
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, 2014, 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") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the companies Act, 2013. 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 but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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, 2014;
- 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 read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the companies Act, 2013.
 - e) on the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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

(RAVI KANT)

PARTNER

(Membership No. 525917)

PLACE: New Delhi
DATED: 21.05.2014

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, 2014

- 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, 2014 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

Ravi Kant



(RAVI KANT)
PARTNER

(Membership No. 525917)

PLACE: New Delhi
DATED: 21.05.2014

HB SECURITIES LIMITED

		₹	₹	
BALANCE SHEET AS AT		NOTE	31ST MARCH, 2014	31ST MARCH, 2013
EQUITY AND LIABILITIES				
SHAREHOLDER'S FUNDS				
Share Capital	2		92075700	92075700
Reserve & Surplus	3		7185614	8387507
			99261314	100463207
NON-CURRENT LIABILITIES				
Deferred Tax Liabilities (Net)	4		199322	71032
Long Term Provisions	5		77541	95260
			276863	166292
CURRENT LIABILITIES				
Short Term Borrowings	6		24367744	60633324
Other Current Liabilities	7		78516103	47055526
Short Term Provisions	8		2477	2702
			102886324	107691552
TOTAL :			202424501	208321052
ASSETS				
NON-CURRENT ASSETS				
Fixed Assets				
Tangible Assets	9		2487564	2471087
Non-current Investments	10		14003367	14508867
Long Term Loans and Advances	11		13647500	23747500
			30138431	40727454
CURRENT ASSETS				
Inventories	12		13411	13411
Trade Receivables	13		9951	1113
Cash and Bank balances	14		31142952	85408789
Short Term Loans and Advances	15		140637703	81671567
Other Current Assets	16		482054	498718
			172286070	167593598
TOTAL :			202424501	208321052

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



(RAVI KANT)
(Partner)
Membership No.: 525917

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Anil Goyal
ANIL GOYAL
DIRECTOR

Praveen Gupta
PRAVEEN GUPTA
DIRECTOR

PLACE : NEW DELHI
DATED : 21.05.2014

HB SECURITIES LIMITED

Statement of Profit and Loss for the Year ended	Note	31ST MARCH, 2014	31ST MARCH, 2013
Revenue From Operations	17	2134108	890819
Other Income	18	1891580	3588610
TOTAL REVENUE		4025688	4479429
EXPENSES			
Employee Benefits Expenses	19	1316205	1414951
Depreciation	9	427850	489762
Other Expenses	20	4193977	3555366
TOTAL EXPENSES		5938032	5460079
Profit/(Loss) for the year before Depreciation adjustment for earlier years and Income Tax		(1912344)	(980650)
Depreciation adjustment for earlier Years		838741	-
Profit/(Loss) for the year before Income Tax		(1073603)	(980,650)
Tax Expense:			
Deferred Tax Charge / (Credit)		(128,290)	(3345)
Profit/(Loss) for the Year after Tax		(1201893)	(977305)
Earning Per Equity Share:	23		
Equity Share of Par Value of ₹ 10/- each Basic & Diluted		(0.33)	(0.30)
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



(RAVI KANT)
(Partner)
Membership No.: 525917

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Anil Goyal
ANIL GOYAL
DIRECTOR

Praveen Gupta
PRAVEEN GUPTA
DIRECTOR

PLACE : NEW DELHI
DATED : 21.05.2014

HB SECURITIES LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

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.



NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

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

2. SHARE CAPITAL

Particulars	₹		₹	
	As At 31st March, 2014		As At 31st March, 2013	
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 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, 2014 & 31st March, 2013 is as under:

EQUITY SHARES

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	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, 2014		As at 31st March, 2013	
	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, 2014		As at 31st March, 2013	
	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.



HB SECURITIES LIMITED

3. RESERVE & SURPLUS

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Securities Premium Reserve - Opening Balance	17000000	17000000
Add: Addition During the year	-	-
	17000000	17000000
Surplus - Opening Balance	-8612493	(7635188)
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	-1201893	(977305)
	-9814385.63	(8612493)
	7185614	8387507

4. DEFERRED TAX

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Deferred Tax Assets		
Leave Encashment	24726	835
Deferred Tax Liability		
Fixed Assets	224048	71867
Net Deferred Tax Assets/(Liability)	199322	71032

5. LONG TERM PROVISIONS

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Provisions For Employees Benefit		
Leave Encashment	77541	95260
	77541	95260

6. SHORT TERM BORROWINGS

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Overdraft facility from Bank - Unsecured	24367744	60633324
	24367744	60633324

