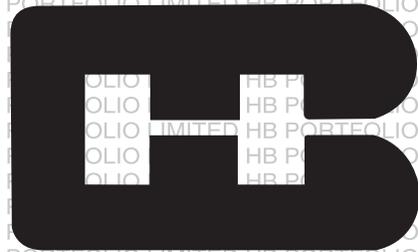


25th  
Annual Report  
2019 - 20



**HB PORTFOLIO LIMITED**



**BOARD OF DIRECTORS**

Mr. Lalit Bhasin	Chairman
Mr. Anil Goyal	Managing Director
Mr. J.M.L. Suri	Director
Mr. R. K. Bhargava	Director
Mr. R. C. Sharma	Director
Mr. Harbans Lal	Director
Mrs. Anita Jain	Director

**COMPANY SECRETARY**

Mr. Dinesh Kapoor

**CHIEF FINANCIAL OFFICER**

Mr. Himanshu Kansal

**STATUTORY AUDITORS**

**G. C. Agarwal & Associates**

**Firm Registration No.: 017851N**

Chartered Accountants

240, Ghalib Appartments

Parwana Road, Pitampura,

Delhi - 110 034

**REGISTERED OFFICE**

Plot No. 31, Echelon Institutional Area,  
Sector-32, Gurugram - 122 001, Haryana  
Ph : 0124-4675500, Fax : 0124-4370985  
Email : corporate@hbportfolio.com  
CIN: L67120HR1994PLC034148

**WEBSITE**

www.hbportfolio.com

**REGISTRAR & SHARE TRANSFER AGENT**

**RCMC Share Registry Pvt. Ltd.**

**CIN: U67120DL1950PTC601854**

B-25/1, First Floor

Okhla Industrial Area Phase-II

New Delhi - 110020

Ph : 011-26387320, 26387321

Fax : 011-26387322

E-mail: investor.services@rcmcdelhi.com

Website: www.rcmcdelhi.com

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 25<sup>TH</sup> ANNUAL GENERAL MEETING OF HB PORTFOLIO LIMITED WILL BE HELD ON TUESDAY, 29<sup>TH</sup> SEPTEMBER, 2020, AT 11.00 A.M. THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:

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

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

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

**2. RE-APPOINTMENT OF MR. JAG MOHAN LAL SURI (DIN: 00002373), DIRECTOR WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.**

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

"RESOLVED THAT pursuant to Section 152(6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Jag Mohan Lal Suri (DIN: 00002373), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

### SPECIAL BUSINESS:

**3. APPROVAL OF REMUNERATION OF MR. ANIL GOYAL (DIN: 00001938), MANAGING DIRECTOR FOR THE REMAINING CURRENCY OF HIS TENURE.**

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

"RESOLVED THAT pursuant to the resolution passed by the Board of Directors in their meeting held on 11<sup>th</sup> February, 2020 and subject to the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, approval of the members be and is hereby given for payment of same remuneration to Mr. Anil Goyal, Managing Director of the Company and on the terms and conditions as set out in the Explanatory Statement to this Notice, for the remaining currency of his tenure i.e. from 20<sup>th</sup> February, 2020 to 19<sup>th</sup> February, 2022, unless otherwise revised by the Board of Directors.

RESOLVED FURTHER THAT the said remuneration may be increased up to 30% per annum in the second year subject to the overall ceilings laid down in Schedule V of the Companies Act, 2013 and shall be payable as minimum remuneration to the Managing Director in the event of absence/inadequacy of profits in any financial year.

RESOLVED FURTHER THAT Mr. Anil Goyal who is also the Managing Director of HB Leasing and Finance Company Limited shall not draw any remuneration from HB Leasing and Finance Company Limited so long as he draws remuneration from the Company."

**4. RE-APPOINTMENT OF MRS. ANITA JAIN (DIN: 00031612), INDEPENDENT DIRECTOR OF THE COMPANY.**

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mrs. Anita Jain (DIN: 00031612) in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for second term of five (5) consecutive years with effect from 03<sup>rd</sup> September, 2020 to 02<sup>nd</sup> September, 2025 and she shall not be liable to retire by rotation.

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

**5. PURCHASE OF EQUITY SHARES OF TAURUS ASSET MANAGEMENT COMPANY LIMITED HELD BY RRB SECURITIES LIMITED.**

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

"RESOLVED THAT pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Company's Policy on Related Party Transactions, applicable provisions of the Companies Act, 2013 and rules made thereunder (including any amendment / modifications thereto or re-enactment thereof for the time being in force and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions of appropriate authorities, departments and bodies as may be required and subject to such terms and conditions, alteration and modifications as may be considered appropriate and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include a duly authorized committee thereof for the time being exercising the powers conferred by the Board), consent of the members be and is hereby accorded to the Board of Directors to enter into a contract(s) / arrangement(s) / transaction(s) with RRB Securities Limited, a related party in order to purchase 5059058 Equity Shares comprising 29.88% of the Paid-up Equity Share Capital of Taurus Asset Management Company Limited held by RRB Securities Limited, in one or more tranches, at a price to be determined by an Independent Valuer on the basis of valuation of Shares as per the Audited Financial Statements of Taurus Asset Management Company Limited as on 31st March, 2020, and on such terms and conditions, alteration and modifications as may be considered appropriate and mutually agreed upon by and between the parties.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and are hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution."

**6. ALTERATION OF OBJECTS CLAUSE OF THE MEMORANDUM OF ASSOCIATION (MOA) OF THE COMPANY.**

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

"RESOLVED THAT pursuant to the provisions of Section 4, 13 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, approval of the members be and is hereby given for alteration of the objects clause by addition of following new clauses after the existing sub-clause no. 2 of Clause III-A of the Memorandum of Association (MoA) of the Company:

3. To carry on business of trading including commodity derivatives by way of broking, trading, hedging and to act as brokers and traders in all types of commodities and goods including metals, energy, livestock and meat, agricultural produce and all other kind and description of commodities; to act as market makers, finance brokers, underwriters, sub-underwriters, providers of service for commodity related activities to buy, sell, take hold deal in, convert, modify, add value, transfer or otherwise dispose of commodities and commodity derivatives; to carry on the business of commodity warehousing, processing and consumption; to become members and participate in trading, settlement and other activities of commodity exchange/s (including national, multi-commodity exchange/s) facilitating for itself or for clients, trades and clearing/settlement of trades in spots, in futures and in derivatives of all types of commodities permitted under the laws of India and / or abroad.

4. To carry on the business of financing industrial enterprises, to provide venture capital, to operate in the short term money market, to give inter-corporate loans and deposits, to lend money with or without security to such persons or bodies corporate and upon such terms and conditions as the Company may think fit, to give guarantee or become liable for the payment of money or for the performance of any obligations and generally to transact all kinds of guarantee business, also to transact all kinds of trust and agency business.

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

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

Sd/  
**DINESH KAPOOR**  
(Company Secretary)  
Membership No.: FCS-6731

Place: Gurugram  
Date : 29<sup>th</sup> June, 2020



**NOTES:**

1. In view of the massive outbreak and extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08th April, 2020, Circular No.17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 05th May, 2020 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), the Companies are permitted to hold the Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Circulars as mentioned hereinabove, the 25<sup>th</sup> AGM of the Company is being held through VC / OAVM. The deemed venue of this AGM shall be the Registered Office of the Company.
2. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members to attend and cast vote for the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from **23<sup>rd</sup> September, 2020 to 29<sup>th</sup> September, 2020** (Both days inclusive).
4. The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to Section 113 of the Companies Act, 2013, Institutional/Corporate Shareholders (i.e. other than Individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or Authorization Letter authorizing its representative to attend the AGM through VC / OAVM and to vote on their behalf through remote e-voting or through e-voting at the AGM. The said Resolution or Authorization Letter shall be sent to the Scrutinizer, Ms. Jyoti Sharma by an e-mail through its registered email address to [csjyotisharma@gmail.com](mailto:csjyotisharma@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
7. In compliance with MCA Circular No. 20/2020 dated 05<sup>th</sup> May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report 2019-20) and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
8. The Annual Report 2019-20 and Notice of AGM will also be available on the website of the Company, [www.hbportfolio.com](http://www.hbportfolio.com); website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the website of NSDL (agency for providing the Remote e-voting facility) i.e. <https://www.evoting.nsdl.com>.
9. Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India] is annexed hereto and forms an integral part of this Notice.
10. An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and forms an integral part of this Notice.
11. All documents referred to in the Notice shall be made available for inspection in electronic mode, from the date of circulation of this Notice upto the date of the meeting. Members may request the same by sending an e-mail from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at [corporate@hbportfolio.com](mailto:corporate@hbportfolio.com)
12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 shall be made available for inspection in electronic mode during the AGM upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>.
13. Members who would like to express their views/ask questions with regard to the Financial Statements or any other matter can submit their queries in advance through an e-mail from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at

[corporate@hbportfolio.com](mailto:corporate@hbportfolio.com) on or before **25<sup>th</sup> September, 2020 till 05.00 P.M.** The views/questions of those Members will only be taken up who have mailed it to the Company within time and the same will be replied by the Company suitably.

14. Members holding shares in physical form are requested to intimate their PAN, e-mail address, Bank Account details, Change of Address, Change of Name, Registration of Nomination etc. immediately to the Registrar and Share Transfer Agent (RTA) of the Company namely,

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

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

15. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's RTA for assistance in this regard.
16. The Ministry of Corporate Affairs (MCA) has notified provisions relating to Unpaid / Unclaimed Dividend under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, the amount of Dividend remaining Unpaid or Unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, transferred **₹ 17,22,917/- (Rupees Seventeen Lakhs Twenty Two Thousand Nine Hundred Seventeen Only)** to IEPF on 23<sup>rd</sup> October, 2019 being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31st March, 2012. The detail of Unpaid / Unclaimed Dividend lying with the Company as on the date of the last Annual General Meeting in respect of the financial years from 2013 to 2016 is available on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and also on the website of the Company; [http://www.hbportfolio.com/Unpaid\\_Dividend/index\\_2019.html](http://www.hbportfolio.com/Unpaid_Dividend/index_2019.html)

The Company strongly recommends Shareholders to encash / claim their respective dividends within the period given below from the Company's Registrar and Share Transfer Agent:

Financial Year	Last Date for claiming Dividend	Unclaimed Dividend in ₹ (As on 31.03.2020)
2012-13	12 <sup>th</sup> October, 2020	22,25,685.50
2013-14	20 <sup>th</sup> October, 2021	26,18,400.50
2014-15	07 <sup>th</sup> October, 2022	8,97,526.50
2015-16	01 <sup>st</sup> October, 2023	9,16,966.00
2016-17	No Dividend was declared	-
2017-18	No Dividend was declared	-
2018-19	No Dividend was declared	-

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules thereto, the Company has duly transferred all Equity Shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more to the specified DEMAT Account of the Investor Education and Protection Fund (IEPF) Authority, Ministry of Corporate Affairs after giving individual notice to all such Equity Shareholders and publication of newspaper advertisement thereto. The complete details of such Equity Shares transferred to IEPF Account is available on the website of the Company; <http://www.hbportfolio.com/IEPF/index.html>.

Any further Dividend on such Equity Shares shall be credited to the IEPF Account. The Equity Shareholders may claim back their Shares along with the Unclaimed Dividend amount from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority; <http://iepf.gov.in/IEPF/refund.html>. The refund procedure is also available on the Company's website, [www.hbportfolio.com](http://www.hbportfolio.com).

Mr. Dinesh Kapoor, Company Secretary has been appointed as the Nodal Officer in terms of the provisions of IEPF Rules and complete details are available on the website of the Company; <http://www.hbportfolio.com/IEPF/index.html>



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

**(A) VOTING THROUGH ELECTRONIC MEANS:**

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

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

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

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

**Step 1: Log-in to NSDL e-voting system at**

**<https://www.evoting.nsdl.com>**

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

**>> Details on Step 1 is mentioned below:**

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

- (i) Visit the e-voting website of NSDL. Open web browser by typing the following URL: **<https://www.evoting.nsdl.com>** either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- (iii) A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

(iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113757 then user ID is 113757001***

(v) Your password details are given below:

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

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

- a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on **<https://www.evoting.nsdl.com>**.
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at **evoting@nsdl.co.in** mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
- (vii) After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- (viii) Now, you will have to click on "Login" button.
- (ix) After you click on the "Login" button, Home page of e-Voting will open.

**>> Details on Step 2 is mentioned below:**

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

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



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

**>> General Guidelines for Shareholders:**

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

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

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

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

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

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

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

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

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

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

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

**(F) DECLARATION OF RESULTS ON THE RESOLUTIONS:**

- (i) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first unblock the votes cast at the meeting through e-voting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than forty eight (48) hours of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.
- (ii) The Company shall submit to the BSE Limited, within forty eight (48) hours of the conclusion of the meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, [www.hbportfolio.com](http://www.hbportfolio.com) and on the website of NSDL, <https://www.evoting.nsdl.com> immediately after the declaration of results.
- (iii) Subject to the receipt of requisite number of votes, the resolution(s) shall be deemed to be passed on the date of the meeting.



**PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT  
AT THIS ANNUAL GENERAL MEETING**

PARTICULARS	MR. JAG MOHAN LAL SURI	MRS. ANITA JAIN
Directors Identification Number (DIN)	00002373	00031612
Date of Birth	27 <sup>th</sup> April, 1938	11th November, 1961
Date of First Appointment on the Board	18 <sup>th</sup> August, 1994	31 <sup>st</sup> March, 2015
Profile / Expertise in Specific functional Areas.	Mr. Jag Mohan Lal Suri is an Engineer by profession. He headed the operations of a Swedish Multinational before his association with the HB Group. He brings with him decades of long experience in Corporate Administration.	Mrs. Anita Jain is an Information Technology professional turned entrepreneur. She has experience of over two decades in handling Application Lifecycle products and Enterprise Applications across multiple industries. She has held leadership positions with organizations in Retail and Textile manufacturing for more than five years and is a Retail domain enthusiast
Qualifications	B.E	M.B.A (Finance)
List of Directorship in other Companies	<b>Listed Companies:</b> 1. HB Estate Developers Ltd. <b>Other Companies:</b> 2. HB Corporate Services Ltd. 3. RRB Securities Ltd. 4. Mount Finance Ltd. 5. AHL Hotels Limited 6. Bhasin Share & Stock Brokers Ltd. 7. Raja Ram Bhasin Share & Stock Brokers Ltd. 8. Pal Properties (India) Pvt. Ltd.	1. Trident Information Systems Pvt. Ltd. 2. Agarwal Garment Stitchers Pvt. Ltd. 3. Arvind Trading Pvt. Ltd.
Membership of Committee of the Board in other Companies.	<b>Audit Committee</b> 1. HB Estate Developers Ltd. (Member) 2. RRB Securities Ltd. (Member) <b>Stakeholders Relationship Committee</b> 3. HB Estate Developers Ltd. (Chairman) 4. RRB Securities Limited (Chairman)	None
No. of Equity Shares held	450 (Jointly held with his wife)	Nil
No. of Board Meetings attended/entitled to attend during the year	3/4	3/4
Whether related to any Board Members, Manager or KMP of the Company	No	No

BY ORDER OF THE BOARD  
FOR HB PORTFOLIO LIMITED

Place: Gurugram  
Date: 29<sup>th</sup> June, 2020

Sd/  
DINESH KAPOOR  
(Company Secretary)  
Membership No.: FCS-6731

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

**ITEM NO. 3:**

Mr. Anil Goyal was re-appointed as the Managing Director of the Company for a period of five years w.e.f. 20th February, 2017 till 19th February, 2022 and payment of remuneration was approved for a period of three years w.e.f. 20th February, 2017 to 19th February, 2020 as per the provisions of Section 196, 197, 198, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee, in their meeting held on 11<sup>th</sup> February, 2020 considered and recommended payment of same remuneration to the Managing Director for the remaining currency of his tenure i.e. from 20<sup>th</sup> February, 2020 to 19th February, 2022 subject to the approval of the Shareholders of the Company, on the terms and conditions as detailed herein below:

**a) BASIC SALARY**

Rs. 3,75,000/- (Rupees Three Lakhs Seventy Five Thousand only) per month.

**b) PERQUISITES**

**HOUSING**

- (i) The expenditure by the Company on hiring accommodation for the Managing Director will be subject to the ceiling of 60% of the basic salary of the Managing Director, or
- (ii) In case the accommodation provided to the Managing Director is owned by the Company, the Company shall deduct 10% of the basic salary of the Managing Director, or
- (iii) In case no accommodation is provided by the Company to the Managing Director, House Rent Allowance @ 60% shall be paid by the Company to the Managing Director.

**c) MEDICAL REIMBURSEMENT**

Expenses incurred for self and family subject to a ceiling of ₹ 30,000/- in a year.

**d) LEAVE TRAVEL CONCESSION**

Expenses incurred for self and family subject to a ceiling of ₹ 1,30,000/- in a year.

**e) CLUB FEES**

Fees of clubs, subject to a maximum of two clubs. However, admission and life membership fees shall not be allowed.

**f) PERSONAL ACCIDENT INSURANCE**

Premium subject to a maximum of ₹ 10,000/- per annum.

**g) PROVIDENT FUND**

Company's contribution towards Provident Fund, subject to a ceiling, as prescribed under the provisions of law applicable in this regard.

**h) SUPERANNUATION FUND**

Company's contribution towards Superannuation Fund upto ₹ 1,00,000/- per annum.

**i) GRATUITY**

Half month's basic salary for each completed year of service on the basis of last basic salary drawn.

**j) CAR AND TELEPHONE**

The Company shall provide car for use on Company's business and telephone at the residence of the Managing Director. However, personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.

**k) LEAVE**

Earned / Privilege leave, not exceeding one month for every eleven months of service, on full salary and allowance.

**l) ACCUMULATED LEAVE ENCASHMENT**

In accordance with the policy of the Company, leaves accumulated and not availed of, in excess of 90 days as at the end of every financial year shall be encashed yearly on the basis of basic salary drawn as at the end of the said financial year and the balance unencashed accumulated leaves may be encashed at the time of ceasing to be Managing Director of the Company.

**m)** Apart from the aforesaid salary, perquisite, allowances and benefits, the Managing Director will be entitled to reimbursement of expenses incurred in connection with business of the Company.

**n)** No sitting fees will be paid to the Managing Director for attending the meetings of the Board of Directors of the Company or Committees thereof.

**o)** The appointment may be terminated by three months notice on either side or in lieu thereof three months full salary, allowances, perquisites and benefits.

The above remuneration may be increased upto 30% per annum in the second year. The above remuneration shall be payable as minimum remuneration to the Managing Director in the event of absence / inadequacy of profits in any financial year. Mr. Anil Goyal shall not draw any remuneration from HB Leasing and Finance Company Limited so long as he draws remuneration from HB Portfolio Limited.

**ADDITIONAL DISCLOSURES MENTIONED IN PARA (B) (IV) OF SECTION II OF PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013 IS AS UNDER:**

**I. GENERAL INFORMATION:**

(1)	<b>Nature of Industry</b>	Investment in Securities	
(2)	<b>Date or expected date of Commencement of Production</b>	Existing Company. The Company is not engaged in any manufacturing activities.	
(3)	<b>In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.</b>	Not Applicable	
(4)	<b>Financial Performance based on given indicators – (Amount in ₹ Lakhs)</b>		
	<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
	Total Income	606.83	190.20
	Finance Cost	0.66	1.36
	Provision for Depreciation	7.73	7.73
	Other Expenses	241.46	257.54
	Profit / (Loss) Before Tax	356.97	(76.43)
	Provision for Taxation	5.67	(2.85)
	Net Profit / (Loss) After Tax	351.30	(73.58)
(5)	Foreign Investments or collaborators, if any.	The Company has no foreign investments or foreign collaborations.	

**II. INFORMATION ABOUT THE APPOINTEE:**

(1)	Background details	Mr. Anil Goyal is a Chartered Accountant with nearly thirty seven years of experience in the field of finance, taxation, investment, banking, corporate restructuring and strategic planning.
(2)	Past remuneration	₹ 73,60,000/- for the period from 01st April, 2019 to 31st March, 2020 (Excluding Provident Fund and Superannuation Fund).
(3)	Recognition or awards	None
(4)	Job profile and his suitability	Being top level position, the job profile essentially requires a leader who is innovative, self motivated and result oriented. Mr. Goyal being an expert in finance and taxation with his vast experience is most suitable for the job.
(5)	Remuneration proposed	To continue payment of same remuneration as mentioned in the Explanatory Statement.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin).	Though the exact latest data of the comparative profile with remuneration of CEO/MD/ Key Managerial Personnel of Financial Services Companies is not available, however generally the CEO's/MDs/Key Managerial Personnel of financial services/NBFC Companies of comparable status are generally receiving remuneration above ₹ 100 Lakhs per annum.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He does not have any other pecuniary relationship with the Company nor is he related to or has pecuniary relationship with any of the Directors of the Company.



**III. OTHER INFORMATION:**

(1)	Reasons of loss or inadequate profits	The Divestment / Investment activity of the Company was curtailed due to extreme volatile market conditions.
(2)	Steps taken or proposed to be taken for improvement	The process of improving the profitability is an ongoing process which shall be adhered to by taking the following steps:- <ul style="list-style-type: none"> <li>• Professionalise the management of operations.</li> <li>• Additional recruitment of staff in areas of investment management, research, operations and new business development.</li> <li>• Review current HR &amp; compensation policies and bring them in line with market practice.</li> <li>• Review and modify current accounting and investment management systems, processes and controls as well as the IT systems supporting them.</li> <li>• Reduce concentration risk of the investment portfolio, exit from all non remunerative investments except where there is a strategic intent and also appoint professional outside money managers for a part of the portfolio to inject competition and external benchmarking.</li> </ul>
(3)	Expected increase in productivity and profits in measurable terms.	Increased return on the Investment Portfolio leading to enhanced Stakeholder's value.

**IV. DISCLOSURES:**

Remuneration package payable to Mr. Anil Goyal, Managing Director of the Company has been disclosed in the commencing paragraph of this Explanatory Statement.

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

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

**ITEM NO. 4:**

Mrs. Anita Jain (DIN: 00031612) was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years by the Shareholders in their Annual General Meeting held on 03<sup>rd</sup> September, 2015 pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and rules made thereunder ("the Act") read with Schedule IV of the Act.

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

The Board of Directors, based on the performance evaluation of Independent Director and on the recommendation of the Nomination and Remuneration Committee in their meeting(s) held on 11<sup>th</sup> February, 2020 considered and recommended the re-appointment of Mrs. Anita Jain (DIN: 00031612) aged 58 years as Non-Executive Independent Director of the Company for second term of five consecutive years pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

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

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

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

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

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

Except Mrs. Anita Jain, None of the other Directors, Key Managerial Personnel (KMP) and / or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board of Directors recommends the Special Resolution at Item No. 4 of the Notice for the approval of the members.

**ITEM NO. 5:**

HB Portfolio Limited ("the Company") is currently holding 11872118 Equity Shares comprising 70.12% of the Paid-up Equity Share Capital of Taurus Asset Management Company Limited; and RRB Securities Limited, a Group Company of HB Portfolio Limited is also holding 5059058 Equity Shares comprising 29.88% of the Paid-up Equity Share Capital of Taurus Asset Management Company Limited.

In order to consolidate the holding of the Company in Taurus Asset Management Company Limited, the Shareholders of HB Portfolio Limited in the Annual General Meeting held on 26<sup>th</sup> September, 2017 had granted their requisite approval to enter into contract(s) / arrangement(s) / transaction(s) with RRB Securities Limited, a related party in order to purchase their entire Shareholding of 5059058 Equity Shares in Taurus Asset Management Company Limited for such consideration as may be determined by an Independent Valuer and on such terms and conditions as may be mutually agreed upon by and between the parties.

At that time, the total transaction value was coming to ₹ 26.81 Crores at a price of ₹ 53/- per equity share based upon the Rights Issue of Taurus Asset Management Company Limited made in the month of February, 2017. However, the transaction was not put through.

Now, the total transaction value is coming to ₹ 15.68 Crore based upon the current book value of ₹ 31/- per equity share. However, the actual consideration for the purchase of these Shares shall be determined on the basis of valuation of shares to be done by an Independent Valuer as per the Audited Financial Statements of Taurus Asset Management Company Limited as on 31<sup>st</sup> March, 2020 and on such terms and conditions as may be mutually agreed upon by and between the parties.

Consequent upon this transaction, the Company's total Shareholding in Taurus Asset Management Company Limited will increase from 11872118 Equity Shares (70.12%) to 16931176 Equity Shares (99.99%) of the Paid-up Equity Share Capital of Taurus Asset Management Company Limited.

A transaction with a related party shall be considered material if the transaction(s) to be entered individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per its last Audited Financial Statements.

The Audit Committee and the Board of Directors in their meeting(s) held on 29<sup>th</sup> June, 2020 have accorded their approval for the proposed related party transaction subject to the requisite approval of the Shareholders of the Company.

Since the previous approval of the Shareholders was obtained nearly three years ago in the year 2017 as mentioned hereinabove, a fresh approval is being sought from the Shareholders of the Company for the proposed related party transaction in terms of the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Company's Policy on Related Party Transactions and applicable provisions of the Companies Act, 2013. The Board of Directors is of the opinion that the aforesaid related party transaction is in the best interest of the Company.

Mr. Lalit Bhasin, Director (Chairman) of the Company is the Promoter and major Shareholder of RRB Securities Limited and is also on the Board of Taurus Asset Management Company Limited. Mr. Anil Goyal, Managing Director (KMP) and Mr. Jag Mohan Lal Suri, Director are also on the Board of RRB Securities Limited.

Except Mr. Lalit Bhasin, Mr. Anil Goyal and Mr. Jag Mohan Lal Suri, None of the other Directors and Key Managerial Personnel (KMP) or / or their relatives is in any way concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

The Board of Directors recommends the Ordinary Resolution at Item No. 5 of the Notice for the approval of the members.

**ITEM NO. 6:**

The principal business activity of the Company is to undertake financial services and investing and dealing in various kinds of securities. The Company may enter into the business of commodity trading and to operate in short term money market at opportune time after taking requisite approval(s) / permissions in compliance with applicable law(s).

In today's scenario, amidst the dominance of the stock market, Commodity trading in India has been escalating continuously and has gained a lot of importance over the last decade. Commodity trading is as old as the financial markets, and perhaps even older than that. As money became a commodity, the money market became a component of the financial market for assets involved in short-term borrowing, lending, buying and selling with original maturities of one year or less. The short term money market is characterized by high degree of safety and liquidity.

The existing objects clause of the Memorandum of Association (MoA) does not allow the Company to carry out such business of commodity trading and to operate in short term money market. Hence, it would be prudent to alter the objects clause of the Memorandum of Association (MoA) to enable the Company to carry out such business activities under the existing circumstances, conveniently and advantageously combined with the present activities of the Company. This will also enlarge the area of operations of the Company. Accordingly, it is proposed to alter the existing objects Clause III-A of the Memorandum of Association (MoA) of the Company.

As per the provisions of Section 4, 13 of the Companies Act, 2013 read with applicable rules made thereunder, a Company may, by a Special Resolution alter the provisions of its Memorandum. The provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") as amended provides that any item of business required to be transacted by means of postal ballot, may be transacted at a general meeting by a Company which is required to provide the facility to members to vote by electronic means.

The Draft Memorandum of Association would be made available for inspection through electronic mode without any fee by the members, up to the date of the AGM.

None of the Directors, Key Managerial Personnel (KMP) and / or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

The Board of Directors recommends the Special Resolution at Item No. 6 of the Notice for the approval of the members.

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

**Sd/  
DINESH KAPOOR  
(Company Secretary)  
Membership No.: FCS-6731**

**Place : Gurugram  
Date : 29th June, 2020**

**DIRECTORS' REPORT**

To the Members,

Your Directors are pleased to present the 25<sup>th</sup> Annual Report together with the Audited Financial Statement for the Financial Year ended 31<sup>st</sup> March, 2020.

**FINANCIAL RESULTS**

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

(₹ In Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Interest Income	86.67	54.95	508.42	478.07
Dividend Income	520.16	133.12	310.34	141.45
Management Fees & Commission Fees	-	-	642.65	790.19
Total Revenue from Operations	606.83	188.07	1461.41	1409.71
Other Income	-	2.13	9.68	103.90
Total Income	606.83	190.20	1471.09	1513.61
Expenses	249.86	266.64	1999.71	1727.53
Profit / (Loss) Before Tax	356.97	(76.44)	(528.62)	(213.92)
Tax Expense	5.67	(2.86)	7.32	(2.11)
Profit / (Loss) After Tax	351.30	(73.58)	(535.94)	(211.81)
Share of Profit from Associates	-	-	4.26	(61.72)
Profit / (Loss) for the year	351.30	(73.58)	(531.68)	(273.53)
Other Comprehensive Income for the year, net of tax	(2474.48)	(1502.23)	(2541.61)	(1523.99)
Total Comprehensive Income for the year	(2123.18)	(1575.81)	(3073.29)	(1797.52)

**ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND-AS)**

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

**DIVIDEND**

The Board of Directors, after considering holistically the relevant circumstances and keeping in view the current market conditions, has decided that it would be prudent, not to recommend any Dividend for the Financial Year 2019-2020.

**TRANSFER TO GENERAL RESERVE**

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

**PERFORMANCE REVIEW & OUTLOOK**

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

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

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

**NBFC REGISTRATION WITH THE RESERVE BANK OF INDIA**

RBI vide its letter dated 18<sup>th</sup> July, 2017 returned the Company's Application for registration as NBFC with the advice that, the existing financial business of the Company may be merged / amalgamated with any of the Registered Group NBFC. Accordingly, the Company vide its letter dated 19<sup>th</sup> February, 2018 wrote to RBI for either transfer of Registration Certificate of one of the Group NBFC to the Company or for issue of fresh Certificate of Registration to the Company in lieu of surrender of NBFC Registration Certificate by one of the Group NBFC Company.

Initially, RBI agreed to the Company's proposal for Issue of fresh NBFC Registration to the Company on surrendering the NBFC Registration Certificate by one of the Group NBFC Company. However, in subsequent discussions, RBI advised the Company that the process of surrendering Registration Certificate of Group NBFC Company and Company's Application for granting Certificate of Registration as NBFC shall be dealt separately as per the RBI Rules and

Regulations. In spite of the Company's best efforts, the Certificate of Registration as NBFC has not been granted so far to the Company. To ensure the Company's well being and its growth, the Board of Directors of the Company is of the view that it should diversify its business activities to non-financial sectors subject to requisite approvals as may be required.

**STATUTORY STATEMENTS**

**(i) Share Capital**

The Paid up Equity Share Capital as on 31<sup>st</sup> March, 2020 stood at ₹ 10,76,42,300/- comprising of 10764230 Equity Shares of ₹ 10/- each. During the year under review, the Company has neither issued any Shares with differential voting rights nor granted stock options nor sweat equity.

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

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

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

**(iii) Committees of the Board**

The Company has several Committees which have been established in compliance with the requirement of the relevant provisions of applicable laws and statutes. As on 31<sup>st</sup> March, 2020, the Board has six committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee including two Non-Mandatory Committees viz. Finance & Borrowings Committee and Capital Restructuring Committee. A detailed note on the composition of the Committees is provided in the Corporate Governance Report, which forms an integral part of the Board's Report.

**(iv) Public Deposits**

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

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

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

**(vi) Particulars of Loans, Guarantees or Investments**

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

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

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

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

**(viii) Change in the Nature of Business**

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

**(ix) Maintenance of cost records**

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

**(x) Material Changes and commitments**

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

**(xi) Reporting of frauds by the Auditors**

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

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

**(i) Subsidiaries**

The Company has following Subsidiaries as on 31<sup>st</sup> March, 2020:

Name of the Company	As on 31.03.2020	
	No. of Shares	% of holding
1. HB Securities Limited	7207570	100.00%
2. HB Corporate Services Limited	4257478	97.40%
3. Taurus Asset Management Company Limited*	11872118	70.12%
4. Taurus Investment Trust Company Limited	78850	80.39%

(\*) Unlisted Material Subsidiary Company



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

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

**(ii) Joint Ventures**

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

**(iii) Associate Companies**

In terms of Sec 2(6) of the Companies Act, 2013, Merwanjee Securities Limited and Har Sai Investments Limited are the Associate Companies. A separate statement containing the salient features of the Financial Statement of the Company's Associates is being provided in Form AOC-1 along with Financial Statements in terms of Section 129(3) of the Companies Act, 2013.

**MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT**

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

**WHISTLE BLOWER POLICY – VIGIL MECHANISM**

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

**RELATED PARTY TRANSACTIONS**

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

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

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

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

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

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

**PRESERVATION OF DOCUMENTS & ARCHIVAL POLICY**

In terms of Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors in their meeting held on 10<sup>th</sup> February, 2016 has adopted a Policy for Preservation of Documents & Archival thereof, classifying them in two categories as follows:

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

The said Policy is available on the website of the Company having following web link, <http://www.hbportfolio.com/PdfFiles/PDAP.pdf>

**DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

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

**PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace. The Board of Directors in their meeting held on 08<sup>th</sup> August, 2014 constituted the Internal Complaint Committee and adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Internal Complaint Committee comprises of following members:

- (i) Mrs. Banmala Jha, Presiding Officer (Sr. V.P Legal – HB Estate Developers Ltd.)
- (ii) Mrs. Madhu Suri, Member (Working in the Delhi Legal Services Authority as a Counsellor)
- (iii) Mr. Anil Goyal, Member (Managing Director)
- (iv) Mr. Dinesh Kapoor, Member (Company Secretary)

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

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

**INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY**

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

**INTERNAL FINANCIAL CONTROLS**

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

**AUDITORS**

**(i) Statutory Auditors**

The Shareholders in their 22<sup>nd</sup> Annual General Meeting held on 26<sup>th</sup> September, 2017 had appointed 'G. C. Agarwal & Associates', Chartered Accountants, Delhi (FRN 017851N) as the Statutory Auditors for a term of five (5) consecutive years i.e. from the conclusion of the 22<sup>nd</sup> Annual General Meeting to the conclusion of 27<sup>th</sup> Annual General Meeting to be held in the year 2022.

There are no qualifications, reservation, adverse remark, observations, comments or disclaimer given by the Auditors in their Report. The Report given by the Statutory Auditors on the Financial Statements of the Company for the Financial Year 2019-20, is part of the Annual Report and self explanatory.

