	10449750.00	8333148.00
Advertisement	161093.00	373414.00
Business Promotion	566805.37	414949.94
Miscellaneous	365989.51	181800.58
Bad & Doubtful Assets Written Off	0.00	1776057.69
Staff welfare	130620.00	127339.00
Securities Transaction Tax	560327.00	3780710.72
Auditor's Remuneration		
- Audit Fees	110785.00	112563.00
- Tax Audit Fees	27575.00	28090.00
- Certification & Others	35471.00	28243.00
	173831.00	168896.00
Total	42511440.35	35688493.59

SCHEDULE '10' : INTEREST & FINANCIAL CHARGES

On Vehicle Financed from banks	303214.59	179616.64
On Loan from Body Corporates	36421682.48	9224931.00
On Margin Financing	4093176.50	—
Total	40818073.57	9404547.64

SCHEDULE - 11 : SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

Annexed to and forming part of the statement of Accounts for the Year ended 31st March, 2009

(A) PRINCIPLES OF CONSOLIDATION

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

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

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

(C) OTHER SIGNIFICANT ACCOUNTING POLICY

These are set out under "Significant Accounting Policies" as given in the Financial Statements of HB Stockholdings Ltd. Ltd. and its subsidiaries HB Prima Capital Ltd. and Mount Finance Ltd.

SCHEDULE 12 : NOTES ON CONSOLIDATED ACCOUNTS

Annexed to and forming part of Statement of Accounts for the Year ended 31st March,2009

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

Name of Company	Country of Incorporation	Proportion of ownership interest and relationship	Financial Year
HB Prima Capital Ltd.	India	100% subsidiary of HB Stockholding Ltd.	31.03.2009
Mount Finance Ltd.	India	100% subsidiary of HB Stockholding Ltd.	31.03.2009

The parent company HB Stockholdings Ltd. is making provision towards diminution in the value of Investments by charging the said amount to the profit & loss account and correspondingly crediting provisions under the head' Current Liabilities & Provisions. The Subsidiary HB Prima Capital Ltd. on other hand is not making such provisions, however in preparing these consolidated financial statements uniform policy is followed and provision for diminution is being made for all investments including those held by subsidiary company.

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

S No.	Name of Associates Company	Country of Incorporation	Proportion of ownership interest
(i)	Taurus Asset Management Co. Ltd. (*)	India	20.11%
(ii)	Pisces Portfolios Private Limited(*)	India	27.26%

(*)Valuation done on the basis of available unaudited, management certified financial statements for year ended 31.03.2009.

- Contingent Liability in respect of:**

Income Tax demand disputed Rs.95.35 Lacs (Previous year Rs.80.53 Lacs) 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. The company has also filed various rectification applications. Moreover substantial refund due to the company for various years are pending adjustment against the aforesaid demand. Once the aforesaid rectification applications are disposed off and refund due to the company are adjusted, there will be no demand outstanding payable.

- In the opinion of the management, current assets, loans and advances are approximately of the value stated, if realised, in the ordinary course of the business.

- Disclosure pursuant to Accounting Standard AS-19 for Leases
Operating Lease

a) Particulars of the minimum lease payments under Operating Lease:-

- Not Later than One year Rs. 11,85,240/- (Prev. Year Rs.1063720/-)
- Later than one year but not Later than five years Rs. 14,01,240/- (Prev. Year Rs.967692/-)
- Later than five years Rs. Nil (Previous Year NIL)

b) Minimum lease payments recognised in the statement of profit & loss account during the year ended 31st March, 2009 is Rs. 16,14,373/- (Previous Year Rs19,79,409/-).

c) General description of the lease arrangement.

- The lease is for an initial period of 3 years, which may be renewal for further period as may be mutually agreed upon.
- Restrictions imposed by lease arrangement:-
 - The Lessee shall not sublet or otherwise part with possession of a part or whole of the premise without the previous consent in writing of the lessor.
 - The lessee shall use the premises for commercial purposes only.
 - The lease can be terminated by the lessee by serving three months notice to the lessor in respect of one agreement and one month notice in respect of second agreement.

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

- Disclosure of related party transaction in accordance with the Accounting Standard (AS-18) "Related Party Disclosures" as per Annexure attached.

