INDEPENDENT AUDITORS' REPORT

To

The Members of HB SECURITIES LIMITED

Report on the Audit of the StandaloneFinancial Statements

Opinion

We have audited the Standalone Financial Statements of **HB Securities Limited** ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

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

Basis of Opinion

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

Information Other than the Standalone financial statements and Auditor's Report Thereon

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the a accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the Standalone Financial Statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure 'A'** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:
(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to **Annexure 'B'**.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations as at 31st March, 2020which would impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts as at 31st March, 2020

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, 2020 to its directors.

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

PLACE: NEW DELHI
DATED: 25.06.2020

(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 SECURITIESLIMITED**on the standalone financial statements for the year ended on 31st March,2020, 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 (Investments) have been physically verified by the management at reasonable intervals during the year. As explained to us the discrepancies noticed on physical verification of inventory as compared to the book records were not material.

3.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, 2020 for a period of more than six months from the date of becoming payable.

   b. According to the records of the Company, there are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.

8. 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 madenot any preferential allotment ofshares except for Equity share of Rs. 1,00,00,000/- and Preference Shares of Rs. 2,00,00,000/- to its holding company HB Portfolio Limited. 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: 25.06.2020

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 SECURITIESLIMITED**("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

PLACE: NEW DELHI
DATED: 25.06.2020

(RAJESH JAIN)
PARTNER
(Membership No. 098229)

HB SECURITIES LIMITED
CIN: U67120DL1991PLC044025

STANDALONE BALANCE SHEET Amount (Rs.)

Particulars	Note	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
I. ASSETS				
Financial Assets				
a. Cash and cash equivalents	4	9,348,248	4,411,978	4,524,559
b. Bank balances other tha (a) above	5	17,025,000	17,025,000	22,025,000
c. Receivables				
(i) Trade receivables	6	198,463	57,131	55,721
d. Investments	7	53,398,643	53,549,624	53,891,354
e. Other Financial Assets	8	21,742,121	24,504,849	12,491,734
Non-Financial Assets				
a. Current tax assets (Net)	9	140,261	290,813	154,849
b. Deferred tax assets (Net)	10	149,080	149,951	280,348
c. Property, Plant and Equipment	11	377,443	574,211	562,713
d. Other non -financial assets	12	23,108,119	27,444,469	22,964,196
TOTAL ASSETS		125,487,378	128,008,026	116,950,474
II. LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
a. Borrowings	13	-	863,898	2,387,864
b. Subortinated liabilities	14	-	30,000,000	20,000,000
c. Other financial liabilities	15	298,030	243,525	340,276
Non-Financial Liabilities				
a. Provisions	16	196,139	154,990	142,724
b. Other non-financial liabilities	17	37,885,031	36,026,641	28,914,620
Equity				
a. Equity Share Capital	18	82,075,700	72,075,700	72,075,700
b. Other Equity	19	5032478	(11356728)	(6910710)
TOTAL LIABILITIES AND EQUITY		125,487,378	128,008,026	116,950,474
Signifiacant accounting policies and notes to the financial statements	1-42			

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For Rajesh Suresh Jain & Associates
Chartered Accountants
FRN:017163N

RAJESH JAIN
Partner
Membership No. 098229

For and on behalf of the Board of Directors of HB Securities Limited

ANIL GOYAL
(Director)
(DIN: 00001938)

PRAVEEN GUPTA
(Director)
(DIN: 00002375)

HIMANSHU KANSAL
(Chief Financial Officer)

DINESH KAPOOR
(Company Secretary)
(MEM. NO. FCS-6731)

Place: New Delhi
Date : 25 June 2020

UDIN :- 20098229AAAACF205D

HB SECURITIES LIMITED
CIN: U67120DL1991PLC044025

STANDALONE PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Amount (Rs.)