**(ii) Internal Auditors**

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

**(iii) Secretarial Auditors**

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

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

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

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



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

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

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

(xi) slum area development;

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

(xii) disaster management, including relief, rehabilitation and reconstruction activities;

As a part of the CSR initiatives, your Company has undertaken CSR activity with an objective of "Eradicating Hunger, Malnutrition and Promotion of Education of Underprivileged Children" in accordance with Schedule VII of the Companies Act, 2013 during the Financial Year 2019-2020. The report on CSR activities is attached as "ANNEXURE – II" forming part of this report.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

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

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Jag Mohan Lal Suri (DIN: 00002373), Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

Mrs. Anita Jain (DIN: 00031612) is proposed to be re-appointed as Non-Executive Independent Directors for second term of five consecutive years. The Company has received a declaration to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. In the opinion of the Board, Mrs. Anita Jain fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and she is independent of the management. On the basis of Performance evaluation and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends to the Shareholders that the association of Mrs. Anita Jain would be beneficial to the Company based on her performance evaluation, considering her knowledge, background, extensive experience and contributions made during her tenure and it is desirable to re-appoint her as Non-Executive Independent Director of the Company for second term of five consecutive years.

The Shareholders in their Annual General Meeting held on 17<sup>th</sup> September, 2019 appointed Mr. Harbans Lal (DIN: 00076405) as Non-Executive Independent Director of the Company for a term of five (5) consecutive years with effect from 17<sup>th</sup> September, 2019 to 16<sup>th</sup> September, 2024 pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 ("the Act") and the rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Mr. Himanshu Kansal has been appointed as the Chief Financial Officer (CFO), being the Key Managerial Personnel (KMP) of the Company with effect from 27<sup>th</sup> May, 2019. He is a Chartered Accountant (CA) having 19 years of experience in Accounts & Finance, Audits and Management Assurance Services.

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

**(b) Declaration from Independent Directors**

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

**(c) Nomination and Remuneration Policy**

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

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

- ➔ Nomination and Remuneration Committee has been empowered inter-alia to carry out the following functions:
  - Identification and selection of persons for appointment as Director, KMP or at Senior Management level considering their qualification, experience and integrity.
  - Determining the appropriate size, diversity and composition of the Board.
  - Developing a succession plan for the Board and Senior Management of the Company.
  - To recommend all remuneration, in whatever form, payable to senior management.
  - Considering and determining the remuneration based upon the performance to attract retain and motivate members of the Board.
  - Approving the remuneration of the Senior Management including KMPs of the Company.
  - Evaluation of performance of the Board, its committees, individual directors and Senior Management Personnel on yearly basis.
  - To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors
- ➔ Approval of the Shareholders by way of Special Resolution is required in following cases:
  - To appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years.
  - To appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years.
  - To re-appoint Independent Directors for second terms of five consecutive years.
  - Payment of fees or compensation to executive directors who are promoters or members of the promoter group exceeding particular limits specified in the policy.
  - The annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors.
- ➔ Executive Directors / Managing Director are paid remuneration as per applicable provisions of the Companies Act, 2013 and rules made there under.
- ➔ Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board. The sitting fee for each meeting of Board of Directors and the Committee of Directors has been fixed by the Board of Directors within the overall ceiling laid down under the Companies Act, 2013.

Following changes were made in the Nomination and Remuneration Policy of the Company during the Financial Year 2019-2020 as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

- 1) The Nomination and Remuneration Committee to recommend to the Board, all remuneration, in whatever form, payable to the Directors, key managerial personnel and Senior Management.
- 2) "Senior Management" means officers / personnel of the Company who are members of the core management team excluding Board of Directors comprising all members of management one level below the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- 3) The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- 4) The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-
  - (i) the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the company, whichever is higher; or
  - (ii) where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the company;

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

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

The complete Nomination and Remuneration Policy of the Company is available on the website of the Company having following web link, <http://www.hbportfolio.com/PdfFiles/NRC.pdf>

**(d) Board Diversity**

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

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



**(e) Board Evaluation**

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

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

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

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

Sr. No.	Name	Category	Ratio/Times per Median of employee remuneration	% Increase in remuneration
1.	Mr. Anil Goyal	Managing Director (Executive)	15.31	Nil
2.	Mr. Lalit Bhasin	Director (Non-Executive)	N.A	N.A
3.	Mr. Jag Mohan Lal Suri	Director (Non-Executive)	N.A	N.A
4.	Mr. Raj Kumar Bhargava	Director (Non-Executive)	N.A	N.A
5.	Mr. Ramesh Chandra Sharma	Director (Non-Executive)	N.A	N.A

Sr. No.	Name	Category	Ratio/Times per Median of employee remuneration	% Increase in remuneration
6.	Mrs. Anita Jain	Director (Non-Executive)	N.A	N.A
7.	Mr. Harbans Lal*	Director (Non-Executive)	N.A	N.A
8.	Mr. Dinesh Kapoor	Company Secretary		25.00
9.	Mr. Himanshu Kansal **	Chief Financial Officer		N.A

(\*) Appointed w.e.f 17<sup>th</sup> September, 2019

(\*\*) Appointed w.e.f. 27<sup>th</sup> May, 2019

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

- (ii) The increase in the median remuneration in current financial year as compared to previous financial year is 5.50%.
- (iii) There are six permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2020.
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year is 13.72% as compared to the percentile increase of 25.00% in the managerial remuneration of the Company Secretary. There has been no increase in the remuneration of the Managing Director.
- (v) It is hereby confirmed that the remuneration paid to the Directors, Key Managerial Personnel (KMP) and other employees is in accordance with the remuneration policy of the Company.
- (vi) Statement of particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) &(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31<sup>st</sup> March, 2020:

**a) Details of top ten employee in terms of remuneration drawn as on 31<sup>st</sup> March, 2020:**

Sl. No.	Name	Designation	Gross Remuneration received (In ₹)	Nature of Employment	Qualification	Experience (In Years)	Date of Commencement of Employment	Age (In Years)	Last Employment held before joining the Company	Number & Percentage of Equity Shares held	Whether any such employee is a relative of any director or manager of the Company
1	Mr. Anil Goyal	Managing Director	73,60,000	Permanent	CA	37	20-02-2002	61	HB Leasing and Finance Company Ltd.	Nil	No
2	Mr. Dinesh Kapoor	Company Secretary	28,70,400	Permanent	CS	15	26-02-2014	40	Jtekt Fuji Kiko Automotive Ltd.	Nil	No
3	Mr. Himanshu Kansal	Chief Financial Officer	18,46,307	Permanent	CA	19	27-05-2019	43	ASC Outsourcing	Nil	No
4	Ms. Renu Gupta	Secretary	4,92,300	Permanent	BA	34	01-12-2016	59	HB Leasing and Finance Company Ltd.	334 (0.00%)	No
5	Mr. Rajkumar Sharma	Sr. Secretarial Assistant	4,69,964	Permanent	BA (Hons.)	33	01-04-2019	55	HB Stockholdings Ltd.	919 (0.01%)	No
6	Mr. Neeraj Gaur	Accountant	3,68,640	Permanent	B.Com	10	01-04-2019	33	Shree Mansha Tools	Nil	No

Note: There are total six employees, details of which is given hereinabove.

- b) Details of the Employees, who were in receipt of remuneration aggregating ₹ 1,02,00,000/- or more per annum : None
- c) Details of the Employees, who were employed for part of the financial year and was in receipt of remuneration not less than ₹ 8,50,000/- per month: None
- d) Details of the Employees, who were employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None
- e) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period;
- f) the Directors have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- g) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- h) the Directors had prepared the Annual Accounts on a going concern basis;
- i) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**SECRETARIAL STANDARDS**

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

**EXTRACT OF ANNUAL RETURN**

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

The Annual Return (Form MGT-7) filed by the Company for FY 2018-19 with the Registrar of Companies is available on the website of the Company having following web link, [http://www.hbportfolio.com/Annual\\_Return/index.html](http://www.hbportfolio.com/Annual_Return/index.html)

**DIRECTORS RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

**ACKNOWLEDGMENTS**

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

For and on behalf of the Board

Sd/  
LALIT BHASIN  
(Chairman)  
DIN: 00002114

Place: Gurugram  
Date: 29<sup>th</sup> June, 2020



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

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

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HB Portfolio Limited CIN: L67120HR1994PLC034148** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of **HB Portfolio Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31<sup>st</sup> March, 2020** complied with statutory provisions listed hereunder and also that the Company has proper Board – processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings\*.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;
  - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014\*;
  - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\* and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*.

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

- (vi) The Other Laws applicable specifically to the Company are:
  - (a) Reserve Bank of India Act, 1934 and applicable NBFC directions (Complied with to a limited extent on voluntary basis).
  - (b) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
2. We have also examined the compliances with the applicable Regulations/Standards of the following:
  - (i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreement with the Bombay Stock Exchange (BSE Limited); and
  - (ii) Secretarial Standards issued by the Institute of Company Secretaries of India.
3. During the period under review the Company has complied with the provisions of the Act and the Rules, Regulations, Guidelines etc. mentioned above

4. We further report that:

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Woman Director and Independent Directors. There is no change in the composition of the Board of Directors during the period under Audit.
- (b) Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and Detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while dissenting members' views are captured and recorded as part of the minutes.

5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

6. We further report that during the audit period, no major decisions have been taken which have a bearing on Company's affairs in pursuance of the above referred laws, rules / regulations.

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

For A.N. Kukreja & Co.  
Company Secretaries

Sd/-  
A.N. Kukreja  
(Proprietor)

FCS 1070; CP 2318  
ICSI Unique Code: S1995DE014900  
UDIN: F001070B000384431

Place: New Delhi  
Date: 29<sup>th</sup> June, 2020

Annexure – 'A'

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

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

For A.N. Kukreja & Co.  
Company Secretaries

Sd/-  
A.N. Kukreja  
(Proprietor)

FCS 1070; CP 2318  
ICSI Unique Code: S1995DE014900  
UDIN: F001070B000384431

Place: New Delhi  
Date: 29<sup>th</sup> June, 2020

**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

(A) Average Net Profits and prescribed CSR expenditure: (Amount in ₹)

Particulars	
Average net profits of the Company for last three financial years	3,17,84,017
<b>Prescribed CSR expenditure</b>	<b>6,35,680</b>

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

Particulars	
Total amount spent during the financial year	7,00,000
<b>Total</b>	<b>7,00,000</b>
Amount unspent, if any	Nil

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

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs: (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency *
1.	Contribution to The Akshaya Patra Foundation towards sponsorship of Mid-Day Meal Program for children studying in Delhi Government Schools	Eradicating Hunger, Malnutrition and Promotion of Education of Underprivileged Children	Delhi	6,00,000	6,00,000	6,00,000	Implementing Agency *
2.	Contribution to Delhi Langar Seva Society for feeding the Hungry People	Eradicating Hunger, Poverty & Malnutrition	Delhi	1,00,000	1,00,000	1,00,000	Implementing Agency **
<b>Total</b>				<b>7,00,000</b>	<b>7,00,000</b>	<b>7,00,000</b>	

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

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

**Responsibility Statement**

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

For HB Portfolio Limited

Sd/-  
ANIL GOYAL  
(Managing Director)

For HB Portfolio Limited

Sd/-  
RAMESH CHANDRA SHARMA  
(Chairman – CSR Committee)

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the Financial Year ended on 31st March, 2020**  
**(Pursuant to Section 92(3) of the Companies Act, 2013 and**  
**Rule 12(1) of the Company (Management & Administration) Rules, 2014**

**I. REGISTRATION & OTHER DETAILS:**

i.	<b>CIN</b>	L67120HR1994PLC034148
ii.	<b>Registration Date</b>	18th August, 1994
iii.	<b>Name of the Company</b>	HB Portfolio Limited
iv.	<b>Category / Sub-Category of the Company</b>	Company having Share Capital
v.	<b>Address of the Registered office &amp; contact details</b>	Plot No. 31, Echelon Institutional Area, Sector-32, Gurugram – 122001, Haryana Phone: 0124-4675500, Fax : 0124-4370985 Email : corporate@hbportfolio.com, Website: www.hbportfolio.com
vi.	<b>Whether listed company</b>	Yes (Listed at BSE Limited)
vii.	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any</b>	RCMC Share Registry Pvt. Ltd. B-25/1, First Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020 Phone: 011-26387320, 21, Fax: 011-26387322, Email: investor.services@rcmdelhi.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	<b>HB Securities Limited</b> H-72, Connaught Circus, New Delhi – 110 001	U67120DL1991PLC044025	Subsidiary	100.00	2(87)(ii)
2.	<b>HB Corporate Services Limited</b> Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram – 122 001, Haryana	U74999HR1999PLC041545	Subsidiary	97.40	2(87)(ii)
3.	<b>Taurus Asset Management Company Limited</b> AML Centre – 1, 8 Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai – 400093	U67190MH1993PLC073154	Subsidiary	70.12	2(87)(ii)
4.	<b>Taurus Investment Trust Company Limited</b> AML Centre – 1, 8 Mahal Industrial Estate, Mahakali Caves Road, Andheri (East), Mumbai – 400093	U65990MH1993PLC072984	Subsidiary	80.39	2(87)(ii)
5.	<b>Merwanjee Securities Limited*</b> 301, Regent Chambers, 208, Jammnal Bajaj Marg, Nariman Point, Mumbai – 400 021, Maharashtra	U67120MH1992PLC069529	Associate	48.00	2(6)
6.	<b>Har Sai Investments Limited</b> H-72, Connaught Circus, New Delhi – 110 001	U74899DL1995PLC063951	Associate	39.96	2(6)

(\* Associate through Company's Subsidiary namely, HB Securities Limited.

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of total Equity):****(i) Category-wise Shareholding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual / HUF	6549671	0	6549671	60.85	6549671	0	6549671	60.85	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	64574	0	64574	0.60	64574	0	64574	0.60	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL: (A) (1)</b>	<b>6614245</b>	<b>0</b>	<b>6614245</b>	<b>61.45</b>	<b>6614245</b>	<b>0</b>	<b>6614245</b>	<b>61.45</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL: (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6614245</b>	<b>0</b>	<b>6614245</b>	<b>61.45</b>	<b>6614245</b>	<b>0</b>	<b>6614245</b>	<b>61.45</b>	<b>0.00</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	157	1236	1393	0.01	157	1236	1393	0.01	0.00
b) Banks / FI	0	44	44	0.00	0	44	44	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FII's / Foreign Portfolio Investors	3419	0	3419	0.03	0	0	0	0.00	(0.03)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>3576</b>	<b>1280</b>	<b>4856</b>	<b>0.04</b>	<b>157</b>	<b>1280</b>	<b>1437</b>	<b>0.01</b>	<b>(0.03)</b>
<b>(2) Non Institutions</b>									
a) <b>Bodies Corporate</b>									
i) Indian	412986	12303	425289	3.95	410155	11729	421884	3.92	(0.03)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) <b>Individuals</b>									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1720084	1126229	2846313	26.44	1713300	1045107	2758407	25.63	(0.81)
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	305561	0	305561	2.84	383414	0	383414	3.56	0.72
c) <b>Other (specify)</b>									
i) Clearing Members	12574	46	12620	0.12	7523	46	7569	0.07	(0.05)
ii) Non-Residents	72246	31262	103508	0.96	35070	28782	63852	0.59	(0.37)
iii) Trusts	15	0	15	0.00	15	0	15	0.00	0.00
iv) NBFC	99	0	99	0.00	45	0	45	0.00	0.00
v) IEPF Account	451724	0	451724	4.20	513362	0	513362	4.77	0.57
<b>SUB TOTAL (B)(2):</b>	<b>2975289</b>	<b>1169840</b>	<b>4145129</b>	<b>38.51</b>	<b>3062884</b>	<b>1085664</b>	<b>4148548</b>	<b>38.54</b>	<b>0.03</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)</b>	<b>2978865</b>	<b>1171120</b>	<b>4149985</b>	<b>38.55</b>	<b>3063041</b>	<b>1086944</b>	<b>4149985</b>	<b>38.55</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>9593110</b>	<b>1171120</b>	<b>10764230</b>	<b>100.00</b>	<b>9677286</b>	<b>1086944</b>	<b>10764230</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	Lalit Bhasin	6324671	58.76	0.00	6324671	58.76	0.00	0.00
2.	Ayush Kapur	56250	0.52	0.00	56250	0.52	0.00	0.00
3.	Kanishk Kapur	56250	0.52	0.00	56250	0.52	0.00	0.00
4.	Manasvin Arora	56250	0.52	0.00	56250	0.52	0.00	0.00
5.	Mehar Arora	56250	0.52	0.00	56250	0.52	0.00	0.00
6.	HB Stockholdings Limited	60000	0.56	0.00	60000	0.56	0.00	0.00
7.	Merrygold Investments Limited	4574	0.04	0.00	4574	0.04	0.00	0.00
	<b>Total</b>	<b>6614245</b>	<b>61.45</b>	<b>0.00</b>	<b>6614245</b>	<b>61.45</b>	<b>0.00</b>	<b>0.00</b>

(iii) Change in Promoters' Shareholding:

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

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

Sl. No.	For Each of the Top Ten Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>ASHARI AGENCIES LIMITED</b>					
	At the beginning of the year		123912	1.15	123912	1.15
	At the end of the year				123912	1.15



Sl. No.	For Each of the Top Ten Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
2.	<b>SUJATA HOLDINGS PRIVATE LIMITED</b>						
	At the beginning of the year		72806	0.68	72806	0.68	
	At the end of the year				<b>72806</b>	<b>0.68</b>	
3.	<b>DEEPAK JAIN</b>						
	At the beginning of the year		66600	0.62	66600	0.62	
	At the end of the year				<b>66600</b>	<b>0.62</b>	
4.	<b>MAHENDRA GIRDHARILAL</b>						
	At the beginning of the year		13181	0.12	13181	0.12	
		02/08/2019	Buy	6293	0.06	19474	0.18
		09/08/2019	Buy	79	0.00	19553	0.18
		23/08/2019	Buy	1617	0.02	21170	0.20
		30/08/2019	Buy	1235	0.01	22405	0.21
		06/09/2019	Buy	1933	0.02	24338	0.23
		13/09/2019	Buy	1595	0.01	25933	0.24
		20/09/2019	Buy	1071	0.01	27004	0.25
		27/09/2019	Buy	610	0.01	27614	0.26
		04/10/2019	Buy	1386	0.01	29000	0.27
		11/10/2019	Buy	2689	0.02	31689	0.29
		18/10/2019	Buy	2000	0.02	33689	0.31
		22/11/2019	Buy	28	0.00	33717	0.31
		29/11/2019	Buy	34	0.00	33751	0.31
		06/12/2019	Buy	12	0.00	33763	0.31
		13/12/2019	Buy	251	0.00	34014	0.32
		20/12/2019	Buy	50	0.00	34064	0.32
		03/01/2020	Buy	43	0.00	34107	0.32
		24/01/2020	Buy	15274	0.14	49381	0.46
		31/01/2020	Buy	10302	0.10	59683	0.55
	07/02/2020	Buy	5754	0.05	65437	0.61	
	At the end of the year				<b>65437</b>	<b>0.61</b>	
5.	<b>AMRIT STEELS PRIVATE LIMITED</b>						
	At the beginning of the year		55000	0.51	55000	0.51	
		31/05/2019	Buy	6120	0.06	61120	0.57
	At the end of the year				<b>61120</b>	<b>0.57</b>	
6.	<b>DHANUSH D SURANA</b>						
	At the beginning of the year		32683	0.30	32683	0.30	
		05/04/2019	Buy	5906	0.05	38589	0.36
		12/04/2019	Buy	281	0.00	38870	0.36
		19/04/2019	Buy	1169	0.01	40039	0.37
		26/04/2019	Buy	2452	0.02	42491	0.39
		03/05/2019	Buy	14	0.00	42505	0.39
		10/05/2019	Buy	1950	0.02	44455	0.41
		17/05/2019	Buy	816	0.01	45271	0.42
		24/05/2019	Buy	22	0.00	45293	0.42
		31/05/2019	Buy	435	0.00	45728	0.42
		29/11/2019	Buy	1289	0.01	47017	0.44
		31/01/2020	Sell	(235)	(0.00)	46782	0.43
		07/02/2020	Sell	(2)	(0.00)	46780	0.43
	At the end of the year				<b>46780</b>	<b>0.43</b>	
7.	<b>DELHI IRON &amp; STEEL COMPANY PRIVATE LIMITED</b>						
	At the beginning of the year		28330	0.26	28330	0.26	
		20/09/2019	Buy	5090	0.05	33420	0.31
		25/10/2019	Buy	517	0.00	33937	0.32
	At the end of the year				<b>33937</b>	<b>0.32</b>	



Sl. No.	For Each of the Top Ten Shareholders	Buy / Sell	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
8.	<b>KUMARA SWAMY BS</b>						
	At the beginning of the year		33196	0.31	33196	0.31	
	At the end of the year				<b>33196</b>	<b>0.31</b>	
9.	<b>MITHUN SECURITIES PRIVATE LIMITED</b>						
	At the beginning of the year		10170	0.09	10170	0.09	
	05/04/2019	Buy	2129	0.02	12299	0.11	
	31/05/2019	Buy	9845	0.09	22144	0.21	
	19/07/2019	Buy	153	0.00	22297	0.21	
	26/07/2019	Buy	2500	0.02	24797	0.23	
	02/08/2019	Buy	2000	0.02	26797	0.25	
	08/11/2019	Buy	1826	0.02	28623	0.27	
	22/11/2019	Buy	1407	0.01	30030	0.28	
	03/01/2020	Buy	1774	0.02	31804	0.30	
	24/01/2020	Sell	(31800)	(0.30)	4	0.00	
	07/02/2020	Buy	31800	0.30	31804	0.30	
	At the end of the year				<b>31804</b>	<b>0.30</b>	
	10.	<b>RAJENDRA KUMAR JAIN HUF</b>					
		At the beginning of the year		21706	0.20	21706	0.20
		04/10/2019	Sell	(1706)	(0.02)	20000	0.19
		11/10/2019	Buy	332	0.00	20332	0.19
18/10/2019		Buy	207	0.00	20539	0.19	
25/10/2019		Buy	321	0.00	20860	0.19	
01/11/2019		Buy	454	0.00	21314	0.20	
08/11/2019		Buy	323	0.00	21637	0.20	
15/11/2019		Buy	264	0.00	21901	0.20	
22/11/2019		Buy	351	0.00	22252	0.21	
29/11/2019		Buy	416	0.00	22668	0.21	
06/12/2019		Buy	3321	0.03	25989	0.24	
13/12/2019		Buy	810	0.01	26799	0.25	
20/12/2019		Sell	(1022)	(0.01)	25777	0.24	
27/12/2019		Sell	(342)	(0.00)	25435	0.24	
03/01/2020		Sell	(435)	(0.00)	25000	0.23	
24/01/2020		Buy	33	0.00	25033	0.23	
31/01/2020		Sell	(33)	(0.00)	25000	0.23	
14/02/2020		Buy	73	0.00	25073	0.23	
21/02/2020		Buy	10	0.00	25083	0.23	
13/03/2020		Buy	3	0.00	25086	0.23	
27/03/2020		Buy	6	0.00	25092	0.23	
At the end of the year					<b>25092</b>	<b>0.23</b>	

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

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. Lalit Bhasin	6324671	58.76	6324671	58.76
2.	Mr. Jag Mohan Lal Suri *	450	0.00	450	0.00
3.	Mr. Raj Kumar Bhargava	4270	0.04	4270	0.04
4.	Mr. Ramesh Chandra Sharma	NIL	N.A	NIL	N.A
5.	Mrs. Anita Jain	NIL	N.A	NIL	N.A
6.	Mr. Harbans Lal **	NIL	N.A	NIL	N.A
7.	Mr. Anil Goyal, MD (KMP)	NIL	N.A	NIL	N.A
8.	Mr. Dinesh Kapoor, CS (KMP)	NIL	N.A	NIL	N.A
9.	Mr. Himanshu Kansal, CFO (KMP) #	NIL	N.A	NIL	N.A

(\*) Jointly held with his wife.

(\*\*) Appointed w.e.f 17th September, 2019.

(#) Appointed w.e.f 27th May, 2019.

**V. INDEBTEDNESS:**

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,41,105	NIL	NIL	12,41,105
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>12,41,105</b>	<b>NIL</b>	<b>NIL</b>	<b>12,41,105</b>
Changes in Indebtedness during the financial year				
• Addition	NIL	NIL	NIL	NIL
• Reduction	9,18,352	NIL	NIL	9,18,352
<b>Net Change</b>	<b>9,18,352</b>	<b>NIL</b>	<b>NIL</b>	<b>9,18,352</b>
Indebtedness at the end of the financial year				
i) Principal Amount	3,22,753	NIL	NIL	3,22,753
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>3,22,753</b>	<b>NIL</b>	<b>NIL</b>	<b>3,22,753</b>

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	
		Mr. Anil Goyal, Managing Director	
1.	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income-Tax Act, 1961	45,00,000 28,60,000 NIL	
2.	Stock Option	NIL	
3.	Sweat Equity	NIL	
4.	Commission - as % of profit - others, specify	NIL -	
5.	Others, please specify	NIL	
	Total (A)	73,60,000	
	<b>Ceiling as per the Act</b>	2,40,00,000 (As per Schedule V of the Companies Act, 2013 – Special Resolution)	

**B) Remuneration to other Directors:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Raj Kumar Bhargava	Mr. Ramesh Chandra Sharma	Mrs. Anita Jain	Mr. Harbans Lal*	
1.	<b>Independent Directors</b>					
	• Fee for attending board / committee meetings #	1,95,000	90,000	1,30,000	80,000	4,95,000
	• Commission	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1,95,000</b>	<b>90,000</b>	<b>1,30,000</b>	<b>80,000</b>	<b>4,95,000</b>
2.	<b>Other Non-Executive Directors</b>	Mr. Lalit Bhasin		Mr. Jag Mohan Lal Suri		
	• Fee for attending board / committee meetings #	80,000		1,45,000		2,25,000
	• Commission	NIL		NIL		NIL
	• Others, please specify	-		-		-
	<b>Total (2)</b>	<b>80,000</b>		<b>1,45,000</b>		<b>2,25,000</b>
	<b>Total Managerial Remuneration</b>					<b>7,20,000</b>
	<b>Overall Ceiling as per the Act</b>	<b>Sitting fee paid as per the provisions of the Companies Act, 2013.</b>				

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

(\*) Appointed w.e.f 17th September, 2019.



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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Company Secretary)	Key Managerial Personnel (Chief Financial Officer)	Total Amount
		Mr. Dinesh Kapoor	Mr. Himanshu Kansal *	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	10,80,000	9,14,516	19,94,516
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	17,90,400	9,31,791	27,22,191
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission			
	- As % of profit	NIL	NIL	NIL
	- Others, specify	-	-	-
5.	Others	NIL	NIL	NIL
	<b>Total</b>	<b>28,70,400</b>	<b>18,46,307</b>	<b>47,16,707</b>

(\*) Appointed w.e.f 27<sup>th</sup> May, 2019.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

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



**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**1. OPERATING RESULTS**

During the year under review, the Company reported Total Income of ₹ 606.83 Lakhs as compared to ₹ 190.20 Lakhs in the previous year. The Company incurred total expenses amounted to ₹ 249.86 Lakhs as compared to ₹ 266.64 Lakhs during the previous year. Profit after tax stood at ₹ 351.29 Lakhs as against loss of ₹ 73.58 Lakhs in the previous year.

**2. INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

Global financial markets, which traded on a buoyant note during most part of 2019 and early 2020, experienced panic sell-offs across asset classes, triggered by the outbreak of COVID-19. Volatility soared to extraordinarily high levels, reminiscent of the turbulence seen during the global financial crisis (GFC).

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

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

**3. OPPORTUNITY AND THREATS**

The financial services industry continues to recover from the economic crisis. Against the backdrop of a complex and uncertain economic environment, financial service institutions in India are struggling to retain their competitiveness and to align their business models to the rapidly changing circumstances. These complexities in the Indian business environment make the future of financial services difficult to predict.

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

**4. FUTURE PROSPECTS AND OUTLOOK**

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

The coming year shall however continue to be a year of uncertainty and shall be dependent upon government policies and global financial market conditions. Effective policies to contain impact of pandemic may cause short term toll on economic activity but shall be an investment for long term human and economic health.

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

**5. RISKS AND CONCERNS**

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

**Risk Management Policy**

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

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

- (a) The macroeconomic risks, investee company specific risks are covered by investment decisions based on third party research and internal assessment.

- (b) Market wide risks are assessed and managed by investment timing decisions.
- (c) The execution risk is managed by dealing with reputed intermediaries and through own back office discipline re accounting and follow up of trades.
- (d) All investment decisions are made after distinguishing among alternative courses of action with identification of expected risks.

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

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

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

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

**6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

**7. FINANCIAL PERFORMANCE**

- a) **Share Capital:** The Company’s Issued and Subscribed Share Capital consists of Equity Share Capital only. The Paid-up Share Capital of the Company as at 31<sup>st</sup> March, 2020 stood at ₹ 10,76,42,300/- comprising of 10764230 Equity Shares of ₹ 10/- each.

- b) **Financial Assets and Non-Financial Assets:** The Financial Assets and Non-Financial Assets for the year under review stood at ₹ 11001.53 Lakhs and ₹ 64.73 Lakhs respectively as against ₹ 13160.47 Lakhs and ₹ 71.85 Lakhs for the previous year.

- c) **Financial Liabilities and Non-Financial Liabilities:** During the year under review, the Financial Liabilities and Non-Financial Liabilities stood at ₹ 85.66 Lakhs and ₹ 46.75 Lakhs respectively as against ₹ 111.14 Lakhs and ₹ 64.14 Lakhs during the previous year.

- d) **Key Financial Ratios (Standalone):**

Sr. No.	Particulars	FY 2019-20	FY 2018-19	% change over previous year
1	Debtors Turnover Ratio	NA	NA	NA
2	Inventory Turnover Ratio	NA	NA	NA
3	Interest Coverage Ratio	541.01	(55.00)	(1083.61)
4	Current Ratio	22.09	8.09	173.11
5	Debt Equity Ratio	0.00	0.01	(73.99)
6	Operating Profit Margin (%)	58.93	(39.92)	(247.64)
7	Net Profit Margin (%)	57.89	(39.12)	(247.97)
8	Return on Net Worth (%)	32.64	(6.84)	(577.43)

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

The change in Operating Profit Margin, Net Profit Margin and Return on Net Worth has occurred due to Increase in Total Revenue and Operating Profits of the Company during the current financial year as compared to losses reported in the last financial year. The Interest Coverage Ratio and Debt Equity Ratio have improved due to reduction in finance cost / repayment of loan taken by the Company. Further, improvement in the Current Ratio has resulted due to reduction in current liabilities of the Company.

**8. HUMAN RESOURCES**

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

**9. CAUTIONARY STATEMENT**

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



**REPORT ON CORPORATE GOVERNANCE**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:**

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

**2. SIZE AND COMPOSITION OF THE BOARD:**

The Board of Directors of your Company comprises of Seven Directors out of which six are Non-Executive Directors and four are Independent Directors including one Woman Director as on 31st March, 2020. The Non-Executive Directors are proficient in their own fields and

bring with them decades of rich experience. Mr. Lalit Bhasin, Director (Promoter) is the Chairman and Non-Executive Director of the Company. Mr. Anil Goyal is the Managing Director of your Company. He has to his credit nearly thirty seven years of corporate experience. He is responsible for overall management of the Company. The composition of the Board is in conformity with the Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Four Board meetings were held during the year under review on 27th May, 2019; 12th September, 2019; 13th December, 2019 and 11th February, 2020.

The particulars regarding composition of the Board of Directors and its Meetings held during the year are given hereunder:-

Name of the Director	Category	Directorships in other Public Companies as on 31st March, 2020		#Committee Membership held in other Public Companies as on 31st March, 2020		No. of Board Meetings attended/ entitled to attend during the year	Whether Attended last AGM	No. of Equity Shares held
		Director	Chairman	Member	Chairman			
Mr. Lalit Bhasin	Chairperson (Promoter Non Executive)	6	3	3	1	4/4	Yes	6324671
Mr. Anil Goyal	Non-Independent Executive	9	NIL	5	NIL	4/4	Yes	NIL
Mr. Jag Mohan Lal Suri	Non-Independent Non Executive	7	NIL	2	2	3/4	Yes	*450
Mr. Raj Kumar Bhargava	Independent Non Executive	2	NIL	1	2	4/4	Yes	4270
Mr. Ramesh Chandra Sharma	Independent Non Executive	4	NIL	2	NIL	4/4	No	NIL
Mrs. Anita Jain	Independent Non Executive	NIL	NIL	NIL	NIL	3/4	Yes	NIL
Mr. Harbans Lal**	Independent Non Executive	2	NIL	2	1	2/2	N.A	N.A

(\*) Jointly held with his wife

(\*\*) Appointed w.e.f 17<sup>th</sup> September, 2019.

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

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

Name of the Director	Directorships in other listed entities (Category of Directorship)
Mr. Lalit Bhasin	1. HB Stockholdings Ltd. (Non-Executive Non-Independent Director - Chairperson) 2. HB Estate Developers Ltd. (Non-Executive Non-Independent Director - Chairperson) 3. HB Leasing and Finance Company Ltd. (Non-Executive Non-Independent Director - Chairperson) 4. CHL Ltd. (Non-Executive Independent Director)
Mr. Anil Goyal	1. HB Stockholdings Ltd. (Non-Executive Non-Independent Director) 2. HB Estate Developers Ltd. (Non-Executive Non-Independent Director) 3. HB Leasing and Finance Company Ltd. (Executive Director - MD)
Mr. Jag Mohan Lal Suri	1. HB Estate Developers Ltd. (Non-Executive Non-Independent Director)
Mr. Raj Kumar Bhargava	1. Kajaria Ceramics Ltd. (Non-Executive Independent Director) 2. Asian Hotels (West) Ltd. (Non-Executive Independent Director)
Mr. Ramesh Chandra Sharma	1. Sir Shadi Lal Enterprises Ltd. (Non-Executive Independent Director - Chairperson) 2. CHL Ltd. (Non-Executive Independent Director)
Mrs. Anita Jain	None
Mr. Harbans Lal *	1. HB Stockholdings Limited (Non-Executive Independent Director)

(\*) Appointed w.e.f 17<sup>th</sup> September, 2019.

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

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

The Company had issued formal letter of appointment to the Independent Directors at the time of their appointment as per the provisions of Sec 149 read with Schedule IV of the Companies Act, 2013. The terms and conditions of appointment are also available on the website of the Company having following web link, <http://www.hbportfolio.com/PdfFiles/TCID2020.pdf>

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

In terms of the provisions of the existing Articles of Association of the Company, one-third of the Directors of the Company, who are liable to retire by rotation, shall retire at every Annual General Meeting. Accordingly, Mr. Jag Mohan Lal, Director shall retire at the ensuing Annual General Meeting and who being eligible offers himself for re-appointment.

