
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HB SECURITIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HB SECURITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **RAJESH SURESH JAIN & ASSOCIATES**

Chartered Accountants
Firm Registration No.: 017163N



(**RAJESH JAIN**)
PARTNER
(Membership No. 098229)

PLACE: New Delhi
DATED: 25.05.2013

Annexure to Independent Auditors' Report

Re: HB Securities Ltd..

Referred to in Paragraph 1 under the heading of "Report on other legal and Regulatory Requirements" of our report of even date for the year ended 31st March, 2013

- 1.a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year that would affect going concern status of the Company.
- 2.a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. In our opinion and according to the information and explanations given to us, the Company has neither taken nor granted any loans, secured or unsecured from/to Companies, firm or other parties listed in the register maintained under section 301 of the companies act, 1956.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and sale of goods and services. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
- 5.a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements, referred to in Section 301 of the Companies Act, 1956 have been entered into in the register required to be maintained under that Section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at such price which are reasonable having regard to the market price prevailing at the relevant time.



6. The Company has not accepted any deposits from the public.
7. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
8. The nature of the company's business/activities is such that Clause 4(viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of Cost Records is not applicable to the company.
- 9.a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues as applicable have been generally regularly deposited by the company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 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.
10. The accumulated losses of the company does not exceed 50% of its Networth. The company has incurred cash losses during the financial year covered by our audit as well as in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
14. The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures, securities and other investments have been held by the Company in its own name except for shares that are pledged with bank and others or are pending for rectification of bad deliveries.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year.



17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short term basis has not been utilized for long term investment purposes.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. No debentures have been issued by the company and hence the question of creating securities in respect thereof does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For RAJESH SURESH JAIN & ASSOCIATES

Chartered Accountants

Firm Registration No.: 017163N



PARTNER

(Membership No. 098229)

PLACE: New Delhi

DATED:25.05.2013

SECURITIES LIMITED

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BALANCE SHEET AS AT	NOTE	31ST MARCH, 2013	31ST MARCH, 2012
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2	92075700	92075700
Reserve & Surplus	3	8387507	9364812
		100463207	101440512
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	4	71032	74377
Long Term Provisions	5	95260	76647
		166292	151024
CURRENT LIABILITIES			
Short Term Borrowings	6	60633324	60459512
Other Current Liabilities	7	47055526	66519145
Short Term Provisions	8	2702	2364
		107691552	126981021
		208321052	228572557
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible Assets	9	2471087	2692934
Non-current Investments	10	14508867	15221367
Long Term Loans and Advances	11	23747500	28747500
		40727454	46661800
CURRENT ASSETS			
Inventories	12	13411	13411
Trade Receivables	13	1113	998
Cash and Bank balances	14	85408789	26258874
Short Term Loans and Advances	15	81671567	155145427
Other Current Assets	16	498718	492047
		167593598	181910757
		208321052	228572557

TOTAL :

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 30

As Per our Report on even date
For Rajesh Suresh Jain & Associates
Chartered Accountants
Firm Registration Number:017163N



(RAJESH JAIN)
(Partner)
Membership No.: 098229

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

[Signature]
DIRECTOR

[Signature]
DIRECTOR

PLACE : NEW DELHI
DATED : 25.05.2013

HB SECURITIES LIMITED

Statement of Profit and Loss for the Year ended	Note	31ST MARCH, 2013	31ST MARCH, 2012
Revenue From Operations	17	890819	900603
Other Income	18	3588610	2529031
TOTAL REVENUE		4479429	3429634
EXPENSES			
Employee Benefits Expenses	19	1414951	3155294
Depreciation	9	489762	480931
Other Expenses	20	3555366	3129984
TOTAL EXPENSES		5460079	6766209
Profit/(Loss) for the year before Tax		(980650)	(3336575)
Tax Expense:			
Current Tax		-	-
Deferred Tax Charge / (Credit)		(3345)	76294
Tax Adjustment for Earlier Years		0	9517
Profit/(Loss) for the Year after Tax		(977305)	(3422386)
Earning Per Equity Share:	23		
Equity Share of Par Value of ₹ 10/- each Basic & Diluted		(0.30)	(0.64)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 30		

AS PER OUR REPORT OF EVEN DATE ATTACHED
For Rajesh Suresh Jain & Associates
Chartered Accountants
Firm Registration Number:017163N


(RAJESH JAIN)
(Partner) NEW DELHI
Membership No. 098229

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


DIRECTOR


DIRECTOR

PLACE : NEW DELHI
DATED : 25.05.2013

HB SECURITIES LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

The Financial Statements are prepared under the Historical Cost Convention method in accordance with the generally accepted Accounting Principles and the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

1.2 USE OF ESTIMATES

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

1.3 REVENUE RECOGNITION

1.3.1 All Income & Expenditure are accounted for on accrual basis.

1.3.2 Provision for loss in respect of Open Equity Derivative Instrument as at the Balance Sheet date is made Index-wise/Script-wise. As a matter of prudence, any anticipated profit is ignored.

