



Rajesh Suresh Jain & Associates

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To

The Members of HB SECURITIES LIMITED

Report on the Audit of the financial statements

Opinion

We have audited the financial statement of **HB SECURITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

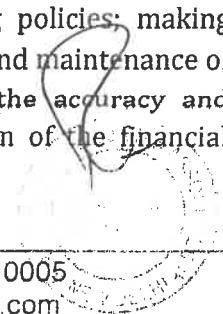
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Companies Accounting Standard prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014 as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, and its cash flows 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 Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company 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 financial statements under the provisions of the Companies Act, 2013 and the Rule 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to 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 accounting principles generally accepted in India including the Accounting standards 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial



statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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.

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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 as at 31st March, 2019 which would impact its financial position.



- ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2019
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

(h) With respect to the matter to be included in the Auditor's Report under section 197(16):

The Company has not paid any managerial remuneration for the year ended 31st March, 2019 to its directors.

PLACE: NEW DELHI
DATED: 25.05.2019

FOR RAJESH SURESH JAIN & ASSOCIATES

Chartered Accountants

Firm Registration No.: 017163N


(RAJESH JAIN)

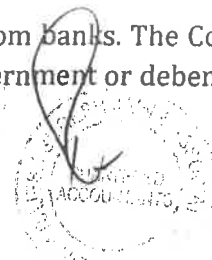
PARTNER

(Membership No. 098229)

Annexure – A to the Auditors' Report

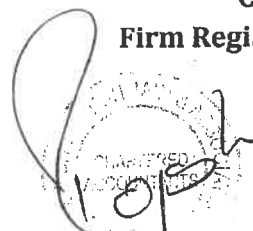
The annexure referred to in Independent Auditor's Report to the members of **HB SECURITIES LIMITED** on the financial statements for the year ended on 31st March, 2019, We Report that:

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 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 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.a. As explained to us, the Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnership 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 186 of the Act, with respect to the investment made. As per the information and explanation given to us, the Company has neither given any loan nor given any guarantee or provided any security in connection with a loan to any other body corporate or person.
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 31st March, 2019 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. The Company has not defaulted in repayment of loan/borrowings from banks. The Company does not have any loans or borrowings 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) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
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 not paid/ provided any managerial remuneration during the year.
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 or 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 made private placement of Preference shares during the year in compliance with the provision of section 42 of the Act and the amount raised have been used for the purpose for which the funds were raised.
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 is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

FOR RAJESH SURESH JAIN & ASSOCIATES
Chartered Accountants
Firm Registration No.: 017163N



(RAJESH JAIN)
PARTNER
(Membership No. 098229)

PLACE: NEW DELHI
DATED: 25.05.2019

Annexure – B to the Auditors' Report

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 SECURITIES LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the 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.

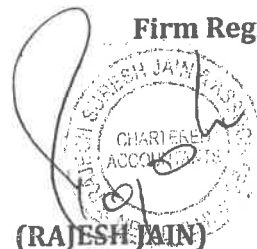
Opinion

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 March 2019, 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 RAJESH SURESH JAIN & ASSOCIATES

Chartered Accountants

Firm Registration No.: 017163N



(RAJESH JAIN)

PARTNER

(Membership No. 098229)

PLACE: NEW DELHI

DATED: 25.05.2019

HB SECURITIES LIMITED

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BALANCE SHEET AS AT	NOTE	31ST MARCH, 2019	31ST MARCH, 2018
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2	102075700	92075700
Reserve & Surplus	3	-10843374	-6453486
		91232326	85622214
NON-CURRENT LIABILITIES			
Long Term Provisions	4	150341	138413
		150341	138413
CURRENT LIABILITIES			
Short Term Borrowings	5	863898	2387864
Other Current Liabilities	6	36270166	29254896
Short Term Provisions	7	4649	4311
		37138713	31647071
TOTAL :		128521380	117407698
ASSETS			
NON-CURRENT ASSETS			
Property, Plant & Equipment			
Tangible Assets	8	574211	562713
Deferred Tax Assets	9	149951	280348
Non-current Investments	10	54049567	54335167
Long Term Loans and Advances	11	24245000	12200000
		79018729	67378228
CURRENT ASSETS			
Inventories	12	13411	13411
Trade Receivables	13	57131	55721
Cash and Bank balances	14	21436978	26549559
Short Term Loans and Advances	15	27735282	23119045
Other Current Assets	16	259849	291734
		49502651	50029470
TOTAL :		128521380	117407698