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

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

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

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

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

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

**Key Board Skills / Expertise / Competencies:**

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



Name of the Directors who have these expertise and skills:

Name of the Director	Core Skills / Expertise / Competencies			
	Financial Expertise	Risk Management	Corporate Governance	Strategic Decision Making
Mr. Lalit Bhasin	✓	✓	✓	✓
Mr. Anil Goyal	✓	✓	✓	✓
Mr. Jag Mohan Lal Suri	-	✓	✓	✓
Mr. Raj Kumar Bhargava	✓	✓	✓	✓
Mr. Ramesh Chandra Sharma	✓	✓	✓	✓
Mrs. Anita Jain	✓	-	✓	✓
Mr. Harbans Lal	✓	✓	✓	✓

4. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Code of Conduct for Directors and Senior Management Personnel (‘the Code’), as adopted by the Board, is a comprehensive Code applicable to all the Directors and Senior Management Personnel. The Company’s Board of Directors and Senior Management Personnel are responsible for and are committed to setting the standards of conduct contained in the Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code is adhered to in letter and in spirit. The Code has been circulated to all the Directors and Senior Management Personnel and the compliance of the same is affirmed by them annually.

All the members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2019-20. The declaration to this effect signed by the Managing Director of the Company is attached and forms an integral part of this Report. A copy of the Code has been uploaded on the Company’s website having following web link: <http://www.hbportfolio.com/conduct.htm>

5. MEETING OF INDEPENDENT DIRECTORS:

During the year under review, the Independent Directors met on 11<sup>th</sup> February, 2020, *inter alia*, to discuss and evaluate:

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

Further, the Company gave the presentation to the Independent Directors as a part of the familiarisation programme to make them aware about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such familiarisation programme are available on the website of the Company having following web link, <http://www.hbportfolio.com/PdfFiles/FPID2020.pdf>

All the Independent Directors were present at the Meeting.

6. PERFORMANCE EVALUATION:

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

The Independent Directors in their meeting held on 11<sup>th</sup> February, 2020 have done necessary performance evaluation of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors. All the Independent Directors expressed their satisfaction with the performance of Non-Independent Directors, the Board of Directors as a Whole & its Committees and the Chairman of the Company.

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

The Nomination and Remuneration Committee and the Board of Directors in their meeting held on 11<sup>th</sup> February, 2020 expressed their satisfaction with the performance evaluation of all individual Directors being the Independent Directors, Non-Independent Directors, Chairperson, Board as a whole and its committees in terms of the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013.

7. BOARD COMMITTEES:

The terms of reference of the Board Committee(s), their composition and attendance of the respective members at the various Committee Meeting(s) held during the year 2019-2020 are set out below:

(A) Audit Committee:

The Board of Directors in their meeting held on 28th July, 2001 had constituted the Audit Committee. The Committee was duly reconstituted on 29th January, 2004, 27<sup>th</sup> July, 2004, 01<sup>st</sup> August, 2018, 23<sup>rd</sup> August, 2018 and thereafter on 26<sup>th</sup> November, 2019.

The terms of reference of the Audit Committee was revised by the Board of Directors in their meeting held on 27th May, 2014 in terms of the provisions of Sec 177(4) of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement. Further, the terms of reference of the Audit Committee have been partially amended by the Board of Directors in their meeting held on 10th February, 2016 and 12<sup>th</sup> February, 2019 in terms of Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Mr. Raj Kumar Bhargava, Chairman (Independent Director)
- (ii) Mr. Harbans Lal, Member (Independent Director)
- (iii) Mrs. Anita Jain, Member (Independent Director)
- (iv) Mr. Jag Mohan Lal Suri, Member (Non-Independent Director)

The Company Secretary acting as Secretary to the Committee.

The quorum for the Audit Committee meeting shall either be two members or one third of the members of the Audit Committee, whichever is greater, with at least two Independent Directors.

*Mr. Harbans Lal has been appointed as member of the Audit Committee on 26<sup>th</sup> November, 2019.*

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

1. Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor’s independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;



12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. The Audit Committee shall mandatorily review the following information:
  - a) Management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses; and
  - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  - f) Statement of deviations:
    - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
    - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.
22. The Audit Committee shall also have powers, which should include the following:
  - a) To investigate any activity within its terms of reference.
  - b) To seek information from any employee.
  - c) To obtain outside legal or other professional advice.
  - d) To secure attendance of outsiders with relevant expertise, if it considers necessary.
  - e) To consider and act on any matters as or included under Clause 49 of the Listing Agreement and/or as may be so included from time to time, whether provided here in above or not.
  - f) To deal with any other matters related and or incidental to the above or as may be assigned, in addition to the aforesaid, by the Board from time to time.

During the year under review, the Audit Committee met four times on 27th May, 2019; 12th September, 2019; 13th December, 2019 and 11th February, 2020. All the Committee members as well as the Internal & Statutory Auditors of the Company attended the meetings held on 27th May, 2019 and 11th February, 2020. However, Mr. Jag Mohan Lal Suri and Mrs. Anita Jain were not present on 12th September, 2019 and 13th December, 2019 respectively, who had expressed their inability to attend the meeting.

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

**(B) Nomination and Remuneration Committee:**

The Board of Directors in their meeting held on 19th December, 2001 had constituted the Remuneration Committee. The Committee was duly reconstituted on 30th October, 2004 and 23rd August, 2018.

The Board of Directors in their meeting held on 27th May, 2014 renamed the Committee as “**Nomination and Remuneration Committee**” and approved the revised terms of reference pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement.

Further, the terms of reference of the Nomination and Remuneration Committee has been partially amended by the Board of Directors in their meeting held on 10th February, 2016 and 12th February, 2019 in terms of Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee consists of three Directors as members. All of whom are Non-Executive and Independent Directors including the Chairman of the Committee. There was no change in the constitution of the Committee during the year.

The Nomination and Remuneration Committee comprises of following members:

- (i) Mr. Raj Kumar Bhargava, Chairman (Independent Director)
- (ii) Mrs. Anita Jain, Member (Independent Director)
- (iii) Mr. Ramesh Chandra Sharma, Member (Independent Director)

The Company Secretary acting as Secretary to the Committee.

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

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

During the year under review, two meetings of Nomination and Remuneration Committee were held on 27th May, 2019 and 11th February, 2020. All the committee members were present at the meeting.

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

(Amount in ₹)

Director	Relationship with other Director(s)	Sitting Fees Paid	Salary & Perks	Commission, if any
Mr. Lalit Bhasin	N.A	80,000	Nil	Nil
Mr. Jag Mohan Lal Suri	N.A.	1,45,000	Nil	Nil
Mr. Raj Kumar Bhargava	N.A.	1,95,000	Nil	Nil
Mr. Ramesh Chandra Sharma	N.A.	90,000	Nil	Nil
Mrs. Anita Jain	N.A.	1,30,000	Nil	Nil
Mr. Harbans Lal *	N.A.	80,000	Nil	Nil
Mr. Anil Goyal	N.A.	Nil	73,60,000	Nil

(\*) Appointed w.e.f 17th September, 2019.

The Non-Executive Directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board. The sitting fee for each meeting of Board of Directors and the Committee of Directors has been fixed by the Board of Directors within the overall ceiling laid down under the Companies Act, 2013.

The aggregate value of salary and perquisites paid for the year ended 31st March, 2020 to Mr. Anil Goyal, Managing Director is as follows:

**Salary ₹ 45,00,000/- and Perquisites ₹ 28,60,000/-**

Besides this, he is entitled to Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, to the extent not taxable and Gratuity and encashment of leave at the end of tenure.

The notice period for the Managing Director is three months and there is no severance fee.

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



**(C) Stakeholders Relationship Committee:**

The Board of Directors in their meeting held on 28<sup>th</sup> July, 2001 had constituted the Shareholders / Investors Grievance Committee in terms of the provisions of the erstwhile Listing Agreement. The Board of Directors in their meeting held on 27<sup>th</sup> May, 2014 renamed the Shareholders / Investors Grievance Committee as “**Stakeholders Relationship Committee**” and approved their revised terms of reference in line with the provisions of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement.

Further, the terms of reference of the Stakeholders Relationship Committee has been partially amended by the Board of Directors in their meeting held on 12<sup>th</sup> February, 2019 in terms of Regulation 20 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee (SRC) consists of three Directors as members. The Chairman of the Committee is a Non-Executive Director. There was no change in the constitution of SRC during the year. The Stakeholders Relationship Committee comprises of following members:

- (i) Mr. Jag Mohan Lal Suri, Chairman (Non-Independent Director)
- (ii) Mr. Anil Goyal, Member (Executive Director)
- (iii) Mr. Raj Kumar Bhargava, Member (Independent Director)

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

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

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

Mr. Anil Goyal, Managing Director has, however, been empowered to approve transfers up to Ten Thousand (10000) Equity Shares under one folio at a time.

During the year under review, five meetings of Stakeholders Relationship Committee were held on 09<sup>th</sup> April, 2019; 12<sup>th</sup> July, 2019; 07<sup>th</sup> October, 2019; 30<sup>th</sup> October, 2019 and 07<sup>th</sup> January, 2020 and the same were attended by all the Committee members.

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

Nature of Complaint	Received	Disposed Off	Pending
Non receipt of Dividend	2	2	Nil
Non receipt of Annual Report	1	1	Nil
Transfer, Transmission, Issue of Share Certificate etc.	6	6	Nil
Complaints received through SEBI / Stock Exchange / Depositories	9	9	Nil
<b>TOTAL</b>	<b>18</b>	<b>18</b>	<b>Nil</b>

**(D) Corporate Social Responsibility (CSR) Committee:**

The Board of Directors in their meeting held on 27<sup>th</sup> May, 2014 constituted the “**Corporate Social Responsibility Committee**” pursuant to the provisions of Section 135, Schedule VII of the Companies Act, 2013 and rules made thereunder.

The Corporate Social Responsibility Committee consists of three Directors as members out of which one Director is an Independent Director who is also the Chairman of the Committee. There was no change in the constitution of CSR Committee during the year. The Corporate Social Responsibility Committee comprises of following members:

- (i) Mr. Ramesh Chandra Sharma, Chairman (Independent Director)
- (ii) Mr. Jag Mohan Lal Suri, Member (Non-Independent Director)
- (iii) Mr. Anil Goyal, Member (Executive Director)

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

1. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
2. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
3. monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year under review, Corporate Social Responsibility Committee met on 12<sup>th</sup> September, 2019 and the same was attended by all members of the Committee.

**(E) Finance and Borrowings Committee:**

The Board of Directors in their meeting held on 30<sup>th</sup> April, 2003 constituted the Finance and Borrowings Committee. There was no change in the constitution of Finance and Borrowings Committee during the year.

The Finance and Borrowings Committee comprises of following members::

- (i) Mr. Jag Mohan Lal Suri, Chairman (Non-Independent Director)
- (ii) Mr. Anil Goyal, Member (Executive Director)
- (iii) Mr. Raj Kumar Bhargava, Member (Independent Director)

**The Finance and Borrowing Committee has been empowered, *inter-alia*, to carry out the following functions:**

1. To sanction and approve borrowing of funds from any financial institution, banks or any body(ies) corporate, otherwise than on debentures not exceeding a sum of ₹ 50 Crores etc.
2. To approve creation of security for borrowings whether by way of a promissory note/post dated cheques or by way of a mortgage, charge, hypothecation of assets of the company, which shall include both movable and immovable assets of the company or by any combination thereof;
3. To approve deeds and documents to be executed with the lenders (which term shall include financial institution, banks or any body(ies) corporate in connection with the borrowings approved by the committee including loan agreement, deed of hypothecation etc.;
4. To delegate power / authority to any director / officer or any authorised person/signatory of the company to execute the documentation on behalf of the company and to affixation of Common Seal of the company to any of the documents;
5. To approve opening of new bank account and / or closing of the existing bank account, as the case may be.

During the year under review, no meeting of Finance and Borrowings Committee was held.

**(F) Capital Restructuring Committee:**

The Board of Directors in their meeting held on 01<sup>st</sup> February, 2018 constituted the Capital Restructuring Committee. There was no change in the constitution of Capital Restructuring Committee during the year.

The Capital Restructuring Committee comprises of following members-

- (i) Mr. Ramesh Chandra Sharma, Member (Independent Director)
- (ii) Mr. Jag Mohan Lal Suri, Member (Non-Independent Director)
- (iii) Mr. Anil Goyal, Member (Executive Director)

The Company Secretary acting as Secretary to the Committee.

Minimum two members form quorum for convening a meeting of 'Capital Restructuring Committee'.

The Board of Directors empowered Capital Restructuring Committee to make an allotment of Equity Shares to the Shareholders of HB Stockholdings Limited (HBSL) in consideration of the Demerger of HBSL “Long Term Equity Investment Undertaking” from HBSL and transfer and vesting of the same to the Company (HBPL) in terms of Part B of the Scheme (Demerger 1) and for effecting Reduction of Share Capital as envisaged in the Scheme of Arrangement between HB Stockholdings Limited (HBSL), HB Portfolio Limited (HBPL) and HB Estate Developers Limited (HBEDL) and their respective Shareholders and Creditors under Sections 391 to 394 read with Section 100 to 104 of the Companies Act, 1956.

No meeting of Capital Restructuring Committee was held during the year.

**8. GENERAL BODY MEETINGS:**

**I. Details of Annual General Meetings (AGM):**

Location and time where the last three AGM's were held:

Year	Type	Location	Date	Time
2018-19	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14,	17.09.2019	11.00 A.M.
2017-18	AGM	Gurugram - 122 001 (Haryana)	28.09.2018	11.00 A.M.
2016-17	AGM		26.09.2017	03.00 P.M.

**List of Special Resolutions passed in the previous three AGMs:**

S. No.	Subject Matter	AGM Reference and Date of passing
1.	<ul style="list-style-type: none"> <li>• Appointment of Mr. Harbans Lal as an Independent Director of the Company.</li> <li>• Re-Appointment of Mr. Raj Kumar Bhargava, Independent Director of the Company.</li> <li>• Re-Appointment of Mr. Ramesh Chandra Sharma, Independent Director of the Company.</li> <li>• Continuation of Directorship of Mr. Jag Mohan Lal Suri, Non-Executive Director of the Company.</li> </ul>	24 <sup>th</sup> AGM 17.09.2019
2.	<ul style="list-style-type: none"> <li>• No Special Resolution was passed</li> </ul>	23 <sup>rd</sup> AGM 28.09.2018
3.	<ul style="list-style-type: none"> <li>• Re-appointment of Mr. Anil Goyal, Managing Director of the Company.</li> </ul>	22 <sup>nd</sup> AGM 26.09.2017

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

- III. Whether any Special Resolution passed last year through Postal Ballot: **No**
- IV. Whether any Special Resolution is proposed to be conducted through Postal Ballot: **No**



9. MEANS OF COMMUNICATION:

- I. **Quarterly Results:** Dissemination through Listing Centre of BSE Limited, Company's Website and through publication in newspapers as required under Regulation 47 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- II. **Newspaper wherein results normally published:** Business Standard (English) All Editions and Business Standard (Hindi) Delhi Edition.
- III. **Website where displayed:** [www.hbportfolio.com](http://www.hbportfolio.com)
- IV. The website also displays Public Notices / Announcements containing important communications made to BSE Limited. As and when any presentation is made to institutional investors the same would be simultaneously uploaded on the Company's Website.

10. 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 financial year ended 31st March, 2020 (**Refer Note No. 28 of the Financial Statements**) forming part of the Financial Statements. The Policy on Related Party Transactions is available on the website of the Company having following web link, <http://www.hbportfolio.com/PdfFiles/RPT.pdf>
- II. No penalty has been imposed nor any strictures have been imposed by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during the last three years.
- III. The Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors is available on the website of the Company having following web link, <http://www.hbportfolio.com/PdfFiles/WBP.pdf>. No personnel have been denied access to the Audit Committee.
- IV. Taurus Asset Management Company Limited falls under the definition of 'Material Unlisted Subsidiary' of the Company on the basis of Consolidated Financial Statements of the Company and Subsidiaries for the Financial Year ended 31<sup>st</sup> March, 2020. None of the other Company's Subsidiaries is a "Material Unlisted Subsidiary" in terms of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the financial results and the investments (as and when made) are placed before the Audit Committee of the Company regularly for review. The Policy for determining Material Subsidiaries is available on the website of the Company having following web link, <http://www.hbportfolio.com/PdfFiles/PDMS.pdf>
- V. All the mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance are being adhered to / complied with.
- VI. The Managing Director along with the Chief Financial Officer of the Company have given the Compliance Certificate on the review of Financial Statements, including Cash Flow Statement for the Financial Year ended 31<sup>st</sup> March, 2020 to the Board of Directors as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VII. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – Not Applicable.
- VIII. A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority is attached and forms an integral part of this report.
- IX. The Board of Directors has duly accepted the recommendation of its Committee(s), wherever required in accordance with the provisions of applicable laws.
- X. Total fees paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditors is given as under:

(Amount in ₹)

Audit Fees	1,70,000
Tax Audit Fees	15,000
Limited Review Reports	30,000
Certification and others	27,000
<b>Total</b>	<b>2,42,000</b>

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

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

- XII. The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

11. GENERAL SHAREHOLDER INFORMATION:

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

The ensuing Annual General Meeting of the Company will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on **Tuesday, 29<sup>th</sup>, September, 2020 at 11.00 A.M.** The deemed venue of the 25<sup>th</sup> AGM shall be the Registered Office of the Company.

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

III. **Date of Book Closure:** 23<sup>rd</sup> September, 2020 to 29<sup>th</sup> September, 2020.

IV. **Listing on Stock Exchanges:**

The Company's Equity Shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. The Annual Listing Fee for the financial year 2020-2021 has been paid to BSE Limited.

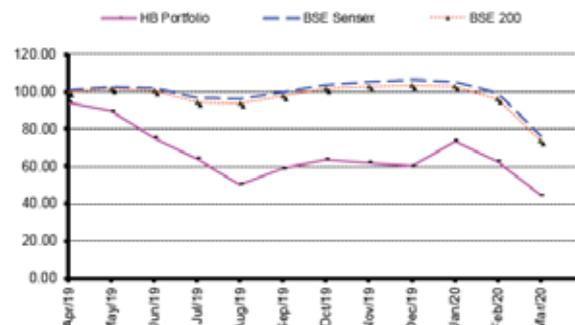
V. **Stock Code / ISIN:**

The Company's Stock Code at BSE Limited is 532333 (ISIN: INE638B01025)

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

Month	High Price	Low Price	Close Price	Volume
Apr-19	28.00	23.05	23.85	28307
May-19	27.00	21.20	22.65	48905
Jun-19	23.95	17.40	19.10	24648
Jul-19	21.50	15.30	16.25	51764
Aug-19	19.00	11.70	12.70	30522
Sep-19	17.99	10.32	14.90	40048
Oct-19	17.00	13.72	16.10	37951
Nov-19	19.65	14.05	15.70	34797
Dec-19	17.00	13.60	15.20	34226
Jan-20	23.90	14.50	18.65	84804
Feb-20	20.85	14.50	15.80	32679
Mar-20	18.95	9.75	11.25	48289

VII. **Performance in Broad based Indices:**



**Stock Performance – Absolute Returns:**

	1 Year
HB Portfolio	-52.83
BSE Sensex	-24.50
BSE 200	-26.56

VIII. **Registrar and Share Transfer Agents:**

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

IX. **Share Transfer System**

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

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


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

Shareholding of value of Rupees	Shareholders		Shareholding	
	Number	% to total	No. of Shares	% to total
Up to 5000	71855	99.32	2154011	20.01
5001-10000	243	0.34	172560	1.60
10001-20000	118	0.16	163015	1.51
20001-30000	40	0.06	97776	0.91
30001-40000	17	0.02	58063	0.54
40001-50000	18	0.02	81760	0.76
50001-100000	23	0.03	170243	1.58
100001 and above	30	0.04	7866802	73.08
<b>TOTAL</b>	<b>72344</b>	<b>100.00</b>	<b>10764230</b>	<b>100.00</b>

**XI. Dematerialization of Share and Liquidity:**

Company's Shares are tradable compulsorily in the electronic form. The Company is a member of both the depositories, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number (ISIN) allotted to the Company under the Depository system is INE638B01025. As on 31st March, 2020, 9677286 Equity Shares of the Company are held in Dematerialized form constituting 89.90% of the Company's Subscribed Share Capital.

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

**The category-wise distribution of Shareholders is as follows:**

Category	No. of Shares held	% of Shareholding
<b>A. Promoters Holding</b>		
➤ Indian Promoter	6614245	61.45
➤ Foreign Promoters	Nil	0.00
<b>B. Public Shareholding (Institutions)</b>		
➤ Mutual Funds and UTI	1393	0.01
➤ Banks/Financial Institutions	44	0.00
➤ Foreign Portfolio Investors	Nil	0.00
<b>C. Public Shareholding (Non Institutions)</b>		
➤ Indian Public	3141821	29.19
➤ Bodies Corporate	421884	3.92
➤ NRIs	63852	0.59
➤ Clearing Members	7569	0.07
➤ Trusts	15	0.00
➤ NBFCs	45	0.00
<b>D. Investor Education &amp; Protection Fund Account</b>	513362	4.77
<b>Total</b>	<b>10764230</b>	<b>100.00</b>

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

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

**XIV. Address for Correspondence:**

The Company Secretary  
 HB Portfolio Limited  
 Plot No. 31, Echelon Institutional Area,  
 Sector-32, Gurugram – 122 001, Haryana  
 Ph: 0124-4675500; Fax: 0124-4370985  
 E-mail: [corporate@hbportfolio.com](mailto:corporate@hbportfolio.com)

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**HB Portfolio Limited**  
 Gurugram

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

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

Place: Gurugram  
 Date: 29th June, 2020

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



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS  
OF HB PORTFOLIO LIMITED**

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HB PORTFOLIO LIMITED** having CIN: L67120HR1994PLC034148 and having Registered Office at Plot No. 31, Echelon Institutional Area, Sector 32, Gurugram -122001, Haryana, (hereinafter referred to as "the Company") produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal - www.mca.gov.in as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Government of India or any such Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Mr. Lalit Bhasin	00002114	27/07/2004
2	Mr. Anil Goyal	00001938	20/02/2002
3	Mr. Jag Mohan Lal Suri	00002373	18/08/1994
4	Mr. Raj Kumar Bhargava	00016949	25/07/2001
5	Mr. Ramesh Chandra Sharma	00023274	27/07/2004
6	Mrs. Anita Jain	00031612	31/03/2015
7	Mr. Harbans Lal	00076405	17/09/2019

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

For A.N. Kukreja & Co.  
Company Secretaries

Sd/-  
A.N. Kukreja  
(Proprietor)

FCS 1070; CP 2318

ICSI Unique Code: S1995DE014900

UDIN: F001070B000384519

Place: New Delhi  
Date : 29th June, 2020

**MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

The Members of  
HB Portfolio Limited  
Gurugram

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

For HB Portfolio Limited

Sd/-  
ANIL GOYAL  
(Managing Director)

DIN: 00001938

Place: Gurugram  
Date: 29th June, 2020



## INDEPENDENT AUDITORS' REPORT

To  
The Members of HB PORTFOLIO LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the Standalone Financial Statements of **HB Portfolio Limited** ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2020, and the Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of changes in equity and Standalone Statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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

#### Basis of Opinion

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

#### Key Audit Matters

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

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

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

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

#### Management's Responsibility for the Standalone Financial Statements

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

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

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

#### Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

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

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

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

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



**Report on Other Legal and Regulatory Requirements**

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provision of Section 197 of the Act.

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

Place: Gurugram  
Dated: 29<sup>th</sup> June, 2020

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

**ANNEXURE – A**

The Annexure referred to in Independent Auditor's Report to the members of **HB Portfolio Limited** on the Standalone Financial Statements for the year ended on 31<sup>st</sup> March, 2020, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) The Company does not have any immovable property.
2. As explained to us, inventories (Investments) have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. As explained to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, with respect to the loans and investment made and guarantee given and security provided to the extent applicable to the Company.
5. The Company has not accepted any deposits from the public.
6. The nature of the Company's business/activities is such that maintenance of Cost Records under Section 148(1) of the Act is not applicable to the Company.
7. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and Other Statutory Dues to the extent and as applicable to the Company have been generally regularly deposited by the Company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date of becoming payable.
- (b) According to the records of the Company, there are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.
8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans/borrowings from bank. There are no loans or borrowings taken by the Company from any financial institution, government or debenture holders during the year.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). The term loans (vehicle loan) were utilized for the purpose for which they were obtained.
10. In our opinion and according to the information and explanation given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable.
16. The Company has made application to Reserve Bank of India for registration under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration is yet to be received. (Refer Note No. 34)

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

Place: Gurugram  
Dated: 29<sup>th</sup> June, 2020

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

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

We have Audited the Internal Financial Controls over Financial Reporting of **HB PORTFOLIO LIMITED** (“the Company”) as of 31<sup>st</sup> March, 2020 in conjunction with our Audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

Our Audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our Audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor’s judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s Internal Financial Controls system over Financial Reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A Company’s Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A Company’s Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s Assets that could have a material effect on the Financial Statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31<sup>st</sup> March, 2020, based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place: Gurugram**  
**Dated: 29<sup>th</sup> June, 2020**

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

**BALANCE SHEET AS AT 31ST MARCH, 2020**

Particulars	Notes	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>I. ASSETS</b>				
<b>Financial Assets</b>				
a. Cash and cash equivalents	4	9,374,641	2,953,426	4,226,352
b. Bank Balance other than (a) above	5	6,658,580	8,392,004	9,867,059
c. Loans	6	135,500,000	41,600,000	2,600,000
d. Investments	7	902,655,175	1,225,839,242	1,204,713,492
e. Other Financial Assets	8	45,964,814	37,262,602	280,794,625
<b>Non-Financial Assets</b>				
a. Current Tax Assets (Net)	9	134,420	54,457	-
b. Deferred Tax Assets (Net)	10	523,797	378,443	427,897
c. Property, Plant and Equipment	11	3,084,423	3,857,643	4,555,343
d. Other Non-Financial Assets	12	2,730,861	2,894,736	1,826,366
<b>TOTAL ASSETS</b>		<b>1,106,626,711</b>	<b>1,323,232,553</b>	<b>1,509,011,133</b>
<b>II. LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
a. Borrowings	13	322,753	1,241,105	2,089,072
b. Other Financial Liabilities	14	8,243,018	9,872,744	17,303,395
<b>Non-Financial Liabilities</b>				
a. Current Tax Liabilities (Net)	15	-	-	19,698,387
b. Provisions	16	4,172,064	6,012,618	6,145,140
c. Other Non-Financial Liabilities	17	502,684	401,279	489,050
<b>Equity</b>				
a. Equity Share Capital	18	110,378,599	110,378,599	110,378,599
b. Other Equity	19	983,007,593	1,195,326,208	1,352,907,490
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,106,626,711</b>	<b>1,323,232,553</b>	<b>1,509,011,133</b>

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

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

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

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

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

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

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Place: Gurugram  
Date : 29th June, 2020

Sd/-  
HIMANSHU KANSAL  
(CHIEF FINANCIAL OFFICER)

Sd/-  
DINESH KAPOOR  
(COMPANY SECRETARY)  
M. No.: FCS-6731

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

Particulars	Notes	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
<b>INCOME</b>			
<b>Revenue from Operations</b>			
(i) Interest Income	20	8,667,048	5,494,523
(ii) Dividend Income	21	52,015,728	13,312,293
<b>I Total Revenue from Operations</b>		<b>60,682,776</b>	<b>18,806,816</b>
<b>II Other Income</b>	22	<b>-</b>	<b>213,465</b>
<b>III Total Income (I+II)</b>		<b>60,682,776</b>	<b>19,020,281</b>
<b>EXPENSES</b>			
Finance Costs	23	66,104	136,489
Employee Benefits Expenses	24	15,118,002	12,726,870
Depreciation and amortisation expense	11	773,220	773,220
Others Expenses	25	8,642,551	12,871,457
Contingent Provision on Standard Assets/(written back)		386,000	156,000
<b>IV Total Expenses (IV)</b>		<b>24,985,877</b>	<b>26,664,036</b>
<b>V Profit / (Loss) Before Tax (III-IV)</b>		<b>35,696,899</b>	<b>(7,643,755)</b>
<b>VI Tax Expense</b>			
(i) Current Tax		635,000	495,000
(ii) Tax for earlier years		77,677	(830,157)
(iii) Deferred Tax (credit) / charge		(145,353)	49,455
<b>Total Tax Expense (VI)</b>		<b>567,324</b>	<b>(285,702)</b>
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>35,129,575</b>	<b>(7,358,053)</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement gain/ (losses) on defined benefit plan		(365,053)	296,457
- Fair Value changes of Investments at FVTOCI	26	(247,083,137)	(150,519,687)
- Income tax relating to above mentioned item		-	-
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(247,448,190)</b>	<b>(150,223,230)</b>
<b>Total Comprehensive Income for the year (VII +VIII)</b>		<b>(212,318,615)</b>	<b>(157,581,283)</b>
<b>IX Earnings per Equity Share of Face Value of ₹ 10 each (previous year ₹ 10 each)</b>	27		
Basic (₹)		3.26	-0.68
Diluted (₹)		3.26	-0.68

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

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

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

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

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

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

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Place: Gurugram  
Date : 29th June, 2020

Sd/-  
HIMANSHU KANSAL  
(CHIEF FINANCIAL OFFICER)

Sd/-  
DINESH KAPOOR  
(COMPANY SECRETARY)  
M. No.: FCS-6731


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

Particulars	For the year ended 31st March, 2020 (In ₹)	For the year ended 31st March, 2019 (In ₹)
<b>A. CASH FLOW FROM OPERATION ACTIVITIES</b>		
Profit Before Tax	35,696,899	(7,643,755)
<b>Adjustment for :</b>		
Depreciation	773,220	773,220
<b>Cash generated form operation before working capital changes</b>	<u>36,470,119</u>	<u>(6,870,535)</u>
<b>Working capital changes</b>		
(Increase)/ decrease in loans	-93,900,000	-39,000,000
(Increase)/ decrease in other financial assets	(8,702,212)	243,532,023
(Increase)/ decrease in other non-financial assets	163,875	(1,068,370)
Increase /(decrease) in other financial liabilities	103,698	(5,955,595)
Increase /(decrease) in provisions	(2,205,607)	163,935
Increase /(decrease) in other non financial liabilities	101,405	(87,771)
<b>Cash Flows before OCI and Tax</b>	<u>(67,968,722)</u>	<u>190,713,687</u>
Income Tax paid	792,640	19,417,689
<b>NET CASH FLOW FROM/ (USED) OPERATING ACTIVITIES</b>	<u>(68,761,362)</u>	<u>171,295,998</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0	(75,520)
Purchase of Investments	(30,015,259)	(233,370,000)
Sale of Investments	106,116,188	61,724,563
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>76,100,929</u>	<u>(171,720,957)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings	(918,352)	(847,967)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(918,352)</u>	<u>(847,967)</u>
<b>NET INCREASE/ DECREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<u>6,421,215</u>	<u>(1,272,926)</u>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>2,953,426</u>	<u>4,226,352</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u>9,374,641</u>	<u>2,953,426</u>

**Note:**

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

**Change in Liability arising from Financing Activities**

Particulars	Borrowings (Refer Note No. 12)
Balance as on 01st April, 2018	2,089,072
Proceeds/ Repayments of borrowing	(847,967)
Non cash change (Fair Value)	-
Balance as on 31st March, 2019	1,241,105
Balance as on 01st April, 2019	1,241,105
Proceeds/ Repayments of borrowing	(918,352)
Non cash change (Fair Value)	-
Balance as on 31st March, 2020	322,753

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

As Per our Report of even date attached

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

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

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

Sd/-  
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Sd/-  
 HIMANSHU KANSAL  
 (CHIEF FINANCIAL OFFICER)

Sd/-  
 DINESH KAPOOR  
 (COMPANY SECRETARY)  
 M. No.: FCS-6731

Place: Gurugram  
 Date : 29th June, 2020


**STANDALONE STATEMENT OF CHANGES IN EQUITY**
**a. Equity Share Capital**

	Number of Shares	(Amount in ₹)
<b>As at 01st April, 2018</b>	10,764,230	107,642,300
Changes in Equity share capital during the year	-	0
<b>As at 31st March, 2019</b>	10,764,230	107,642,300
Changes in Equity share capital during the year	-	-
<b>As at 31st March, 2020</b>	<u>10,764,230</u>	<u>107,642,300</u>

**b. Other Equity**

	Reserves and surplus				Other Comprehensive Income	Total
	General Reserve	Statutory Reserve	Securities Premium	Retained Earnings		
<b>Balance as at 01st April, 2018</b>	314,252,875	195,894,605	367,610,047	231,112,350	244,037,614	1,352,907,490
Profit for the year	0	0	0	(7,358,053)	0	(7,358,053)
Other comprehensive income (net of tax)	0	0	0	0	(150,519,687)	(150,519,687)
Transferred to Statutory Reserve	0	3,200,437	0	(3,200,437)	0	0
<b>Total comprehensive income for the year</b>	<b>314,252,875</b>	<b>195,894,605</b>	<b>367,610,047</b>	<b>223,754,297</b>	<b>93,517,927</b>	<b>1,195,029,751</b>
<b>Balance as at 31st March, 2019</b>	<b>314,252,875</b>	<b>195,894,605</b>	<b>367,610,047</b>	<b>223,754,297</b>	<b>93,517,927</b>	<b>1,195,029,751</b>
<b>Balance as at 01st April, 2019</b>	314,252,875	195,894,605	367,610,047	223,754,297	93,517,927	1,195,029,751
Profit for the year	-	-	-	35,129,575	-	35,129,575
Other comprehensive income for the year	-	-	-	-	(247,083,137)	(247,083,137)
Transferred to Statutory Reserve	-	7,025,915	-	(7,025,915)	-	-
<b>Total comprehensive income for the year</b>	<b>314,252,875</b>	<b>188,868,690</b>	<b>367,610,047</b>	<b>265,909,787</b>	<b>(153,565,210)</b>	<b>983,076,189</b>
<b>Balance as at 31st March, 2020</b>	<b>314,252,875</b>	<b>188,868,690</b>	<b>367,610,047</b>	<b>265,909,787</b>	<b>(153,565,210)</b>	<b>983,076,189</b>

Significant accounting policies and notes to the Standalone Financial Statements

1-50

*The accompanying notes form an integral part of the Standalone Financial Statements*
*As Per our Report of even date attached*
**FOR G. C. AGARWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration Number : 017851N

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

 Place: Gurugram  
 Date : 29th June, 2020

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

 Sd/-  
**HIMANSHU KANSAL**  
 (CHIEF FINANCIAL OFFICER)

**FOR AND ON BEHALF OF THE**  
**BOARD OF DIRECTORS OF**  
**HB PORTFOLIO LIMITED**

 Sd/-  
**J.M.L. SURI**  
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 DIN: 00002373

 Sd/-  
**DINESH KAPOOR**  
 (COMPANY SECRETARY)  
 M. No.: FCS-6731



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

1. Company Information / Overview

The Company is a Public Limited Company incorporated and domiciled in India having its registered office at Gurugram, India. The Company is engaged in the business of Financial Services. The Equity Shares of the Company are listed at BSE Limited.