1.4 FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

1.5 DEPRECIATION

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

1.6 INVESTMENTS

1.6.1 Investments (Long Term/Non Current) are valued at cost less permanent diminution, if any.

1.7 INVENTORIES

Inventories are valued at cost or market price which ever is lower.

1.8 EMPLOYEE BENEFITS

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

1.8.1 Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.

1.8.2 Employee benefits under defined contribution plans to Provident Fund. Contributions to Provident Fund are deposited with appropriate authorities and charged to Profit & Loss account.

1.8.3 Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with Life Insurance Corporation of India.



1.8.4 Termination benefits are recognized as an Expense as and when incurred.

1.8.5 The actuarial gains and losses arising during the year are recognized in the Profit & Loss account of the year without resorting to any amortization.

1.9 TAXATION

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

1.10 IMPAIRMENT OF FIXED ASSETS

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

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

1.11 CONTINGENCIES:

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



IN ACCOUNTS FOR THE YEAR ENDED MARCH 31,2013

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

SHARE CAPITAL

Particulars	₹		₹	
	As At 31st March,2013		As At 31st March,2012	
AUTHORIZED				
1,00,00,000 (1,00,00,000) Equity Shares of Rs.10/- each	100000000		100000000	
40,000 (40,000) Redeemable Cumulative Preference Share of Rs. 1000/- each	40000000		40000000	
	140000000		140000000	
ISSUED, SUBSCRIBED & PAID-UP				
72,07,570 Equity Shares of Rs.10/- each fully paid-up	72075700		72075700	
20000 (20000) 6% Redeemable Cumulative Preference Shares of Rs. 1000/- each fully paid up	20000000		20000000	
	92075700		92075700	

-- The Issued Share capital of the Company has two class of shares referred to as equity shares and preference Shares, having Par value of ₹ 10/- and ₹ 1000/- respectively. Each holder of Equity Shares is entitled to One vote per share.

--All the equity shares shares are held by Holding Company HB Portfolio Ltd. and its nominees.

--Preference Shares are of par value of Rs. 1000/- each and have a preference of Dividend (cumulative) of 6%. The Shares were allotted in financial year 2007-08 on 13.12.2007 for a term of 7 years which were redeemable at par in 3 annual installment of Rs.330/-, Rs.330/- and Rs.340/-, per share at the expiry of 5th, 6th and 7th year respectively from the date of allotment. The above redemption has been extended to 12th, 13th and 14th year from the date of allotment. Thus Rs. 6600000/-, Rs. 6600000/- and Rs. 6800000/- would be redeemable in FY 2019-20, FY 2020-21 and FY 2021-22 respectively.

-- Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March,2013 & 31st March, 2012 is as under:

EQUITY SHARES

Particulars	As at 31st March,2013		As at 31st March,2012	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	7207570	72075700	7207570	72075700
Number of shares at the end	7207570	72075700	7207570	72075700

PREFERENCE SHARES

Particulars	As at 31st March,2013		As at 31st March,2012	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	20000	20000000	20000	20000000
Number of shares at the end	20000	20000000	20000	20000000

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

Name of shareholder	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity Shares				
HB Portfolio Limited	7207510	100.00	7207510	100.00
Preference Shares				
HB StockHolding Limited	10000	50.00	10000	50.00
HB Leasing & Finance Company Limited	5000	25.00	5000	25.00
RRB Securities Limited	5000	25.00	5000	25.00

- 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.