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1 to 31

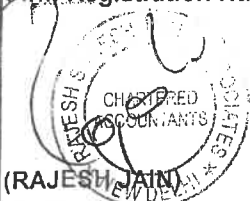
The accompanying notes form an integral part of the financial statements

As Per our Report on even date

For Rajesh Suresh Jain & Associates

Chartered Accountants

Firm Registration Number:017163N



(RAJESH JAIN)


(Partner)

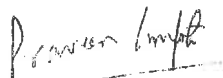
Membership No.: 098229

PLACE : NEW DELHI

DATED : 25.05.2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


ANIL GOYAL
DIRECTOR
DIN:00001938


PRAVEEN GUPTA
DIRECTOR
DIN:00002375

HB SECURITIES LIMITED

Statement of Profit and Loss for the Year ended	Note	₹ 31ST MARCH, 2019	₹ 31ST MARCH, 2018
Revenue From Operations	17	89579	245903
Other Income	18	1353102	1413695
TOTAL REVENUE		1442681	1659598
EXPENSES			
Employee Benefits Expenses	19	1875403	1989897
Finance Costs	20	199034	324470
Depreciation	8	87302	189341
Other Expenses	21	3540434	3378904
TOTAL EXPENSES		5702173	5882612
Profit/(Loss) for the year before Income Tax		(4259492)	(4223014)
Tax Expense:			
Deferred Tax Charge / (Credit)		130397	(70866)
Tax adjustment for earlier years		-	-
Profit/(Loss) for the Year after Tax		(4389889)	(4152148)
Earning Per Equity Share:	24		
Equity Share of Par Value of ₹ 10/- each Basic & Diluted		(0.61)	(0.74)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	1 to 31		

The accompanying notes form an integral part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

For Rajesh Suresh Jain & Associates

Chartered Accountants

Firm Registration Number:017163N

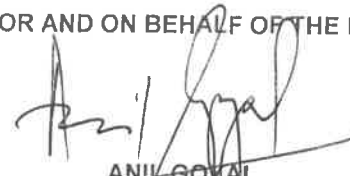

(RAJESH JAIN)
(Partner)

Membership No.: 098229

PLACE : NEW DELHI

DATED : 25.05.2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS


ANIL GOVAL
DIRECTOR
DIN:00001938


PRAVEEN GUPTA
DIRECTOR
DIN:00002375

HB SECURITIES LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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/Scrip-wise. As a matter of prudence, any anticipated profit is ignored.

1.4 FIXED ASSETS (PROPERTY, PLANT & EQUIPMENT)

Fixed Assets are stated at cost less depreciation.

1.5 DEPRECIATION

Depreciation on tangible assets is provided on Straight Line method over the useful life of assets in the manner specified in Schedule II to the Companies Act, 2013.

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.

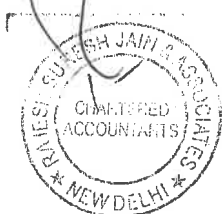
1.8 EMPLOYEE BENEFITS

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.



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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.

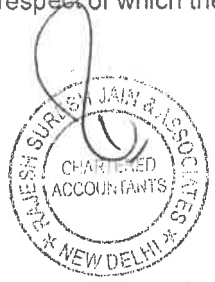
1.10 IMPAIRMENT OF FIXED ASSETS (PROPERTY, PLANT & EQUIPMENT)

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.



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Handwritten initials 'IM' in black ink.