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

Particulars	Current Year (Amount Rs.)	Previous Year (Amount Rs.)
Net Profit/(Loss) for the year as per Profit & Loss Account after Tax	(3,58,46,229)	9,54,26,720
Share of Profit/(Loss) of Associates	(2,81,32,999)	7,68,79,878
Net Profit/(Loss) available for Equity Share holders	(6,39,79,228)	17,23,06,598
Basic Earning Per Share (Face value of Rs.10 each)		
Weighted Average Nos. of Equity Share Outstanding	2,37,92,218	2,37,92,163
Earning per share(Rs.)	(2.69)	7.24
Diluted Earning per share (Face Value of Rs.10/- each.)		
Weighted Average Nos. of Equity Share Outstanding	2,37,92,218	2,53,98,145
Earning per share(Rs.)	(2.69)	6.78



9. Disclosure pursuant to Accounting Standard - 15

a) The company has adjusted Rs.28,711(previous year Rs. 7,21,971/-) below the line in Profit & Loss Account towards the earlier years effect of defined benefit obligation in respect of employee benefits.

b) Defined Contribution Plan

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

Particulars	Current Year Amount(Rs.)	Previous Year Amount(Rs.)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	5,46,689/-	2,58,829/-	Managerial Remuneration Rs.1,08,000/-(previous year Rs.1,10,500/-, contribution to Provident Fund & other fund Rs.4,38,689/-(previous year Rs.1,48,329/-.
Contribution to superannuation fund	1,35,000/-	1,35,000/-	Managerial Remuneration

c) Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	10,97,838/-	4,62,007/-	11,80,270/-	1,21,271/-
Adjustment for increase (decrease) in opening obligation (B)	(28,711/-)	2,05,300/-	Nil	5,16,671/-
Interest Cost (C)	85,530/-	53,385/-	94,422/-	51,035/-
Current service cost (D)	2,38,148/-	1,31,247/-	1,09,042/-	2,53,383/-
Benefits paid (E)	Nil	Nil	25,644/-	8,003/-
Actuarial loss/ (gain) on obligation (F)	(6,183)	2,45,899/-	(1,22,280/-)	2,45,913/-
Present value of obligations as at end of the year (G=A+B+C+D-E+F)	13,86,622/-	10,97,838/-	12,35,810/-	11,80,270/-

d) The amounts recognized in the balance sheet and Profit & loss account are as follows :

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	13,86,622/-	10,97,838/-	12,35,810/-	11,80,270/-
Estimated fair value of plan assets (B)	9,32,089/-	7,19,678/-	Nil	Nil
Net Liability (C=A-B)	4,54,533/-	3,78,160/-	12,35,810/-	11,80,270/-
Amounts in the Balance Sheet				
Liabilities	4,54,533/-	3,78,160/-	12,35,810/-	11,80,270/-
Amount charged to Profit & Loss Account				
Current Service Cost	2,38,148/-	1,31,247/-	1,09,042/-	2,53,383/-
Interest Cost	85,530/-	53,385/-	94,422/-	51,035/-
Expected Return on Plan Asset	(68,773)	(37,885)	Nil	Nil
Actuarial(Gain)/Loss	(6,183)	2,39,734/-	(1,22,280/-)	2,45,913/-
	2,48,772/-	3,86,481/-	81,184/-	5,50,331/-
Head under which shown in the Profit & Loss account	Contribution to Provident Fund and other Funds		Salary & benefits	

e) The Actual Return on Plan Assets is as follows :

Sr. No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Actual return on plan assets	68,773	44,050

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

Sr. No.	Particulars	Gratuity	
		Current Year	Previous Year
i)	Discount Rate	8%	8%
ii)	Expected Rate of Return on Plan Assets	9%	9%
iii)	Salary Escalation Rate	5%	5%

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

Sr. No.	Particulars	Gratuity	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	7,19,678	4,62,007/-
i)	Expected Return on Plan Assets	68,773/-	37,885/-
ii)	Actuarial Gains / (Losses)		6,165/-
iii)	Contribution by the Employer	1,43,638/-	2,13,621/-
iv)	Benefits Paid	Nil	Nil
	Closing Fair Value of Plan Assets	9,32,089	7,19,678/-

10. During the previous year, the company had forfeited Nil (Previous year 16,51,094/-) number of partly paid up equity shares (of the face value of Rs.10/- each) on which allotment money/calls were overdue, out of which forfeiture of 55 shares was annulled during the year.

11. Gain on Sale of Investments (Net) as shown in Profit & Loss Account includes Loss of Rs.2,07,36,324/-on Trade Current Investments in securities (Previous Year Gain Rs.2,25,71,309/-), Gain of Rs.20,88,47,484/- (Previous Year Rs.22,89,48,535/-) on Long Term Trade Investments in securities, Loss of Rs. Nil(previous year Rs.43000/-) on Long Term (Non-Trade) investments in securities and Gain of Rs.18,64,42,000/-(previous year Rs. Nil) on properties (current investment trade). Provision for diminution in value of Investments as shown in Profit & Loss Account include Rs.1,58,13,110/- (previous year Rs.95,60,241/-) on account of provision written back in respect of Long Term Investments in securities and Rs. 21,23,28,365/- provision made in respect of Current Investments in securities(Previous Year Rs.10,26,93,524/-).