SECURITIES LIMITED

RESERVE & SURPLUS PARTICULARS	₹	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Securities Premium Reserve - Opening Balance	17000000	17000000
Add: Addition During the year	-	-
	17000000	17000000
Surplus - Opening Balance	(7635188)	(4212802)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	(977305)	(3422386)
	(8612493)	(7635188)
	8387507	9364812

4. DEFERRED TAX PARTICULARS	₹	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Deferred Tax Assets	835	24514
Leave Encashment		
Deferred Tax Liability	71867	93791
Fixed Assets		
	(71032)	(74377)
Net Deferred Tax Assets/(Liability)		

5. LONG TERM PROVISIONS PARTICULARS	₹	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Provisions For Employees Benefit	95260	76347
Leave Encashment		
	95260	76647

6. SHORT TERM BORROWINGS PARTICULARS	₹	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Overdraft facility from Bank - Unsecured	60633324	60459512
	60633324	60459512

-Overdraft facility from bank is secured against gurantee and pledge of Shares by holding Company M/s HB Portfolio Ltd and also Guarantee of Shri Lalit Bhasin (Director)

7. OTHER CURRENT LIABILITIES PARTICULARS	₹	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Advance against Share Application *	40650000	49500000
Advances From Customers	5909553	16731118
TDS Payable	10113	18683
STT Payable	4515	9507
Expenses Payable	481345	259838
	47055526	66519145

*The amount has been received from Holding Company HB Portfolio Ltd.(Holding 100% Equity Shares of the Company) .The terms and conditions including the number of shares to be issued and the issue price will be decided by the holding company in Consultation with the company depending upon the execution of the business plans, the company is having. The amount can also be refunded instead of issue/allotment of shares. No interest is payable. The increase in Authorized Capital, if required, will be made when the shares are issued and allotted.

8. SHORT TERM PROVISIONS PARTICULARS	₹	
	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Provisions For Employees Benefit	2702	2364
Leave Encashment		
	2702	2364



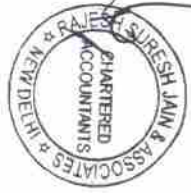
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HB SECURITIES LIMITED

9. FIXED ASSETS

Sr. No	Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		AS AT 01.04.2012	ADDITIONS DURING THE YR.	DELETION DURING THE YR.	TOTAL 31.03.2013	UP TO 01.04.2012	FOR THE YEAR	ADJUSTMENT	TOTAL UP TO 31.03.2013	AS AT 31.03.2013	AS AT 31.03.2012
1	TANGIBLE ASSETS										
2	DATA PROCESSING MACHINERY	4579815	45100	-	4624915	4537618	20696	-	4558313	68602	42197
3	VEHICLES	5759348	-	-	5759348	4803824	336977	-	5140801	618547	955523
4	GENERATOR	1787318	48052	-	1835370	751411	88111	-	837522	987848	1035907
5	OFFICE EQUIPMENT	858293	174763	-	1033056	198987	45976	-	244965	788091	659306
	TOTAL	12984774	267915	-	13252689	10291840	489762	-	10781602	2471087	2692934
	PREVIOUS YEAR	12969774	15000	-	12984774	9810910	480931	0	10281840	2692934	3158964

(Amount in ₹)



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HB SECURITIES LIMITED

10. INVESTMENTS

NAME OF THE COMPANY	FACE VALUE (₹)	As at 31st March, 2013		As at 31st March, 2012	
		Qty(Nos.)	Amount (₹)	Qty(Nos.)	Amount (₹)
NON-CURRENT INVESTMENTS- AT COST					
(LONG TERM INVESTMENTS)					
NON-TRADE					
INVESTMENT IN EQUITY INSTRUMENTS (Fully paid up Equity Shares)					
QUOTED					
BEE ELECTRONICS MACHINE LIMITED	10	6500	184501	6500	184501
NITTA GELATIN INDIA LIMITED	10	0	0	15000	712500
NAHAR SPINNING MILLS LIMITED	5	607	42490	607	42490
PASUPATI SPINNING & WVG. MILLS LIMITED	10	1520	282335	4000	282335
TATA STEEL LTD	10	1163	505500	1163	505500
NAHAR CAPITAL AND FINANCIAL SERVICES LTD.	5	258	36120	258	36120
UNQUOTED					
-IN ASSOCIATE COMPANY					
MERWANJEE SECURITIES LIMITED	10	1200000	12000000	1200000	12000000
-IN OTHER COMPANIES					
DELHI STOCK EXCHANGE LTD.	1	47044	1457921	47044	1457921
TOTAL		1257092	14508867	1274572	15221367

	As at 31st March, 2013	As at 31st March, 2012
-- Aggregate Amount of Quoted Investments	1050946	1763446
-- Market Value of Quoted Investments	416755	1891158
-- Aggregate Amount of UnQuoted Investments	13457921	13457921



11. LONG TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Unsecured, Considered Good		
Security Deposits-with Stock Exchanges & Depository	23747500	28747500
	23747500	28747500