Particulars	Note	For the Year ended 31 March 2020	For the Year ended 31 March 2019
INCOME			
Revenue from operations			
(i) Interest income	20	1,260,499	1,249,888
(ii) Dividend income	21	1,969	1,442
(iii) Fees and commission income	22	585,884	89,579
I Total Revenue from operations		1,848,352	1,340,909
II Other Income	23	18,352	50,000
III Total income (I+II)		1,866,704	1,390,909
EXPENSES			
Employee Benefits Expenses	24	2,183,934	1,869,688
Finance cost	25	75,126	199,034
Depreciation	11	103,697	87,302
Others expenses	26	2,895,205	3,540,434
IV Total expenses (IV)		5,257,962	5,696,458
V Profit/ (loss) before tax (III-IV)		(3,391,258)	(4,305,549)
VI Tax expense			
(i) Current tax			
(ii) Deferred tax (credit) / charge		871	130,397
Total tax expense (VI)		871	130,397
VII Profit for the year (V-VI)		(3,392,129)	(4,435,946)
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurements of defined benefit plans		(67,684)	(5,715)
(b) Equity Instruments through FVTOCI		(150,982)	(4,357)
- Income tax relating to above mentioned item		-	-
Other comprehensive income for the year, net of tax		(218,666)	(10,072)
Total comprehensive income for the year (VII +VIII)		(3,610,795)	(4,446,018)
IX Earnings per equity share of face value of Rs. 10 each (previous year Rs. 10 each)	27		
Basic (Rs.)		(0.47)	(0.62)
Diluted (Rs.)		(0.47)	(0.62)
Signifiacant accounting policies and notes to the financial statements	1-42		

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For **Rajesh Suresh Jain & Associates**
Chartered Accountants
FRN:017163N

RAJESH JAIN
Partner
Membership No. 098229

For and on behalf of the Board of Directors of
HB Securities Limited

ANIL GOYAL
(Director)
(DIN: 00001938)

PRAVEEN GUPTA
(Director)
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HIMANSHU KANSAL
(Chief Financial Officer)

DINESH KAPOOR
(Company Secretary)
(MEM. NO. FCS-6731)

Place: New Delhi
Date : 25 June 2020

HB SECURITIES LIMITED
CIN: U67120DL1991PLC044025

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

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A.	**CASH FLOW FROM OPERATION ACTIVITIES**		
	Profit before tax	(3,391,258)	(4,305,549)
	Adjustment for :		
	Depreciation	103,697	87,302
	(Profit)/ Loss on sale of Property Plant & Equipment	8,326	(50,000)
	Interest / Dividend income	(1,262,468)	(1,251,330)
	Cash generated form operation before working capital changes	(4,541,703)	(5,519,577)
	Working capital changes		
	Increase/ (decrease) in trade receivables	(141,331)	(1,410)
	Increase/ (decrease) in other financial assets	2,762,728	(12,013,116)
	Increase/ (decrease) in other non-financial assets	4,336,349	(4,480,273)
	(Increase) /decrease in other financial liabilities	54,505	(96,751)
	(Increase) /decrease in provisions	(26,535)	6,554
	(Increase) /decrease in other non financial liabilities	1,858,390	7,112,021
	Cash Flows before OCI and Tax	4,302,403	(14,992,552)
	Income Tax paid	(150,552)	135,964
	NET CASH FLOW FROM/ (USED) OPERATING ACTIVITIES	4,452,955	(15,128,516)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property plant & equipment	-	(98,800)
	Sale of Property plant & equipment	84,745	50,000
	Sale of Investments	-	337,372
	Interest/ Dividend received	1,262,468	1,251,330
	Receipts form maturity of Fixed deposits	-	5,000,000
	NET CASH USED IN INVESTING ACTIVITIES	1,347,213	6,539,902
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds / (Repayment)from Borrowings	(863,898)	(1,523,966)
	Redemption of Pref Share Capital	(30,000,000)	(20,000,000)
	Proceeds from issue of Pref Share Capital	30,000,000	30,000,000
	NET CASH USED IN FINANCING ACTIVITIES	(863,898)	8,476,034
	NET INCRESE/ DECREASE IN CASH & CASH EQUIVALENTS (A+B+C)	4,936,270	(112,580)
	OPENING CASH AND CASH EQUIVALENTS	4,411,978	4,524,559
	CLOSING CASH AND CASH EQUIVALENTS	9,348,248	4,411,978

Note: 1. Cash Flow Statement has been prepared under indirect method as set out in IND AS-7 (Cash Flow Statement)
2. Cash and Cash Equivalents consist of cash in hand balances with banks.