12. Dividend Income includes Rs.92,33,961/- (Previous Year Rs.1,28,15,959/-) on Long Term Investments-Trade, Rs. 49,36,706/-(Previous year Rs. 59,29,115/-) on Current Investments-Trade and Rs.1,38,900/-(previous year Rs.1,68,900/-) on long term investments (non-trade).

13. Profit on sale of properties included in net gain on sale of investments as shown in the Profit & Loss Account represents profit earned on sale of space measuring 93,221 sq.ft. acquired during the year for Rs.3,72,88,400/- (previous year Rs. Nil).Loss for the year before consideration of this item is Rs.25,04,21,220/- (previous year Profit Rs.17,23,06,598/-) and loss for the year after consideration of this item is Rs.6,39,79,228/- (previous year Profit Rs. 17,23,06,598/-).

14. In the opinion of management no provision is required for diminution amounting to Rs.27,58,08,858/-(previous year Rs.38,90,613/-)in the value of Long term investment in DCM Shriram Industries Ltd. as the same is considered to be temporary.

15. Provision for diminution in value of Investments as shown in Balance Sheet includes Rs.21,63,69,497/-(Previous Year Rs. 23,21,82,607/-) on Long term Investments and Rs. 36,50,73,474/-(Previous Year Rs.15,27,45,109/-) on Current Investments

16. Previous Year figures have been regrouped/rearranged wherever considered necessary.

17. Schedules 1 to 12 form an integral part of the accounts.

As per our Report of even date

For P. Bholusaria & Co.
Chartered Accountants

Amit Goel
Partner

Anil Kumar Mittal
Company Secretary

For and on behalf of the Board

Lalit Bhasin
Chairman

Vijay Sood
Managing Director

Place : Gurgaon

Mahesh Kumar Gupta

Date : 29th May, 2009

Chief Financial Officer

ANNEXED REFERRED TO IN NOTE NO. 7 OF SCHEDULE 12 TO THE ACCOUNTS RELATED PARTY DISCLOSURES (AS IDENTIFIED BY MANAGEMENT AND RELIED UPON BY AUDITORS)

As per Accounting Standard (AS-18) on "Related Party Disclosures", the disclosure of transactions with the related party as defined in the Accounting Standard are given below:

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

- Key Managerial Personnel
 - Shri Vijay Sood, Managing Director
 - Shri J.M.L.Suri, Executive Director
 - Shri Anil Kumar Mittal ,Company Secretary
- Person having control/significant influence /major shareholders
 - Shri H C Bhasin (no transaction during the year)
 - Shri Lalit Bhasin
- Enterprise over where significant influence exist:-
 - Pisces Portfolios Private Limited
- Enterprises over which control/significant influence exist of the relatives of persons mentioned in(b) above :-
 - RRB Master Securities Delhi Ltd.
- Enterprises under direct or indirect common control/significant influence :-
 - HB Portfolio Ltd.
 - HB Estate Developers Ltd.
 - HB Securities Ltd.(Subsidiary of HB Portfolio Ltd.)
 - RRB Securities Ltd.

2. Transactions during the Year with Related Parties.

Sr. No.	Nature of Transaction	Related Party Referred in 1(a) above	Related Party Referred in 1(b) above	Related Party Referred in 1(c) above	Related Party referred in 1(d) above	Related Party referred in 1(e) above
1	Amount recovered against Loan & Advances	Nil (Nil)	Nil (Nil)	Nil Nil	Nil (Nil)	Nil (80000000)
2	Loan taken	Nil (Nil)	Nil (Nil)	Nil (85000000)	Nil (Nil)	90000000 (Nil)
3	Loan repaid	Nil (Nil)	Nil (Nil)	60000000 (25000000)	Nil (Nil)	Nil (Nil)
4	Interest paid	Nil (Nil)	Nil (Nil)	1347945 (77260)	Nil (Nil)	6369066 (Nil)
5	Loans & Advances given	Nil (Nil)	Nil (Nil)	Nil Nil	Nil (Nil)	Nil (80000000)
6	Security deposit Paid for premises on rent	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (34500000)
7	Rent/Facility Charges Paid	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	966213 (949949)
8	Margin Securities/Advances paid & received back	Nil (Nil)	Nil (Nil)	Nil (Nil)	43500000 (13000000)	85000000 (796000000)
9	Dividend Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	593900 (573900)
10	Sitting Fee Paid	Nil (Nil)	50000 (50000)	Nil (Nil)	Nil (Nil)	Nil (Nil)
11	Depository Charges	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	680424 (575821)
12	Interest Received	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (6890958)
13	Remuneration & Other Services	10062980 (9411576)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
14	Reimbursement of Expenses.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	378900 (1148700)
15	Purchase of Investment(inclusive of brokerage paid) through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	47032870 (139379438)	Nil (62609869)
16	Sale of Investment (inclusive of brokerage paid) through them	Nil (Nil)	Nil (Nil)	Nil (Nil)	313832476 (130784899)	13956 (30816323)
17	Net Turnover of Derivative Trading (inclusive of brokerage)	Nil (Nil)	Nil (Nil)	Nil (Nil)	19214899 (2464546)	107219373 (19422921)
18	Investments made in Preference Shares	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (10000000)
19	Outstanding as on 31.03.2009					
	- Payable in respect of loan & interest thereon	Nil (Nil)	Nil (Nil)	Nil (60059753)	Nil (Nil)	91760173 (Nil)
	- Receivables in respect of Current Assets, Loans & Advances.	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)	34500000 (39000000)