HB SECURITIES LIMITED

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2019

2. SHARE CAPITAL

Particulars	₹		₹	
	As At 31st March, 2019		As At 31st March, 2018	
AUTHORIZED				
90,00,000 (1,00,00,000) Equity Shares of Rs.10/- each		90000000		100000000
50,000 (40,000) Redeemable Preference Share of Rs. 1000/- each		50000000		40000000
		140000000		140000000
ISSUED, SUBSCRIBED & PAID-UP				
72,07,570 Equity Shares of Rs.10/- each fully paid-up		72075700		72075700
Nil (20000) 6% Redeemable Cumulative Preference Shares of Rs. 1000/- each fully paid up		0		20000000
30000 (Nil) 6% Redeemable Non-Cumulative Non-Convertible Preference Shares of Rs. 1000/- each fully paid up		30000000		0
		102075700		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 issued at par value of Rs. 1000/- each issued 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 and thereafter the above redemption was extended to 12th, 13th and 14th year from the date of allotment. Thus Rs. 6600000/-, Rs. 6600000/- and Rs. 6800000/- would have been redeemable in FY 2019-20, FY 2020-21 and FY 2021-22 respectively But all the said preference shares has been redeemed during the financial year 2018-19 out of fresh issue of preference share capital.

Five Thousand (5000) 6% Series II- Tranche-I Non Convertible Non Cumulative Redeemable Preference Shares having Face Value of Rs. 1000/- each allotted on 29.09.2018 of which the date of maturity is 29.09.2028.

Twenty Five Thousand (25000) 6% Series II- Tranche-II Non Convertible Non Cumulative Redeemable Preference Shares having Face Value of Rs. 1000/- each allotted on 30.11.2018 of which the date of maturity is 30.11.2028.

-- Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2019 & 31st March, 2018 is as under:

EQUITY SHARES

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	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, 2019		As at 31st March, 2018	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	20000	20000000	20000	20000000
Add: Share Issued during the year	30000	30000000	0	0
Less: Redemption of shares during the year	20000	20000000	0	0
Number of shares at the end	30000	30000000	20000	20000000

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

Name of shareholder	As at 31st March, 2019		As at 31st March, 2018	
	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 Portfolio Limited	30000	100.00	0	0.00
HB Estate Developers Limited	0	0.00	10000	50.00
Gemini Portfolio Private limited	0	0.00	5000	25.00
RRB Securities Limited	0	0.00	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.



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HB SECURITIES LIMITED

3. RESERVE & SURPLUS

PARTICULARS	₹		₹	
	AS AT 31ST MARCH, 2019		AS AT 31ST MARCH, 2018	
Securities Premium - Opening Balance	17000000		17000000	
Add: Addition During the year	0		0	
	17000000		17000000	
Surplus - Opening Balance	-23453486		-19301338	
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	-4389889		-4152148	
	-27843374		-23453486	
	-10843374		-6453486	

4. LONG TERM PROVISIONS

PARTICULARS	₹		₹	
	AS AT 31ST MARCH, 2019		AS AT 31ST MARCH, 2018	
Provisions For Employees Benefit				
Leave Encashment	150341		138413	
	150341		138413	

5. SHORT TERM BORROWINGS

PARTICULARS	₹		₹	
	AS AT 31ST MARCH, 2019		AS AT 31ST MARCH, 2018	
Overdraft facility from Bank - Unsecured	863898		2387864	
	863898		2387864	

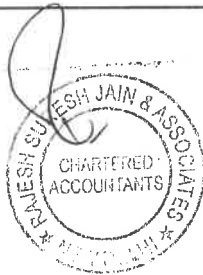
-Overdraft facility from bank is secured against gurantee and pledge of Shares by holding Company M/s HB Portfolio Ltd

6. OTHER CURRENT LIABILITIES

PARTICULARS	₹		₹	
	AS AT 31ST MARCH, 2019		AS AT 31ST MARCH, 2018	
Advances From Customers, margin money etc.	36009392		28903213	
Statutory Dues Payable	17249		11407	
Expenses Payable	243525		340276	
	36270166		29254896	

7. SHORT TERM PROVISIONS

PARTICULARS	₹		₹	
	AS AT 31ST MARCH, 2019		AS AT 31ST MARCH, 2018	
Provisions For Employees Benefit				
Leave Encashment	4649		4311	
	4649		4311	