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Rajesh Suresh Jain & Associates
Chartered Accountants
FRN 017163N

RAJESH JAIN
Partner
Membership No. 098229

For and on behalf of the Board of Directors of HB Securities Limited

ANIL GOYAL
(Director)
(DIN: 00001938)

PRAVEEN GUPTA
(Director)
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HIMANSHU KANSAL
(Chief Financial Officer)

DINESH KAPOOR
(Company Secretary)
(MEM. NO. FCS-6731)

Place: New Delhi
Date : 25 June 2020

HB SECURITIES LIMITED
CIN: U67120DL1991PLC044025

Standalone Statement of Changes in Equity

a. Equity share capital

	Number of Shares	(Rs.)
As at April 01, 2018	7,207,570	72,075,700
Changes in Equity share capital during the year	-	-
As at March 31, 2019	7,207,570	72,075,700
Changes in Equity share capital during the year	1,000,000	10,000,000
As at March 31, 2020	8,207,570	82,075,700

b. Other equity

	Reserves and surplus		Other Comprehensive Income	Total
	Securities Premium	Retained Earnings		
Balance as at April 01, 2018	17,000,000	(23,436,854)	(473,856)	(6,910,710)
Profit for the year	-	(4,435,946)	-	(4,435,946)
Other comprehensive income (net of tax)	-	-	(4,357)	(4,357)
Transferred to/(from)	-	-		-
Total comprehensive income for the year	17,000,000	(27,872,800)	(478,213)	(11,351,013)
Balance as at March 31, 2019	17,000,000	(27,872,800)	(478,213)	(11,351,013)
Profit for the year	-	(3,392,129)	-	(3,392,129)
Other comprehensive income for the year	-	-	(150,982)	(150,982)
Transferred to/(from)		-		-
Total comprehensive income for the year	-	(3,392,129)	(150,982)	(3,543,111)
Balance as at March 31, 2020	17,000,000	(31,264,929)	(629,195)	(14,894,123)
Signifiacant accounting policies and notes to the financial statements	1-42			

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For Rajesh Suresh Jain & Associates
Chartered Accountants
FRN:017163N

RAJESH JAIN
Partner
Membership No. 098229

Place: New Delhi
Date : 25 June 2020

For and on behalf of the Board of Directors of
HB Securities Limited

ANIL GOYAL
(Director)
(DIN: 00001938)

PRAVEEN GUPTA
(Director)
(DIN: 00002375)

HIMANSHU KANSAL
(Chief Financial Officer)

DINESH KAPOOR
(Company Secretary)
(MEM. NO. FCS-6731)

HB SECURITIES LIMITED

Notes forming part of the standalone financial statements for the year ended 31 March 2020

1. **Company Information / Overview**

The Company is member of Nation Stock Exchange of India. The Company is also depository participants registered with National Securities Depository Limited (NSDL). The entire share capital of the company is held by HB Portfolio Limited. The Company is incorporated and domiciled in India having its registered office at Delhi, India.

2. **Basis of preparation of financial statements.**

(A) Compliance with Ind As

The financial statements of the Company comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies(Indian Accounting Standards) Rules, 2015 as ammended from time to time and other relevant provisions of the Act. The Indian Accounting Standards (Ind AS) has become applicable on the company by virtue of there applicapability on the holding company HB Portfolio Limited.

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

The transition to Ind As has been carried out in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 1April, 2018.

An explanation of how the transition to Ind AS from the previous GAAP has effected the previously reported financial position, financial performance and cash flows of the Company is provided in Note .