12. INVENTORIES

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
STOCK-IN-TRADE*	13411	13411
(Shares / Securities)		
	13411	13411

* Valued at lower of Cost or Market Price

13. TRADE RECEIVABLES

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Unsecured, Considered Good		
Outstanding exceeding six months	775	854
Others	338	144
	1113	998

14. CASH AND BANK BALANCES

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Cash and cash equivalents		
-Balance With Banks in Current Account	60605436	1455521
Cash-in-hand	190853	190853
Other Bank balances		
Deposit with bank*	24612500	24612500
	85408789	26258874

*Includes ₹ 87500/- (Previous Year ₹ 87500/-) lien marked with Delhi Stock Exchange; ₹ 5000000/- (Previous Year ₹ 5000000/-) lien marked with NSE/NSCCL; ₹ 19525000/- (Previous Year ₹ 19525000/-) lien marked for Bank Guarantee with NSE.

15. SHORT TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Unsecured, Considered Good		
Income Tax and TDS	2361960	3146501
Amount Recoverable from Employees	533122	582100
Prepaid Expenses	863982	671754
Advances for Purchase of Properties	77912503	150745072
	81671567	155145427

16. OTHER CURRENT ASSETS

PARTICULARS	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
Interest Accrued on FDRs	498718	492047
	498718	492047



17. REVENUE FROM OPERATIONS

PARTICULARS	₹	
	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
BROKERAGE, COMMISSION & SERVICE CHARGES (NET)	890819	900603
	890819	900603

18. OTHER INCOME

PARTICULARS	₹	
	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
DIVIDEND INCOME		
- On Non-Current/ Long Term Investment	74343	112807
On Stock in Trade	1160	736
GAIN ON SALE OF NON-CURRENT/ LONG TERM INVESTMENTS	1129309	-
LIABILITY NO LONGER REQUIRED NOW WRITTEN BACK	-	48629
INTEREST ON FIXED DEPOSIT WITH BANK (Tax Deducted at Source ₹ 223732.86 (₹203880.92))	2246587	2046553
INTEREST ON INCOME TAX REFUND	137211	320307
	3588610	2529031

19. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	₹	
	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
SALARY & BENEFITS	1293723	2858726
CONTRIBUTION TO PROVIDENT AND GRATUITY FUND	121228	296568
	1414951	3155294

20. OTHER EXPENSES

PARTICULARS	₹	
	For the Year ended 31st March, 2013	For the Year ended 31st March, 2012
LEGAL & PROFESSIONAL	158402	187500
CONVEYANCE & TRAVELLING	246120	255510
PRINTING & STATIONERY	3965	5323
REPAIR & MAINTENANCE		
-VEHICLES	651956	390097
-OTHERS	967047	800428
INSURANCE		91426
MEMBERSHIP & SUBSCRIPTION		107880
POSTAGE TELEGRAM & TELEPHONE		88322
MISCELLANEOUS		61896
VSAT CHARGES		103943
BANK CHARGES		238169
ELECTRICITY		814498
AUDITORS REMUNERATION		
-AUDIT FEES	12500	25000
-TAX AUDIT	2500	15000
-TAXATION & OTHER MATTERS	8742	32500
	3555366	3129984



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21. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

- a) Counter Guarantee in respect of Bank Guarantee given by the Companies Bankers outstanding as on 31st March, 2013 Rs.1.83 Crores (Previous year Rs.1.83 Crores).
- b) Dividend on cumulative Preference Shares Rs.64,18,113/- (Previous Year Rs. 52,18,113/-)

22. SEGMENT REPORTING

In the opinion of management, the company is mainly engaged in the business of Share & Stock Broking and all activities of the Company revolve around the main business and therefore there are no separate reportable segments as per Accounting Standard – Segment reporting (AS -17).