-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, 2014	AS AT 31ST MARCH, 2013
Advance against Share Application *	37250000	40650000
Advances From Customers	41074276	5909553
TDS Payable	11904	10113
STT Payable	26	4515
Expenses Payable	179897	481345
	78516103	47055526

*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, 2014	AS AT 31ST MARCH, 2013
Provisions For Employees Benefit		
Leave Encashment	2477	2702
	2477	2702

[Handwritten signature]

[Handwritten signature]



HB SECURITIES LIMITED

9. FIXED ASSETS

Sr. No.	Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK				
		AS AT 01.04.2013	ADDITIONS DURING THE YR.	DELETION DURING THE YR.	TOTAL 31.03.2014	UP TO 01.04.2013	FOR THE YEAR	ADJUSTMENT FOR EARLIER YEARS	ADJUSTMENT	TOTAL UP TO 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
1	TANGIBLE ASSETS	4624915.00	0	0	4624915	4558313	20128	-	-	4578441	46474	66602
2	DATA PROCESSING MACHINERY	5759347.79	0	983985	4775363	5140801	268365	838741	532444	4038981	736381	618547
3	VEHICLES	1835370.01	30393	0	1865763	837522	88379	-	-	925901	939862	997848
4	GENERATOR	1033056.26	52338	30000	1055394	244965	49979	-	4396	290548	764846	788091
	OFFICE EQUIPMENT											
	TOTAL	13252689	82731	1013985	12321435	10781602	427850	838741	536840	9833871	2487564	2471087
	PREVIOUS YEAR	12984774	267915	0	13252689	10291840	489762	0	0	10781602	2471087	2692934



Handwritten signature

HB SECURITIES LIMITED

10. INVESTMENTS

NAME OF THE COMPANY	FACE VALUE (₹)	As at 31st March, 2014		As at 31st March, 2013	
		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
NAHAR SPINNING MILLS LIMITED	5	607	42490	607	42490
PASUPATI SPINNING & WVG. MILLS LIMITED	10	1520	282335	1520	282335
TATA STEEL LTD	10	-	-	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		1255929	14003367	1257092	14508867

	As at 31st March, 2014	As at 31st March, 2013
-- Aggregate Amount of Quoted Investments	545446	1050946
-- Market Value of Quoted Investments	71287	416755
-- Aggregate Amount of UnQuoted Investments	13457921	13457921



HB SECURITIES LIMITED

11. LONG TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
<u>Unsecured, Considered Good</u>		
Security Deposits-with Stock Exchanges & Depository	13647500	23747500
	13647500	23747500

12. INVENTORIES

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
<u>STOCK-IN-TRADE*</u>		
(Shares / Securities)	13411	13411
	13411	13411

* Valued at lower of Cost or Market Price

13. TRADE RECEIVABLES

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
<u>Unsecured, Considered Good</u>		
Outstanding exceeding six months	3346	775
Others	6605	338
	9951	1113

14. CASH AND BANK BALANCES

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
<u>Cash and cash equivalents</u>		
-Balance With Banks in Current Account	6329599	60605436
Cash-in-hand	200853	190853
<u>Other Bank balances</u>		
Deposit with bank*	24612500	24612500
	31142952	85408789

*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, 2014	AS AT 31ST MARCH, 2013
<u>Unsecured, Considered Good</u>		
Income Tax and TDS	2232296	2361960
Amount Recoverable from Employees	534020	533122
Prepaid Expenses	967010	863982
Advances for Purchase of Properties	136904378	77912503
	140637703	81671567

16. OTHER CURRENT ASSETS

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Interest Accrued on FDRs	482054	498718
	482054	498718

[Handwritten signature]

[Handwritten signature]



HB SECURITIES LIMITED

11. LONG TERM LOANS AND ADVANCES

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Unsecured, Considered Good		
Security Deposits-with Stock Exchanges & Depository	13647500	23747500
	13647500	23747500

12. INVENTORIES

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
STOCK-IN-TRADE* (Shares / Securities)	13411	13411
	13411	13411

* Valued at lower of Cost or Market Price

13. TRADE RECEIVABLES

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Unsecured, Considered Good		
Outstanding exceeding six months	3346	775
Others	6605	338
	9951	1113

14. CASH AND BANK BALANCES

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Cash and cash equivalents		
-Balance With Banks in Current Account	6329599	60605436
Cash-in-hand	200853	190853
Other Bank balances		
Deposit with bank*	24612500	24612500
	31142952	85408789

*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, 2014	AS AT 31ST MARCH, 2013
Unsecured, Considered Good		
Income Tax and TDS	2232296	2361960
Amount Recoverable from Employees	534020	533122
Prepaid Expenses	967010	863982
Advances for Purchase of Properties	136904378	77912503
	140637703	81671567