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

(B) Presentation of financial statements

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

(C) Basis of preparation

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

3. **Significant Accounting Policies**

3.1 **Use of estimates and judgement**

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

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

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

A) **Effective Interest Rate (EIR) Method**

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

B) **Impairment of loans portfolio**

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

C) **Defined employee benefit assets and liabilities**

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

D) **Fair value measurement:**

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

E) **Other Estimates:**

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

3.2 Financial Instruments

A) **Initial Recognition and measurement**

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

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

B) **Classification and Subsequent measurement of financial assets-**

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

a. **Amortised Cost**

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

b. **FVOCI- debt instruments**

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

c. **FVOCI- equity instruments**

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

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

d. **FVTPL**

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

Subsequent Measurement of financial assets

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

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

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

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

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

C). *Financial Liabilities and equity instruments*

Classification as debt or equity

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

Equity Instruments

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

Financial Liabilities

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

D). **Derecognition**

Financial Assets

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

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

Financial liabilities

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

E). **Offsetting**

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

F). **Impairment**

The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

G). **Write offs**

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in statement of profit and loss.

3.3 Cash and cash equivalents

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

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

3.4 Property, plant and equipments (PPE)

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

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

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

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

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

Particulars	**Useful life**
Furniture & fixture	10 years
Office equipment	5 years
Server and networking	6 years
Computer	3 years
Building	30 years
Vehicles	8 years

Assets costing less than Rs.5000/- are fullydepreciated in the period of purchase.

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

3.5 Intangible assets :

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

3.6 Impairment of assets other than financial assets :

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

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

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

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

3.7 Investments in subsidiaries and asociates :

Investments in subsidiaries and associate are measured at cost less accumulated impairment, if any.

3.8 Provisions :

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

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

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

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

3.9 Revenue recognition

A) Recognition of interest income on loans

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

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

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

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

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

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

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

B) Fees and commission income :

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

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

C) Dividend and interest income on investments :

- Dividends are recognised in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

-Interest income from investments is recognised when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.10 Employee Benefits :

A) Short-term employee benefits

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

B) Contribution to provident fund and ESIC

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

C) Gratuity

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of profit and loss.

Remeasurement gains/ losses-

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

Remeasurement gains/ losses-

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

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

D) Superannuation fund

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

E) Leave encashment / compensated absences

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

F) Employee stock options -

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

3.11 Finance costs

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

3.12 Taxation - Current and deferred tax:

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

A) Current tax :

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

B) Deferred tax :

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

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

3.13 Leases

As a lessee

The Company has applied Ind AS 116. For these short term and low value leases, the company recognizes the lease payments as an expense in the Statement of Profit and Loss on a Straight line basis over the term of lease.

3.14 Exceptional items

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

3.15 Earning per share

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

3.16 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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Notes forming part of the financial statements for the year ended 31 March 2020

4. Cash and cash equivalent

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Cash on Hand	241,562	241,562	241,562
Balance with Banks			
- In current and deposit account	9,106,686	4,170,416	4,282,997
Total	9,348,248	4,411,978	4,524,559

5. Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Deposit with bank*	17,025,000	17,025,000	22,025,000
Total	17,025,000	17,025,000	22,025,000

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

6. Receivables

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Trade Receivables			
Unsecured considered good	198,463	57,131	55,721
Total	198,463	57,131	55,721

8. Other Financial Assets

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Security Deposits-with Stock Exchanges & Depository	21,509,471	24,245,000	12,200,000
Interest Accured on FDRs	232,650	259,849	291,734
Total	21,742,121	24,504,849	12,491,734

9. **Current Tax Assets (Net)**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Income Tax and TDS (Net of Provisions)	140,261	290,813	154,849
Total	140,261	290,813	154,849

The components of income tax expenses :

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Current tax	-	-
Adjustments in respect of current income tax of prior years	-	-
Deferred tax relating to origin and reversal of temporary differences	871	130,397
Income tax expense reported in statement of profit and loss	871	130,397
Income tax recognised on other comprhensive income (OCI)		
Deferred tax related to items recognised in OCI during the period:		
- Remeasurement of defined benefit plans	-	-
Income tax charged to OCI	-	-

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

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Accounting profit before tax	-3,391,258	-4,305,549
Applicable Stautory Enacted Income Tax Rate	29.12%	29.12%
Computed Tax Expenses	-	-
- Adjustments recognised in relation to tax of prior years	-	-
- Current year tax provision	-	-
- Deffered tax provision	871	130,397
Income tax expense reported in the Statement of Profit and Loss	871	130,397