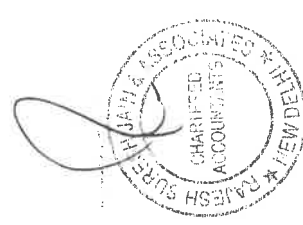
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HB SECURITIES LIMITED

8. PROPERTY, PLANT & EQUIPMENT

Sr. No	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		AS AT 01.04.2018	ADDITIONS DURING THE YR. DURING THE YR.	DELETION DURING THE YR.	TOTAL 31.03.2019	UP TO 31.03.2018	FOR THE YEAR	TOTAL DEPRECIATION FOR THE YEAR	ADJUSTMENT FOR SALE	TOTAL UP TO 31.03.2019	AS AT 31.03.2019	AS AT 31.03.2018
1	TANGIBLE ASSETS											
2	DATA PROCESSING MACHINERY	4895709	98800	0	4994509	4872997	7348	7348	0	4880345	114164	22712
3	VEHICLES	4775363	0	701702	4073661	4682291	0	0	701702	3980589	93072	93072
4	GENERATOR	1870482	0	0	1870482	1481369	66932	66932	0	1548301	322181	389113
	OFFICE EQUIPMENT	1102426	0	0	1102426	1044610	13022	13022	0	1057632	44794	57816
	TOTAL	12643980	98800	701702	12041078	12081267	87302	87302	701702	11468866	574211	562713
	PREVIOUS YEAR	12655630	20219	31869	12643980	11907381	189341	189341	15456	12081267	562713	748249



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HB SECURITIES LIMITED

10. INVESTMENTS

NAME OF THE COMPANY	FACE VALUE (₹)	As at 31st March,2019		As at 31st March,2018	
		Qty(Nos.)	Amount (₹)	Qty(Nos.)	Amount (₹)
NON-CURRENT INVESTMENTS- AT COST					
(LONG TERM INVESTMENTS)					
NON-TRADE					
A. INVESTMENT IN EQUITY INSTRUMENTS					
(Fully paid up Equity Shares)					
QUOTED					
OSWAL AGRO MILLS LIMITED	10	12800	184501	12800	184501
NAHAR SPINNING MILLS LIMITED	5	607	42490	607	42490
PASUPATI SPINNING & WVG. MILLS LIMITED	10	1520	282335	1520	282335
NAHAR CAPITAL AND FINANCIAL SERVICES LTD.	5	258	36120	258	36120
TATA STEEL LIMITED	10	0	0	560	285600
(Partly paid up Equity Shares)					
TATA STEEL LIMITED	10	300	46200	300	46200
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 (A)		1262529	14049567	1263089	14335167
B.2 INVESTMENT IN PREFERENCE SHARES					
FULLY PAID-UP REDEEMABLE PREFERENCE SHARE					
GEMINI PORTFOLIO PVT LTD (9% NON CUMULATIVE)	100	400000	40000000	400000	40000000
TOTAL (B)		400000	40000000	400000	40000000
TOTAL (A+B)-NON CURRENT/LONG TERM INVESTMENTS.		1662529	54049567	1663089	54335167

	As at 31st March,2019	As at 31st March,2018
-- Aggregate Amount of Quoted Investments	591646	877246
-- Market Value of Quoted Investments	233922	647773
-- Aggregate Amount of UnQuoted Investments	53457921	53457921

Note: In the opinion of the Management no provision is required for diminution amounting to ₹ 370835/- (Previous Year ₹ 273593/-) in the value of some of the Long Term/ Non-Current investment as the same is considered to be Temporary.