2. Basis of preparation of Financial Statements

(A) Compliance with Ind AS

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

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

The transition to Ind AS has been carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 01st April, 2018.

An explanation of how the transition to Ind AS from the previous GAAP has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No. 36.

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

(B) Presentation of Financial Statements

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

(C) Basis of Preparation

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

3. Significant Accounting Policies

3.1 Use of Estimates and Judgement

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

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

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

A) Effective Interest Rate (EIR) Method

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

B) Impairment of Loans Portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

C) Defined Employee Benefit Assets and Liabilities

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

D) Fair Value Measurement

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

E) Other Estimates

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

3.2 Financial Instruments

A) Initial Recognition and Measurement

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

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

B) Classification and Subsequent Measurement of Financial Assets

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

a. Amortised Cost

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

b. FVOCI- Debt Instruments

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

c. FVOCI- Equity Instruments

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

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

d. FVTPL

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

Subsequent Measurement of Financial Assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.



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

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

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

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

**C. Financial Liabilities and Equity Instruments**

**Classification as Debt or Equity**

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

**Equity Instruments**

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

**Financial Liabilities**

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

**D. Derecognition**

**Financial Assets**

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

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

**Financial Liabilities**

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

**E. Offsetting**

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

**F. Impairment**

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The

assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

**3.3 Cash and Cash Equivalents**

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

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

**3.4 Property, Plant and Equipments (PPE)**

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

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

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

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

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

Particulars	Useful life
Furniture & fixture	10 years
Office equipment	5 years
Computer	3 years
Vehicles	8 years

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

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

**3.5 Intangible Assets**

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

**3.6 Impairment of Assets other than Financial Assets**

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

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

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



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

### 3.7 Investments in Subsidiaries and Associates

Investments in Subsidiaries and Associate are measured at cost less accumulated impairment, if any.

### 3.8 Provisions

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

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

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

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

### 3.9 Revenue Recognition

#### A) Recognition of Interest Income on Loans

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

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

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

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

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

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

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

#### B) Fees and Commission Income

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

Commission and brokerage income earned for the services rendered are recognised as and when they are due.

#### C) Dividend and Interest Income on Investments

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.
- Interest Income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### 3.10 Employee Benefits

#### A) Short-Term Employee Benefits

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

#### B) Contribution to Provident Fund

Company's contribution paid/payable during the year to provident fund is recognised in the Statement of profit and loss.

#### C) Gratuity

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss. Liability for Gratuity is funded with Life India Corporation of India.

#### Remeasurement Gains / Losses

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

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

#### D) Superannuation Fund

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

#### E) Leave Encashment / Compensated Absences / Sick Leave

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

#### F) Employee Stock Options

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

### 3.11 Finance Costs

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits mobilised, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

### 3.12 Taxation - Current and Deferred Tax

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

#### A) Current Tax

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



**B) Deferred Tax**

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

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

**3.13 Leases**

**As a lessee**

The Company has applied Ind AS 116 with effect from 1 April 2019, which replaces the existing lease standard, Ind AS 17 Leases and other Interpretations. The Company has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Company at the inception of a contract, assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company has elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

**3.14 Provisions and Contingent Liabilities**

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

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**3.15 Exceptional Items**

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

**3.16 Earning per Share**

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

**4. CASH AND CASH EQUIVALENT**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Cash on Hand	911,723	844,833	829,683
<b>Balance with Banks</b>			
- In current and deposit account	8,462,918	1,108,593	2,896,669
- Cheques on Hand	-	1,000,000	500,000
<b>Total</b>	<b>9,374,641</b>	<b>2,953,426</b>	<b>4,226,352</b>

**5. BANK BALANCE OTHER THAN ABOVE**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>Earmarked balances with banks-</b>			
- Unclaimed dividend accounts	6,658,580	8,392,004	9,867,059
<b>Total</b>	<b>6,658,580</b>	<b>8,392,004</b>	<b>9,867,059</b>

**6. LOANS**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>A) Loans (at amortised cost) :</b>			
Inter Corporate Loans/advance against securities - Standard	135,500,000	39,000,000	-
Loans and Advances to Related Parties - Doubtful*	-	2,600,000	2,600,000
<b>Total (Gross)</b>	<b>135,500,000</b>	<b>41,600,000</b>	<b>2,600,000</b>
Less: Impairment loss allowance	-	-	-
<b>Total (Net)</b>	<b>135,500,000</b>	<b>41,600,000</b>	<b>2,600,000</b>
<b>B) i) Secured by Tangible Assets</b>			
ii) Unsecured	135,500,000	41,600,000	2,600,000
<b>Total (Gross)</b>	<b>135,500,000</b>	<b>41,600,000</b>	<b>2,600,000</b>
Less: Impairment loss allowance	-	-	-
<b>Total (Net)</b>	<b>135,500,000</b>	<b>41,600,000</b>	<b>2,600,000</b>

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>C) i) Loans in India</b>			
a) Public Sector			
b) Others	135,500,000	41,600,000	2,600,000
<b>Total (Gross)</b>	<b>135,500,000</b>	<b>41,600,000</b>	<b>2,600,000</b>
Less: Impairment loss allowance	-	-	-
<b>Total (Net) -C (i)</b>	<b>135,500,000</b>	<b>41,600,000</b>	<b>2,600,000</b>
<b>ii) Loans outside India</b>	-	-	-
Less: Impairment loss allowance	-	-	-
<b>Total (Net) -C (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (Net) -C ( i + ii)</b>	<b>135,500,000</b>	<b>41,600,000</b>	<b>2,600,000</b>

**Note:**

Provision for Sub-Standard and doubtful assets has been separately shown in Note No. 16 (Short term Provisions) instead of netting it from the value of asset. This is being done as required by "Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

**Credit Quality of Assets**

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

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Low credit risk- <b>Stage I</b>	135,500,000	39,000,000	0
Significant increase in credit risk- <b>Stage II</b>			
Credit impaired- <b>Stage III</b>	135,500,000	39,000,000	0
	<b>135,500,000</b>	<b>39,000,000</b>	<b>0</b>

1. The amount presented are net of impairment loss allowance.
2. There are no changes in the Impairment loss allowances during the period.


**7. INVESTMENTS**

Particulars	Face Value	As at 31st March, 2020		As at 31st March, 2019		As at 01st April, 2018	
	(₹)	Qty. (Nos.)	Amount in (₹)	Qty. (Nos.)	Amount in (₹)	Qty. (Nos.)	Amount in (₹)
<b>A. INVESTMENT IN EQUITY INSTRUMENTS</b>							
<b>A.1 -Quoted Instrument fully paid up Equity Shares(At FVTOCI)</b>							
1 DCM Shriram Industries Ltd	10	2,511,735	278,049,065	2,988,173	543,249,851	3,317,170	653,980,066
2 HB Estate Developers Ltd*	10	2,104,317	11,931,477	2,104,317	41,539,218	2,104,317	55,553,969
3 Jaiprakash Associates Ltd.	2	6,266,024	6,704,646	6,266,024	34,463,132	6,266,024	118,741,155
4 Jaypee Infratech Ltd	10	425,353	272,226	425,353	1,050,622	425,353	3,564,458
5 Tata Global Beverages Ltd	1	950	280,060	950	192,993	950	245,528
<b>Total (A.1)</b>		<b>11,308,379</b>	<b>297,237,473</b>	<b>11,784,817</b>	<b>620,495,815</b>	<b>12,113,814</b>	<b>832,085,175</b>
<b>A.2 -Unquoted Fully Paid up Equity Shares</b>							
<b>A.2.1 -In Subsidiary Companies (At Cost)</b>							
1 HB Securities Ltd.(Wholly Owned Company)	10	8,207,570	99,075,700	7,207,570	89,075,700	7,207,570	89,075,700
2 HB Corporate Services Ltd.	10	4,257,478	52,490,175	4,257,478	52,490,175	4,251,070	51,010,700
3 Taurus Asset Management Co. Ltd.	10	11,872,118	216,808,004	11,872,118	216,808,004	11,872,118	216,808,004
4 Taurus Investment Trust Co. Ltd.	10	78,850	2,305,712	78,850	2,305,712	64,470	654,457
5 HB Insurance Advisors Ltd.	10	-	-	-	-	35,010	350,100
<b>Total (A.2.1)</b>		<b>24,416,016</b>	<b>370,679,591</b>	<b>23,416,016</b>	<b>360,679,591</b>	<b>23,430,238</b>	<b>357,898,961</b>
<b>A.2.2 -In Associate Companies (At Cost)</b>							
1 Harsai Investments Ltd.	10	400,000	4,000,000	400,000	4,000,000	400,000	4,000,000
<b>Total (A.2.2)</b>		<b>400,000</b>	<b>4,000,000</b>	<b>400,000</b>	<b>4,000,000</b>	<b>400,000</b>	<b>4,000,000</b>
<b>A.2.3 -In Other Companies (At FVTOCI)</b>							
1 QR Properties Pvt. Ltd.	10	4,500	4,251,420	4,500	4,238,865	4,500	3,938,670
2 HB Telecommunication Ltd.	10	-	-	-	-	100	1,000
3 HB Prime Capital Ltd.	10	-	-	-	-	45,000	1,128,375
4 RRB Securities Ltd.	10	200,000	5,924,400	200,000	5,862,680	200,000	5,099,020
5 Kesoram Textile Ltd.	10	49,699	357,071	49,699	357,071	49,699	357,071
<b>Total (A.2.3)</b>		<b>254,199</b>	<b>10,532,891</b>	<b>254,199</b>	<b>10,458,616</b>	<b>299,299</b>	<b>10,524,136</b>
<b>Total A</b>		<b>36,378,594</b>	<b>682,449,955</b>	<b>35,855,032</b>	<b>995,634,022</b>	<b>36,243,351</b>	<b>1,204,508,272</b>
<b>B. INVESTMENT IN PREFERENCE SHARES - UNQUOTED (AT FVTOCI)</b>							
1 HB Estate Developers Ltd.- 9% Redeemable Non-Convertible Non-Cumulative Preference Shares-Series III	100	2,000,000	200,000,000	2,000,000	200,000,000	-	-
2 HB Securities Ltd.- 6% Redeemable Non-Cumulative Non-Convertible Preference Shares	1,000	-	-	30,000	30,000,000	-	-
3 HB Securities Ltd.- 0% Fully Convertible Preference Shares	1,000	20,000	20,000,000	-	-	-	-
<b>Total B</b>		<b>2,020,000</b>	<b>220,000,000</b>	<b>2,030,000</b>	<b>230,000,000</b>	<b>-</b>	<b>-</b>
<b>C. INVESTMENT IN MUTUAL FUND (AT FVTPL)</b>							
1 SBI Multipliers		500	5,220	500	5,220	500	5,220
2 Taurus Mutual Fund - CORPUS		-	200,000	-	200,000	-	200,000
<b>Total C</b>		<b>500</b>	<b>205,220</b>	<b>500</b>	<b>205,220</b>	<b>500</b>	<b>205,220</b>
<b>Total Investments (A+B+C)</b>		<b>38,399,094</b>	<b>902,655,175</b>	<b>37,885,532</b>	<b>1,225,839,242</b>	<b>36,243,851</b>	<b>1,204,713,492</b>
Total Investment at FVTOCI		<b>13,582,578</b>	<b>527,770,364</b>	<b>12,039,016</b>	<b>860,954,431</b>	<b>12,413,113</b>	<b>842,609,311</b>
Total Investment at FVTPL		<b>500</b>	<b>205,220</b>	<b>500</b>	<b>205,220</b>	<b>500</b>	<b>205,220</b>
Total Investment at Cost		<b>24,816,016</b>	<b>374,679,591</b>	<b>23,816,016</b>	<b>364,679,591</b>	<b>23,830,238</b>	<b>361,898,961</b>

**Note:**

- All above investments are in India itself
- Investment costing ₹ Nil/- (Previous Year ₹ 88,38,418/-) were lying Pledged / given as Margin at the year end.

**8. OTHER FINANCIAL ASSETS**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Security Deposit*	34,508,440	34,508,440	34,508,440
Interest accrued but not due	4,338,818	877,313	-
Claim Recoverable-Doubtful	1,745,832	1,745,832	1,745,832
Other Recoverable**	5,371,724	131,017	1,131,318
Receivable from HB Stockholdings Ltd. Pursuant to Scheme of Arrangement	-	-	243,409,035
<b>Total</b>	<b>45,964,814</b>	<b>37,262,602</b>	<b>280,794,625</b>

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

(\*\*) Includes Advances given to related Party namely HB Securities Ltd. ₹ 50,00,000/- (Previous Year ₹ Nil/-)

**9. CURRENT TAX ASSETS (NET)**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Advance Tax and TDS	769,420	549,457	-
Less: Provision for Income Tax	(635,000)	(495,000)	-
<b>Total</b>	<b>134,420</b>	<b>54,457</b>	<b>-</b>

**The components of income tax expenses**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Current tax	635,000	495,000
Adjustments in respect of current income tax of prior years	77,677	(830,157)
Deferred tax relating to origin and reversal of temporary differences	(145,353)	49,455
<b>Income tax expense reported in statement of profit and loss</b>	<b>567,324</b>	<b>-285,702</b>
<b>Income tax recognised on other comprehensive income (OCI)</b>		
Deferred tax related to items recognised in OCI during the period:		
- Remeasurement of defined benefit plans	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>

**Reconciliation of the total tax charge**

The tax charge shown in the Statement of Profit and Loss differ from the tax charge that would apply if all the profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended 31st March, 2020 and year ended 31st March, 2019 is, as follows:

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Accounting profit before tax	35,696,899	(7,643,755)
Applicable Statutory Enacted Income Tax Rate	29.12%	29.12%
Computed Tax Expenses	-	-
- Adjustments recognised in relation to tax of prior years	77,677	(830,157)
- Current year tax provision	635,000	495,000
- Deferred Tax	(145,353)	49,455
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>567,324</b>	<b>-285,702</b>

**10. DEFERRED TAX ASSETS (NET)**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Leave Encashment/gratuity	454,011	356,916	427,778
Fixed Assets	69,786	21,527	119
<b>Total</b>	<b>523,797</b>	<b>378,443</b>	<b>427,897</b>

**11. PROPERTY, PLANT & EQUIPMENT**

(Amount in ₹)

Particulars	Furniture & Fixtures	Vehicles	Office Equipment	Data Processing Machine	Total
<b>GROSS BLOCK</b>					
<b>As at 01st April, 2018</b>	<b>21,643</b>	<b>6,489,873</b>	<b>278,276</b>	<b>249,803</b>	<b>7,039,595</b>
Additions during the year	75,520	-	-	-	75,520
Deletions during the year	-	-	-	-	-
<b>As at 31st March, 2019</b>	<b>97,163</b>	<b>6,489,873</b>	<b>278,276</b>	<b>249,803</b>	<b>7,115,115</b>
Additions during the year	-	-	-	-	-
Deletions during the year	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>97,163</b>	<b>6,489,873</b>	<b>278,276</b>	<b>249,803</b>	<b>7,115,115</b>
<b>ACCUMULATED DEPRECIATION</b>					
<b>As at 01st April, 2018</b>	<b>20,561</b>	<b>1,962,016</b>	<b>264,362</b>	<b>237,313</b>	<b>2,484,252</b>
Depreciation Expense for the year	6,034	767,186	-	-	773,220
Adjustment during the year	-	-	-	-	-
<b>As at 31st March, 2019</b>	<b>26,595</b>	<b>2,729,202</b>	<b>264,362</b>	<b>237,313</b>	<b>3,257,472</b>
Additions during the year	6,034	767,186	-	-	773,220
Adjustment during the year	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>32,629</b>	<b>3,496,388</b>	<b>264,362</b>	<b>237,313</b>	<b>4,030,692</b>
<b>NET BLOCK</b>					
<b>As at 31st March, 2020</b>	<b>64,534</b>	<b>2,993,485</b>	<b>13,914</b>	<b>12,490</b>	<b>3,084,423</b>
<b>As at 31st March, 2019</b>	<b>70,568</b>	<b>3,760,671</b>	<b>13,914</b>	<b>12,490</b>	<b>3,857,643</b>
<b>As at 01st April, 2018</b>	<b>1,082</b>	<b>4,527,857</b>	<b>13,914</b>	<b>12,490</b>	<b>4,555,343</b>

**12. OTHER NON FINANCIAL ASSETS**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Prepaid Expenses	26,710	28,212	8,904
GST Recoverable	2,704,151	1,788,164	730,702
Income Tax Refund	-	1,078,360	1,086,760
<b>Total</b>	<b>2,730,861</b>	<b>2,894,736</b>	<b>1,826,366</b>

**13. BORROWINGS**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>(A) In India</b>			
At amortised cost:			
Term loan from Bank	322,753	1,241,105	2,089,072
Outside India	-	-	-
<b>(B) Out of above</b>			
Secured against Hypothecation of Vehicle financed	322,753	1,241,105	2,089,072
Unsecured	-	-	-
<b>Total</b>	<b>322,753</b>	<b>1,241,105</b>	<b>2,089,072</b>

(\*) The Loan taken are at Interest rate of 8.35% P.A.

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

	0-1 Years	1-2 Years	2-3 Years
* - Vehicle Loan from HDFC Bank	322,753	-	-

**14. OTHER FINANCIAL LIABILITIES**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Unclaimed Dividend*	6,658,580	8,392,004	9,867,059
Expense payable	1,584,438	1,480,740	1,502,796
Payable to HB Estate Developers Ltd. pursuant to scheme of arrangement	-	-	5,933,540
<b>Total</b>	<b>8,243,018</b>	<b>9,872,744</b>	<b>17,303,395</b>

(\*) No amount was due for transfer to Investor Education and Protection Fund as on 31.03.2020

**15. CURRENT TAX LIABILITIES (NET)**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Provision for Income Tax	-	-	23,000,000
Less: TDS	-	-	-3,301,613
<b>Total</b>	-	-	<b>19,698,387</b>

**16. PROVISIONS**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>Provision for Employee Benefits</b>			
Leave Encashment	1,598,309	1,372,752	1,464,263
Gratuity	147,889	-	197,011
<b>Others</b>			
Contingent Provision against Standard Assets	680,034	294,034	138,034
Doubtful Debt and Advances	1,745,832	4,345,832	4,345,832
<b>Total</b>	<b>4,172,064</b>	<b>6,012,618</b>	<b>6,145,140</b>

**17. OTHER NON-FINANCIAL LIABILITIES**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Statutory Dues Payable	502,684	401,279	489,050
<b>Total</b>	<b>502,684</b>	<b>401,279</b>	<b>489,050</b>

**18. EQUITY SHARE CAPITAL**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>a. Authorised:</b>			
2,00,00,000 Equity shares of ₹ 10/- each	200,000,000	200,000,000	200,000,000
2,00,00,000 Redeemable Preference Shares of ₹ 10/- each	200,000,000	200,000,000	200,000,000
<b>Total</b>	<b>400,000,000</b>	<b>400,000,000</b>	<b>400,000,000</b>
<b>b. Issued</b>			
1,15,93,531 Equity Shares of ₹ 10/- Each	115,935,310	115,935,310	115,935,310
<b>Total</b>	<b>115,935,310</b>	<b>115,935,310</b>	<b>115,935,310</b>
<b>c. Subscribed and Paid up</b>			
1,07,64,230 Equity Shares of ₹ 10/- Each fully paid up	107,642,300	107,642,300	107,642,300
	107,642,300	107,642,300	107,642,300
Add: Forfeited Shares- 8,29,30 (8,29,301) Equity Shares (Other than Directors)	2,736,299	2,736,299	2,736,299
<b>Total</b>	<b>110,378,599</b>	<b>110,378,599</b>	<b>110,378,599</b>

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

Particulars	Number of Shares	Amount in ₹
<b>As At 01st April, 2018</b>	<b>10,764,230</b>	<b>107,642,300</b>
Issued during the year	-	-
<b>As At 31st March, 2019</b>	<b>10,764,230</b>	<b>107,642,300</b>
Issued during the year	-	-
<b>As At 31st March, 2020</b>	<b>10,764,230</b>	<b>107,642,300</b>

**e. Terms / Rights attached to the Equity Shares**

- Issued Share Capital of the Company has only one class of shares referred to as Equity Shares having Par value of ₹ 10/-. Each holder of Equity Shares is entitled to One vote per Share. In the event of the Liquidation of the Company, the holder of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. The holders of Equity Shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

- During the FY 2017-18, the Company had allotted 59,48,055 (Fifty Nine Lakhs Forty Eight Thousand Fifty Five) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid-up to the Shareholders of HB Stockholdings Limited in the ratio of 25 (Twenty Five) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up of HB Portfolio Limited for every 100 (One Hundred) Equity Shares held by them in HB Stockholdings Limited. As a result of which, the Equity Share Capital increased from ₹ 11,99,23,290 comprising of 1,19,92,329 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up to ₹ 17,94,03,840 comprising of 1,79,40,384 Equity Shares of Rs. ₹ 10/- (Rupees Ten) each fully paid up. After the allotment of Equity Shares by the Company to the Shareholders of HB Stockholdings Limited, the Equity Share Capital of the Company had been reduced by reducing the Face Value of the Equity Shares from 1 (One) Equity Share of ₹ 10/- (Rupees Ten) fully paid up to 1 (One) Equity Share of ₹ 6/- (Rupees Six) each fully paid up. The Equity Share Capital of the Company so reduced had been further consolidated in such a manner that the Shareholders holding 5 (Five) Equity Share of ₹ 6/- (Rupees Six) each fully paid up were allotted 3 (Three) Equity Share of ₹ 10/- (Rupees Ten) each fully paid up in the Equity Share Capital of the Company. As a result of which, the Equity Share Capital reduced from ₹ 17,94,03,840 comprising of 1,79,40,384 Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 10,76,42,300 comprising of 1,07,64,230 Equity Shares of ₹ 10/- (Rupees Ten) each.

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

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 01st April, 2018	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Lalit Bhasin	6,324,671	58.76%	6,324,671	58.76%	6,293,927	58.47%

**19. OTHER EQUITY**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>a. General Reserve</b>			
Opening Balance	314,252,875	314,252,875	
Add: Transferred from Retained Earnings	-	-	
<b>Closing Balance</b>	<b>314,252,875</b>	<b>314,252,875</b>	<b>314,252,875</b>
<b>b. Securities Premium</b>			
Opening Balance	367,610,047	367,610,047	-
<b>Closing Balance</b>	<b>367,610,047</b>	<b>367,610,047</b>	<b>367,610,047</b>
<b>c. Statutory Reserve</b>			
Opening Balance	199,095,042	195,894,605	-
Add: Transferred from surplus	7,025,915	3,200,437	-
<b>Closing Balance</b>	<b>206,120,957</b>	<b>199,095,042</b>	<b>195,894,605</b>
<b>d. Other Comprehensive Income</b>			
Opening Balance	70,750,601	244,037,614	
Add: Remeasurements of defined benefit plans	(247,083,137)	(150,519,687)	
Add: Fair Value changes of Investments at FVTOCI	(365,053)	296,457	
Less: Realised gain on sale of investment transferred to retained earnings	(22,603,211)	(23,063,783)	
Deferred Tax	-	-	
<b>Closing Balance</b>	<b>(199,300,800)</b>	<b>70,750,601</b>	<b>244,037,614</b>
<b>e. Retained Earning</b>			
Opening Balance	243,617,643	231,112,350	
Add: Profit for the current year	35,129,575	(7,358,053)	
Add: Realised gain on sale of investment transferred from OCI	22,603,211	23,063,783	
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(7,025,915)	(3,200,437)	
Closing Balance	294,324,515	243,617,643	231,112,350
<b>TOTAL OTHER EQUITY</b>	<b>983,007,593</b>	<b>1,195,326,208</b>	<b>1,352,907,490</b>

**Description of the nature and purpose of Other Equity:**
**General Reserve**

General Reserve represents the statutory reserve. This is in accordance with Indian Corporate Law where in a portion of profit is apportioned to General Reserve. Under Companies Act, 1956, it was mandatory to transfer amount before a company can declare dividend. However, under companies Act, 2013 transfer of any amount to general reserve is at the discretion of the company.

**Securities Premium**

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

**Statutory Reserve**

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

**Other Comprehensive Income-Remeasurement Gain / (Losses) on Defined Benefit Plan**

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

**Retained Earnings**

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

**20. INTEREST INCOME**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Interest Income on Loans and intercorporate deposits (on financial asset as amortised cost)	7,694,166	5,494,523
Interest on Income Tax Refund	972,882	-
<b>Total</b>	<b>8,667,048</b>	<b>5,494,523</b>

**21. DIVIDEND**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Dividend received on Shares	52,015,728	13,312,293
<b>Total</b>	<b>52,015,728</b>	<b>13,312,293</b>

**22. OTHER INCOME**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Provision no Longer required	-	15,500
Other Income	-	197,965
<b>Total</b>	<b>-</b>	<b>213,465</b>

**23. FINANCE COST**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Interest expense on vehicle loan	66,104	136,489
<b>Total</b>	<b>66,104</b>	<b>136,489</b>

**24. EMPLOYEE BENEFIT EXPENSES**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Salary & Benefits	13,734,470	11,518,516
Contribution to Provident fund and other fund	1,313,051	1,134,548
Staff Welfare	70,481	73,806
<b>Total</b>	<b>15,118,002</b>	<b>12,726,870</b>

**25. OTHER EXPENSES**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Rent/Facility Charges	861,240	861,240
Vehicle Running and Maintenance	478,912	398,025
Insurance	123,288	89,688
Travelling & Conveyance	417,213	367,299
Communication	583,601	3,519,482
Printing & Stationery	615,765	1,393,994
Legal & Professional	3,047,269	3,112,409
Listing Fee	300,000	250,000
Advertisement	239,792	324,616
Director Sitting fees	720,000	740,000
Depository and Custodial and CDSL and NSDL Fees	117,280	386,774
Corporate Social Responsibility Expenditure (Note No. 47)	700,000	650,000
Bad debts/ Loans written off	2,600,000	-
Less:- Provision written back	(2,600,000)	-
Miscellaneous	269,191	591,930
<b>Auditors Remuneration</b>		
-Audit Fees	115,000	115,000
-Tax Audit Fees	15,000	15,000
-Limited Review Reports	30,000	30,000
-Certification and others	9,000	26,000
<b>Total</b>	<b>8,642,551</b>	<b>12,871,457</b>

**26. FAIR VALUE CHANGES OF INVESTMENTS AT FVTOCI**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
<b>Net Gain/ (loss) on fair valuation of Equity investments at FVTOCI</b>		
Realised gain / (loss) on sale of investments	22,603,211	23,063,783
Unrealised gain / (loss) on fair valuation of investments	(269,686,348)	(173,583,470)
<b>Total</b>	<b>(247,083,137)</b>	<b>(150,519,687)</b>

**27. EARNING PER SHARE (EPS)**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Profit for the year (Rs. in Lakhs)	35,129,575	(7,358,053)
Weighted average number of Equity Shares used in computing basic EPS	10,764,230	10,764,230
Weighted average number of Equity Shares used in computing diluted EPS	10,764,230	10,764,230
<b>Basic Earnings per share (Rs.)</b>	<b>3.26</b>	<b>(0.68)</b>
<b>Diluted Earnings per share (Rs.)</b>	<b>3.26</b>	<b>(0.68)</b>
Face value per share (Rs.)	10	10

**28. RELATED PARTY TRANSACTIONS**
**28.1 List of related parties with whom transactions have taken place and relationship:**

- a) **Subsidiaries**
  1. HB Securities Ltd. (Wholly Owned)
  2. HB Corporate Services Ltd.
- b) **Key Managerial Personnel**
  1. Shri Anil Goyal, Managing Director
  2. Shri Dinesh Kapoor, Company Secretary
  3. Shri Himanshu Kansal, Chief Financial Officer
- c) **Person having control/significant influence /major shareholders**
  1. Shri Lalit Bhasin
- d) **Enterprises over which control/significant influence exist of the relatives of persons mentioned in (c) above**
  1. RRB Master Securities Delhi Ltd.
- e) **Companies under direct or indirect common control/significant influence**
  1. HB Stockholdings Ltd.
  2. HB Estate Developers Ltd.
  3. HB Leasing and Finance Co. Ltd.
- f) **Associates**
  1. Merwanjee Securities Ltd.

**28.2 Transactions during the Financial Year ended 31st March, 2020 with related Parties as under**

Sr. No.	Particulars	Nature of Transaction	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
1	HB Securities Ltd.	Depository Charges paid	21205	8526
		Subscription made for Equity / Preference Share	30000000	30000000
		Amount received against Redemption of Preference Share	30000000	
		Outstanding Guarantees given as at the year end	19300000	19300000
		Book Value of Shares given as Margin/ Security as at the year end	0	8838418
2	HB Corporate Services Ltd.	Expenses incurred on their behalf	0	29006
		Advance recoverable as at year end	0	2600000
3	Anil Goyal	Remuneration and other services	7360000	7360000
4	Dinesh Kapoor	Remuneration and other services	2870400	2590500
5	Himanshu Kansal	Remuneration and other services	1846307	0
6	Lalit Bhasin	Sitting Fee	80000	80000
7	RRB Master Securities Delhi Ltd.	Sale of Investment/ Securities through them	675463	1503051
8	HB Stockholdings Ltd.	Received against amount receivable pursuant to scheme of arrangement	0	243409035
9	HB Estate Developers Ltd.	Rent paid	861240	861240
		Subscription for Preference Shares	0	20000000
		Security deposit outstanding for premises on Rent	34500000	34500000
		Repayment against amount payable to HB Estate Developers Ltd. pursuant to scheme of arrangement	0	5933540
10	HB Leasing and Finance Co. Ltd.	Purchase of Investments	0	1651255
11	Merwanjee Securities Ltd.	Sale of Investment/ Securities through them	75413584	58523021

**29. RETIREMENT BENEFIT OBLIGATIONS**

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

**A) Defined Contributions Plans**

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

Particulars	Current Year	Previous Year
	Amount (In ₹)	Amount (In ₹)
Company Contribution to Provident Fund	9,08,335/-	7,74,252/-
Company Contribution to superannuation fund	1,00,000/-	1,00,000/-

**B) Defined Benefit Plans**

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

**(i) Movement in defined benefit obligation**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Present value of obligation -at the beginning of the period	6,374,480	6,056,417	1,372,752	1,464,263
Interest cost	446,214	469,372	96,093	113,480
Current service cost	305,558	245,028	110,236	62,176
Benefits paid	(166,731)	-	(240,617)	(339,200)
Remeasurements - actuarial (gain)/ loss	131,190	(396,337)	259,845	72,033
Present value of obligation -at the end of the period	7,090,711	6,374,480	1,598,309	1,372,752

**(ii) Movement in Plan Assets – Gratuity**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Fair value of plan assets at beginning of year	6,386,515	5,859,406	-	-
Expected return on plan assets	447,056	454,104	-	-
Employer contributions	250,000	100,852	-	-
Benefits paid	(166,731)	-	-	-
Actuarial gain / (loss)	25,982	(27,847)	-	-
Fair value of plan assets at end of year*	6,942,822	6,386,515	-	-

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

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

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Present value of obligation -at the end of the period	7,090,711	6,374,480	1,598,309	1,372,752
Fair value of plan assets at end of year	6,942,822	6,386,515	-	-
Net liability/(asset) recognized in Balance Sheet	147,889	(12,035)	1,598,309	1,372,752
Funded Status- Surplus/ (Deficit)	(147,889)	12,035	(1,598,309)	(1,372,752)

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

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Interest cost	446,214	469,372	96,093	113,480
Current Service cost	305,558	245,028	110,236	62,176
Expected return on plan assets	(447,056)	(454,104)	-	-
<b>Expenses to be recognised in P&amp;L</b>	<b>304,716</b>	<b>260,296</b>	<b>206,329</b>	<b>175,656</b>

**(v) Recognised in other comprehensive income**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(1,390,948)	(1,022,458)	80,509	8,476
Remeasurement - Actuarial (gain)/loss -Obligation	131,190	(396,337)	259,845	72,033
Remeasurement - Actuarial (gain)/loss -Plan assets	(25,982)	27,847	-	-
<b>Total Actuarial (gain)/loss</b>	<b>105,208</b>	<b>(368,490)</b>	<b>259,845</b>	<b>72,033</b>
Cumulative unrecognized actuarial (gain)/loss opening. C/F	(1,285,740)	(1,390,948)	340,354	80,509

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

Weighted average actuarial assumptions	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Discount Rate	7.00 % per annum	7.75 % per annum	7.00 % per annum	7.75 % per annum
Expected Rate of increase in salary	6.00 % per annum			
Mortality rate	IALM 2012-14	IALM 2006-08 Ultimate	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal Rate- 18 to 30 Years	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
- 30 to 44 Years	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.
- 44 to 70 Years	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.

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

**(vii) Sensitivity analysis**

For the year ended 31st March, 2020

Particulars	Change in assumption	Effect on Gratuity	Effect on leave encashment
Discount rate	+1%	-540,793	-132,782
	-1%	602,109	151,486
Salary Growth rate	+1%	602,109	151,486
	-1%	-550,017	-135,041
Attrition Rate	+1%	26,513	8,916
	-1%	-29,523	-10,108

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

(Amount in ₹)

Particulars	Gratuity	Leave encashment
01st April, 2020 to 31st March, 2021	241,947	55,462
01st April, 2021 to 31st March, 2022	127,034	1,542,847
01st April, 2022 to 31st March, 2023	127,034	-
01st April, 2023 to 31st March, 2024	126,982	-
01st April, 2024 to 31st March, 2025	127,163	-
01st April, 2025 Onwards	6,340,551	-

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

Guarantees given on behalf of Subsidiary Company HB Securities Limited ₹ 1,93,00,000/- (Previous Year ₹ 1,93,00,000/-)

**31. QUANTITATIVE DETAILS**

Quantitative information in respect of Investments in Securities

**EQUITY INSTRUMENTS**

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount ₹	Qty. (Nos.)	Amount ₹
Opening Balance	35855032	995634022	36243351	1204508272
Purchases/conversions	1000000	10000000	21702	3172033
Sales/conversions/Transfer	476438	75440726	410021	61526596
<b>Closing Balance</b>	<b>36378594</b>	<b>682449955</b>	<b>35855032</b>	<b>995634022</b>

**PREFERENCE SHARES**

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount ₹	Qty. (Nos.)	Amount ₹
Opening Balance	2030000	230000000	0	0
Purchases/conversions	20000	20000000	2030000	230000000
Sales/conversions/Transfer	30000	30000000	0	0
<b>Closing Balance</b>	<b>2020000</b>	<b>220000000</b>	<b>2030000</b>	<b>230000000</b>

**MUTUAL FUNDS**

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount ₹	Qty. (Nos.)	Amount ₹
Opening Balance	500	205220	500	205220
Purchases/conversions	0	0	0	0
Sales/conversions/Transfer	0	0	0	0
<b>Closing Balance</b>	<b>500</b>	<b>205220</b>	<b>500</b>	<b>205220</b>

**32. DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES**

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31st March, 2020 and 31st March, 2019.