23. EARNING PER SHARE pursuant to Accounting Standard (AS-20) Earning per Share

Particulars	Current Year	Previous Year
	(Amount ₹)	(Amount ₹)
Net Profit/(Loss) for the year as per Statement of Profit & Loss	(977305)	(34,22,386)
Less: Preference Share Dividend	1200000	12,00,000
Net Profit available for Equity Shareholders	(2177305)	(46,22,386)
Weighted average no of equity shares outstanding	7207570	72,07,570
Basic & diluted earning per Share (Face value of Rs.10/- Each)	(0.30)	(0.64)

24. QUANTITATIVE DETAILS

24.1 Quantitative Information in respect of trading in Shares:-

OPENING BALANCE		ACQUIRED DURING THE PERIOD		SALE / TRANSFERRED DURING THE PERIOD		CLOSING BALANCE	
Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
(Nos.)	(₹)	(Nos.)	(₹)	(Nos.)	(₹)	(Nos.)	(₹)
80	13411	NIL	NIL	NIL	NIL	80	13411
(50)	(1711)	(30)	(11700)	(NIL)	(NIL)	(80)	(13411)

24.2 Quantitative Information in respect of Investments:-

OPENING BALANCE		ACQUIRED DURING THE PERIOD		SALE / CONVERSION DURING THE PERIOD		CLOSING BALANCE	
Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
(Nos.)	(₹)	(Nos.)	(₹)	(Nos.)	(₹)	(Nos.)	(₹)
1274572	15221366.82	NIL	NIL	17480	1841809	1257092	14508867
(1274572)	(15221366.82)	(NIL)	(NIL)	(NIL)	(NIL)	(1274572)	(15221366.82)

25. DISCLOSURE Pursuant to Accounting Standard (AS-15)

a) **Defined Contribution Plan**

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

Particulars	Amount (₹)	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	94267- (187943)	Contribution to Provident and Gratuity Fund.



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b) Defined Benefit Plan

Movement in Net Liability

Particulars	Gratuity (Funded)		Leave Encashment (unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present Value of Obligation as at the beginning of the year (A)	229701	957280	79011	376739
Adjustment for Increase/(Decrease) in opening provision (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	18376	76582	6501	32965
Current Service Cost (D)	20468	64965	7827	6798
Benefit Paid (E)	-	923077	-12480	-374800
Actuarial(Gain)/ Loss on obligation: (F)	18785	53951	17103	37309
Present Value of Obligation as at the end of the year (A+B+C+D-E+F)	287330	229701	97962	79011

c) The Amount Recognized in the Balance sheet and Profit & Loss account are as follows:

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present Value of Un funded Obligation (A)	287330	229701	97962	79011
Estimated Fair Value of Plan Assets (B)	394622	361954	Nil	Nil
Net Liability/(Assets) (C= A-B)	(107292)	(132253)	97962	79011
Amount in Balance Sheet (Assets)/ Liability	(107292)	(132253)	97962	79011

Amount Charged To Profit & Loss Account	Current Year	Previous Year	Current Period	Previous Period
Current Service Cost	20468	64965	7827	6798
Interest Cost	18376	76582	6501	32965
Expected return on Plan Assets	(32583)	(86873)	Nil	Nil
Actuarial (Gain)/ Loss	18785	53951	17103	37309
	25046	108625	31431	77072
Head under which shown in the Profit & Loss Account	Contribution to Provident and Gratuity Fund		Salary & Other Benefit	

The Actual Return on Plan Assets is as follows:

S.NO. Particulars	Current Year	Previous Year
i) Actual return On Plan Assets	32583	86873

d) Principal actuarial assumptions

S. No.	Particulars	Current Year	Previous Year
		Rate %	Rate %
1	Discount rate	8	8
2	Expected Rate of Return on Plan Assets	9	9
3	Future Salary Increase	5 to 10	5 to 10



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e) A reconciliation of the opening and closing balances of the fair value of the Plan assets:

S. No.	Particulars	Gratuity	
		Current Year	Previous Year
1	Opening Fair Value of Plan Assets	361954	1101347
2	Expected Return On Plan Assets	32583	86873
3	Actuarial Gains / (Loss)	-	Nil
4	Contribution by the Employer	85	96811
5	Benefits Paid	-	923077
6	Closing Fair Value of Plan Assets	394622	361954

26. Tax Deducted At Source

Particulars	Current Year	Previous Year
Interest paid to bank on overdraft facility	7963812/-	8651269/-
Less: Reimbursement received	7963812/-	8651269/-
Net Amount	NIL	NIL

Tax deducted at source on reimbursement received Rs. 796382/-(Previous Year Rs. 865127/-)

27. Interest paid in Net off reimbursement received detailed as under:

Particulars	Current Year	Previous Year
Interest paid to bank on overdraft facility	7963812/-	8651269/-
Less: Reimbursement received for interest paid on over draft facility	7963812/-	8651269/-
Net Amount	NIL	NIL

28. Due to Small Scale Industrial Undertaking

To the extent information available with the company, Sundry Creditors include NIL (Previous Year NIL) due to Small Scale Industrial Undertaking

29. Due to Micro, Small and Medium Enterprises

The Company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act,2006.To the extent information available with the company, the company does not owe any sum including interest required to be disclosed under the said Act.