HB STOCKHOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Year Ended 31st March, 2009 (Amount in Rs. '000)	Year Ended 31st March, 2008 (Amount in Rs. '000)
A) CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit before tax and Extraordinary Items		106705
Net (Loss)/Profit before tax and Extraordinary Items	-34918	
Adjustment for :		
Depreciation	1412	1207
Net Gain on Sale of Investments/		
Provision made/w/back	-178038	-158387
Share of Profit/(Loss) in Associates	-28133	-76880
Profit on sale of Fixed Asset	-22	—
Bad and Doubtful Assets W/O	—	1284
Interest/Dividend	25228	-19499
Operating Profit/(Loss) before	—	—
Working Capital Changes	-214470	-145570
Adjustment for :		
Trade & other Receivables	-96741	-52648
Inventories	Nil	Nil
Trade Payables	-33493	65551
Cash Generated from operation	-344705	-132667
Interest Paid	-40818	-9405
Income tax paid	-599	-53
Fringe Benefit Tax	—	—
Cash Flow before extraordinary Items	-386121	-142125
Employee Benefits for earlier year	29	-722
Net Cash from Operation Activities	-386093	-142847
B) CASH FLOW FROM INVESTMENTS ACTIVITIES		
Purchase of Fixed Assets	-2083	-1440
Sale of Fixed Assets	460	—
Purchase of Investments	-1062841	-1721358
Sale of Investments	1532358	1589720
Interest Received	1280	9989
Dividend Received	14310	18914
Share of Profit/(Loss) in Associates	28133	76880
Net Cash used in Investing Activities	511618	-27295
C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital & Share Premium	—	187
Proceeds from Share Application Money & Share Premium	—	329
Proceeds from Borrowings	-119628	150315
Dividend Paid	—	—
Net Cash used in Financing Activities	-119628	150831
Net Increase in Cash & Cash Equivalents A+B+C	5897	-19311
Cash and Cash Equivalents (Opening Balance)	9037	28348
Cash and Cash Equivalents (Closing Balance)	15144	9037

As per our Report of even date

For P. Bholusaria & Co.
Chartered Accountants

Amit Goel
Partner

Anil Kumar Mittal
Company Secretary

For and on behalf of the Board

Lalit Bhasin Vijay Sood
Chairman Managing Director

Place : Gurgaon

Mahesh Kumar Gupta

Date : 29th May, 2009

Chief Financial Officer

Folio No.
(To be filled in by the Shareholder)
No. of Shares



HB STOCKHOLDINGS LIMITED PROXY FORM

I/We
of.....
being a member(s) of **HB STOCKHOLDINGS LTD.** hereby appoint.....
.....
of or failing
him/her of
as my/our proxy to attend and vote for me/us on my/our behalf at the 22nd Annual General Meeting of the Company to be held on 25th August, 2009 and
at any adjournment thereof. As witness my hand/our hands this day of 2009.

Client Id :
DP ID :

Signed by the Said :

15 Paise
Revenue
Stamp

NOTE : The Proxy must be deposited at the Registered Office of the Company at Plot No. 31, Echelon Institutional Area, Sector-32, Gurgaon - 122 001, Haryana not less than 48 hours before the time for holding the meeting.



HB STOCKHOLDINGS LIMITED ATTENDANCE SLIP

22ND ANNUAL GENERAL MEETING

Time : 10.30 A.M., Tuesday, 25th day of August, 2009
Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any.....

Father's/Husband's Name

Address in full.....

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

I/We hereby record my presence at the 22nd Annual General Meeting held on 25th August, 2009 at 10.30 A.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

Folio No. :

No. of Shares :

Client ID :

DP ID :

Signature

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

BOOK POST

If Undelivered please return to :-



HB STOCKHOLDINGS LIMITED

Plot No. 31, Echelon Institutional Area,
Sector-32, Gurgaon - 122 001, Haryana