**33. DISCLOSURE OF LOANS/ADVANCES IN THE NATURE OF LOANS IN TERMS OF PROVISION OF REGULATION 34 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 -**

Particulars		Outstanding Balance as on 31.03.2020	Max. Balance outstanding during the year	Outstanding Balance as on 31.03.2019	Max. Balance outstanding during the previous Year
i.	Loans & Advances in the nature of loans to Subsidiary.	Nil	Nil	Nil	Nil
ii.	Loans & Advances in the nature of loans to Associates.	Nil	Nil	Nil	Nil
iii.	Loans & Advances in the nature of loans where there is no repayment schedule, no interest or interest below Section 186 of the Companies Act, 2013	Nil	Nil	Nil	Nil
iv.	Loans & Advances in the nature of loans to firms/companies in which directors are interested.	Nil	Nil	Nil	Nil
v.	Investments by Loanee in the Shares of parent company and subsidiary company when the company has made loan or advance in the nature of Loan.	No. of Shares	Amount.	No. of Shares	Amount.
		Nil	Nil	Nil	Nil

34. The Company made an application for issue of Certificate of Registration with Reserve Bank of India (RBI) under Section 451A of the Reserve Bank of India Act, 1934. The application of the Company was, however, returned by RBI vide its letter dated 24th December, 2004 with an advice to resubmit the application on the completion of SEBI's enquiry against the Group Companies. In an Appeal filed by the Company before the Appellate Authority (in the Ministry of Finance) against the aforesaid decision of RBI, the Appellate Authority vide its Order dated 25th September, 2006, directed the Company to resubmit the application along with the latest Balance Sheets and other relevant details within 30 days to RBI and RBI to thereafter decide the case by obtaining necessary response from SEBI within 3 months from the date of receipt of the Order. The Company resubmitted its application to RBI's Regional Office at New Delhi on 23rd October, 2006 as per the aforesaid directions of the Appellate Authority. Additional details / documents / clarifications as required by RBI from time to time were submitted.

The Company vide its letters dated 11th October, 2010 and 29th January, 2011 intimated the RBI about the disposal of pending proceeding by the SEBI and also furnished copy of SEBI orders. The RBI vide its letter dated 29th March, 2011 advised the Company to make a fresh application for issue of Certificate of Registration. As directed by RBI, the Company filed a fresh application on 20th June, 2011. The necessary queries/information raised/sought by RBI from time to time were filed. Thereafter, the Company was advised by the RBI vide its letter dated 30th January, 2013 to file fresh application for registration as NBFC and accordingly the Company submitted the fresh application along with required documents/information on 29th July, 2013. The RBI again returned the application for submission of additional documents/information vide its letter dated 16th August, 2013 and accordingly the Company submitted the fresh application along with required documents/information on 19th March, 2014. The information/clarifications sought thereafter by RBI were also submitted by the Company.

Vide letter dated 19th January, 2016, RBI advised the Company to make fresh Application. Accordingly, the Company filed the fresh Application on 08th March, 2016. Further information / clarification sought by RBI were also submitted. Vide letter dated 18th July, 2017, RBI returned the Company's Application with the advice that, the existing financial business of the Company may be merged / amalgamated with any of the Registered Group NBFC. Accordingly, the Company vide its letter dated 19th February, 2018 wrote to RBI for either transfer of Registration Certificate of one of the Group NBFC to the Company or for issue of fresh Certificate of Registration to the Company in lieu of surrender of NBFC Registration Certificate by one of the Group NBFC Company.

Initially, RBI agreed to the Company's proposal for Issue of fresh NBFC Registration to the Company on surrendering the NBFC Registration Certificate by one of the Group NBFC Company. However, in subsequent discussions, RBI advised the Company that the process of surrendering Registration Certificate of Group NBFC Company and Company's Application for granting Certificate of Registration as NBFC shall be dealt separately as

per the RBI Rules and Regulations. In spite of the Company's best efforts, the Certificate of Registration as NBFC has not been granted so far to the Company. To ensure the Company's well being and its growth, the Board of Directors of the Company is of the view that it should diversify its business activities to non-financial sectors subject to requisite approvals as may be required.

35. In view of the above facts, the provisions of "Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 are yet to be applicable to the company. However, as a matter of prudent and proper practice, disclosure of details as required by Para 18 of aforesaid directions is being given. Similarly the transfer of profit to Reserve Fund as required by Reserve Bank of India (Amendment) Act, 1997 is also being made.

**36. FIRST-TIME ADOPTION OF IND AS**

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

For periods up to and including the year ended 31st March, 2019, the company has prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014 and guidelines issued by RBI (Indian GAAP or previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31st March, 2020, together with the comparative period data as at and for the year ended 31st March, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 01st April, 2018, the Company's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

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

**(A) Mandatory Exceptions and Optional Exemptions Availed**

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

**Mandatory Exceptions**

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

**(i) Estimates**

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

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

**(ii) Derecognition of Financial Assets and Financial Liabilities**

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

**(iii) Classification and Measurement of Financial Assets**

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

**(iv) Impairment of Financial Assets**

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

**Optional Exemptions Availed**

**(i) Investments in Subsidiaries, Associates**

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

**(ii) Property, Plant, Equipment & Intangible Assets**

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



(iii) Business Combinations

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

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

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

Reconciliation of Balance Sheet as at date of transition 01st April, 2018

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Financial Assets</b>				
a. Cash and cash equivalents	4	4,226,352	0	4,226,352
b. Bank Balance other than (a) above	5	9,867,059	0	9,867,059
c. Loans	6	2,600,000	0	2,600,000
d. Investments	7	979,155,353	-225,558,139	1,204,713,492
e. Other Financial Assets	8	280,794,625	0	280,794,625
<b>Non-Financial Assets</b>				
a. Current tax assets (Net)	9	0	0	0
b. Deferred tax assets (Net)	10	427,897	0	427,897
c. Property, Plant and Equipment	11	4,555,343	0	4,555,343
d. Other non-financial assets	12	1,826,366	0	1,826,366
<b>TOTAL ASSETS</b>		<b>1,283,452,995</b>	<b>-225,558,139</b>	<b>1,509,011,134</b>

LIABILITIES AND EQUITY LIABILITIES

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind AS
<b>Financial Liabilities</b>				
a. Borrowings	13	2,089,072	0	2,089,072
b. Other financial liabilities	14	17,303,395	0	17,303,395
<b>Non-Financial Liabilities</b>				
a. Current tax liabilities (Net)	15	19,698,387	0	19,698,387
b. Provisions	16	24,624,615	18,479,475	6,145,140
c. Other non-financial liabilities	17	489,050	0	489,050
<b>Equity</b>				
a. Equity Share Capital	18	110,378,599	0	110,378,599
b. Other Equity	19	1,108,869,877	-244,037,613	1,352,907,490
<b>TOTAL LIABILITIES</b>		<b>1,283,452,995</b>	<b>-225,558,138</b>	<b>1,509,011,133</b>

(\*) The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Reconciliation of Balance Sheet as at date of transition 31st March, 2019 (Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Financial Assets</b>				
a. Cash and cash equivalents	4	2,953,426	0	2,953,426
b. Bank Balance other than (a) above	5	8,392,004	0	8,392,004
c. Loans	6	41,600,000	0	41,600,000
d. Investments	7	1,173,864,573	51,974,669	1,225,839,242
e. Other Financial Assets	8	37,262,602	0	37,262,602
<b>Non-Financial Assets</b>				
a. Current tax assets (Net)	9	54,457	0	54,457
b. Deferred tax assets (Net)	10	378,443	0	378,443
c. Property, Plant and Equipment		3,857,643	0	3,857,643
d. Other non-financial assets	11	2,894,736	0	2,894,736
<b>TOTAL ASSETS</b>		<b>1,271,257,884</b>	<b>51,974,669</b>	<b>1,323,232,553</b>

Particulars	Note	Previous GAAP*	Adjustments	Ind AS
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
a. Borrowings	12	1,241,105	0	1,241,105
b. Other financial liabilities	13	9,872,744	0	9,872,744
<b>Non-Financial Liabilities</b>				
a. Current tax liabilities (Net)	14	0	0	0
b. Provisions	15	24,492,093	18,479,475	6,012,618
c. Other non-financial liabilities	16	401,279	0	401,279
<b>Equity</b>				
a. Equity Share Capital	17	110,378,599	0	110,378,599
b. Other Equity	18	1,124,872,062	-70,454,146	1,195,326,208
<b>TOTAL LIABILITIES</b>		<b>1,271,257,882</b>	<b>-51,974,671</b>	<b>1,323,232,554</b>

(\*) The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

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

(Amount in ₹)

Particulars	Note	As at 31st March, 2019	As at 1st April, 2018
<b>Equity as reported under previous GAAP</b>		1,235,250,661	1,219,248,476
<b>Adjustments</b>			
Fair valuation of investments classified under FVTPL		-	-
Impact due to fair valuation of investments designated under FVOCI		-70,454,146	-244,037,613
		-70,454,146	-244,037,613
Less: Tax adjustments		-	-
<b>Equity as per Ind AS</b>		<b>1,305,704,807</b>	<b>1,463,286,089</b>

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

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind AS
<b>INCOME</b>				
<b>Revenue from operations</b>				
(i) Interest Income	20	5,494,523	0	5,494,523
(ii) Dividend Income	21	13,312,293	0	13,312,293
<b>I Total Revenue from operations</b>		<b>18,806,816</b>	<b>0</b>	<b>18,806,816</b>
II Other Income	22	213,465	0	213,465
<b>III Total income (I+II)</b>		<b>19,020,281</b>	<b>0</b>	<b>19,020,281</b>
<b>EXPENSES</b>				
Finance Costs	23	136,489	0	136,489
Employee Benefits Expenses	24	12,430,413	-296,457	12,726,870
Depreciation and amortisation expense	11	773,220	0	773,220
Others expenses	25	12,871,458	1	12,871,457
Contingent Provision on Standard Assets/ (written back)		156,000	(0)	156,000
<b>IV Total expenses (IV)</b>		<b>26,367,580</b>	<b>-296,456</b>	<b>26,664,036</b>
<b>V Profit/ (loss) before tax (III-IV)</b>		<b>(7,347,299)</b>	<b>(296,457)</b>	<b>(7,643,756)</b>
<b>VI Tax expense</b>				
(i) Current tax		495,000	0	495,000
(ii) Deferred tax (credit) / charge		49,455	0	49,455
(iii) Income tax for earlier years		(830,157)	0	(830,157)
<b>Total tax expense (VI)</b>		<b>(285,702)</b>	<b>0</b>	<b>(285,702)</b>
<b>VII Profit for the year (V-VI)</b>		<b>(7,061,597)</b>	<b>(296,457)</b>	<b>(7,358,054)</b>
<b>VIII Other comprehensive income</b>				
(a) Items that will not be reclassified to profit or loss				
- Remeasurements of defined benefit plans		0	296,457	296,457
- Fair Value changes of Investments at FVTOCI		23,063,783	(173,583,470)	(150,519,687)
- Income tax relating to above mentioned item		0	0	0
<b>Other comprehensive income for the year, net of tax</b>		<b>23,063,783</b>	<b>(173,287,013)</b>	<b>(150,223,230)</b>
<b>Total comprehensive income for the year (VII +VIII)</b>		<b>16,002,186</b>	<b>(173,583,469)</b>	<b>(157,581,283)</b>

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

(Amount in ₹)

Particulars	31st March, 2019
Profit after tax as reported under previous GAAP	16,002,186
<b>Adjustments:</b>	
Net (loss)/ gain on fair value changes	0
<b>Net Profit After Tax as per Ind AS</b>	16,002,186
Fair Value changes of Investments at FVTOCI	(173,583,470)
<b>Other comprehensive income</b>	(173,583,470)
<b>Total comprehensive income as per Ind AS</b>	(157,581,284)

**37. CAPITAL MANAGEMENT**

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

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

**38. FINANCIAL RISK MANAGEMENT**

**Financial Risk Factors**

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

**I. Market Risk**

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

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

**Interest Rate Risk**

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

**Currency Risk**

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

**Equity Price Risk**

**(a) Exposure**

The company is exposed to equity price risk arising from Investments held by the company and classified in the balance sheet as fair value through OCI. To manage its price risk arising from investment in equity securities, the company diversifies its portfolio. The majority of the company's equity instruments are listed on the Bombay stock exchange (BSE) or the National stock exchange (NSE) in India.

**(b) Sensitivity Analysis- Equity Price Risk**

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

(Amount in ₹)

	Impact on Profit & Loss for the year ended 31st March 2020	
	31-Mar-20	31-Mar-19
NSE/ BSE Index - Increase by 2 %	5,944,749	12,409,916
NSE/ BSE Index - Decrease by 2 %	(5,944,749)	(12,409,916)

**II. Credit Risk**

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

**III. Liquidity Risk**

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

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

As at 31st March, 2020	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>			
Cash and cash equivalents	9,374,641		9,374,641
Bank Balance other than above	6,658,580		6,658,580
Loans	135,500,000		135,500,000
Investments	527,975,584	374,679,591	902,655,175
Other Financial Assets	45,964,814		45,964,814
<b>Total</b>	<b>725,473,619</b>	<b>374,679,591</b>	<b>1,100,153,210</b>
<b>Financial Liabilities</b>			
Borrowings	322,753	-	322,753
Other financial liabilities	8,243,018		8,243,018
<b>Total</b>	<b>8,565,771</b>	<b>-</b>	<b>8,565,771</b>

As at 31st March, 2019	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>			
Cash and cash equivalents	2,953,426		2,953,426
Bank Balance other than above	8,392,004		8,392,004
Loans	41,600,000		41,600,000
Investments	861,159,651	364,679,591	1,225,839,242
Other Financial Assets	37,262,602		37,262,602
<b>Total</b>	<b>951,367,683</b>	<b>364,679,591</b>	<b>1,316,047,274</b>
<b>Financial Liabilities</b>			
Borrowings	918,352	322,753	1,241,105
Other financial liabilities	9,872,744		9,872,744
<b>Total</b>	<b>10,791,096</b>	<b>322,753</b>	<b>11,113,849</b>

As at 01st April, 2018	Within 12 Months	After 12 Months	Total
<b>Financial Assets</b>			
Cash and cash equivalents	4,226,352		4,226,352
Bank Balance other than above	9,867,059		9,867,059
Loans	2,600,000		2,600,000
Investments	842,814,531	361,898,961	1,204,713,492
Other Financial Assets	280,794,625		280,794,625
<b>Total</b>	<b>1,140,302,567</b>	<b>361,898,961</b>	<b>1,502,201,528</b>
<b>Financial Liabilities</b>			
Borrowings	847,967	1,241,105	2,089,072
Other financial liabilities	17,303,395		17,303,395
<b>Total</b>	<b>18,151,362</b>	<b>1,241,105</b>	<b>19,392,467</b>

**39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

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

(Amount in ₹)

Particulars	31st March, 2020			31st March, 2019			01st April, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>ASSETS</b>									
<b>Financial Assets</b>									
Cash and cash equivalents	9,374,641	-	9,374,641	2,953,426	-	2,953,426	4,226,352	-	4,226,352
Bank Balance other than above	6,658,580	-	6,658,580	8,392,004	-	8,392,004	9,867,059	-	9,867,059
Loans	135,500,000	-	135,500,000	41,600,000	-	41,600,000	2,600,000	-	2,600,000
Investments	527,975,584	374,679,591	902,655,175	861,159,651	364,679,591	1,225,839,242	842,814,531	361,898,961	1,204,713,492
Other Financial Assets	45,964,814	-	45,964,814	37,262,602	-	37,262,602	280,794,625	-	280,794,625
<b>Non-Financial Assets</b>									
Property, Plant and Equipment	134,420	-	134,420	54,457	-	54,457	-	-	-
Current tax assets	523,797	-	523,797	378,443	-	378,443	427,897	-	427,897
Other non-financial assets	3,084,423	-	3,084,423	3,857,643	-	3,857,643	4,555,343	-	4,555,343
<b>TOTAL ASSETS</b>	<b>731,947,120</b>	<b>374,679,591</b>	<b>1,106,626,711</b>	<b>958,552,962</b>	<b>364,679,591</b>	<b>1,323,232,553</b>	<b>1,147,112,173</b>	<b>361,898,961</b>	<b>1,509,011,134</b>
<b>LIABILITIES</b>									
<b>Financial Liabilities</b>									
Borrowings	322,753	-	322,753	918,352	322,753	1,241,105	847,967	1,241,105	2,089,072
Other financial liabilities	8,243,018	-	8,243,018	9,872,744	-	9,872,744	17,303,395	-	17,303,395
<b>Non Financial Liabilities</b>									
Current tax liabilities (Net)	-	-	-	-	-	-	19,698,387	-	19,698,387
Provisions	4,172,064	266,494	4,438,558	6,012,618	203,019	6,215,637	6,145,140	326,011	6,471,151
Other non-financial liabilities	502,684	-	502,684	401,279	-	401,279	489,050	-	489,050
<b>TOTAL LIABILITIES</b>	<b>13,240,519</b>	<b>266,494</b>	<b>13,507,013</b>	<b>17,204,993</b>	<b>525,772</b>	<b>17,730,765</b>	<b>44,483,939</b>	<b>1,567,116</b>	<b>46,051,055</b>

**40. FAIR VALUES**

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

**41. FAIR VALUE HIERARCHY**

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

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

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

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

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

(Amount in ₹)

Particulars	Amortised cost	Fair value through OCI	Fair value through P&	Total carrying value	Total Fair value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	9,374,641	-	-	9,374,641	9,374,641	-	-	-	-
Bank Balance other than above	6,658,580	-	-	6,658,580	6,658,580	-	-	-	-
Loans	135,500,000	-	-	135,500,000	135,500,000	-	-	-	-
Investments	374,679,591	527,770,364	205,220	902,655,175	902,655,175	527,975,584	-	-	527,975,584
Other Financial Assets	45,964,814	-	-	45,964,814	45,964,814	-	-	-	-
	<b>572,177,626</b>	<b>527,770,364</b>		<b>1,100,153,210</b>	<b>1,100,153,210</b>	<b>527,975,584</b>			<b>527,975,584</b>
<b>Financial Liabilities</b>									
Borrowings	322,753	-	-	322,753	322,753	-	-	-	-
Other financial liabilities	8,243,018	-	-	8,243,018	8,243,018	-	-	-	-
	<b>8,565,771</b>			<b>8,565,771</b>	<b>8,565,771</b>				

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

(Amount in ₹)

Particulars	Amortised cost	Fair value through OCI	Fair value through P&	Total carrying value	Total Fair value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	2,953,426	-	-	2,953,426	2,953,426	-	-	-	-
Bank Balance other than above	8,392,004	-	-	8,392,004	8,392,004	-	-	-	-
Loans	41,600,000	-	-	41,600,000	41,600,000	-	-	-	-
Investments	364,679,591	860,954,431	205,220	1,225,634,022	1,225,634,022	861,159,651	-	-	-
Other Financial Assets	37,262,602	-	-	37,262,602	37,262,602	-	-	-	-
	<b>454,887,623</b>	<b>860,954,431</b>		<b>1,315,842,054</b>	<b>1,315,842,054</b>	<b>861,159,651</b>			
<b>Financial Liabilities</b>									
Borrowings	1,241,105	-	-	1,241,105	1,241,105	-	-	-	-
Other financial liabilities	9,872,744	-	-	9,872,744	9,872,744	-	-	-	-
	<b>11,113,849</b>			<b>11,113,849</b>	<b>11,113,849</b>				

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at 01 April, 2018

(Amount in ₹)

Particulars	Amortised cost	Fair value through OCI	Fair value through P&	Total carrying value	Total Fair value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	4,226,352	-	-	4,226,352	4,226,352	-	-	-	-
Bank Balance other than above	9,867,059	-	-	9,867,059	9,867,059	-	-	-	-
Loans	2,600,000	-	-	2,600,000	2,600,000	-	-	-	-
Investments	361,898,961	842,609,311	205,220	1,204,508,272	1,204,508,272	842,814,531	-	-	842,814,531
Other Financial Assets	280,794,625	-	-	280,794,625	280,794,625	-	-	-	-
	<b>659,386,997</b>	<b>842,609,311</b>		<b>1,501,996,308</b>	<b>1,501,996,308</b>	<b>842,814,531</b>			<b>842,814,531</b>
<b>Financial Liabilities</b>									
Borrowings	2,089,072	-	-	2,089,072	4,178,144	-	-	-	-
Other financial liabilities	17,303,395	-	-	17,303,395	34,606,790	-	-	-	-
	<b>19,392,467</b>			<b>19,392,467</b>	<b>38,784,934</b>				

**42. SCHEDULE AS REQUIRED IN TERMS OF PARAGRAPH 18 OF "NON-BANKING FINANCIAL COMPANY - NON-SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016.**

(₹ in Lakhs)

Particulars	Amount outstanding	Amount overdue
<b>LIABILITIES SIDE :</b>		
<b>(1) Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid</b>		
(a) Debentures : Secured	Nil (Nil)	Nil (Nil)
: Unsecured	Nil (Nil)	Nil (Nil)
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	Nil (Nil)	Nil (Nil)
(c) Term Loans	Nil (Nil)	Nil (Nil)
(d) Inter- Corporate Loans and Borrowing	Nil (Nil)	Nil (Nil)
(e) Commercial Paper	Nil (Nil)	Nil (Nil)
(f) Public Deposits	Nil (Nil)	Nil (Nil)
(g) Other Loans (Vehicle Loan)	3.23 (12.41)	Nil (Nil)
<b>(2) Break-up of(1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid</b>		
(a) In the form of Unsecured Debentures	Nil (Nil)	Nil (Nil)
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil (Nil)	Nil (Nil)
(c) Other Public Deposits	Nil (Nil)	Nil (Nil)

**ASSETS SIDE :**

<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]</b>	<b>*Amount outstanding</b>
(a) Secured	Nil (Nil)
(b) Unsecured	1753.80 (762.39)
(*) Net of Provisions Other than on Standard Assets; Also includes Security deposits, trade receivables and other advances not strictly credit exposure.	
<b>(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities</b>	
(i) Lease assets including lease rentals under sundry debtors:	
(a) Financial lease	Nil (Nil)
(b) Operating lease	Nil (Nil)
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	Nil (Nil)
(b) Repossessed Assets	Nil (Nil)
(iii) Hypothecation loans counting towards EL/HP activities	
(a) Loans where assets have been repossessed	Nil (Nil)
(b) Loans other than (a) above	Nil (Nil)
<b>(5) Break-up of Investments</b>	
<b>Current Investments</b>	
<b>1. Quoted</b>	
(i) Shares : (a) Equity	Nil (Nil)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)



<b>2. Unquoted</b>	
(i) Shares : (a) Equity	Nil (Nil)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
<b>Long Term Investments</b>	
<b>1. Quoted</b>	
(i) Shares : (a) Equity	2972.37 (6204.96)
(b) Preference	Nil (Nil)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	Nil (Nil)
(iv) Government Securities	Nil (Nil)
(v) Others (please specify)	Nil (Nil)
<b>2. Unquoted</b>	
(i) Shares : (a) Equity	3852.12 (3751.38)
(b) Preference	2200.00 (2300.00)
(ii) Debentures and Bonds	Nil (Nil)
(iii) Units of mutual funds	2.05 (2.05)
(iv) Government Securities	Nil (Nil)
(v) Others (SAM)	Nil (Nil)

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

Category	Amount net of provisions		
	Secured	Unsecured	Total
<b>1. Related Parties</b>			
(a) Subsidiaries	Nil (Nil)	50.00	Nil (Nil)
(b) Companies in the same group	Nil (Nil)	345.00 (345.00)	345.00 (345.00)
(c) Other Related Parties	Nil (Nil)	Nil (Nil)	Nil (Nil)
<b>2. Other than Related Parties</b>			
	Nil (Nil)	1358.80 (417.39)	1358.80 (417.39)
<b>Total</b>	<b>Nil (Nil)</b>	<b>1753.80 (762.39)</b>	<b>1753.80 (762.39)</b>

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

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions made)
<b>1. Related Parties</b>		
(a) Subsidiaries	3706.80 (3606.80)	3706.80 (3606.80)
(b) Companies in the same group*	2319.31 (2715.39)	2319.31 (2715.39)
(c) Other related parties	40.00 (40.00)	40.00 (40.00)
<b>2. Other than Related Parties</b>		
	2960.44 (5896.20)	2960.44 (5896.20)
<b>Total</b>	<b>9026.55 (12258.39)</b>	<b>9026.55 (12258.39)</b>

**(8) Other information**

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

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

44. The Company does not have any pending litigation which would impact its financial position.

**45. LEASE:**

Expenses recognised in the statement of profit & loss in respect of short term lease for ₹ 8,61,240/- (PY ₹ 8,61,240/-)

**46. SEGMENT REPORTING**

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

**47. INFORMATION IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE REQUIRED TO BE SPENT BY THE COMPANY**

Particulars	As at 31 March, 2020	As at 31 March, 2019
a) Gross amount required to be spent by the Company	<b>6,35,680/-</b>	6,32,613/-
b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	<b>7,00,000/-</b>	6,50,000/-
c) Amount payable at the Year End	-	-

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

**49. STANDARDS ISSUED BUT NOT YET EFFECTIVE**

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

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

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

As Per our Report of even date attached

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

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

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

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

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Place: Gurugram  
Date : 29th June, 2020

Sd/-  
HIMANSHU KANSAL  
(CHIEF FINANCIAL OFFICER)

Sd/-  
DINESH KAPOOR  
(COMPANY SECRETARY)  
M. No.: FCS-6731



## INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,  
The Members  
Of HB PORTFOLIO LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated Financial Statements of **HB PORTFOLIO LIMITED** (hereinafter referred to as "the Holding Company"), its Subsidiaries (the Holding Company and its Subsidiaries together referred to as 'the Group') and its Associates, which comprise of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2020, the Consolidated Statement of Profit and Loss, including other comprehensive income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant Accounting Policies (herein after referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other Auditors on separate Financial Statements and on the other financial information of the Subsidiaries and Associates, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind-AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its Associates as at 31<sup>st</sup> March, 2020, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis of Opinion

We conducted our Audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its Associates in accordance with Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our Audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rule thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion on the Consolidated Financial Statements.

#### Key Audit Matters

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

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

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

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

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associates in accordance with the Ind-AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind-AS) specified under Section 133 of the Act. The respective Board of Directors of the Companies included in the Group and of its Associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Director's of the Companies included in the Group and of its Associates are responsible for overseeing the financial reporting process of the Group and of its Associates.

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

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

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

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



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

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

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

#### 5. Other matters

- (a) We did not audit the Financial Statements / Financial Information of four Subsidiaries, whose Financial Statements / Financial Information reflect total assets of Rs. 76,55,90,553/- as at 31<sup>st</sup> March, 2020, total revenues of Rs. 10,78,17,394/- and net cash flows amounting to Rs. 1,32,21,492/- for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements / Financial Information of four Subsidiaries have been audited by the other Auditor whose reports have been furnished to us by the management and our opinion, on the statement, in so far as it relates to the amounts and disclosures included in respect of the four Subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid Subsidiary, is based solely on the reports of the other Auditors.
- (b) The Consolidated Financial Statements also include the Group's share of Net Profit of Rs. 4,26,073/- for the year ended 31<sup>st</sup> March, 2020, as considered in the Consolidated Financial Statements, in respect of two Associates, whose Financial Statements / Financial Information have not been audited by us. In respect of two Associates, Financial Statements / Financial Information are Un-Audited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these Associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid Associates, is based solely on such Un-Audited Financial Statements / Financial Information.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other Auditors and the Financial Statements / Financial Information certified by the Management.

#### Report on Other Legal and Regulatory Requirements:

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper Books of Account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other Auditor's.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the statement of other comprehensive income, the Consolidated Statement of changes in equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the Books of Account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Company and its Associate Company, none of the Directors of the Group Companies is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There were no pending litigations which would impact the consolidated financial position of the Group and its Associates;
    - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group Company.
  - (h) The managerial remuneration for the year ended 31<sup>st</sup> March, 2020 has been paid/ provided for by the Company to its Directors in accordance with the provisions of Section 197 read with Schedule V to the Act

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

Place: Gurugram  
Dated: 29<sup>th</sup> June, 2020

Sd/  
G C AGARWAL  
(Proprietor)  
Membership No. 083820

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31<sup>st</sup> March 2020, we have Audited the Internal Financial Controls over Financial Reporting of **HB Portfolio Limited** (“the Holding Company”) and its Subsidiary Company which is Company incorporated in India, as of that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

Our Audit involves performing procedures to obtain audit evidence about the adequacy of the Company’s Internal Financial Controls over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Company’s Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor’s judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Audit opinion on the Company’s Internal Financial Controls over Financial Reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Holding Company and its Subsidiary Company, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Gurugram  
Dated: 29<sup>th</sup> June, 2020

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


**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020**

	Notes	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>I. ASSETS</b>				
<b>Financial Assets</b>				
a. Cash and cash equivalents	4	33,934,197	14,291,492	15,028,712
b. Bank Balances other than (a) above	5	34,883,580	74,501,600	80,186,883
c. Receivables				
i) Trade Receivables	6	1,941,626	6,959,886	9,413,067
d. Loans	7	436,082,056	339,678,421	300,862,984
e. Investments	8	818,772,304	1,212,589,665	1,237,158,203
f. Other Financial Assets	9	72,919,716	71,366,199	303,457,949
<b>Non-Financial Assets</b>				
a. Current Tax Assets	10	28,549,846	18,440,574	154,849
b. Deferred Tax Assets (Net)	11	288,892	-624,892	-
c. Property, Plant and Equipment	12	6,714,189	7,880,465	24,521,864
d. Right of Use Lease Assets	13	1,032,064	-	-
e. Other Intangible Assets	14	464,098	272,406	389,607
f. Other Non-Financial Assets	15	79,792,036	80,238,660	84,117,320
<b>TOTAL ASSETS</b>		<b>1,515,374,604</b>	<b>1,825,594,476</b>	<b>2,055,291,438</b>
<b>II. LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
a. Payables				
i) Trade Payables	16			
- total outstanding dues of micro enterprises and small enterprises		493,566	383,368	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		3,159,717	4,144,888	9,591,643
ii) Other Payables				
- total outstanding dues of micro enterprises and small enterprises		-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
b. Borrowings	17	322,753	2,105,003	4,476,936
c. Subordinated Liabilities	18	600,000	600,000	20,000,000
d. Other Financial Liabilities	19	9,717,528	10,217,660	18,567,136
<b>Non-Financial Liabilities</b>				
a. Current Tax Liabilities	20	-	-	8,465,099
b. Deferred Tax Liabilities (Net)	11	-	-	6,748,146
c. Provisions	21	16,453,550	15,894,303	15,063,424
d. Other Non-Financial Liabilities	22	57,413,035	42,335,162	36,673,598
<b>Equity</b>				
a. Equity Share Capital	23	110,378,599	110,378,599	110,378,599
b. Other Equity	24	1,151,859,398	1,442,697,082	1,625,452,959
<b>Equity attributable to owners of the parents</b>		<b>1,262,237,997</b>	<b>1,553,075,681</b>	<b>1,735,831,558</b>
c. Non-controlling interests		164,976,458	196,838,411	199,873,898
<b>Total Equity</b>		<b>1,427,214,455</b>	<b>1,749,914,092</b>	<b>1,935,705,456</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,515,374,604</b>	<b>1,825,594,476</b>	<b>2,055,291,438</b>
Significant accounting policies and notes to the Consolidated Financial Statements	1-57			

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

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

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

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

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

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Place: Gurugram  
Date : 29th June, 2020

Sd/-  
HIMANSHU KANSAL  
(CHIEF FINANCIAL OFFICER)

Sd/-  
DINESH KAPOOR  
(COMPANY SECRETARY)  
M. No.: FCS-6731

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

	Notes	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
<b>INCOME</b>			
<b>Revenue from operations</b>			
(i) Interest Income	25	50,841,748	47,806,707
(ii) Dividend Income	26	31,034,622	14,144,740
(iii) Management Fees & Commission Income	27	64,264,977	79,019,706
<b>I Total Revenue from operations</b>		<b>146,141,347</b>	<b>140,971,153</b>
II Other Income	28	967,806	10,390,261
<b>III Total income (I+II)</b>		<b>147,109,153</b>	<b>151,361,414</b>
<b>EXPENSES</b>			
Finance Costs	29	239,913	338,938
Employee Benefits Expenses	30	89,144,902	89,420,947
Net Gain/(Loss) on Fair Value Changes	31	30,336,589	4,949,114
Depreciation and amortisation expense	12	2,746,291	2,756,910
Other Expenses	32	77,117,630	75,131,238
Contingent Provision against Standard Assets		386,000	156,000
<b>IV Total Expenses (IV)</b>		<b>199,971,325</b>	<b>172,753,147</b>
<b>V Profit/ (Loss) Before Tax (III-IV)</b>		<b>(52,862,172)</b>	<b>(21,391,733)</b>
<b>VI Tax Expense</b>			
(i) Current Tax		683,810	5,449,740
(ii) Tax earlier years		81,064	(821,237)
(iii) Deferred Tax (credit) / charge		(32,951)	(4,839,458)
<b>Total Tax Expense (VI)</b>		<b>731,923</b>	<b>(210,954)</b>
<b>VII Profit for the year (V-VI)</b>		<b>(53,594,095)</b>	<b>(21,180,779)</b>
<b>VIII Add: Share of Profit from Associate (Net)</b>		<b>426,073</b>	<b>(6,172,648)</b>
<b>IX Profit for the year (VII + VIII)</b>		<b>(53,168,022)</b>	<b>(27,353,427)</b>
<b>X Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans		(39,224)	528,037
Less: income tax effect on above		(109,475)	(66,015)
(b) Fair Value changes of Investments at FVTOCI		(255,002,341)	(154,210,726)
Less: income tax effect on above		990,308	1,349,811
<b>Other Comprehensive Income for the year, net of tax</b>		<b>(254,160,732)</b>	<b>(152,398,893)</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>(307,328,754)</b>	<b>(179,752,321)</b>
<b>Profit for the year attributable to:</b>			
Owners of the Company		(34,048,142)	(24,551,468)
Non Controlling Interests		(19,119,880)	(2,801,960)
<b>Comprehensive Income for the year attributable to:</b>			
Owners of the Company		(252,396,920)	(151,791,329)
Non Controlling Interests		(1,763,813)	(607,564)
<b>Total Comprehensive Income for the year attributable to:</b>			
Owners of the Company		(286,445,062)	(176,342,797)
Non Controlling Interests		(20,883,693)	(3,409,524)
<b>XII Earnings per Equity Share of Face Value of ₹ 10 each (previous year ₹ 10 each)</b>	33		
Basic (₹)		(4.98)	(1.97)
Diluted (₹)		(4.98)	(1.97)
Significant accounting policies and notes to the Consolidated Financial Statements	1-57		