30. RELATED PARTY TRANSACTIONS

30.1 List of related Parties with whom transactions have taken place and relationship:-

- a) **Holding Company**
- HB Portfolio Limited
- b) **Key Managerial Personnel/Director**
- Sh. Lalit Bhasin (Director)
- Sh. Praveen Gupta (Director)
- c) **Relative of Director**
- Mrs. Anju Bhasin

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- d) Enterprise over which direct/indirect significant influence/common control exists
- Pisces Portfolios Private Limited
 - Merwanjee Securities Ltd.
 - HB Estate Developers Ltd.
 - HB Stockholdings Ltd.
 - RRB Securities Ltd.
 - HB Leasing & Finance Co. Ltd.
- e) Enterprise over which significant influence exists of relatives of persons referred to in 1(b) and 1(c).
- RRB Master Securities Delhi Limited.

30.2 Transactions during the year with related parties

Sr. No.	Particulars	Referred in (a) above	Referred in (b) above	Referred in (c) above	Referred in (d) above	Referred in (e) above
1	Brokerage/Charges Received in respect of Sale/Purchase of Securities Through us	NIL (NIL)	NIL (NIL)	NIL (NIL)	4611 (169803)	NIL (NIL)
2	Depository Charges received	36009 (12718)	317 (571)	265 (1025)	72067 (93264)	14322 (10809)
3	Remuneration & other services	NIL (NIL)	Nil (1675600)	NIL (NIL)	NIL (NIL)	NIL (NIL)
4	Sale of Investment through them	Nil (NIL)	NIL (NIL)	NIL (NIL)	1841809 (NIL)	NIL (NIL)
5	Reimbursement of Interest	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
6	Margin /Advances Received/(Paid)- Net	(8850000) (49500000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	30650000 (73200000)
7	Outstanding as on 31 st March, 2013 - Receivable/(Payable) in respect of Current Assets/Current Liabilities	(40650000) (49500000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	9607813 (16393106)
	Guarantee Given	150000000 (150000000)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)

AS PER OUR REPORT ATTACHED OF EVEN DATE
For Rajesh Suresh Jain & Associates

(RAJESH JAIN) CHARTERED
(Partner) ACCOUNTANTS
Membership No. : 998229
Place : Delhi
DATED : 25.05.2013

FOR AND ON BEHALF OF THE BOARD

DIRECTOR

DIRECTOR

HB SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Amount in ₹ Year Ended 31ST MARCH, 2013	Amount in ₹ Year Ended 31ST MARCH, 2012
A		
Cash Flow From Operation Activities		
Net Profit after Tax and Extraordinary Items	(980850)	(3336575)
Adjustment for :		
Depreciation	489762	480931
Loss / (Profit) on Investments	(1129309)	0
Interest / Dividend	(2322090)	(2160096)
Operating Profit before working capital charges	(3942287)	(5015739)
Adjustment for :		
Trade and other receivables	78467074	(99538029)
Inventories	0	(11700)
Trade Payable and other liabilities	(19444668)	41331268
Cash Generated from Operation	55080119	11691849
Income Tax paid / refund	0	1662930
	55080119	13354779
Net Cash from operation activities	55080119	13354779
B		
Cash Flow from Investment Activities		
Purchase of Fixed Assets	(267915)	(15000)
Sale of Investments	1841809	0
Interest Received	2246587	1992929
Dividend Received	75503	113543
Net Cash from Investment Activities	3895984	(72834577)
C		
Cash Flow from Financing Activities		
Proceeds from OD a/c with bank	173812	15316269
Net Cash used in Financing Activities	173812	15316269
Net Increase in Cash & Cash Equivalents A+B+C	59149915	(44163528)
Cash & Cash Equivalents (Opening Balance)	1646374	45809902
Cash & Cash Equivalents (Closing Balance)	60796289	1646374
Components of cash and cash equivalents at the end of the year		
Cash in hand	190853	190853
<u>Balances with scheduled banks :</u>		
-in current accounts	60605436	1455521
	60796289	1646374

As Per our Report on even date
For Rajesh Suresh Jain & Associates
Chartered Accountants
Firm Registration Number 017163N

(RAJESH JAIN)
(Partner)
Membership No.: 098229

PLACE : NEW DELHI
DATED : 25.05.2013

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

DIRECTOR

DIRECTOR