16. OTHER CURRENT ASSETS

PARTICULARS	AS AT 31ST MARCH, 2014	AS AT 31ST MARCH, 2013
Interest Accrued on FDRs	482054	498718
	482054	498718



HB SECURITIES LIMITED

17. REVENUE FROM OPERATIONS

PARTICULARS	₹	
	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
BROKERAGE, COMMISSION & SERVICE CHARGES (NET)	2134108	890819
	2134108	890819

18. OTHER INCOME

PARTICULARS	₹	
	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
DIVIDEND INCOME		
- On Non-Current/ Long Term Investment	10298	74343
On Stock in Trade	1288	1160
GAIN ON SALE OF NON-CURRENT/ LONG TERM INVESTMENTS	-180230	1129309
GAIN/LOSS ON SALE OF FIXED ASSETS	-247945	-
INTEREST ON FIXED DEPOSIT WITH BANK (Tax Deducted at Source ₹ 221614.20 (₹223732.86))	2224269	2246587
INTEREST ON INCOME TAX REFUND	83901	137211
	1891580	3588610

19. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	₹	
	For the Year ended 31st March, 2014	For the Year ended 31st March, 2013
SALARY & BENEFITS	1226658	1293723
CONTRIBUTION TO PROVIDENT AND GRATUITY FUND	89547	121228
	1316205	1414951

20. OTHER EXPENSES

PARTICULARS	₹		₹	
		For the Year ended 31st March, 2014		For the Year ended 31st March, 2013
LEGAL & PROFESSIONAL		876600		158402
CONVEYANCE & TRAVELLING		213066		246120
PRINTING & STATIONERY		3606		3965
REPAIR & MAINTENANCE				
-VECHICLES	622285		651956	
-OTHERS	975579	1597864	967047	1619003
INSURANCE		84570		91426
MEMBERSHIP & SUBSCRIPTION		246883		107880
POSTAGE TELEGRAM & TELEPHONE		78622		88322
MISCELLANEOUS		57075		61896
VSAT CHARGES		26218		103943
BANK CHARGES		230448		238169
ELECTRICITY		764026		814498
AUDITORS REMUNERATION				
-AUDIT FEES	12500		12500	
-TAX AUDIT	2500		2500	
-TAXATION & OTHER MATTERS	-	15000	6742	21742
		4193977		3555366



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, 2014 Rs.1.83 Crores (Previous year Rs.1.83 Crores).
- b) Dividend on cumulative Preference Shares Rs.76,18,113/- (Previous Year Rs. 64,18,113/-)

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	(1201893)	(9,77,305)
Less: Preference Share Dividend	1200000	12,00,000
Net Profit available for Equity Shareholders	(2401893)	(21,77,305)
Weighted average no of equity shares outstanding	7207570	72,07,570
Basic & diluted earning per Share (Face value of Rs.10/- Each)	(0.33)	(0.30)

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
(80)	(13411)	(NIL)	(NIL)	(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.)	(₹)
1257092	14508867	NIL	NIL	1163	505500	1255929	14003367
(1274572)	(15221366.82)	(NIL)	(NIL)	(17480)	(1841809)	(1257092)	(14508867)

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	93927/- (94267)	Contribution to Provident and Gratuity Fund.



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)	287330	229701	97962	79011
Adjustment for Increase/(Decrease) in opening provision (B)	NIL	NIL	NIL	NIL
Interest Cost (C)	22986	18376	8817	6501
Current Service Cost (D)	23639	20468	5527	7827
Benefit Paid (E)	-	-	-13546	-12480
Actuarial(Gain)/ Loss on obligation (F)	-18369	18785	-18742	17103
Present Value of Obligation as at the end of the year (A+B+C+D-E+F)	315586	287330	80018	97962

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)	315586	287330	80018	97962
Estimated Fair Value of Plan Assets (B)	431258	394622	Nil	Nil
Net Liability/(Assets) (C= A-B)	(115672)	(107292)	80018	97962
Amount in Balance Sheet (Assets)/ Liability	(115672)	(107292)	80018	97962

Amount Charged To Profit & Loss Account	Current Year	Previous Year	Current Period	Previous Period
	Current Service Cost	23639	20468	5527
Interest Cost	22986	18376	8817	6501
Expected return on Plan Assets	(34681)	(32583)	Nil	Nil
Actuarial (Gain)/ Loss	(18369)	18785	(18742)	17103
	(6425)	25046	(4398)	31431
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	34681	32583

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



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	394622	361954
2	Expected Return On Plan Assets	34681	32583
3	Actuarial Gains / (Loss)	-	-
4	Contribution by the Employer	1955	85
5	Benefits Paid	-	-
6	Closing Fair Value of Plan Assets	431258	394622