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

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

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

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

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

Sd/-  
J.M.L. SURI  
(DIRECTOR)  
DIN: 00002373

Place: Gurugram  
Date : 29th June, 2020

Sd/-  
HIMANSHU KANSAL  
(CHIEF FINANCIAL OFFICER)

Sd/-  
DINESH KAPOOR  
(COMPANY SECRETARY)  
M. No.: FCS-6731


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

Particulars	For the year ended 31st March, 2020 (In ₹)	For the year ended 31st March, 2019 (In ₹)
<b>A. CASH FLOW FROM OPERATION ACTIVITIES</b>		
Profit before tax	(52,862,168)	(21,391,738)
<b>Adjustment for :</b>		
Depreciation	2,746,291	2,756,910
(Gain) / Loss on sale/discard of property plant and equipment (net)	26,791	(8,348,435)
Net (gain)/loss on financial assets measured at fair value through Profit or Loss (FVTPL)	51,147,374	33,944,535
Gain on redemption of units of mutual funds & Profit on sale of investments	(20,810,785)	(28,995,421)
Miscellaneous income	0	(1,181,728)
Actuarial gain on remeasurement of defined benefit plans	393,513	237,295
Finance Cost	0	3,415
<b>Cash generated form operation before working capital changes</b>	<b>(19,358,984)</b>	<b>(22,975,167)</b>
<b>Working capital changes</b>		
(Increase)/ decrease in trade receivable	4,919,067	2,369,724
(Increase)/ decrease in loans	(93,803,635)	(38,815,437)
(Increase)/ decrease in other financial assets	1,887,659	232,121,141
(Increase)/ decrease in other non-financial assets	(1,398,007)	(6,947,883)
(Increase)/ decrease in trade payable	(874,973)	(5,063,387)
Increase /(decrease) in other financial liabilities	136,514	(6,537,365)
Increase /(decrease) in provisions	(2,473,490)	1,121,624
Increase /(decrease) in other non financial liabilities	15,077,874	8,263,351
<b>Cash Flows before OCl and Tax</b>	<b>(95,887,978)</b>	<b>163,536,600</b>
Income Tax paid	10,874,145	31,379,328
<b>NET CASH FLOW FROM/ (USED) OPERATING ACTIVITIES</b>	<b>(106,762,123)</b>	<b>132,157,272</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Receipts form maturity of Fixed deposits	-	5,000,000
Acquisition of Lease Asset	(1,548,096)	0
Proceeds from disposal / sale of Property, Plant & Equipment	106,016	23,497,654
Amount received against recovery of BILT	-	1,181,728
Investment in Fixed Deposit	36,470,465	(789,772)
Sale of investments measured at FVTOCI	106,116,844	70,125,712
Sale of investments measured at FVTPL	181,137,859	245,263,530
Purchase of Fixed Assets	(1,388,482)	(1,147,528)
Purchase of Investments	(178,433,421)	(453,370,000)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>142,461,185</b>	<b>(110,238,676)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings	(1,782,250)	(2,371,933)
Dividend paid	(15,370,885)	-
Repayment of Loans	-	(278,680)
Finance Lease obligation	1,096,779	-
Redemption of Pref Share Capital	-	(20,000,000)
Interest paid	-	(5,203)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(16,056,356)</b>	<b>(22,655,816)</b>
<b>NET INCREASE/ DECREASE IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>19,642,706</b>	<b>(737,220)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>14,291,492</b>	<b>15,028,712</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>33,934,197</b>	<b>14,291,492</b>

**Note:**

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

**Change in Liability arising from Financing Activities**

Particulars	Borrowings (Refer Note No. 17)
Balance as on 01st April, 2018	4,476,936
Proceeds/ Repayments of borrowing	(2,371,933)
Non cash change (Fair Value)	-
Balance as on 31st March, 2019	2,105,003
Balance as on 01st April, 2019	2,105,003
Proceeds/ Repayments of borrowing	(1,782,250)
Non cash change (Fair Value)	-
Balance as on 31st March, 2020	322,753

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

As Per our Report of even date attached

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

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

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

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

Sd/-  
 J.M.L. SURI  
 (DIRECTOR)  
 DIN: 00002373

Sd/-  
 HIMANSHU KANSAL  
 (CHIEF FINANCIAL OFFICER)

Sd/-  
 DINESH KAPOOR  
 (COMPANY SECRETARY)  
 M. No.: FCS-6731

Place: Gurugram  
 Date : 29th June, 2020

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**a. Equity Share Capital**

	Number of Shares	(Amount in ₹)
<b>As at 01st April, 2018</b>	10,764,230	107,642,300
Changes in Equity Share Capital during the year	-	0
<b>As at 31st March, 2019</b>	10,764,230	107,642,300
Changes in Equity Share Capital during the year	-	-
<b>As at 31st March, 2020</b>	<u>10,764,230</u>	<u>107,642,300</u>

**b. Other Equity**

(Amount in ₹)

	Reserves and Surplus				Other Comprehensive Income	Total
	General Reserve	Statutory Reserve	Securities Premium	Retained Earnings		
<b>Balance as at 01st April, 2018</b>	313,644,543	195,894,605	367,610,047	312,650,541	264,466,008	1,454,265,743
Profit for the year				(26,653,216)		(26,653,216)
Other Comprehensive Income (net of tax)					(151,791,329)	(151,791,329)
Transferred to Statutory Reserve		3,200,437		(3,200,437)		0
<b>Total Comprehensive Income for the year</b>	313,644,543	195,894,605	367,610,047	285,997,325	112,674,678	1,275,821,199
<b>Balance as at 31st March, 2019</b>	<b>313,644,543</b>	<b>195,894,605</b>	<b>367,610,047</b>	<b>285,997,325</b>	<b>112,674,678</b>	<b>1,275,821,199</b>

(Amount in ₹)

	Reserves and Surplus				Other Comprehensive Income	Total
	General Reserve	Statutory Reserve	Securities Premium	Retained Earnings		
<b>Balance as at 01st April, 2019</b>	313,644,543	195,894,605	367,610,047	285,997,325	112,674,678	1,275,821,199
Profit for the year				(34,048,142)		(34,048,142)
Other Comprehensive Income for the year					(252,396,920)	(252,396,920)
Transferred to Statutory Reserve		7,025,915		(7,025,915)		-
<b>Total Comprehensive Income for the year</b>	313,644,543	188,868,689	367,610,047	258,975,099	(139,722,241)	989,376,137
<b>Balance as at 31st March, 2020</b>	<b>313,644,543</b>	<b>188,868,689</b>	<b>367,610,047</b>	<b>258,975,099</b>	<b>(139,722,241)</b>	<b>989,376,137</b>

Significant accounting policies and notes to the Consolidated Financial Statements

1-57

*The accompanying notes form an integral part of the Consolidated Financial Statements*
*As Per our Report of even date attached*
**FOR G. C. AGARWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
 Firm Registration Number : 017851N

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

 Place: Gurugram  
 Date : 29th June, 2020

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

**Sd/-**  
**HIMANSHU KANSAL**  
 (CHIEF FINANCIAL OFFICER)

**FOR AND ON BEHALF OF THE**  
**BOARD OF DIRECTORS OF**  
**HB PORTFOLIO LIMITED**
**Sd/-**  
**J.M.L. SURI**  
 (DIRECTOR)  
 DIN: 00002373

**Sd/-**  
**DINESH KAPOOR**  
 (COMPANY SECRETARY)  
 M. No.: FCS-6731


**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**
**1. Company Information / Overview**

The Company is a Public Limited Company incorporated and domiciled in India having its registered office at Gurugram, India. The Company is engaged in the business of Financial Services. The Equity Share of the Company are listed at BSE Limited. These Consolidated Financial Statements comprise the Company and its Subsidiaries (referred to collectively as the 'Group') and the Group's interest in Associates.

**2. Basis of preparation of Consolidated Financial Statements.**
**(A) Compliance with Ind AS**

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

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

The transition to Ind AS has been carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 01st April, 2018.

An explanation of how the transition to Ind AS from the previous GAAP has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note No 36.

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

**(B) Presentation of Financial Statements**

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

**(C) Basis of Preparation**

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

**3. Significant Accounting Policies**
**3.1 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries and associate.

**A) Subsidiaries**

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated on a line-by-line basis from the date the control is transferred to the Group. They are deconsolidated from the date that control ceases. Changes in the Group's interest in subsidiaries that do not result in a loss of control are accounted as equity transactions. The carrying amount of the Company's interests and the non-controlling interests ("NCI") are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

**B) Associates**

Associates are the entities over which the Group has significant influence. Investment in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

**C) Subsidiaries and Associate Companies considered in the Consolidated Financial Statements**

Name of the Company	Ownership Interest (In %)		
	31st March, 2020	31st March, 2019	01st April, 2018
<b>Subsidiary Companies:</b>	100.00%	100.00%	100.00%
HB Securities Ltd.	97.40%	97.40%	100.00%
HB Corporate Services Ltd.	70.12%	70.12%	70.12%
Taurus Asset Management Company Ltd.	80.39%	80.39%	65.73%
Taurus Investment Trust Co. Ltd.			
<b>Associates:</b>			
Merwanjee Securities Ltd.	48.00%	48.00%	48.00%
Har Sai Investment Ltd.	39.96%	39.96%	39.96%

**3.2 Use of Estimates and Judgement**

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

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

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

**A) Effective Interest Rate (EIR) Method**

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

**B) Impairment of Loans Portfolio**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

**C) Defined Employee Benefit Assets and Liabilities**

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

**D) Fair Value Measurement**

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

**E) Other Estimates**

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

**3.3 Financial Instruments**
**A) Initial Recognition and Measurement**

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



**B) Classification and Subsequent Measurement of Financial Assets**

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

**a. Amortised Cost**

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

**b. FVOCI - Debt Instruments**

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

**c. FVOCI - Equity Instruments**

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

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

**d. FVTPL**

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

**Subsequent Measurement of Financial Assets**

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Any gain and loss on derecognition is recognised in Statement of profit and loss.

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

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

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

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

**C) Financial Liabilities and Equity Instruments**

**Classification as Debt or Equity**

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

**Equity Instruments**

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

**Financial Liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-fortrading

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

**D) Derecognition**

**Financial Assets**

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

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

**Financial Liabilities**

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

**E) Offsetting**

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

**F) Impairment**

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

**3.4 Cash and Cash Equivalents**

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

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

**3.5 Property, Plant and Equipments (PPE)**

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

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

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

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

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

Particulars	Useful life
Furniture & fixture	10 years
Office equipment	5 years
Computer	3 years
Building	30 years
Vehicles	8 years



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

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

**3.6 Intangible Assets**

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

**3.7 Impairment of Assets other than Financial Assets**

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

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

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

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

**3.8 Provisions and Contingent Liabilities**

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

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

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

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

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**3.9 Employee Benefits :**

**A) Short-Term Employee Benefits**

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

**B) Contribution to Provident Fund and ESIC**

Company's contribution paid/payable during the year to provident fund and ESIC is recognised in the Statement of profit and loss.

**C) Gratuity**

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss. Liability for Gratuity is funded with Life India Corporation of India.

**Remeasurement Gains / Losses**

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

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

**D) Superannuation Fund**

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

**E) Leave Encashment / Compensated Absences**

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

**F) Employee Stock Options**

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

**3.10 Revenue Recognition**

Revenue (other than those items to which Ind As 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue form contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115.

Management fees charged for the management of portfolios and are recognised on accrual basis at the agreed upon rates with the reference to their average daily net assets.

Revenue is recognized on accrual basis to the extent that is possible that the economic benefits will flow to the Company and can be reliably measured. Where significant uncertainty exists with regard to realization of revenue at the time of accrual, the underlying revenue is not recognized to that extent. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment excluding taxes and duties collected on behalf of the Government.

Interest income is recognised on a time proportionate basis taking into account the amount outstanding and the effective interest rate and the amount can be measured.

**3.11 Finance Costs**

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits mobilised, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

**3.12 Taxation - Current and Deferred Tax**

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

**A) Current Tax**

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

**B) Deferred Tax**

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

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

### 3.13 Leases

Effective 1st April, 2019 the Group has applied Ind AS 116 "Leases" and capitalized assets taken on non-cancellable lease other than short term leases and low value leases as right-of-use asset and corresponding lease liability during the current financial year. In the statement of Profit and Loss for the current financial year, the nature of expenses in respect of Operating Lease has changed from lease rent in previous periods to depreciation cost for the right-of-use asset and finance cost for interest accrued on lease liability except for the short term and low value leases.

Remeasurement of the lease liability is carried if there is any change in the lease term or in the assessment of an option to purchase the underlying asset. Remeasurement of lease liability is done by discounting the revised lease payments using the revised discount rate. Amount of remeasurement of lease liability is recognized as an adjustment to right-of-use asset

### 3.14 Foreign Exchange Transaction

Transactions in foreign currency are recorded at exchange rates prevailing on the date of transaction. Monetary items denominated in foreign currency are restated at the exchange rate prevailing on the balance sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transaction. Exchange

differences arising on settlement of transactions and/ or restatement are dealt with in the Profit and Loss Account.

### 3.15 Provisions and Contingent Liabilities

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

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

### 3.16 Exceptional Items

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

### 3.17 Earning per Share

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

## 4. CASH AND CASH EQUIVALENT

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Cash on Hand	1,274,262	1,185,849	1,232,838
<b>Balance with Banks</b>			
- In Current Accounts	24,659,935	10,572,831	12,043,914
- Term Deposits with Bank (less than 3 months maturity)	8,000,000	1,532,812	1,251,960
- Cheques on Hand	-	1,000,000	500,000
<b>Total</b>	<b>33,934,197</b>	<b>14,291,492</b>	<b>15,028,712</b>

## 5. BANK BALANCE OTHER THAN ABOVE

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>Earmarked balances with banks-</b>			
- Unclaimed dividend accounts	6,658,580	8,392,004	9,867,059
- Term Deposits with Bank (more than 3 months but less than 12 months maturity)	28,225,000	66,109,596	70,319,824
<b>Total</b>	<b>34,883,580</b>	<b>74,501,600</b>	<b>80,186,883</b>

## 6. TRADE RECEIVABLES

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>Considered good (unsecured)</b>			
- for a period exceeding six months from the date they are due	1,743,163	-	55,721
- others	198,463	6,959,886	9,357,346
Total (Gross)	1,941,626	6,959,886	9,413,067
Less: Impairment loss allowance	-	-	-
<b>Total</b>	<b>1,941,626</b>	<b>6,959,886</b>	<b>9,413,067</b>

## 7. LOANS

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>A) Loans (at amortised cost)</b>			
Inter Corporate Loans/advance against securities - Standard	435,500,000	339,000,000	300,000,000
Loans and Advances to Related Parties	-	100,000	-
Others	582,056	578,421	862,984
<b>Total (Gross)</b>	<b>436,082,056</b>	<b>339,678,421</b>	<b>300,862,984</b>

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Less: Impairment loss allowance	-	-	-
<b>Total (Net)</b>	<b>436,082,056</b>	<b>339,678,421</b>	<b>300,862,984</b>
<b>B) i) Secured by Tangible Assets</b>			
ii) Unsecured	436,082,056	339,678,421	300,862,984
<b>Total (Gross)</b>	<b>436,082,056</b>	<b>339,678,421</b>	<b>300,862,984</b>
Less: Impairment loss allowance	0	0	0
<b>Total (Net)</b>	<b>436,082,056</b>	<b>339,678,421</b>	<b>300,862,984</b>
<b>C) i) Loans in India</b>			
a) Public Sector	0	0	0
b) Others	436,082,056	339,678,421	300,862,984
<b>Total (Gross)</b>	<b>436,082,056</b>	<b>339,678,421</b>	<b>300,862,984</b>
Less: Impairment loss allowance	-	-	-
<b>Total (Net) -C (i)</b>	<b>436,082,056</b>	<b>339,678,421</b>	<b>300,862,984</b>
ii) Loans outside India	-	-	-
Less: Impairment loss allowance	-	-	-
<b>Total (Net) -C (ii)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (Net) -C ( i + ii)</b>	<b>436,082,056</b>	<b>339,678,421</b>	<b>300,862,984</b>

### Note:

Provision for Sub-Standard and doubtful assets has been separately shown in Note No. 21 (Short term Provisions) instead of netting it from the value of asset. This is being done as required by "Non - Banking Financial Company - Non - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016.

### Credit Quality of Assets

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

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Low credit risk- Stage I	436082056	339678421	300862984
Significant increase in credit risk- Stage II	-	-	-
Credit impaired- Stage III	-	-	-
	<b>436082056</b>	<b>339678421</b>	<b>300862984</b>

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

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



8. INVESTMENTS

Particulars		Face Value	As at 31st March, 2020		As at 31st March, 2019		As at 01st April, 2018	
		(₹)	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹
<b>A.</b>	<b>INVESTMENT IN EQUITY INSTRUMENTS</b>							
<b>A.1</b>	<b>In Associates</b>							
	<b>Unquoted Fully Paid up Equity Shares, Non Trade</b>							
	<b>Merwanjee Securities Limited</b>							
	Cost of acquisition	10	1,200,000	12,000,000	1,200,000	12,000,000	1,200,000	12,000,000
	Add / (Less) : Group Share of Profits/(Losses) upto year end			7,304,963		6,750,617		12,820,506
	<b>Har Sai Investments Limited</b>			19,304,963		18,750,617		24,820,506
	Cost of acquisition	10	400,000	4,000,000	400,000	4,000,000	400,000	4,000,000
	Add / (Less) : Group Share of Profits/(Losses) upto year end			(36,661)		91,612		194,371
	Add: Amount of Goodwill / Capital Reserve			31,952,613		31,952,613		31,952,613
				35,915,952		36,044,225		36,146,984
			1,600,000	55,220,915	1,600,000	54,794,842	1,600,000	60,967,490
<b>A.2</b>	<b>Quoted Fully Paid up Equity Shares</b>							
<b>A.2.1</b>	<b>-Quoted Instrument fully paid up Equity Shares (At FVTOCI)</b>							
1	DCM Shriram Industries Limited	10	2,511,735	278,049,065	2,988,173	543,249,851	3,317,170	653,980,066
2	HB Estate Developers Limited*	10	2,104,317	11,931,477	2,104,317	41,539,218	2,104,317	55,553,969
3	Jaiprakash Associates Limited	2	6,266,024	6,704,646	6,266,024	34,463,132	6,266,024	118,741,155
4	Jaypee Infratech Limited	10	425,353	272,226	425,353	1,050,622	425,353	3,564,458
5	Tata Global Beverages Limited	1	950	280,060	950	192,993	950	245,528
6	Auroma Coke Limited	10	250,000	1,347,500	250,000	3,175,000	250,000	1,782,500
7	Blue Cloud Softech Solutions Limited	2	700,000	8,400,000	700,000	9,177,000	700,000	9,653,000
8	Deep Diamond India Limited	10	100,000	1,010,000	100,000	1,010,000	100,000	1,275,000
9	Flora textiles Limited	10	300,000	2,010,000	300,100	1,995,665	300,100	2,130,710
10	P G Industries Limited	10	100,000	265,000	50,000	1,130,000	50,000	1,567,500
11	Premier Polyfilm Limited	10	170,800	3,373,300	170,800	4,013,800	170,800	7,686,000
12	Shree Karthik Papers Limited	10	95,100	350,919	95,100	944,343	95,100	1,564,395
13	Suryo Foods and Industries Limited	10	77,700	571,095	77,700	1,164,723	77,700	637,140
14	Oswal Agro Mills Limited	10	12,800	52,864	12,800	104,704	12,800	166,400
15	Nahar Spinning Mills Limited	10	607	15,782	607	55,601	607	52,506
16	Pasupati Spinning & Wvg. Mills Limited	10	1,520	11,902	1,520	31,008	1,520	35,264
17	Nahar Capital And Financial Services Limited	10	258	11,249	258	23,349	258	31,734
18	Tata Steel Limited	10	-	-	-	-	560	319,704
19	State Bank of India	1	224	41,877	224	71,859	224	56,022
	<b>Total (A.2.1)</b>		<b>13,117,388</b>	<b>314,698,961</b>	<b>13,543,926</b>	<b>643,392,868</b>	<b>13,873,483</b>	<b>859,043,050</b>
<b>A.2.2</b>	<b>-Quoted Instrument fully paid up Equity Shares (At FVTPL)</b>							
1	Ahluwalia Contracts (India) Limited	2	171,434	30,858,120	222,309	72,250,425	270,553	102,810,140
2	Ambuja Cements Limited	2	5,500	856,350	-	-	-	-
3	Bajaj Consumer Care Limited	1	11,000	1,461,350	-	-	-	-
4	Bank of Baroda	2	5,000	267,750	-	-	-	-
5	Bharat Electronics Limited	1	8,090	601,492	-	-	-	-
6	Bharat Heavy Electricals Limited	2	6,000	124,800	-	-	-	-
7	Cipla Limited	2	6,000	2,538,000	-	-	-	-
8	First Source Solutions Limited	10	7,000	192,500	-	-	-	-
9	Gail (India) Limited	10	18,000	1,376,100	-	-	-	-
10	Hero Motocorp Limited	2	1,100	1,753,620	-	-	-	-
11	Hindustan Petroleum Corporation Limited	10	3,000	570,450	-	-	-	-
12	ITC Limited	1	11,000	1,892,000	-	-	-	-
13	NCC Limited	2	60,000	1,128,000	-	-	-	-
14	NTPC Limited	10	19,350	1,629,270	-	-	-	-
15	Oil & Natural Gas Corporation Limited	5	7,000	478,100	-	-	-	-
16	State Bank of India Limited	1	4,000	787,800	-	-	-	-
17	The South Indian Bank Limited	1	50,000	288,000	-	-	-	-
	<b>Total (A.2.2)</b>		<b>393,474</b>	<b>46,803,702</b>	<b>222,309</b>	<b>72,250,425</b>	<b>270,553</b>	<b>102,810,140</b>



Particulars	Face Value	As at 31st March, 2020		As at 31st March, 2019		As at 01st April, 2018		
	(₹)	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹	
<b>A.3</b>	<b>-Unquoted Fully Paid up Equity Shares</b>							
<b>A.3.1</b>	<b>-Unquoted Instrument fully paid up Equity Shares (At FVTOCI)</b>							
1	ADS Diagnostic Limited	10	25,000	110,825	25,000	110,825	25,000	110,825
2	Agr -Marine Exports Limited	10	73,300	733	73,300	733	73,300	733
3	Asian Vegpro Industries Limited	10	100,000	1,000	100,000	1,000	100,000	1,000
4	Consolidated Containers Limited	10	12,500	125	12,500	125	12,500	125
5	Gujarat Chemical Plasto Limited	10	25,000	250	25,000	250	25,000	250
6	Gummadi Industries Limited	10	100,100	1,001	100,100	1,001	100,100	1,001
7	Hindustan Domestic Oil Limited	10	42,400	424	42,400	424	42,400	424
8	Hytaiusn Magnetics Limited	10	35,500	355	35,500	355	35,500	355
9	Jaswal Granites Limited	10	150,000	1,500	150,000	1,500	150,000	1,500
10	Kumars Kotex Limited	10	300,100	3,001	300,100	3,001	300,100	3,001
11	LD Textiles Limited	10	225	2	225	2	225	2
12	M S Securities Limited	10	100,000	1,000	100,000	1,000	100,000	1,000
13	Manav Pharma Limited	10	24,900	249	24,900	249	24,900	249
14	Maya Agro Limited	10	99,000	990	99,000	990	99,000	990
15	Montana International Limited	10	148,800	1,488	148,800	1,488	148,800	1,488
16	Naraingarh Sugar Mills Limited	10	250,000	2,500	250,000	2,500	250,000	2,500
17	Noel Agritech Limited	10	165,200	1,652	165,200	1,652	165,200	1,652
18	Nortech India Limited	10	200,000	2,000	200,000	2,000	200,000	2,000
19	Nutech Organic Chemicals Limited	10	200,000	2,000	200,000	2,000	200,000	2,000
20	Omtex Limited	10	50,000	500	50,000	500	50,000	500
21	Pan Asia Global Limited	10	3,100	31	3,100	31	3,100	31
22	Premier Aqua Limited	10	175,000	1,750	175,000	1,750	175,000	1,750
23	Premier Vinyl Flooring Limited	10	50	-	50	-	50	-
24	Presidency Shoes Limited	10	87,100	871	87,100	871	87,100	871
25	Prime Solvent Extractions Limited	10	14,400	144	14,400	144	14,400	144
26	Punjab Wireless Limited	10	10,500	-	10,500	-	10,500	-
27	Raghuvendra Spinners Limited	10	30,000	300	30,000	300	30,000	300
28	Rajendra Mining Spares Limited	10	250,000	2,500	250,000	2,500	250,000	2,500
29	Ravi Spinning Limited	10	180,000	1,800	180,000	1,800	180,000	1,800
30	Sandur Laminates Limited	10	100,000	1,000	100,000	1,000	100,000	1,000
31	Sangam Healthcare Products Limited	10	97,700	977	97,700	977	97,700	977
32	Shoppers Investments Limited	10	50	1	50	1	50	1
33	SKR Chemicals Limited	10	199,800	1,998	199,800	1,998	199,800	1,998
34	Sonal Cosmetics Limited	10	7,500	75	7,500	75	7,500	75
35	Southern Fuel Limited	10	162,000	1,620	162,000	1,620	162,000	1,620
36	Sudev Industries Limited	10	124,900	1,249	124,900	1,249	124,900	1,249
37	Superior Sox Limited	10	100,000	1,000	100,000	1,000	100,000	1,000
38	Suppliment Foods Limited	10	20,000	200	20,000	200	20,000	200
39	Usha Ispat Limited	10	23,000	230	23,000	230	23,000	230
40	Viral Filaments Limited	10	107,100	1,071	107,100	1,071	107,100	1,071
41	Viral Syntex Limited	10	115,900	1,159	115,900	1,159	115,900	1,159
42	Wellwin Industries Limited	10	-	-	-	-	189,983	-
43	Western Foods Limited	10	84,800	848	84,800	848	84,800	848
44	Western Orissa Sugar Limited	10	2,950	30	2,950	30	2,950	30
45	Akshay Software Technologies Limited	10	90,117	2,667,463	90,117	3,092,296	300,000	10,294,272
46	Associated Infotech Limited	10	400,000	-	400,000	-	400,000	-
47	MF Utilities India	1	500,000	1,890,000	500,000	1,430,000	500,000	1,430,000
48	Sovika Airline Services Limited	10	350,000	1,162,000	350,000	3,035,957	350,000	3,035,957
49	Teamasia Semiconductors Limited	10	250,000	-	250,000	-	250,000	-
50	Delhi Stock Exchange Limited	10	47,044	1,256,075	47,044	1,243,843	47,044	1,187,560
51	Biochem Synergy Limited	10	2,100	175,850	2,100	175,850	-	-
52	HB Stockholdings Limited	10	20,496	142,652	20,496	143,677	-	-
53	HB Estates Developers Limited	10	48,473	274,842	48,473	956,857	-	-
54	Magnum Polymers Limited	10	4,600	-	4,600	-	-	-
55	Shetkari Solvant Limited	10	500	-	500	-	-	-
56	Elcot Power Control Limited	10	500	-	500	-	-	-
57	RRB Securities Limited	10	115,584	3,423,829	115,584	3,388,160	-	-
58	Merrygold Investments Limited	10	52,000	52,000	52,000	52,000	-	-
59	Pronto Steerings Limited	10	3,900	3,900	3,900	3,900	-	-
	<b>Total (A.3.1)</b>		<b>5,883,189</b>	<b>11,199,059</b>	<b>5,883,189</b>	<b>13,672,989</b>	<b>6,034,902</b>	<b>16,098,237</b>



Particulars	Face Value	As at 31st March, 2020		As at 31st March, 2019		As at 01st April, 2018	
	(₹)	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹	Qty. (Nos.)	Amount in ₹
<b>A.3.2 -IN OTHER COMPANIES (At FVTOCI)</b>							
1 QR Properties Pvt. Limited	10	45,000	4,251,420	4,500	4,238,865	4,500	3,938,670
2 HB Telecommunications Limited	10	-	-	-	-	100	1,000
3 HB Prima Capital Limited	10	-	-	-	-	45,000	1,128,375
4 RRB Securities Limited	10	5,924,400	5,924,400	200,000	5,862,680	200,000	5,099,020
5 Kesoram Textile Limited	10	357,071	357,071	49,699	357,071	49,699	357,071
<b>Total (A.3.2)</b>		<b>6,326,471</b>	<b>10,532,891</b>	<b>254,199</b>	<b>10,458,616</b>	<b>299,299</b>	<b>10,524,136</b>
<b>A.4 PARTLY PAID UP EQUITY SHARES (At FVTOCI)</b>							
1 Tata Steel Limited	10	300	8,895	300	19,260	300	42,165
<b>Total (A.4)</b>		<b>300</b>	<b>8,895</b>	<b>300</b>	<b>19,260</b>	<b>300</b>	<b>42,165</b>
<b>Total A</b>		<b>25,720,822</b>	<b>383,243,508</b>	<b>19,903,923</b>	<b>739,794,157</b>	<b>20,478,537</b>	<b>988,517,727</b>
<b>B. INVESTMENT IN PREFERENCE SHARES (AT FVTOCI)</b>							
1 HB Estate Developers Limited 9% Series III TR 1 Pref. 21NV32	100	20,000,000	200,000,000	2,000,000	200,000,000	-	-
2 Gemini Portfolios Pvt. Limited (9% Non Cumulative)	100	400,000	40,000,000	400,000	40,000,000	400,000	40,000,000
<b>Total B</b>		<b>20,400,000</b>	<b>240,000,000</b>	<b>2,400,000</b>	<b>240,000,000</b>	<b>400,000</b>	<b>40,000,000</b>
<b>C. INVESTMENTS IN BONDS (MEASURED AT AMORTISED COST)</b>							
1 10.75% Shriram Transport Finance Company Limited	100000	35	3,601,128	35	3,601,345	35	3,602,096
2 10.90% Tata Motors Finance Limited	500000	-	-	5	2,571,867	5	2,590,488
3 9.65% IDBI Bank Limited	1000000	-	-	2	2,011,104	2	2,011,104
4 9.75% IFCI Limited	1000000	3	3,215,472	3	3,215,508	3	3,215,527
<b>Total C</b>		<b>38</b>	<b>6,816,601</b>	<b>45</b>	<b>11,399,824</b>	<b>45</b>	<b>11,419,215</b>
<b>D. INVESTMENT IN MUTUAL FUND (AT FVTPL)</b>							
1 SBI Multipliers	10	500	5,220	500	5,220	500	5,220
2 Taurus Mutual Fund - CORPUS	10	-	200,000	-	200,000	-	200,000
3 Taurus Starshare (Multi Cap) Fund - Direct Plan - Growth	10	55,078	4,571,492	55,078	6,444,701	55,078	6,265,697
4 Taurus Discovery (Mid Cap) Fund - Direct Plan - Growth	10	76,033	2,757,719	76,033	3,426,810	76,033	3,473,950
5 Taurus Large Cap Equity Fund - Direct Plan - Growth	10	35,093	2,089,807	35,093	2,732,015	35,093	2,541,458
6 Taurus Infrastructure Fund - Direct Plan - Growth	10	38,335	753,669	38,335	999,398	38,335	1,005,915
7 Taurus Tax Shield - Direct Plan - Growth	10	93,075	5,941,921	93,075	7,748,511	93,075	7,206,813
8 Taurus Ethical Fund - Direct Plan - Growth	10	45,971	2,153,303	45,971	2,476,942	45,971	2,305,468
9 Taurus Nifty Index Fund - Direct Plan - Growth	10	3,224	54,815	3,224	73,157	3,224	63,580
10 Taurus Banking and Financial Services Fund - Direct Plan - Growth	10	42,445	875,637	42,445	1,169,355	42,445	967,317
11 Taurus Liquid Fund - Direct Plan - Super Institutional Growth	1,000	3,280	6,431,560	3,280	6,135,605	3,280	5,792,773
12 Taurus Short Term Income Fund - Direct Plan - Growth	1,000	-	-	-	-	2,019	5,634,576
13 Taurus Ultra Short Term Bond Fund - Direct Plan - Super Institutional Growth	1,000	-	-	-	-	2,942	5,650,803
14 Taurus Dynamic Income Fund - Direct Plan - Growth	10	-	-	-	-	142,722	2,204,648
15 Reliance Liquid Fund - Direct Plan - Growth Option	10	-	-	-	-	17,318	73,425,762
16 Taurus Liquid Fund - Direct Plan - Super Institutional Growth	1,000	18,304	35,888,391	29,423	55,035,835	8,127	14,352,141
17 Taurus Ultra Short Term Bond Fund - Direct Plan - Super Institutional Growth	10	-	-	-	-	2,624	5,039,672
18 Taurus Dynamic Income Fund Fund - Direct Plan - Growth	10	-	-	-	-	7,638	117,978
19 ABSL Money Manager Fund - Direct Plan - Growth Option	10	170,581	46,214,156	159,306	40,082,124	-	-
20 ICICI Money Market Fund - Direct Plan - Growth Option	10	91,503	25,553,591	77,042	20,035,615	-	-
21 Reliance Gilt Securities Fund - Direct Plan - Growth Option	10	-	-	756,461	20,035,554	-	-
<b>Total D</b>		<b>673,423</b>	<b>133,491,280</b>	<b>1,415,268</b>	<b>166,600,842</b>	<b>576,425</b>	<b>136,253,771</b>
<b>Total Investments (A+B+C+D)</b>		<b>48,394,283</b>	<b>818,772,304</b>	<b>25,319,236</b>	<b>1,212,589,665</b>	<b>23,055,007</b>	<b>1,237,158,203</b>
Total Investment at FVTOCI		<b>45,727,348</b>	<b>576,439,806</b>	<b>22,081,614</b>	<b>907,543,732</b>	<b>20,607,984</b>	<b>925,707,587</b>
Total Investment at FVTPL		<b>1,066,897</b>	<b>180,294,982</b>	<b>1,637,577</b>	<b>238,851,267</b>	<b>846,978</b>	<b>239,063,911</b>
Total Investment at Cost		<b>1,600,038</b>	<b>62,037,516</b>	<b>1,600,045</b>	<b>66,194,666</b>	<b>1,600,045</b>	<b>72,386,705</b>

**Note:**

- All above investments are in India itself
- Investment costing ₹ Nil/- (Previous Year ₹ 88,38,418/-) were lying Pledged / given as Margin at the year end.