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HB SECURITIES LIMITED

9. DEFERRED TAX ASSETS

PARTICULARS	₹ AS AT 31ST MARCH, 2019	₹ AS AT 31ST MARCH, 2018
Deferred Tax Assets		
Leave Encashment	40297	44102
Fixed Assets	109654	236246
Net Deferred Tax Assets/(Liability)	149951	280348

11. LONG TERM LOANS AND ADVANCES

PARTICULARS	₹ AS AT 31ST MARCH, 2019	₹ AS AT 31ST MARCH, 2018
Unsecured Considered Good		
Security Deposits-with Stock Exchanges & Depository	24245000	12200000
	24245000	12200000

12. INVENTORIES

PARTICULARS	₹ AS AT 31ST MARCH, 2019	₹ AS AT 31ST MARCH, 2018
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, 2019	₹ AS AT 31ST MARCH, 2018
Unsecured Considered Good		
Outstanding exceeding six months	46845	55008
Others	10286	714
	57131	55721

14. CASH AND BANK BALANCES

PARTICULARS	₹ AS AT 31ST MARCH, 2019	₹ AS AT 31ST MARCH, 2018
Cash and cash equivalents		
-Balance With Banks in Current Account	4170416	4282997
-Cash-in-hand	241562	241562
Other Bank balances		
Deposit with bank*	17025000	22025000
	21436978	26549559

*Includes ₹ 10000000/- (Previous Year ₹ 15000000/-) lien marked with NSE/NSCCL; ₹7025000/- (Previous Year ₹ 7025000/-) lien marked for Bank Guarantee with NSE.

15. SHORT TERM LOANS AND ADVANCES

PARTICULARS	₹ AS AT 31ST MARCH, 2019	₹ AS AT 31ST MARCH, 2018
Unsecured Considered Good		
Income Tax and TDS	290813	154849
Amount Recoverable from Employees	533100	548826
Prepaid Expenses	1911369	1365370
Advances for Purchase of Properties	25000000	21050000
	27735282	23119045

16. OTHER CURRENT ASSETS

PARTICULARS	₹ AS AT 31ST MARCH, 2019	₹ AS AT 31ST MARCH, 2018
Interest Accrued on FDRs	259849	291734
	259849	291734



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HB SECURITIES LIMITED

17. REVENUE FROM OPERATIONS

PARTICULARS	₹	
	For the Year ended 31st March 2019	For the Year ended 31st March 2018
BROKERAGE, COMMISSION & SERVICE CHARGES (NET)	89579	245903
	89579	245903

18. OTHER INCOME

PARTICULARS	₹	
	For the Year ended 31st March 2019	For the Year ended 31st March 2018
DIVIDEND INCOME		
- On Non-Current/ Long Term Investment	751	1298
- On Stock in Trade	691	582
INTEREST ON FIXED DEPOSIT WITH BANK (Tax Deducted at Source ₹ 124070/- (₹ 139625/-))	1249888	1401537
INTEREST ON INCOME TAX REFUND	-	10278
PROFIT ON SALE OF FIXED ASSETS	50000	-
PROFIT ON SALE OF INVESTMENT	51772	-
	1353102	1413695

19. EMPLOYEE BENEFIT EXPENSES

PARTICULARS	₹	
	For the Year ended 31st March 2019	For the Year ended 31st March 2018
SALARY & BENEFITS	1768987	1763559
CONTRIBUTION TO PROVIDENT AND GRATUITY FUND	106416	206338
	1875403	1989897

20. FINANCE COSTS

PARTICULARS	₹	
	For the Year ended 31st March 2019	For the Year ended 31st March 2018
Interest Expense on OD facility	199034	324470
	199034	324470

21. OTHER EXPENSES

PARTICULARS	₹	
	For the Year ended 31st March 2019	For the Year ended 31st March 2018
LEGAL & PROFESSIONAL	144941	191042
CONVEYANCE & TRAVELLING	9971	7019
PRINTING & STATIONERY	11105	3320
REPAIR & MAINTENANCE		
-VEHICLES	383279	422732
-OTHERS	1542637	1441072
INSURANCE	53642	1863804
MEMBERSHIP & SUBSCRIPTION	131833	51169
POSTAGE TELEGRAM & TELEPHONE	49240	60382
MISCELLANEOUS	48622	59149
VSAT CHARGES	36000	39411
LOSS ON SALE OF FIXED ASSET	-	37080
BANK CHARGES	171676	11810
ELECTRICITY	915489	177678
AUDITORS REMUNERATION		853040
-AUDIT FEES	15000	15000
-CERTIFICATION & OTHER MATTERS	27000	9000
	42000	24000
	3540434	3378904



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22. 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, 2019 Rs.1.33 Crores (Previous year Rs.1.33 Crores).
- b) **Commitments**
₹ 1,06,800/- (Previous Year ₹ 1,06,800/-) on account of uncalled call money in respect of Partly Paid up Shares.