26. Tax Deducted At Source

Particulars	Current Year	Previous Year
Interest paid to bank on overdraft facility	5600420/-	7963812/-
Less: Reimbursement received	5600420/-	7963812/-
Net Amount	NIL	NIL

Tax deducted at source on reimbursement received Rs. 560042/- (Previous Year Rs. 796382/-)

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

Particulars	Current Year	Previous Year
Interest paid to bank on overdraft facility	5600420/-	7963812/-
Less: Reimbursement received for interest paid on over draft facility	5600420/-	7963812/-
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 (expired on 30.11.2012)

[Handwritten signatures]

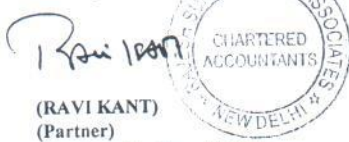


- d) **Enterprise over which direct/indirect significant influence/common control exists**
- Pisces Portfolios Private Limited
 - Merwanjee Securities Ltd.
 - HB Estate Developers Ltd.
 - HB Stockholdings Ltd.
 - RRB Securities Ltd.
 - HB Leasing & Finance Co. Ltd.
- e) **Enterprise over which significant 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)	(NIL)	(NIL)	(4611)	(NIL)
2	Depository Charges received	49175	8811	NIL	79687	21518
		(36009)	(317)	(265)	(72067)	(14322)
3	Remuneration & other services	NIL	Nil	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
4	Sale of Investment through them	NIL	NIL	NIL	NIL	NIL
		Nil	(NIL)	(NIL)	(1841809)	(NIL)
5	Reimbursement of Interest	NIL	NIL	NIL	3601160	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
6	Margin /Advances Received/(Paid)- Net	(3400000)	NIL	NIL	NIL	48500000
		(8850000)	(NIL)	(NIL)	(NIL)	(30650000)
7	Outstanding as on 31 st March, 2014 - Receivable/(Payable) in respect of Current Assets/Current Liabilities	(37250000)	NIL	NIL	NIL	46986180
		(40650000)	(NIL)	(NIL)	(NIL)	(9607813)
	Guarantee Given	15000000	NIL	NIL	NIL	NIL
		(15000000)	(NIL)	(NIL)	(NIL)	(NIL)

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



(RAVI KANT)
(Partner)
Membership No.: 525917
Place : Delhi
DATED : 21.05.2014

FOR AND ON BEHALF OF THE BOARD


Anil Goyal
ANIL GOYAL
DIRECTOR

Praveen Gupta
PRAVEEN GUPTA
DIRECTOR

HB SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	Amount in ₹ Year Ended 31ST MARCH, 2014	Amount in ₹ Year Ended 31ST MARCH, 2013
A		
<u>Cash Flow From Operation Activities</u>		
Net Profit after Tax and Extraordinary items	(1912344)	(980650)
Adjustment for :		
Depreciation	427850	489762
Loss / (Profit) on Fixed Assets	247945	-
Loss / (Profit) on Investments	180230	(1129309)
Interest / Dividend	(2235855)	(2322090)
Operating Profit before working capital charges	(3292173)	(3942287)
Adjustment for :		
Trade and other receivables	(48858310)	78467074
Inventories	-	-
Trade Payable and other liabilities	31442633	(19444668)
Cash Generated from Operation	(20707850)	55080119
Income Tax paid / refund	-	-
	(20707850)	55080119
Net Cash from operation activities	(20707850)	55080119
B		
<u>Cash Flow from Investment Activities</u>		
Purchase of Fixed Assets	(82731)	(267915)
Sale of Fixed Assets	229200	-
Sale of Investments	325270	1841809
Interest Received	2224269	2246587
Dividend Received	11586	75503
Net Cash from Investment Activities	2707594	3895984
C		
<u>Cash Flow from Financing Activities</u>		
Proceeds from OD a/c with bank	(36265581)	173812
Net Cash used in Financing Activities	(36265581)	173812
Net Increase in Cash & Cash Equivalents A+B+C	(54265837)	59149915
Cash & Cash Equivalents (Opening Balance)	60796289	1646374
Cash & Cash Equivalents (Closing Balance)	6530452	60796289
Components of cash and cash equivalents at the end of the year		
Cash in hand	200853	190853
<u>Balances with scheduled banks :</u>		
-In current accounts	6329599	60605436
	6530452	60796289

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



(RAVI KANT)
(Partner)
Membership No.: 525917

PLACE : NEW DELHI
DATED : 21.05.2014

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


ANIL GOYAL
DIRECTOR


PRAVEEN GUPTA
DIRECTOR