



HB STOCKHOLDINGS LTD.

10th Floor, DCM Building, 16, Barakhamba Road, New Delhi-110001
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HBSL / 2006-07

May 19, 2006

The Executive Director
The Stock Exchange Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai-400001

REGD. POST

Dear Sir,

Sub: Forwarding of Audited Results for the year ended 31-03-2006 under Clause 41.

With reference to the subject captioned above, we are enclosing herewith the text of the Audited Financial Results of the Company for the year ended 31-March-2006 which was taken on record by the Board of Directors at the meeting held on May 19, 2006.

Please acknowledge the receipt.

Thanking you.

Yours faithfully,
FOR HB STOCKHOLDINGS LIMITED

SANTOSH KUMAR MENON
COMPANY SECRETARY

cc:

The Executive Director,
National Stock Exchange Assn. Ltd.,
Exchange Plaza, Bandra - Kurla
Bandra (East), Mumbai - 400 051.

HB STOCKHOLDINGS LIMITED

Registered Office: 199 Sector 7, Urban Estate, Gurgaon-122001
Website: www.hbstockholdings.com

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 2006

(Rs. in Lacs)

| Particulars | 9 months ended 31.12.05 (Unaudited) | Quarter Ended 31.03.06 (Unaudited) | Quarter Ended 31.03.05 (Unaudited) | Accounting Year ended (Audited) | | Consolidated figures for the year ended (Audited) | |
|--|---|--|--|---------------------------------|----------|---|----------|
| | | | | 31.03.06 | 31.03.05 | 31.03.06 | 31.03.05 |
| Income from Operations | 294.11 | 579.55 | 118.34 | 873.66 | 285.48 | 884.91 | 291.33 |
| Other Income | 0.30 | - | (0.41) | 0.30 | Nil | 0.30 | Nil |
| Provision for diminution in value of Investments(-)/ written back | 698.29 | (310.15) | (442.19) | 388.14 | (62.40) | (183.79) | (62.40) |
| Provision for Sub Standard & Doubtful debts written back | Nil | Nil | 49.52 | Nil | 49.52 | Nil | 49.52 |
| Total Expenditure | | | | | | | |
| a) Staff Cost | 17.77 | 5.23 | 6.10 | 23.00 | 22.72 | 23.00 | 22.72 |
| b) Legal & Professional Charges | 7.06 | 6.21 | 3.55 | 13.27 | 8.58 | 13.64 | 8.80 |
| c) Rent | 10.41 | 3.62 | 2.85 | 14.03 | 11.76 | 14.03 | 11.76 |
| d) Travelling & Conveyance | 7.32 | 7.04 | 1.24 | 14.36 | 10.27 | 14.36 | 10.27 |
| e) Others | 41.59 | 12.68 | 16.00 | 54.27 | 51.32 | 54.91 | 51.91 |
| Interest | 0.60 | 0.24 | 0.63 | 0.84 | 7.28 | 0.84 | 7.28 |
| Depreciation | 5.90 | 2.01 | 1.92 | 7.91 | 7.70 | 10.28 | 10.07 |
| Profit/(Loss) before Tax for the Year | 902.05 | 232.37 | (307.03) | 1134.42 | 152.97 | 570.36 | 155.64 |
| Provision for Taxation | | | | | | | |
| - Current | Nil | 55.00 | 3.00 | 55.00 | 3.00 | 55.70 | 3.00 |
| - Deferred credit/(charge) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| - Fringe Benefits Tax | 1.20 | 0.55 | Nil | 1.75 | Nil | 1.75 | Nil |
| Net Profit/(Loss) for the Year | 900.85 | 176.82 | (310.03) | 1077.67 | 149.97 | 512.91 | 152.64 |
| Prior Period adjustments | Nil | Nil | 5.86 | Nil | 4.04 | (0.23) | 3.84 |
| Income Tax for earlier years | (2.07) | Nil | Nil | (2.07) | Nil | (2.07) | Nil |
| Share of Profit of Associates | - | - | Nil | Nil | Nil | 926.77 | 426.33 |
| Total Profit/(Loss) | 898.78 | 176.82 | (304.17) | 1075.60 | 154.01 | 1437.38 | 582.81 |
| Paid up Equity Share Capital (face value Rs. 10/- per share) | 2431.66 | 2431.66 | 2431.66 | 2431.66 | 2431.66 | 2431.66 | 2431.66 |
| Reserves excluding Revaluation Reserve (net off debit balance in P & L A/c) | N.A. | N.A. | N.A. | 5252.25 | 4172.41 | 5980.40 | 4538.79 |
| Basic & Diluted Earning per Share (Rs.) | 3.53 | 0.69 | (1.20) | 4.23 | 0.61 | 5.65 | 2.29 |
| Aggregate of Non-promoter shareholding | | | | | | | |
| - Number of Shares | 13761474 | 13705186 | 14312890 | 13705186 | 14312890 | | |
| - % of shareholding | 54.09 | 53.86 | 56.25 | 53.86 | 56.25 | | |

Notes:

1. Previous year figures have been regrouped/rearranged wherever considered necessary.
2. In order to comply with the requirements under Accounting Standards AS-13 issued by The Institute of Chartered Accountants of India, the company has changed the method of valuation of Long Term Investments from FIFO basis to Weighted Average method. As a result of this change, the profit for the year ended 31-03-2006 is lower by Rs. 16.85 lakhs.
3. The company is mainly engaged in the business of sale/purchase of securities and all other activities are incidental to/revolve around the main business and therefore there are no separate reportable segments as per the Accounting Standard (AS-17) on Segment Reporting issued by ICAI.
4. The consolidated figures include accounts of the company's subsidiaries viz. HB Prima Capital Ltd. and Mount Finance Limited as per Accounting Standards on Consolidated Financial Statements issued by ICAI.

5. The company has brought forward losses as per Tax laws. Therefore, credit for Deferred Tax Assets is not recognised in the absence of virtual certainty about its realisation in future.
6. As informed by Company's Registrar and Share Transfer Agents no investor complaints were pending during the beginning of the quarter (ended 31.03.06) and 55 complaints were received during the quarter and the same have been redressed.
7. The Annual Financial Statements were reviewed by the Audit Committee before the approval by the Board and its Audit. The text of this Results was taken on record by the Board of Directors of the Company at their meeting held on May 19, 2006.

For HB STOCKHOLDINGS LIMITED

Place: New Delhi
Date: 19th May, 2006

SD/-
J.M.L. Suri
Executive Director