**9. OTHER FINANCIAL ASSETS**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Security Deposits*	58,426,981	63,700,608	51,337,582
Interest accrued but not due	10,961,048	5,788,742	5,834,182
Claim Recoverable-Doubtful	1,745,832	1,745,832	1,745,832
Other Recoverable	371,724	131,017	1,131,318
Term Deposits with Bank (more than 12 months maturity)	1,414,131	-	-
Receivable from HB Stockholdings Ltd. Pursuant to Scheme of Arrangement	-	-	243,409,035
<b>Total</b>	<b>72,919,716</b>	<b>71,366,199</b>	<b>303,457,949</b>

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

**10. CURRENT TAX ASSETS (NET)**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Advance Tax/ TDS (Net of Provisions)	28,549,846	18,440,574	154,849
<b>Total</b>	<b>28,549,846</b>	<b>18,440,574</b>	<b>154,849</b>

**11. DEFERRED TAX ASSETS / (LIABILITIES) (NET)**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>Deferred Tax Assets comprises of:</b>			
Provision for employee benefits	3,867,151	3,826,499	3,606,130
Temporary difference on depreciation and amortisation of tangible assets	729,652	748,454	236,365
Others	109,297	562,265	76,545
	<b>4,706,100</b>	<b>5,137,218</b>	<b>3,919,040</b>
<b>Deferred Tax Liability comprises of:</b>			
Temporary difference on depreciation and amortisation of tangible assets	-	-	(2,658,123)
Fair Value Gain through profit and loss on Instruments	(1,856,278)	(2,320,347)	(3,283,505)
Fair Value Gain through other comprehensive income on Instruments	(2,385,439)	(3,375,748)	(4,725,559)
Remeasurement of Net Defined Benefit liability	(175,491)	(66,015)	-
	<b>(4,417,208)</b>	<b>(5,762,110)</b>	<b>(10,667,186)</b>
<b>Deferred Taxes Assets/ (Liabilities) (Net)*</b>	<b>288,892</b>	<b>(624,892)</b>	<b>(6,748,146)</b>

(\*) Refer Note No. 43

**12. PROPERTY, PLANT & EQUIPMENT**

(Amount in ₹)

Particulars	Buildings	Leasehold Improvements	Furniture & Fixtures	Generator	Vehicles	Office Equipment	Computers	Data Processing Machine	Total
<b>GROSS BLOCK</b>									
<b>As at 01st April, 2018</b>	14,326,665	81,741	278,586	1,870,482	14,634,327	1,856,271	5,789,508	249,803	<b>39,087,383</b>
Additions during the year	-	-	75,520	-	-	240,151	831,857	-	<b>1,147,528</b>
Deletions during the year	14,326,665	-	-	-	1,762,460	113,682	49,352	-	<b>16,252,159</b>
<b>As at 31st March, 2019</b>	-	<b>81,741</b>	<b>354,106</b>	<b>1,870,482</b>	<b>12,871,867</b>	<b>1,982,740</b>	<b>6,572,013</b>	<b>249,803</b>	<b>23,982,752</b>
Additions during the year	-	-	-	-	-	119,709	943,025	-	<b>1,062,734</b>
Deletions during the year	-	-	-	-	1,861,439	49,037	32,876	-	<b>1,943,352</b>
<b>As at 31st March, 2020</b>	-	<b>81,741</b>	<b>354,106</b>	<b>1,870,482</b>	<b>11,010,428</b>	<b>2,053,412</b>	<b>7,482,162</b>	<b>249,803</b>	<b>23,102,134</b>
<b>ACCUMULATED DEPRECIATION</b>									
<b>As at 01st April, 2018</b>	-	-	20,561	1,481,369	6,644,307	1,308,972	4,872,997	237,313	<b>14,565,519</b>
Depreciation Expense for the year	126,412	-	95,020	66,932	1,583,207	146,543	621,595	-	<b>2,639,709</b>
Adjustment during the year	126,412	-	-	-	958,566	15,704	2,260	-	<b>1,102,942</b>
<b>As at 31st March, 2019</b>	-	-	<b>115,581</b>	<b>1,548,301</b>	<b>7,268,948</b>	<b>1,439,811</b>	<b>5,492,332</b>	<b>237,313</b>	<b>16,102,286</b>
Additions during the year	-	-	86,540	66,932	1,327,875	133,692	481,163	-	<b>2,096,203</b>
Adjustment during the year	-	-	-	-	1,768,367	19,362	22,815	-	<b>1,810,544</b>
<b>As at 31st March, 2020</b>	-	-	<b>202,121</b>	<b>1,615,233</b>	<b>6,828,456</b>	<b>1,554,142</b>	<b>5,950,680</b>	<b>237,313</b>	<b>16,387,945</b>
<b>Net Block as at 31st March, 2020</b>	-	<b>81,741</b>	<b>151,985</b>	<b>255,249</b>	<b>4,181,972</b>	<b>499,270</b>	<b>1,531,482</b>	<b>12,490</b>	<b>6,714,189</b>
<b>Net Block as at 31st March, 2019</b>	-	<b>81,741</b>	<b>238,525</b>	<b>322,181</b>	<b>5,602,919</b>	<b>542,928</b>	<b>1,079,681</b>	<b>12,490</b>	<b>7,880,465</b>
<b>Net Block as at 01st April, 2018</b>	<b>14,326,665</b>	<b>81,741</b>	<b>258,025</b>	<b>389,113</b>	<b>7,990,020</b>	<b>547,299</b>	<b>916,511</b>	<b>12,490</b>	<b>24,521,864</b>



13. RIGHT OF USE LEASE ASSETS

Particulars	Lease Asset (In ₹)
<b>Value of Lease Asset</b>	
Balance as at 01st April, 2018	-
Additions	-
Disposals	-
<b>Balance as at 31st March, 2019</b>	-
Additions	1,548,096
Disposals	-
<b>Balance as at 31st March, 2020</b>	<b>1,548,096</b>
<b>Accumulated amortisation</b>	
Balance as at 01st April, 2018	-
Charge for the period	-
Disposals	-
<b>Balance as at 31st March, 2019</b>	-
Charge for the period	516,032
Disposals	-
<b>Balance as at 31st March, 2020</b>	<b>516,032</b>
<b>Net carrying amount</b>	
<b>Balance as at 31st March, 2020</b>	<b>1,032,064</b>
<b>Balance as at 31st March, 2019</b>	-
<b>Balance as at 01st April, 2018</b>	-

14. OTHER INTANGIBLE ASSETS

Particulars	Computer Software (In ₹)
<b>Cost or deemed cost</b>	
Balance as at 01st April, 2018	389,607
Additions	-
Disposals	-
<b>Balance as at 31st March, 2019</b>	<b>389,607</b>
Additions	325,748
Disposals	-
<b>Balance as at 31st March, 2020</b>	<b>715,355</b>
<b>Accumulated amortisation</b>	
Balance as at 01st April, 2018	-
Charge for the period	117,201
Disposals	-
<b>Balance as at 31st March, 2019</b>	<b>117,201</b>
Charge for the period	134,056
Disposals	-
<b>Balance as at 31st March, 2020</b>	<b>251,257</b>
<b>Net carrying amount</b>	
<b>Balance as at 31st March, 2020</b>	<b>464,098</b>
<b>Balance as at 31st March, 2019</b>	272,406
<b>Balance as at 01st April, 2018</b>	389,607

The Company has availed the deemed cost exemption in relation to "Other Intangible Assets" hence the net carrying amount has been considered as the 'gross carrying amount' on that date and accordingly on the date of transition and amortisation is applied thereon.

The "gross carrying amount" and the 'accumulated amortisation' and net carrying amount on 1st April, 2018 under the previous GAAP are disclosed hereunder: -

**Deemed Cost of Other Intangible Assets as at 1st April, 2018**

Particulars	Computer Software (In ₹)
Gross carrying amount as on 01st April, 2018	4,118,749
Accumulated amortisation upto 31st March, 2018	3,729,142
Net Carrying amount as on 01st April, 2018	389,607
<b>Deemed Cost of Other Intangible Assets as at 01st April, 2018</b>	<b>389,607</b>

15. OTHER NON FINANCIAL ASSETS

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Prepaid Expenses	6,336,729	5,908,728	5,306,955
Deferred Expenses	137,874	124,980	123,680
Amount recoverable from employees	538,100	533,100	548,826
GST Recoverable	5,047,766	2,945,839	2,390,712
Income Tax Refund	-	1,078,360	1,086,760
Other Advances	47,081,567	42,437,124	53,610,387
Advances for Purchase of Properties	20,650,000	25,000,000	21,050,000
Receivable against sale of investments	-	2,210,529	-
<b>Total</b>	<b>79,792,036</b>	<b>80,238,660</b>	<b>84,117,320</b>

16. TRADE PAYABLES

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
- total outstanding dues of micro enterprises and small enterprises; and	493,566	383,368	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,159,717	4,144,888	9,591,643
<b>Total</b>	<b>3,653,283</b>	<b>4,528,256</b>	<b>9,591,643</b>

17. BORROWINGS

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>(A) In India</b>			
<b>At amortised cost:</b>			
Term Loan From Bank	322,753	1,241,105	2,089,072
Overdraft facility from HDFC Bank Ltd	-	863,898	2,387,864
Outside India	-	-	-
<b>(B) Out of above</b>			
Secured against Hypothecation of Vehicle financed	322,753	1,241,105	2,089,072
Secured- others	-	863,898	2,387,864
Unsecured	-	-	-
<b>Total</b>	<b>322,753</b>	<b>2,105,003</b>	<b>4,476,936</b>

(\*) The Loan taken was at Interest rate of 8.35% P.A.

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

	0-1 Years	1-2 Years	2-3 Years
- Vehicle Loan from HDFC Bank	322,753	-	-

18. SUBORDINATED LIABILITIES

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>(A) In India</b>			
<b>At amortised cost:</b>			
6% Redeemable Cumulative Preference Shares of ₹ 1000/- each fully paid up	-	-	20,000,000
60,000 (60,000) Non-cumulative Redeemable Preference Shares of ₹ 10/- each fully paid up	600,000	600,000	-
(B) Outside India	-	-	-
<b>Total</b>	<b>600,000</b>	<b>600,000</b>	<b>20,000,000</b>

**19. OTHER FINANCIAL LIABILITIES**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Unclaimed Dividend*	6,658,580	8,392,004	9,867,059
Expense payable	1,962,169	1,825,656	2,487,857
Vehicle Loans from banks	-	-	278,680
Finance Lease Obligations	1,096,779	-	-
Payable to HB Estate Developers Ltd. pursuant to scheme of arrangement	-	-	5,933,540
<b>Total</b>	<b>9,717,528</b>	<b>10,217,660</b>	<b>18,567,136</b>

(\*) No amount was due for transfer to Investor Education and Protection fund as on 31.03.2020

**20. CURRENT TAX LIABILITIES**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Provision for Income Tax	-	-	8,465,099
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,465,099</b>

**21. PROVISIONS**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>Provision for Employees Benefits</b>			
Leave Encashment	6,802,759	6,780,322	6,450,476
Gratuity	7,224,925	7,074,115	6,729,082
<b>Others</b>			
Contingent Provision against Standard Assets	680,034	294,034	138,034
Doubtful Debt and Advances	1,745,832	1,745,832	1,745,832
<b>Total</b>	<b>16,453,550</b>	<b>15,894,303</b>	<b>15,063,424</b>

**22. OTHER NON-FINANCIAL LIABILITIES**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
Interest accrued but not due on long-term borrowings	-	-	1,787
Statutory Dues Payable	4,297,394	3,487,439	4,409,600
Employee related payables	763,585	2,838,331	758,998
Advances From Customers, margin money etc.	32,869,855	36,009,392	28,903,213
Advance from Related Party	-	-	2,600,000
Other payables	19,482,201	-	-
<b>Total</b>	<b>57,413,035</b>	<b>42,335,162</b>	<b>36,673,598</b>

**23. SHARE CAPITAL**

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>a. Authorised:</b>			
2,00,00,000 Equity Shares of ₹ 10/- each	200,000,000	200,000,000	200,000,000
2,00,00,000 Preference Shares of ₹ 10/- each	200,000,000	200,000,000	200,000,000
<b>Total</b>	<b>400,000,000</b>	<b>400,000,000</b>	<b>400,000,000</b>
<b>b. Issued</b>			
1,15,93,531 Equity Shares of ₹ 10/- Each	115,935,310	115,935,310	115,935,310
<b>Total</b>	<b>115,935,310</b>	<b>115,935,310</b>	<b>115,935,310</b>
<b>c. Subscribed and Paid up</b>			
1,07,64,230 Equity Shares of ₹ 10/- Each fully paid up	107,642,300	107,642,300	107,642,300
<b>Total</b>	<b>107,642,300</b>	<b>107,642,300</b>	<b>107,642,300</b>
Add: Forfeited Shares- 8,29,301 (8,29,301) Equity Shares (Other than Directors)	2,736,299	2,736,299	2,736,299
<b>Total</b>	<b>110,378,599</b>	<b>110,378,599</b>	<b>110,378,599</b>

**d. Reconciliation of number of Equity Shares outstanding at the beginning and end of the year**

Particulars	Number of Shares	Amount (In ₹)
<b>As At 01st April, 2018</b>	<b>10,764,230</b>	<b>107,642,300</b>
Issued during the year	-	-
<b>As At 31st March, 2019</b>	<b>10,764,230</b>	<b>107,642,300</b>
Issued during the year	-	-
<b>As At 31st March, 2020</b>	<b>10,764,230</b>	<b>107,642,300</b>

**e. Terms / Rights attached to the Equity Shares**

- Issued Share Capital of the Company has only one class of shares referred to as Equity Shares having Par value of ₹ 10/-. Each holder of Equity Shares is entitled to One vote per Share. In the event of the Liquidation of the Company, the holder of Equity Shares will be entitled to receive any of the remaining assets of the Company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders. The holders of Equity Shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting.

- During the FY 2017-18, the Company had allotted 59,48,055 (Fifty Nine Lakhs Forty Eight Thousand Fifty Five) Equity Shares of ₹ 10 (Rupees Ten) each fully paid-up to the Shareholders of HB Stockholdings Limited in the ratio of 25 (Twenty Five) Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up of HB Portfolio Limited for every 100 (One Hundred) Equity Shares held by them in HB Stockholdings Limited. As a result of which, the Equity Share Capital increased from ₹ 11,99,23,290 comprising of 1,19,92,329 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up to ₹ 17,94,03,840 comprising of 1,79,40,384 Equity Shares of ₹ 10/- (Rupees Ten) each fully paid up. After the allotment of Equity Shares by the Company to the Shareholders of HB Stockholdings Limited, the Equity Share Capital of the Company had been reduced by reducing the Face Value of the Equity Shares from 1 (One) Equity Share of ₹ 10/- (Rupees Ten) fully paid up to 1 (One) Equity Share of ₹ 6/- (Rupees Six) each fully paid up. The Equity Share Capital of the Company so reduced had been further consolidated in such a manner that the Shareholders holding 5 (Five) Equity Share of ₹ 6/- (Rupees Six) each fully paid up were allotted 3 (Three) Equity Share of ₹ 10/- (Rupees Ten) each fully paid up in the Equity Share Capital of the Company. As a result of which, the Equity Share Capital reduced from ₹ 17,94,03,840 comprising of 1,79,40,384 Equity Shares of ₹ 10/- (Rupees Ten) each to ₹ 10,76,42,300 comprising of 1,07,64,230 Equity Shares of ₹ 10/- (Rupees Ten) each.

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

Particulars	As at 31st March, 2020		As at 31st March, 2019		As at 01st April, 2018	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Lalit Bhasin	6,324,671	58.76%	6,324,671	58.76%	6,293,927	58.47%



24. OTHER EQUITY

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)	As at 1st April, 2018 (In ₹)
<b>a. Capital Reserve</b>			
Opening Balance	166,875,883	171,187,215	
Add:	-	-4,311,332	
Closing Balance	166,875,883	166,875,883	171,187,215
<b>b. General Reserve</b>			
Opening Balance	313,644,543	313,644,543	
Add: Transferred from Retained Earnings	-	-	
Closing Balance	313,644,543	313,644,543	313,644,543
<b>c. Securities Premium Reserve</b>			
Opening Balance	367,610,047	367,610,047	
Closing Balance	367,610,047	367,610,047	367,610,047
<b>d. Statutory Reserve</b>			
Opening Balance	199,095,042	195,894,605	
Add: Transferred from surplus	7,025,915	3,200,437	
Closing Balance	206,120,957	199,095,042	195,894,605
<b>e. Other comprehensive income</b>			
Opening Balance	86,529,174	264,466,008	
Add: Fair Value of Change in Investments/ Defined Benefit Plans	(252,396,920)	(151,791,329)	
Less: Realised gain on sale of investment transferred to retained earnings	(22,603,670)	(26,145,505)	
Closing Balance	(188,471,414)	86,529,174	264,466,008
<b>f. Retained Earning</b>			
Opening Balance	308,942,393	312,650,541	
Add: Profit for the current year	(34,048,142)	(26,653,216)	
Realised gain on sale of investment transferred from OCI	22,603,670	26,145,505	
Transfer to statutory reserve as per Section 45-IC of The RBI Act, 1934	(7,025,915)	(3,200,437)	
DDT Paid	(4,392,624)	-	
Closing Balance	286,079,382	308,942,393	312,650,541
<b>TOTAL OTHER EQUITY</b>	<b>1,151,859,398</b>	<b>1,442,697,082</b>	<b>1,625,452,959</b>

Description of the nature and purpose of Other Equity

**Capital Reserve**

Capital Reserve represent the difference between the cost to the parent of the investment in subsidiary/ associates and the parent company share of equity of subsidiary/ associates on the date on which the investment in such subsidiary is done

**General Reserve**

General Reserve represents the statutory reserve. This is in accordance with Indian Corporate Law where in a portion of profit is apportioned to General Reserve. Under Companies Act, 1956, it was mandatory to transfer amount before a company can declare dividend. However, under companies Act, 2013 transfer of any amount to general reserve is at the discretion of the company.

**Securities Premium**

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

**Statutory Reserve**

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

**Other Comprehensive Income-Remeasurement Gain / (Losses) on Defined Benefit Plan**

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

**Retained Earnings**

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

25. INTEREST INCOME

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Interest on Bonds	1,051,341	1,114,904
Interest Income on Loans and intercorporate deposits (on Financial Assets at amortised cost)	43,989,871	42,303,493
Interest on deposits with banks/Others	3,572,068	4,306,147
Interest on security deposits	19,470	-
Interest on Income Tax Refund	2,108,034	-
others	32,719	1,839
Interest on staff loan	68,245	80,324
<b>Total</b>	<b>50,841,748</b>	<b>47,806,707</b>

26. DIVIDEND

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Dividend received on Shares	31,034,622	14,144,740
<b>Total</b>	<b>31,034,622</b>	<b>14,144,740</b>

27. MANAGEMENT FEES

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Management fees from mutual fund	62,963,171	78,203,083
Brokerage, Commission & Service Charges (Net)	585,884	81,053
Domestic Trusteeship Fees	844,788	867,973
Less: GST	(128,866)	(132,403)
<b>Total</b>	<b>64,264,977</b>	<b>79,019,706</b>

28. OTHER INCOME

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Miscellaneous income (Refer Note No. 44)	-	1,182,197
Profit on disposal of assets (net)	-	8,348,435
Provision no Longer required	967,806	15,500
Other Income	-	844,129
<b>Total</b>	<b>967,806</b>	<b>10,390,261</b>

29. FINANCE COSTS

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Finance charges on finance Lease	98,683	-
Interest expense on OD facility	75,126	199,034
Interest expense on vehicle loan	66,104	139,904
<b>Total</b>	<b>239,913</b>	<b>338,938</b>

30. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Salary & Benefits	78,589,547	78,577,919
Contribution to Provident fund and other fund	8,967,461	9,445,759
Amortisation of prepaid staff costs	68,245	80,324
Staff Welfare	1,519,649	1,316,945
<b>Total</b>	<b>89,144,902</b>	<b>89,420,947</b>

**31. NET GAIN/(LOSS) ON FAIR VALUE CHANGES**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Net gain/(loss) on financial instruments at fair value through profit or loss		
-Investments		
i) On trading portfolio	-	-
ii) On Investments	(30,336,589)	(4,949,114)
<b>Total Net gain/(Loss) on fair value changes</b>	<b>(30,336,589)</b>	<b>(4,949,114)</b>
Fair Value Changes		
Realised	20,810,785	28,995,421
Unrealised	(51,147,374)	(33,944,535)
<b>Total Net gain/(Loss) on fair value changes</b>	<b>(30,336,589)</b>	<b>(4,949,114)</b>

**32. OTHER EXPENSES**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Rent/Facility Charges	11,889,737	12,401,922
Vehicle Running and Maintenance	478,912	398,025
Insurance	123,288	89,688
Travelling & Conveyance	3,169,846	3,683,166
Communication	1,963,962	5,176,618
Printing & Stationery	969,273	2,364,801
Legal & Professional	7,571,069	5,527,718
Listing Fee	300,000	250,000
Advertisement & Promotion	3,128,091	6,435,545
Director Sitting fees	3,470,000	3,250,000
Depository and Custodial and CDSL and NSDL Fees	96,075	378,248
Meeting Expenses	56,000	49,000
Subscription & Membership	7,184,920	6,315,760
Recruitment charges	103,972	630,000
Electricity charges	2,081,979	2,714,207
Repairs and maintenance		
- Buildings	-	76,772
- Vehicles	271,262	383,279
- Others	3,816,735	3,804,971
Office expenses	1,033,373	918,538
Outsourced professional service costs	3,268,867	2,917,042
Insurance	961,314	920,092
Loss on disposal of assets (net)	26,791	-
Rates and taxes	50,719	58,499
Mutual fund expenses (Refer Note No. 46)	23,215,921	13,639,354
Postage Telegram & Telephone	20,719	49,240
VSAT Charges	36,000	36,000
Corporate Social Responsibility Expenditure (Note No. 55)	700,000	1,110,000
Bank Charges	174,320	171,676
Filing fees	3,702	8,718
Demat charges	379	31,837
Miscellaneous	688,934	1,056,732
Auditors Remuneration	-	-
-Audit Fees	170,000	185,790
-Tax Audit Fees	15,000	15,000
-Limited Review Reports	30,000	30,000
-Certification and others	27,000	53,000
Amortisation of rental on non cancellable lease	19,470	-
<b>Total</b>	<b>77,117,630</b>	<b>75,131,238</b>

**33. EARNING PER SHARE (EPS)**

Particulars	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
Profit for the year (₹ in Lakhs)	(53,594,095)	(21,180,779)
Weighted average number of Equity Shares used in computing basic EPS	10,764,230	10,764,230
Weighted average number of Equity Shares used in computing diluted EPS	10,764,230	10,764,230
<b>Basic Earnings per Share (₹)</b>	<b>(4.98)</b>	<b>(1.97)</b>
<b>Diluted Earnings per Share (₹)</b>	<b>(4.98)</b>	<b>(1.97)</b>
Face value per Share (₹)	10	10

**34. RELATED PARTY TRANSACTIONS**
**34.1 List of Related Parties with whom transactions have taken place and relationship:**
**a) Key Managerial Personnel (KMP):**

Current Year	Previous Year
<b>HB PORTFOLIO LTD.</b>	
1. Mr. Anil Goyal (Managing Director)	1. Mr. Anil Goyal (Managing Director)
2. Mr. Dinesh Kapoor (Company Secretary)	2. Mr. Dinesh Kapoor (Company Secretary)
3. Mr. Himanshu Kansal (Chief Financial Officer)	
<b>TAURUS ASSET MANAGEMENT COMPANY LTD. (SUBSIDIARY)</b>	
1. Mr. R.K. Gupta (Managing Director)	1. Mr. R.K. Gupta (Managing Director)
2. Mr. Waqar Naqvi (Chief Executive Officer)	2. Mr. Waqar Naqvi (Chief Executive Officer)
3. Mr Anish Shah (Chief Financial Officer upto 30th November, 2019)	3. Mr. Anish Shah (Chief Financial Officer w.e.f 1st October, 2018)
4. Mrs Jinal Patel (Chief Financial Officer w.e.f 06th March, 2020)	4. Mr. Amarjeet Shah (Chief Financial Officer till 15th May, 2018)
5. Mrs. Anu Suri (Company Secretary)	5. Mrs. Anu Suri (Company Secretary)

**b) Associates:**

- 1 Merwanjee Securities Ltd.

**c) Person having control / significant influence/major shareholders:**

1. Mr. Lalit Bhasin

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

1. RRB Master Securities Delhi Ltd.

**e) Companies under direct or indirect common control/significant influence:**

1. HB Stockholdings Ltd.
2. HB Estate Developers Ltd.
3. HB Leasing and Finance Co. Ltd.
4. RRB Securities Ltd.

**34.2 Transactions during the Financial Year ended 31st March, 2020 with Related Parties as under:**

Sr. No.	Particulars	Nature of Transaction	For the Year ended 31st March, 2020 (In ₹)	For the Year ended 31st March, 2019 (In ₹)
i	Anil Goyal	Remuneration and other services	7360000	7360000
ii	Dinesh Kapoor	Remuneration and other services	2870400	2590500
iii	Himanshu Kansal	Remuneration and other services	1846307	0
iv	R.K. Gupta	Remuneration and other services	4596600	4592870
v	Waqar Naqvi	Remuneration and other services	15731880	15581880
vi	Anish Shah	Remuneration and other services	3345401	2668750
vii	Anu Suri	Remuneration and other services	1037993	947100
		Advances given/ recovered (net)	100000	100000
		Advance Recoverable at year end	0	100000
viii	Jinal Patel	Remuneration and other services	125675	0
ix	Amarjeet Singh	Remuneration and other services	0	643667
x	Lalit Bhasin	Sitting Fees	80000	80000
xi	RRB Master Securities Delhi Ltd.	Depository Charges received	42088	13994
		Sale of Investment/Securities through them	675463	1503051
		Margin/ Advance Received/ (Paid) (Net)	19700000	(6900000)
xii	HB Stockholdings Ltd.	Depository Charges received	5356	9639
		Received against amount receivable pursuant to scheme of arrangement	0	243409035
xiii	HB Estate Developers Ltd.	Rent paid	861240	8612640
		Subscription for Preference Shares	0	200000000
		Depository Charges received	1770	1180
		Redemption of Preference Shares	0	10000000
		Repayable against amount payable pursuant to scheme of arrangement	0	5933540
xiv	HB Leasing and Finance Co. Ltd.	Depository Charges received	1770	1358
		Purchase of Investment	0	1651255
		Depository charges receivable at year end	0	178
xv	RRB Securities Ltd.	Depository Charges received	1770	4955
		Redemption of Preference Shares	0	5000000
		Dividend Paid	9106304	0
xvi	Merwanjee Securities Ltd.	Sale of Investment/Securities through them	75413584	58523021
<b>Related Party Balances:</b>				
<b>Sr. No.</b>	<b>Particulars</b>	<b>Nature of Transaction</b>	<b>31st March, 2020</b>	<b>31st March, 2019</b>
i	HB Estate Developers Ltd.	Security deposit outstanding for premises on Rent	34500000	34500000
ii	RRB Master Securities Delhi Ltd.	Advance Recoverable at year end	33742210	35860694

**35 RETIREMENT BENEFIT OBLIGATIONS**

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

**A) Defined Contributions Plans**

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

Particulars	Current Year	Previous Year	Head under which shown in Profit & Loss Account
	Amount (In ₹)	Amount (In ₹)	
Contribution to Provident Fund	55,98,074/-	55,85,118/-	Contribution to Provident fund and other fund.
Contribution to superannuation fund	1,00,000/-	1,00,000/-	Contribution to Provident fund and other fund.
Contribution to National Pension Scheme	15,46,000/-	19,40,733/-	Contribution to Provident fund and other fund.
Contribution to ESIC	38109/-	51,937/-	Contribution to Provident fund and other fund.



**B) Defined Benefit Plans:**

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

**(i) Movement in defined benefit obligation**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Present value of obligation - at the beginning of the period	14,749,744	13,762,040	6,780,322	5,251,689
Interest cost	1,084,629	1,062,618	509,865	407,005
Current service cost	1,061,029	1,282,128	617,929	1,008,131
Benefits paid	(895,039)	-	(1,539,525)	(692,515)
Remeasurements - actuarial (gain)/ loss	(368,962)	-1,357,042	434,168	806,012
Present value of obligation -at the end of the period	15,631,401	14,749,744	6,802,759	6,780,322

**(ii) The amount to be recognised in the Balance Sheet**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Present value of obligation -at the end of the period	15,631,401	14,749,744	6,802,759	6,780,322
Fair value of plan assets at end of year	8,358,878	7,738,488	-	-
Net liability/(asset) recognized in Balance Sheet	7,272,523	7,011,256	6,802,759	6,780,322
Funded Status- Surplus/ (Deficit)	(7,272,523)	(7,011,256)	(6,802,759)	(6,780,322)

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

Weighted average actuarial assumptions	Gratuity (Funded)		Gratuity		Gratuity (Funded)	
	HB Portfolio Limited (Holding Company)		Taurus Asset Management Company Limited (Subsidiary Company)		HB Securities Limited (Subsidiary Company)	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
Discount Rate	7.00 % per annum	7.75 % per annum	6.80 % per annum	7.65 % per annum	7.00 % per annum	7.00 % per annum
Expected Rate of increase in salary	6.00 % per annum	6.00 % per annum	5.25 % per annum	5.25 % per annum	6.00 % per annum	6.00 % per annum
Mortality rate	IALM 2012-14	IALM 2006-08 Ultimate	100% of 'IALM (2012-14)	100% of 'IALM (2012-14)	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal Rate- 18 to 30 Years	5.00 % p.a.	5.00 % p.a.	3.00 % p.a.	3.00 % p.a.	5.00 % p.a.	5.00 % p.a.
- 30 to 44 Years	3.00 % p.a.	3.00 % p.a.	2.00 % p.a.	2.00 % p.a.	3.00 % p.a.	3.00 % p.a.
- 44 to 70 Years	2.00 % p.a.	2.00 % p.a.	1.00 % p.a.	1.00 % p.a.	2.00 % p.a.	2.00 % p.a.

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

Weighted average actuarial assumptions	Leave Encashment (Unfunded)					
	HB Portfolio Limited (Holding Company)		Taurus Asset Management Company Limited (Subsidiary Company)		HB Securities Limited (Subsidiary Company)	
	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2020	Year ended 31st March, 2019
Discount Rate	7.00 % per annum	7.75 % per annum	6.80 % per annum	7.65 % per annum	7.00 % per annum	7.75 % per annum
Expected Rate of increase in salary	6.00 % per annum	6.00 % per annum	5.25 % per annum	5.25 % per annum	6.00 % per annum	6.00 % per annum
Mortality rate	IALM 2012-14	IALM 2006-08 Ultimate	100% of 'IALM (2012-14)	100% of 'IALM (2012-14)	IALM 2012-14	IALM 2006-08 Ultimate
Withdrawal Rate- 18 to 30 Years	5.00 % p.a.	5.00 % p.a.	3.00 % p.a.	3.00 % p.a.	5.00 % p.a.	5.00 % p.a.
- 30 to 44 Years	3.00 % p.a.	3.00 % p.a.	2.00 % p.a.	2.00 % p.a.	3.00 % p.a.	3.00 % p.a.
- 44 to 70 Years	2.00 % p.a.	2.00 % p.a.	1.00 % p.a.	1.00 % p.a.	2.00 % p.a.	2.00 % p.a.

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

**(iii) Expense recognised in the statement of Profit and Loss:**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Interest cost	1,084,629	1,062,618	509,865	407,005
Current Service cost	1,061,029	1,282,128	617,929	1,008,131
Expected return on plan assets	(447,056)	(496,580)	-	-
Expenses to be recognised in P&L	1,698,602	1,848,166	1,127,794	1,415,136

**(iv) Recognised in other comprehensive income**

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)	Year ended 31st March, 2020 (In ₹)	Year ended 31st March, 2019 (In ₹)
Cumulative unrecognized actuarial (gain)/loss opening. B/F	(2,356,507)	(1,022,458)	814,488	8,476
Remeasurement - Actuarial (gain)/loss -Obligation	-368,962	(1,357,042)	434,168	806,012
Remeasurement - Actuarial (gain)/loss -Plan assets	(25,982)	22,993	-	-
Total Actuarial (gain)/loss	-394,944	(1,334,049)	434,168	806,012
Cumulative unrecognized actuarial (gain)/loss opening. C/F	(2,751,451)	(2,356,507)	1,248,656	814,488

**(vi) Sensitivity Analysis:**

For the year ended 31st March, 2020

(Amount in ₹)

Particulars	Change in assumption	HB Portfolio Limited (Holding Company)		HB Securities Limited (Subsidiary Company)	
		Effect on Gratuity	Effect on leave encashment	Effect on Gratuity	Effect on leave encashment
Discount rate	+1%	-540,793	-132,782	634,842	175,410
	-1%	602,109	151,486	801,144	220,088
Salary Growth rate	+1%	602,109	151,486	801,144	220,088
	-1%	-550,017	-135,041	633,495	175,044
Attrition Rate	+1%	26,513	8,916	717,817	197,695
	-1%	-29,523	-10,108	704,961	194,430

Particulars	Change in assumption	Taurus Asset Management Company Limited (Subsidiary Company)	
		Effect on Gratuity	Effect on leave encashment
Discount rate	+0.50%	-326,320	-17,316
	-0.50%	303,888	307,998
Salary Growth rate	+0.50%	336,396	-17,784
	-0.50%	-359,996	316,314

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

(Amount in ₹)

Particulars	HB Portfolio Limited (Holding Company)		Taurus Asset Management Company Limited (Subsidiary Company)		HB Securities Limited (Subsidiary Company)	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Short Term	241,947	55,462	81,602	55,855	20,434	5,489
Long Term	6,848,764	1,542,847	7,747,365	4,952,456	691,289	190,659

**36. FIRST-TIME ADOPTION OF IND AS**

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

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31st March, 2020, together with the comparative period data as at and for the year ended 31st March, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 01st April, 2018, the Company's date of transition to Ind AS. These financial results may require further adjustments, if any, necessitated by the guidelines / clarifications / directions issued in the future by RBI, Ministry of Corporate Affairs, or other regulators, which will be implemented as and when the same are issued and made applicable.