23. 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).

24. 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	(4389889)	(4152148)
Less: Preference Share Dividend	0	120000
Net Profit available for Equity Shareholders	(4389889)	(5352148)
Weighted average no of equity shares outstanding	7207570	7207570
Basic & diluted earning per Share (Face value of Rs.10/- Each)	(0.61)	(0.74)

25. QUANTITATIVE DETAILS**25.1 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.)	(₹)
224	13411	NIL	NIL	NIL	NIL	224	13411
(80)	(13411)	(144)	(NIL)	(NIL)	(NIL)	(224)	(13411)

25.2 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.)	(₹)
1663089	54335167	NIL	NIL	560	285600	1662529	54049567
(1662229)	(54003367)	(860)	(331800)	(NIL)	(NIL)	(1663089)	(54335167)

26. 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	106416/- (108118)	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)	525295	383658	142724	115222
Past Service Cost (B)	-	20870	-	-
Interest Cost (C)	39397	32362	11061	8930
Current Service Cost (D)	24856	24856	8564	8460
Benefit Paid (E)	-	-	(10933)	-6520
Actuarial(Gain)/ Loss on obligation (F)	(26934)	63549	3574	16632
Present Value of Obligation as at the end of the year (A+B+C+D-E+F)	562614	525295	154990	142724

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)	562614	525295	154990	142724
Estimated Fair Value of Plan Assets (B)	654125	606795	Nil	Nil
Net Liability/(Assets) (C= A-B)	(91511)	(81500)	154990	142724
Amount in Balance Sheet (Assets)/ Liability	(91511)	(81500)	154990	142724

Amount Charged To Profit & Loss Account	Current Year	Previous Year	Current Period	Previous Period
Current Service Cost	24856	24856	11061	8930
Past Service Cost	0	20549	Nil	Nil
Interest Cost	39397	32362	8564	8460
Expected return on Plan Assets	(47330)	(43096)	Nil	Nil
Actuarial (Gain)/ Loss	(26934)	63549	3574	16632
	(10011)	98220	23199	34022
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:

Particulars	Current Year	Previous Year
i) Actual return On Plan Assets	47330	43095

d) Principal actuarial assumptions

S. No.	Particulars	Current Year	Previous Year
		Rate %	Rate %
1	Discount rate	7.50	7.75
2	Expected Rate of Return on Plan Assets	9	9
3	Future Salary Increase	6	6



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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	606795	560935
2	Expected Return On Plan Assets	47330	43417
3	Actuarial Gains / (Loss)	-	-
4	Contribution by the Employer	-	2443
5	Benefits Paid	-	-
6	Closing Fair Value of Plan Assets	654125	606795

27. 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.

28. RELATED PARTY TRANSACTIONS

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

- a) Holding Company
- HB Portfolio Limited
- b) Enterprise over which direct/indirect significant influence/common control exists
- HB Estate Developers Ltd.
- HB Stockholdings Ltd.
- RRB Securities Ltd.
- HB Leasing & Finance Co. Ltd.
- RRB Master Securities Delhi Limited.

28.2 Transactions during the year with related parties

(Amount in Rs.)

Sr. No.	Particulars	Nature of Transaction	For the year ended 31.03.2019	For the year ended 31.03.2018
i	HB Portfolio Limited	Depository Charges Received	9006	1838
		Guarantee Given on behalf of company	19300000	19300000
		Issue of Preference Shares	30000000	-
ii	HB Estate Developers Ltd.	Depository Charges Received	1180	1150
		Redemption of Preference Shares	10000000	-
iii	HB Stockholdings Limited	Depository Charges Received	9639	148736
iv	RRB Securities Ltd.	Depository Charges Received	4955	3710
		Redemption of Preference Shares	5000000	-
v	HB Leasing & Finance Co. Ltd.	Depository Charges Received	1358	1150
vi	RRB Master Securities Delhi Limited.	Depository Charges Received	13994	46592
		Margin/ Advance Received/ (Paid) (Net)	(6900000)	(1550000)

Related Party Balances

(Amount in Rs.)