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

**(A) Mandatory exceptions and optional exemptions available**

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

**Mandatory exceptions**

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

**(i) Estimates**

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

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

**(ii) Derecognition of Financial Assets and Financial Liabilities**

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

**(iii) Classification and Measurement of Financial Assets**

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

**(iv) Impairment of Financial Assets**

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

**Optional exemptions available**
**(i) Investments in Subsidiaries, Associates**

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

**(ii) Property, Plant, Equipment & Intangible Assets**

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

**(iii) Business Combinations**

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

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

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

**Reconciliation of Balance Sheet as at date of transition 01st April, 2018**

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Financial Assets</b>				
a. Cash and cash equivalents	4	15,028,712	0	15,028,712
b. Bank Balance other than (a) above	5	80,186,883	0	80,186,883
c. Receivables				
i) Trade Receivables	6	9,413,067	0	9,413,067
d. Loans	7	300,986,984	-124,000	300,862,984
e. Investments	8	862,866,288	374,291,915	1,237,158,203
f. Other Financial Assets	9	303,457,949	0	303,457,949
<b>Non-Financial Assets</b>				
a. Current tax assets (Net)	10	154,849	0	154,849
b. Deferred tax assets (Net)	11	0	0	0
c. Property, Plant and Equipment	12	24,521,864	0	24,521,864
d. Right of Use Lease Assets	13	0	0	0
e. Other intangible assets	14	389,607	0	389,607
f. Other non-financial assets	15	81,761,320	2,356,000	84,117,320
<b>TOTAL ASSETS</b>		<b>1,678,767,522</b>	<b>376,523,915</b>	<b>2,055,291,437</b>



(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
a. Payables				
i) Trade Payables	16	9,591,643	0	9,591,643
b. Borrowings	17	4,476,936	0	4,476,936
c. Subordinated liabilities	18	0	20,000,000	20,000,000
d. Other financial liabilities	19	18,567,136	0	18,567,136
<b>Non-Financial Liabilities</b>				
a. Current tax liabilities	20	8,465,099	0	8,465,099
b. Deferred tax liabilities (Net)	11	-1,260,854	8,009,000	6,748,146
c. Provisions	21	33,542,899	-18,479,475	15,063,424
d. Other non-financial liabilities	22	36,673,598	0	36,673,598
<b>Equity</b>				
a. Equity Share Capital	23	130,378,599	-20,000,000	110,378,599
b. Other Equity	24	1,238,458,570	386,994,389	1,625,452,959
<b>Equity attributable to owners of the parents</b>				
		1,368,837,169	366,994,389	1,735,831,558
c. Non-controlling interests		199,873,898	0	199,873,898
Total Equity		1,568,711,067	366,994,389	1,935,705,456
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,678,767,525</b>	<b>376,523,914</b>	<b>2,055,291,439</b>

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

Reconciliation of Balance Sheet as at date of transition 01st April, 2019

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
<b>ASSETS</b>				
<b>Financial Assets</b>				
a. Cash and cash Equivalents	4	14,291,492	0	14,291,492
b. Bank Balance other than (a) above	5	74,501,600	0	74,501,600
c. Receivables				
i) Trade Receivables	6	6,959,886	0	6,959,886
d. Loans	7	339,763,421	-85,000	339,678,421
e. Investments	8	1,052,761,869	159,827,796	1,212,589,665
f. Other Financial Assets	9	71,406,199	-40,000	71,366,199
<b>Non-Financial Assets</b>				
a. Current tax assets (Net)	10	18,440,574	0	18,440,574
b. Deferred tax assets (Net)	11	-624,892	0	-624,892
c. Property, Plant and Equipment	12	7,880,465	0	7,880,465
d. Right of Use Lease Assets	13	0	0	0
e. Other intangible assets	14	272,406	0	272,406
f. Other non-financial assets	15	77,980,660	2,358,000	80,238,660
<b>TOTAL ASSETS</b>		<b>1,663,533,680</b>	<b>162,060,796</b>	<b>1,825,594,476</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Financial Liabilities</b>				
a. Payables				
i) Trade Payables	16	4,528,256	0	4,528,256
b. Borrowings	17	1,505,003	600,000	2,105,003
c. Subordinated liabilities	18	-29,400,000	30,000,000	600,000
d. Other financial liabilities	19	10,217,660	0	10,217,660
<b>Non-Financial Liabilities</b>				
a. Current tax liabilities	20	0	0	0
b. Deferred tax assets (Net)	11	-5,763,000	5,763,000	0
c. Provisions	21	34,373,778	-18,479,475	15,894,303
d. Other non-financial liabilities	22	42,335,162	0	42,335,162
<b>Equity</b>				
a. Equity Share Capital	23	140,978,599	-30,600,000	110,378,599
b. Other Equity	24	1,267,919,809	174,777,273	1,442,697,082
<b>Equity attributable to owners of the parents</b>				
		1,408,898,408	144,177,273	1,553,075,681
c. Non-controlling interests		196,838,411	0	196,838,411
Total Equity		1,605,736,819	144,177,273	1,749,914,092
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,663,533,678</b>	<b>162,060,798</b>	<b>1,825,594,476</b>

(\*) The Previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Reconciliation of Equity as at 01st April, 2018 and as at 31st March, 2019 summarised in below table:

(Amount in ₹)

Particulars	Note	As at 31st March, 2019	As at 1st April, 2018
<b>Equity as reported under previous GAAP</b>		1,605,736,819	1,568,711,067
Adjustments			
Add: Net gain on financial assets fair valued through profit or loss		83,292,000	117,256,000
Less: Income tax effect on above		-2,423,000	-3,386,000
Add: Net gain/ (loss) on remeasurement of assets / (liabilities)		-367,000	-367,000
Less: Income tax effect on above		-102,000	-102,000
Less: Remeasurement of net defined benefit liability		237,000	
		1,686,373,819	1,682,112,067
Add: Net gain on financial assets fair value through Other Comprehensive Income		97,615,273	278,115,389
Less: Income tax effect on above		-3,646,000	-4,522,000
Add: Remeasurement of net defined benefit liability		237,000	-
Less: Income tax effect on above		-66,000	
Less: Redeemable preference shares shown as liabilities as per Ind AS		-30,600,000	-20,000,000
<b>Equity as per Ind AS</b>		<b>1,749,914,092</b>	<b>1,935,705,456</b>

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

(Amount in ₹)

Particulars	Note	Previous GAAP*	Adjustments	Ind As
<b>INCOME</b>				
<b>Revenue from operations</b>				
(i) Interest Income	25	47,745,707	61,000	47,806,707
(ii) Dividend Income	26	14,144,740	0	14,144,740
(iii) Management Fees & Commission Income	27	79,019,706	0	79,019,706
<b>I Total Revenue from operations</b>		<b>140,910,153</b>	<b>61,000</b>	<b>140,971,153</b>
II Other Income	28	9,168,885	1,221,376	10,390,261
<b>III Total income (I+II)</b>		<b>150,079,038</b>	<b>1,282,376</b>	<b>151,361,414</b>
<b>EXPENSES</b>				
Finance Costs	29	338,938	0	338,938
Employee Benefits Expenses	30	88,813,205	607,742	89,420,947
Net Gain/(Loss) on Fair Value Changes	31	-33,389,886	38,339,000	4,949,114
Depreciation and amortisation expense	12	2,756,910	0	2,756,910
Others expenses	32	75,131,238	0	75,131,238
Contingent Provision on Standard Assets/(written back)		156,000	0	156,000
<b>IV Total expenses (IV)</b>		<b>133,806,405</b>	<b>38,946,742</b>	<b>172,753,147</b>
<b>V Profit/ (loss) before tax (III-IV)</b>		<b>16,272,633</b>	<b>(37,664,366)</b>	<b>(21,391,733)</b>
<b>VI Tax expense</b>				
(i) Current tax		5,449,740	0	5,449,740
(ii) Income tax for earlier years		(821,237)	0	(821,237)
(iii) Deferred tax (credit) / charge		(3,875,458)	(964,000)	(4,839,458)
<b>Total tax expense (VI)</b>		<b>753,046</b>	<b>(964,000)</b>	<b>(210,954)</b>
<b>VII Profit for the year (V-VI)</b>		<b>15,519,587</b>	<b>(36,700,366)</b>	<b>(21,180,779)</b>
<b>VIII Add: share of profit from associate (Net)</b>		<b>(6,172,648)</b>	<b>0</b>	<b>(6,172,648)</b>
<b>IX Profit for the year (VII + VIII)</b>		<b>9,346,939</b>	<b>(36,700,366)</b>	<b>(27,353,427)</b>
<b>X Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
(a) Remeasurements of defined benefit plans		0	528,037	528,037
Less: income tax effect on above		(0)	(66,015)	(66,015)
(b) Fair Value changes of Investments at FVTOCI		0	(154,210,727)	(154,210,726)
Less: income tax effect on above		0	1,349,811	1,349,811
<b>Other comprehensive income for the year, net of tax</b>		<b>0</b>	<b>(152,398,894)</b>	<b>(152,398,893)</b>
<b>XI Total comprehensive income for the year (IX + X)</b>		<b>9,346,939</b>	<b>(189,099,260)</b>	<b>(179,752,321)</b>


**37. CAPITAL MANAGEMENT**

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

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

**38. FINANCIAL RISK MANAGEMENT**
**Financial risk factors**

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

**I. Market Risk**

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

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

**Interest Rate Risk**

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

**Currency Risk**

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

**Other Price Risk**

Other Price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market trade price/ quoted price/ declared NAV. The Company is exposed to price risk arising mainly from Investment in Equity shares and Mutual Funds. The investment of the Company in equity shares is measured at fair value through Profit or loss/ fair value through OCI which falls in medium risk category and also mutual funds are measured at fair value through profit or losses/ fair value through OCI and fall in medium risk category.

**II. Credit Risk**

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

**39. MATURITY ANALYSIS OF ASSETS AND LIABILITIES:**

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

(Amount in ₹)

Particulars	31st March, 2020			31st March, 2019			01st April, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>ASSETS</b>									
<b>Financial Assets</b>									
Cash and cash equivalents	33,934,197	-	33,934,197	14,291,492	-	14,291,492	15,028,712	-	15,028,712
Bank Balance other than above	34,883,580	-	34,883,580	74,501,600	-	74,501,600	80,186,883	-	80,186,883
Trade Receivables	1,941,626	-	1,941,626	6,959,886	-	6,959,886	9,413,067	-	9,413,067
Loans	435,536,056	546,000	436,082,056	339,281,421	397,000	339,678,421	300,165,984	697,000	300,862,984
Investments	711,508,389	107,263,915	818,772,304	1,089,451,823	123,137,842	1,212,589,665	1,093,941,713	143,216,490	1,237,158,203
Other Financial Assets	72,640,716	279,000	72,919,716	71,106,199	260,000	71,366,199	303,457,949	-	303,457,949
<b>Non-Financial Assets</b>									
Current tax assets (Net)	28,549,846	-	28,549,846	18,440,574	-	18,440,574	154,849	-	154,849
Deferred tax assets (Net)	-	288,892	288,892	-	-624,892	-624,892	-	-	-
Property, Plant and Equipment	-	6,714,189	6,714,189	-	7,880,465	7,880,465	-	24,521,864	24,521,864
Right of Use Lease Assets	-	1,032,064	1,032,064	-	-	-	-	-	-
Other intangible assets	-	464,098	464,098	-	272,406	272,406	-	389,607	389,607
Other non-financial assets	79,033,036	759,000	79,792,036	79,542,660	696,000	80,238,660	83,247,320	870,000	84,117,320
<b>TOTAL ASSETS</b>	<b>1,398,027,445</b>	<b>117,347,158</b>	<b>1,515,374,603</b>	<b>1,693,575,654</b>	<b>132,018,822</b>	<b>1,825,594,476</b>	<b>1,885,596,476</b>	<b>169,694,961</b>	<b>2,055,291,437</b>

**III. Liquidity Risk**

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

(Amount in ₹)

As at 31st March, 2020	Within 12 Months	After 12 Months	Total
<b>Financial Liabilities</b>			
Trade/ Other payable	3,653,283	-	
Borrowings	322,753	-	322,753
Subordinate liabilities	-	600,000	
Other financial liabilities	9,185,528	532,000	9,717,528
<b>Total</b>	<b>13,161,565</b>	<b>1,132,000</b>	<b>10,040,282</b>

(Amount in ₹)

As at 31st March, 2019	Within 12 Months	After 12 Months	Total
<b>Financial Liabilities</b>			
Trade/ Other payable	4,528,256	-	
Borrowings	1,782,249	322,753	1,241,105
Subordinate liabilities	-	600,000	
Other financial liabilities	10,217,660	-	10,217,660
<b>Total</b>	<b>16,528,166</b>	<b>922,753</b>	<b>11,458,765</b>

(Amount in ₹)

As at 01st April, 2018	Within 12 Months	After 12 Months	Total
<b>Financial Liabilities</b>			
Trade/ Other payable	9,591,643	-	
Borrowings	3,235,831	1,241,105	2,089,072
Subordinate liabilities	20,000,000	-	
Other financial liabilities	18,567,136	-	18,567,136
<b>Total</b>	<b>51,394,610</b>	<b>1,241,105</b>	<b>20,656,209</b>



Particulars	31st March, 2020			31st March, 2019			01st April, 2018		
	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total	Within 12 Months	After 12 Months	Total
<b>LIABILITIES</b>									
<b>Financial Liabilities</b>									
Trade Payables	3,653,283	-	3,653,283	4,528,256	-	4,528,256	9,591,643	-	9,591,643
Borrowings	322,753	-	322,753	2,105,003	-	2,105,003	4,476,936	-	4,476,936
Subordinated liabilities	600,000	-	600,000	600,000	-	600,000	20,000,000	-	20,000,000
Other financial liabilities	9,185,528	532,000	9,717,528	10,217,660	-	10,217,660	18,567,136	-	18,567,136
<b>Non Financial Liabilities</b>									
Current tax liabilities (Net)	-	-	-	-	-	-	8,465,099	-	8,465,099
Deferred tax liabilities (Net)	-	-	-	-	-	-	-	6,748,146	6,748,146
Provisions	4,239,056	12,214,494	16,453,550	14,473,284	1,421,019	15,894,303	5,485,413	9,578,011	15,063,424
Other non-financial liabilities	57,413,035	-	57,413,035	42,335,162	-	42,335,162	36,673,598	-	36,673,598
<b>TOTAL LIABILITIES</b>	<b>75,413,656</b>	<b>12,746,494</b>	<b>88,160,150</b>	<b>74,259,365</b>	<b>1,421,019</b>	<b>75,680,384</b>	<b>103,259,825</b>	<b>16,326,157</b>	<b>119,585,983</b>
<b>Net</b>	<b>1,322,613,790</b>	<b>104,600,664</b>	<b>1,427,214,453</b>	<b>1,619,316,290</b>	<b>130,597,803</b>	<b>1,749,914,092</b>	<b>1,782,336,651</b>	<b>153,368,804</b>	<b>1,935,705,455</b>

**40. FAIR VALUES**

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

**41. FAIR VALUE HIERARCHY**

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

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

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

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

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

(Amount in ₹)

Particulars	Amortised cost	Fair value through OCI	Fair value through P&L	Total carrying value	Total Fair value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	33,934,197			33,934,197	33,934,197	-	-	-	-
Bank Balance other than above	34,883,580			34,883,580	34,883,580	-	-	-	-
Trade Receivables	1,941,626			1,941,626	1,941,626				
Loans	436,082,056			436,082,056	436,082,056	-	-	-	-
Investments	818,772,304	576,439,806	180,294,982	1,575,507,092	1,575,507,092	361,502,662	-	1,214,004,430	1,575,507,092
Other Financial Assets	72,919,716			72,919,716	72,919,716	-	-	-	-
	<b>1,398,533,479</b>	<b>576,439,806</b>	<b>180,294,982</b>	<b>2,155,268,267</b>	<b>2,155,268,267</b>	<b>361,502,662</b>	<b>-</b>	<b>1,214,004,430</b>	<b>1,575,507,092</b>
<b>Financial Liabilities</b>									
Trade Payables	3,653,283			3,653,283	3,653,283	-	-	-	-
Borrowings	322,753			322,753	322,753	-	-	-	-
Subordinated liabilities	600,000			600,000	600,000				
Other financial liabilities	9,717,528			9,717,528	9,717,528	-	-	-	-
	<b>10,640,282</b>	<b>-</b>	<b>-</b>	<b>10,640,282</b>	<b>10,640,282</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

(Amount in ₹)

Particulars	Amortised cost	Fair value through OCI	Fair value through P&L	Total carrying value	Total Fair value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	14,291,492	-		14,291,492	14,291,492	-	-	-	-
Bank Balance other than above	74,501,600	-		74,501,600	74,501,600	-	-	-	-
Trade Receivables	6,959,886								
Loans	339,678,421	-		339,678,421	339,678,421	-	-	-	-
Investments	1,212,589,665	907,543,732	238,851,267	2,120,133,398	2,120,133,398	715,643,293	-	1,404,490,105	2,120,133,398
Other Financial Assets	71,366,199			71,366,199	71,366,199	-	-	-	-
	<b>1,719,387,262</b>	<b>907,543,732</b>	<b>-</b>	<b>2,619,971,109</b>	<b>2,619,971,109</b>	<b>715,643,293</b>	<b>-</b>	<b>1,404,490,105</b>	<b>2,120,133,398</b>
<b>Financial Liabilities</b>									
Trade Payables	4,528,256	-		4,528,256	4,528,256	-	-	-	-
Borrowings	2,105,003	-		2,105,003	2,105,003				
Subordinated liabilities	600,000								
Other financial liabilities	10,217,660	-		10,217,660	10,217,660				
	<b>12,922,663</b>	<b>-</b>	<b>-</b>	<b>12,322,663</b>	<b>12,322,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



The following table presents the carrying value and fair value of each category of financial assets and liabilities as at 01st April, 2018:

(Amount in ₹)

Particulars	Ammortised cost	Fair value through OCI	Fair value through P&L	Total carrying value	Total Fair value	Fair value			
						Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>									
Cash and cash equivalents	15,028,712	-		15,028,712	15,028,712	-	-	-	-
Bank Balance other than above	80,186,883	-		80,186,883	80,186,883	-	-	-	-
Trade Receivables	9,413,067								
Loans	300,862,984	-		300,862,984	300,862,984	-	-	-	-
Investments	1,237,158,203	925,707,587	239,063,911	2,162,865,791	2,162,865,791	961,853,190	-	1,201,012,601	2,162,865,791
Other Financial Assets	303,457,949			303,457,949	303,457,949	-	-	-	-
	<b>1,946,107,798</b>	<b>925,707,587</b>		<b>2,862,402,318</b>	<b>2,862,402,318</b>	<b>961,853,190</b>	-	<b>1,201,012,601</b>	<b>2,162,865,791</b>
<b>Financial Liabilities</b>									
Trade Payables	9,591,643	-		9,591,643	9,591,643	-	-	-	-
Borrowings	4,476,936	-		4,476,936	4,476,936				
Subordinated liabilities	20,000,000								
Other financial liabilities	18,567,136	-		18,567,136	18,567,136				
	<b>43,044,072</b>	-		<b>23,044,072</b>	<b>23,044,072</b>	-	-	-	-

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

A show Cause Notice dated 06th May, 2020 was issued by Securities & Exchange Board of India (SEBI) to the Company (TITCO) under section 15 D(b), 15HA and 15 HB of Securities and Exchange Board of India Act, 1992 (SEBI Act) in the matter of 4 Schemes of Taurus Mutual Fund holding debt instruments i.e. Commercial Papers of Ballarpur Industries Ltd (BILT) stating that as to why an enquiry should not be held against the Company in terms of Rule 4 of the SEBI (Procedure for holding inquiry and Imposing Penalties) Rules 1995 read with Section 15 I of the SEBI Act and why penalty should not be imposed under Section 15D(b), and Section 15HB of the SEBI Act read with Regulation 75 A (b) of the MF Regulations, as applicable, for the aforesaid alleged violations.

Based on the legal opinion obtained by the Company, and as approved by the Company's Board (TITCO), the Company has filed consent application under SEBI (Settlement Proceedings) Regulations, 2018 on 10th June, 2020 to settle the matter by paying an amount of ₹ 2,945/- Thousand. SEBI Response to the consent application is awaited.

**43.** No deferred tax asset has been recognized for timing difference on account of accumulated losses and brought forward depreciation in view of the uncertainty as to its realization in the foreseeable future. (Also Refer Note No.11)

**44.** As stated in Note No. 28, Miscellaneous income includes Nil (PY ₹ 11,81,728/-) received from Taurus Mutual Fund towards Company's investment in the Debt schemes of TMF. The debt schemes of Taurus Mutual Fund had invested in Commercial Papers of Ballarpur Industries Limited ("BILT") a group company of Avantha Holding Limited ("AHL") against which full provision was made consequent to default in payment of maturity proceeds during F.Y. 2016-17 which resulted in erosion in net asset value of the mutual fund investment held by the Company. In terms of agreement, AHL agreed to pay the balance amount along with interest in a phased manner. The Boards of Trustee and AMC decided that the recovery proceeds including interest payable by AHL will be paid to all the investors holding investment in the Debt Schemes of Taurus Mutual Fund, when NAV was reduced due to mark-down of BILT Commercial Paper. The miscellaneous income represents the amount received from Taurus Mutual Fund on recovery made from AHL.

**45. TRANSACTIONS IN FOREIGN CURRENCY**

Particulars	For the year 31st March, 2020		For the year 31st March, 2019	
	Amount in ₹	UAE Dirham	Amount in ₹	UAE Dirham
Earnings	Nil	Nil	Nil	Nil
Outgo:				
Brokerage Expense	Nil	Nil	10,267	543

**46. MUTUAL FUND EXPENSES (REFER NOTE NO. 32)**

- a) Mutual fund expenses include ₹ 1,189,410 (previous year ₹ 52,802) being expenses of the mutual fund schemes managed by the Company in excess of the limits specified in SEBI regulations which are borne by the Company.
- b) Vide SEBI Circular dated 22nd October, 2018 and subsequent clarification vide SEBI letter dated 21st February, 2019 & 25th March, 2019, all scheme related expenses including commission paid to distributors, by whatever name it may be called and in whatever manner it may be paid, shall necessarily be paid from the scheme only within the regulatory limits and not from the books of the Asset Management Company, its Associate, sponsor, Trustee or any other entity through any route. Accordingly, all expenses related to schemes of Taurus Mutual funds have been borne by the Company in the PY till 21st October, 2018.
- c) A Show Cause Notice dated 30th September, 2019 was issued by Securities & Exchange Board of India (SEBI) to the Company (TAMCO) under Section 11(1), 11B(1) and 11B(2) of the Securities and Exchange Board of India Act, 1992 (SEBI Act) in the matter of 4 Schemes of Taurus Mutual Fund holding debt instruments i.e. Commercial Papers of Ballarpur Industries Ltd (BILT) stating that why the penalty can not be imposed upon the company under section 15D(b) and 15HB of the SEBI Act read with Section 11 B(2) of the SEBI Act for the alleged violations.

Based on the legal opinion obtained by the Company, and as approved by the Company's Board (TAMCO), the Company has filed consent application under SEBI (Settlement Proceedings) Regulations, 2018 and on 28th November, 2019. In

response to the consent application and SEBI's Internal Committee (IC) held on 04th March, 2020, Company has revised its settlement terms for the further consideration and as per the Board approval dated 14th March, 2020 accepting the settlement terms with settlement amount of ₹ 1,94,82,201 (payable to SEBI) as proposed by the Internal Committee of SEBI. The Company has also paid a sum of ₹ 9,63,834 to compensate the allegedly effected investors of the Taurus Mutual Fund in March, 2020.

SEBI in response to the Company's settlement application, vide its mail dated 11th June, 2020 has informed the Company that the High Power Advisory Committee (HPAC) has recommended that the probable / specified proceedings against TAMCO may be settled upon a payment of ₹ 1,94,82,201 (Rupees One Crore Ninety Four lakhs Eighty Two Thousand Two Hundred and One only) towards the settlement within 15 days time i.e. 26th June, 2020. The approval of the Committee is subject to TAMCO's re-confirmation that all the investors in the effected scheme (including compensation to investors who has subscribed to the scheme on the day of default) have been compensated as non-monetary terms.

The Company vide its letter/ mail dated 15th June, 2020 to SEBI informed that it is in the process of depositing the settlement amount of ₹ 1,94,82,201 within the stipulated time alongwith the undertaking to the effect that all investors who have subscribed to the effected scheme on the date of default and who have received NAV of the date of default has been compensated by the TAMCO as per the certificate issued by the Chartered Accountants, Haribhakti & Co. LLP (submitted to SEBI).

**47. LEASE**

**Lease as Lessee**

The Company has taken certain office premises under lease agreement. The Company has generally entered into lease of upto 3 years. The Company has given refundable interest free security deposits under certain lease agreements.

Lease payments are recognised in the Statement of Profit and Loss under "Other Expenses" in Note No.32 . Rent Expense of ₹ 1,18,89,737 (P.Y ₹ 1,24,01,922) in respect of Short Term/ low value leases. In respect of leases other than short term/low value leases, Right-of-Use Asset of ₹ 10,32,064 a corresponding lease liability of ₹ 10,96,779 is recognised as at 31st March, 2020. Consequently, the lease rent expense in respect of operating lease, is now partially reflected under depreciation on Right-of-use Asset and partially under Finance cost as interest on operating lease liability.

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)
a) Depreciation charge for Right-of-use asset by class of underlying asset	516,032	-
b) Interest expense on lease liabilities	-	-
c) Expense relating to short term lease/ low value leases	11,889,737	12,401,922
d) Total Cash outflow for leases	12,325,737	12,401,922
e) Additions to Right-of-use Assets	1,548,096	-
f) Carrying amount of Right-of-use Assets	1,032,064	-

**Maturity Analysis of Lease Liabilities-Other than Short term/ low value assets**

Duration	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)
a) Within 12 Months	565000	
b) More than 12 months upto 36 months	531779	
c) More than 36 months		

**48. Segment Reporting**

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



49. The Holding Company made an application for issue of Certificate of Registration with Reserve Bank of India (RBI) under Section 45IA of the Reserve Bank of India Act, 1934. The application of the Company was, however, returned by RBI vide its letter dated 24th December, 2004 with an advice to resubmit the application on the completion of SEBI's enquiry against the Group Companies. In an Appeal filed by the Company before the Appellate Authority (in the Ministry of Finance) against the aforesaid decision of RBI, the Appellate Authority vide its Order dated 25th September, 2006, directed the Company to resubmit the application along with the latest Balance Sheets and other relevant details within 30 days to RBI and RBI to thereafter decide the case by obtaining necessary response from SEBI within 3 months from the date of receipt of the Order. The Company resubmitted its application to RBI's Regional Office at New Delhi on 23rd October, 2006 as per the aforesaid directions of the Appellate Authority. Additional details / documents / clarifications as required by RBI from time to time were submitted.

The Company vide its letters dated 11th October, 2010 and 29th January, 2011 intimated the RBI about the disposal of pending proceeding by the SEBI and also furnished copy of SEBI orders. The RBI vide its letter dated 29th March, 2011 advised the Company to make a fresh application for issue of Certificate of Registration. As directed by RBI, the Company filed a fresh application on 20th June, 2011. The necessary queries/information raised/sought by RBI from time to time were filed. Thereafter, the Company was advised by the RBI vide its letter dated 30th January, 2013 to file fresh application for registration as NBFC and accordingly the Company submitted the fresh application along with required documents/information on 29th July, 2013. The RBI again returned the application for submission of additional documents/information vide its letter dated 16th August, 2013 and accordingly the Company submitted the fresh application along with required documents/information on 19th March, 2014. The information/clarifications sought thereafter by RBI were also submitted by the Company.

Vide letter dated 19th January, 2016, RBI advised the Company to make fresh Application. Accordingly, the Company filed the fresh Application on 08th March, 2016. Further information / clarification sought by RBI were also submitted. Vide letter dated 18th July, 2017, RBI returned the Company's Application with the advice that, the existing financial business of the Company may be merged / amalgamated with any of the Registered Group NBFC. Accordingly, the Company vide its letter dated 19th February, 2018 wrote to RBI for either transfer of Registration Certificate of one of the Group NBFC to the Company or for issue of fresh Certificate of Registration to the Company in lieu of surrender of NBFC Registration Certificate by one of the Group NBFC Company.

Initially, RBI agreed to the Company's proposal for Issue of fresh NBFC Registration to the Company on surrendering the NBFC Registration Certificate by one of the Group NBFC Company. However, in subsequent discussions, RBI advised the Company that the process of surrendering Registration Certificate of Group NBFC Company and Company's Application for granting Certificate of Registration as NBFC shall be dealt separately as per the RBI Rules and Regulations. In spite of the Company's best efforts, the Certificate of Registration as NBFC has not been granted so far to the Company. To ensure the Company's well being and its growth, the Board of Directors of the Company is of the view that it should diversify its business activities to non-financial sectors subject to requisite approvals as may be required.

- 50. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 51. Dividend paid to Non-Resident Shareholders:- NIL (Previous Year- NIL)

52. ADDITIONAL INFORMATION AS PER SCHEDULE III OF THE COMPANIES ACT, 2013.

Name of the entity in the Group	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit / Loss	
	As % of Consolidated Net Assets	Amount (In ₹)	As % of Consolidated Profit / Loss	Amount (In ₹)
1	2	3	4	5
<b>Parent</b>				
HB Portfolio Ltd.	41.33	521730141	-25.88	13759765
	(47.14)	(845634264)	(26.90)	(-7358053)
<b>Subsidiary (Indian)</b>				
HB Securities Ltd.	6.90	87108178	6.38	-3392129
	(3.91)	(60718972)	(16.22)	(-4435949)
HB Corporate Services Ltd.	3.65	46060966	0.04	-23452
	(3.01)	(46731789)	(0.40)	(-108127)
Taurus Investment Trust Company Ltd.	0.92	11661214	-0.26	138925
	(0.74)	(11522289)	(-0.95)	(259453)
Taurus Asset Management Company Ltd.	42.82	540456579	120.52	-64077201
	(41.67)	(647120982)	(34.87)	(-9538108)
<b>Associates (Investments as per Equity method)</b>				
Merwanjee Securities Ltd.	1.53	19304963	-1.04	554346
	(1.21)	(18750617)	(22.19)	(-6069889)
Har Sai Investment Ltd.	2.85	35915952	0.24	-128273
	(2.32)	(36044225)	(0.38)	(-102759)
<b>Total</b>	<b>100.00</b>	<b>1262237993</b>	<b>100.00</b>	<b>-53168019</b>
	(100.00)	(1553075676)	(100.00)	(-27353432)

- 53. The Group does not have any pending litigation which would impact its financial position.
- 54. As identified, there were no outstanding dues during the accounting year towards the enterprises as defined in the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. further, the details of amounts outstanding to Micro, Small & Medium Enterprises based on information available with the Company is as under:

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)
Principal amount due and remaining unpaid	493566	383368
Interest due on above and unpaid interest	Nil	Nil
Interest paid	Nil	Nil
Payment made beyond the appointed day during the year	Nil	Nil
Interest due and payable for the period of delay	Nil	Nil
Interest accrued and remaining unpaid	Nil	Nil
Amount of further interest remaining due and payable in succeeding year	Nil	Nil
Interest due and payable for the period of delay	Nil	Nil

55. INFORMATION IN RESPECT OF CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE REQUIRED TO BE SPENT BY THE COMPANY:

Particulars	As at 31st March, 2020 (In ₹)	As at 31st March, 2019 (In ₹)
a) Gross amount required to be spent by the company	635680/-	1089391/-
b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	700000/-	1110000/-
c) Amount payable at the Year End	-	-

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

- 57. The Previous year figures have been regrouped / reclassified, wherever necessary to confirm to the Current Year's presentation. Previous year figures are not strictly comparable with current year's figure due to effect of scheme of arrangement.

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

As Per our Report of even date attached

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

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

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

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

Sd/-  
 J.M.L. SURI  
 (DIRECTOR)  
 DIN: 00002373

Place: Gurugram  
 Date : 29th June, 2020

Sd/-  
 HIMANSHU KANSAL  
 (CHIEF FINANCIAL OFFICER)

Sd/-  
 DINESH KAPOOR  
 (COMPANY SECRETARY)  
 M. No.: FCS-6731



### FORM AOC-1

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

Statement containing salient features of the Financial Statements of Subsidiaries / Associate Companies / Joint Ventures

#### Part "A": Subsidiaries

(Amount in ₹)

Sl. No.	Particulars	(1)	(2)	(3)	(4)
1.	Name of the Subsidiary	HB Securities Ltd.	HB Corporate Services Ltd.	Taurus Asset Management Company Ltd.	Taurus Investment Trust Company Ltd.
2.	Reporting period for the Subsidiary concerned, if different from the Holding Company's reporting period	N.A	N.A	N.A	N.A
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A	N.A	N.A	N.A
4.	Share Capital	82075700	43712850	169312360	980800
5.	Reserves & Surplus	5032478	2348116	371144219	10680414
6.	Total Assets	125487378	46740667	581661294	11701214
7.	Total Liabilities	125487378	46740667	581661294	11701214
8.	Investments	53398643	4073073	210104088	NIL
9.	Turnover	1848352	NIL	104439473	1511217
10.	Profit before taxation	(3391258)	(23452)	(63962281)	187735
11.	Provision for taxation / Deferred tax	871	NIL	114920	48810
12.	Profit after taxation	(3392129)	(23452)	(64077201)	138925
13.	Proposed Dividend	NIL	NIL	NIL	NIL
14.	% of Shareholding (Equity)	100.00%	97.40%	70.12%	80.39%

#### Notes:

- Names of Subsidiaries which are yet to commence operations – N.A
- Names of Subsidiaries which have been liquidated or sold during the year – N.A

FOR AND ON BEHALF OF THE BOARD

Sd/  
ANIL GOYAL  
(MANAGING DIRECTOR)  
DIN:00001938

Sd/  
J.M.L. SURI  
(DIRECTOR)  
DIN:00002373

Sd/  
HIMANSHU KANSAL  
(CHIEF FINANCIAL OFFICER)

Sd/  
DINESH KAPOOR  
(COMPANY SECRETARY)  
M. No.: FCS-6731

#### Part "B": Associates and Joint Ventures

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

(Amount in ₹)

Sl. No.	Name of Associates	Merwanjee Securities Ltd. *	Har Sai Investment Ltd.
1.	Latest Audited Balance Sheet Date #	31st March, 2019	31st March, 2019
2.	Shares of Associate held by the Company on the year end		
	No.	1200000	400000
	Amount of Investment in Associates	12000000	4000000
	Extend of Holding%	48.00	39.96
3.	Description of how there is significant influence	Shareholding / Voting Power	
4.	Reason why the Associate / Joint Venture is not consolidated	Not Applicable	
5.	Net worth attributable to Shareholding as per latest Audited Balance Sheet #	19304963	35915952
6.	Profit / Loss for the year	1154919	-320705
	i. Considered in Consolidation #	554346	-128273
	ii. Not Considered in Consolidation	600573	-192432

(\*) Associate through Company's Subsidiary namely, HB Securities Ltd.

(#) Refer Note No. 3 of the Consolidated Financial Statements.

#### Notes:

- Names of Associates or Joint Ventures which are yet to commence operations. – N.A
- Names of Associates or Joint Ventures which have been liquidated or sold during the year. – N.A

FOR AND ON BEHALF OF THE BOARD

Sd/  
ANIL GOYAL  
(MANAGING DIRECTOR)  
DIN:00001938

Sd/  
J.M.L. SURI  
(DIRECTOR)  
DIN:00002373

Sd/  
HIMANSHU KANSAL  
(CHIEF FINANCIAL OFFICER)

Sd/  
DINESH KAPOOR  
(COMPANY SECRETARY)  
M. No.: FCS-6731