Sr. No.	Particulars	Nature of Balance	For the year ended 31.03.2019	For the year ended 31.03.2018
i	HB Leasing & Finance Co. Ltd.	Depository Charges	178	-
ii	RRB Master Securities Delhi Limited.	Margin/ Advance	35860694	27871203

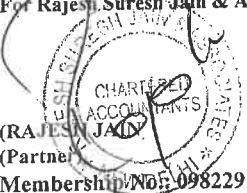


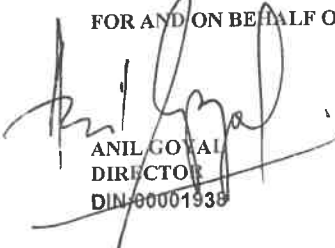
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- 29 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 30 The Company does not have any pending litigation which would impact its financial position.
- 31 The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

The accompanying notes form an integral part of the financial statements
AS PER OUR REPORT ATTACHED OF EVEN DATE
For Rajesh Suresh Jain & Associates


(RAJESH JAIN)
(Partner)
Membership No. 098229
Place : Delhi
DATED : 25.05.2019

FOR AND ON BEHALF OF THE BOARD

ANIL GOYAL
DIRECTOR
DIN:00001938


PRAVEEN GUPTA
DIRECTOR
DIN:00002375

HB SECURITIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

PARTICULARS	Amount in ₹ Year Ended 31ST MARCH, 2019	Amount in ₹ Year Ended 31ST MARCH, 2018
A		
Cash Flow From Operation Activities		
Net Profit after Tax and Extraordinary items	(4,259,492)	(4223014)
Adjustment for :		
Depreciation	87,302	189341
Loss on Sale of Fixed ssets	-	11810
Profit on Sale of Fixed ssets	(50,000)	-
Profit on Sale of Investments	(51,772)	-
Interest / Dividend	(1,251,330)	(1403417)
	(5525292)	(5425280)
Operating Profit before working capital charges		
Adjustment for :		
Trade and other receivables	(16630762)	7818487
Trade Payable and other liabilities	7027536	(6883055)
	(15128518)	(4489866)
Cash Generated from Operation	-	-
Income Tax paid / refund	(15128518)	(4489868)
	(15128518)	(4489868)
Net Cash from operation activities	(15128518)	(4489868)
B		
Cash Flow from Investment Activities		
Purchase of Fixed Assets	(98800)	(20219)
Sale of Fixed Assets	50000	4,604
Purchase of Investments	-	(331,800)
Sale of Investments	337372	-
Interest Received	1249889	1,401,537
Fixed Deposit with bank Realized	5000000	87,500
Dividend Received	1442	1,880
	6539903	1143502
Net Cash from Investment Activities	6539903	1143502
C		
Cash Flow from Financing Activities		
Proceeds from OD a/c with bank	(1523966)	(1025530)
Redemption of Pref Share Capital	30000000	-
Proceeds from issue of Pref Share Capital	(20000000)	-
Net Cash used in Financing Activities	8476034	(1025530)
	(112581)	(4371896)
Net Increase in Cash & Cash Equivalents A+B+C	(112581)	(4371896)
Cash & Cash Equivalents (Opening Balance)	4524559	8896455
Cash & Cash Equivalents (Closing Balance)	4411978	4524559
Components of cash and cash equivalents at the end of the year		
Cash in hand	241562	241562
Balances with scheduled banks :		
-In current accounts	4170416	4282997
	4411978	4524559

The accompanying notes form an integral part of the financial statements

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


 ANIL GOYAL
 DIRECTOR
 DIN:00001938


 PRAVEEN GUPTA
 DIRECTOR
 DIN:00002375

PLACE : NEW DELHI

DATED : 25.05.2019