10. **Deferred Tax Assets (Net)**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Leave Encashment/gratuity	50996	40,297	44,102
Fixed Assets	98084	109,654	236,246
Total	149,080	149,951	280,348

12. **Other Non Financial Assets**

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Prepaid Expenses	1,920,019	1,911,369	1,365,370
Amount Recoverable from Employees	538,100	533,100	548,826
Advances for Purchase of Properties	20,650,000	25,000,000	21,050,000
Total	23,108,119	27,444,469	22,964,196

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Notes forming part of the standalone financial statements for the year ended 31 March 2020

7. INVESTMENTS

Name of the Company	Face Value (₹)	As at 31st March,2020		As at 31st March,2019		As at 1st April,2018	
		Qty.(Nos.)	Amount in ₹	Qty.(Nos.)	Amount in ₹	Qty.(Nos.)	Amount in ₹
(A) INVESTMENTS IN EQUITY INSTRUMENTS							
(a) Quoted Instrument fully paid up Equity Shares(At FVTOCI)*							
Oswal Agro Mills Limited	10	12800	52864	12800	104704	12800	166400
Nahar Spinning Mills Limited	10	607	15782	607	55601	607	52506
Pasupati Spinning & Wvg. Mills Limited	10	1520	11902	1520	31008	1520	35264
Nahar Capital And Financial Services Limited	10	258	11249	258	23349	258	31734
Tata Steel Limited	10	0	0	0	0	560	319704
State Bank of India	1	224	41877	224	71859	224	56022
TOTAL (a)		15409	133673	15409	286521	15969	661630
(b) 'In Equity Shares of Associates (At Cost)*							
Merwanjee Securities Limited	10	1200000	12000000	1200000	12000000	1200000	12000000
TOTAL (b)		1200000	12000000	1200000	12000000	1200000	12000000
(c) 'Unquoted Fully paid up shares (At FVTOCI)*							
Delhi Stock Exchange Limited	1	47044	1256075	47044	1243843	47044	1187560
TOTAL (c)		47044	1256075	47044	1243843	47044	1187560
(d) PARTLY PAID UP EQUITY SHARES (At FVTOCI)							
Tata Steel Limited	10	300	8895	300	19260	300	42165
TOTAL (d)		300	8895	300	19260	300	42165
TOTAL A (a+b+c+d)		1262753	13398643	1262753	13549624	1263313	13891354
(B) INVESTMENTS IN PREFERENCE SHARES							
Gemini Portfolios Pvt Ltd (9% Non Cumulative)	100	400000	40000000	400000	40000000	400000	40000000
TOTAL B		400000	40000000	400000	40000000	400000	40000000
TOTAL INVESTMENTS (A+B)		1662753	53398643	1662753	53549624	1663313	53891354

Notes
* Listed but not quoted
All above investments are in India itself

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11. **Property, Plant & Equipment**

Particulars	**Generator**	**Office Equipment**	**Vehicles**	**Computer**	**Total**
GROSS BLOCK					
As at 1st April, 2018	1,870,482	1,102,426	4,775,363	4,895,709	12,643,980
Additions during the year	-	-	-	98,800	98,800
Deletions during the year	-	-	-701,702		-701,702
As at 31st March, 2019	1,870,482	1,102,426	4,073,661	4,994,509	12,041,078
Additions during the year	-	-	-	-	-
Deletions during the year	-	-	-1,861,439	-	-1,861,439
As at 31st March, 2020	1,870,482	1,102,426	2,212,222	4,994,509	10,179,639
ACCUMULATED DEPRECIATION					
As at 1st April, 2018	1,481,369	1,044,610	4,682,291	4,872,997	12,081,267
Depreciation Expense for the year	66,932	13,022	-	7,348	87,302
Adjustment during the year	-	-	-701,702	-	-701,702
As at 31st March, 2019	1,548,301	1,057,632	3,980,589	4,880,345	11,466,867
Additions during the year	66,932	4,953	-	31,811	103,697
Adjustment during the year	-	-	-1,768,367		-1,768,367
As at 31st March, 2020	1,615,233	1,062,585	2,212,222	4,912,156	9,802,196
Net Block as at 31st March, 2020	255,249	39,841	0	82,353	377,443
Net Block as at 31st March, 2019	322,181	44,794	93,072	114,164	574,211
Net Block as at 1st April, 2018	389,113	57,816	93,072	22,712	562,713

13. Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(A) In India			
At amortised cost:			
Overdraft facility from HDFC Bank Ltd	-	863,898	2,387,864
Outside India	-	-	-
	-	863,898	2,387,864
(B) Out of above			
Secured	-	863,898	2,387,864
Unsecured	-	-	-
Total	-	863,898	2,387,864

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

14. Subortinated liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
(A) In India			
At amortised cost:			
6% Redeemable Cumulative Preference Shares of Rs. 1000/- each fully paid up	-	-	20,000,000
6% Redeemable Non-Cumulative Non-Convertible Prefence Shares of Rs. 1000/- each fully paid up	-	30,000,000	-
(B) Outside India	-	-	-
Total	-	30,000,000	20,000,000

Five Thousand (5000) 6% Series II- Tranche-I Non Convertible Non Cumulative Redeemable Preference Shares having Face Value of Rs. 1000/- each alloted on 29.09.2018 which were due to be matured on 29.09.2028. However all these preference shares have been redeemed during the financial year 2019-20.

Twenty Five Thousand (25000) 6% Series II- Tranche-II Non Convertible Non Cumulative Redeemable Preference Shares having Face Value of Rs. 1000/- each alloted on 30.11.2018 which were due to be matured on 29.09.2028. However all these preference shares have been redeemed during the financial year 2019-20.

15. Other Financial Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Expenses Payable	298,030	243,525	340,276
Total	298,030	243,525	340,276

16. Provisions

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Provision for Employees Benefits			
Leave Encashment	196,139	154,990	142,724
Total	196,139	154,990	142,724

17. Other Non-Financial Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
Statutory Dues Payable	15,176	17,249	11,407
Advances From Customers, margin money etc.	32,869,855	36,009,392	28,903,213
Advance from Related Party	5,000,000	-	-
Total	37,885,031	36,026,641	28,914,620

18. Equity Share Capital

Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
a. **Authorised:**			
90,00,000 (March 31, 2019- 90,00,000 and April 01, 2018 - 1,00,00,000) Equity Shares of Rs.10/- each.	90,000,000	90,000,000	100,000,000
50,000 (March 31, 2019- 50,000 and April 01, 2018 - 40,000) Preference Shares of Rs.1000/- each.	50,000,000	50,000,000	40,000,000
Total	140,000,000	140,000,000	140,000,000
b. **Issued, Subscribed & Paid-up**			
82,07,570 (March 31, 2019- 72,07,570 and April 01, 2018 - 72,07,570) Equity Shares of Rs.10/- each.	82,075,700	72,075,700	72,075,700
Total	82,075,700	72,075,700	72,075,700

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

Particulars	Number of Shares	Amount in Rs.
As At April 01, 2018	7,207,570	72,075,700
Issued during the year	-	-
As At March 31, 2019	7,207,570	72,075,700
Issued during the year*	1,000,000	10,000,000
As At March 31, 2020	8,207,570	82,075,700

d. **Terms / rights attached to the equity shares**

Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of Rs. 10/-. 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.

--- 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.

* 'Ten Lakh (1000000) Equity Shares having Face Value of Rs. 10/- each alloted on 11.02.2020.

e. Shareholders holding more than 5% shares in the Company:

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Equity Shares						
HB Portfolio Limited	8,207,510	100.00%	7,207,510	100.00%	7,207,510	100.00%

19. Other Equity

	Particulars	As at 31 March 2020	As at 31 March 2019	As at 01 April 2018
a.	**Securities Premium**			
	Opening Balance	17,000,000	17,000,000	
	Less: Allotment money receivable	-	-	
	Cosing Balance	17,000,000	17,000,000	17,000,000
b.	**Other comprehensive income**			
	Opening Balance	(483,928)	(473,856)	
	Add: Remeasurement gain/ (losses) on defined benefit plan	(67,684)	-5,715	
	Add: Fair value changes on Instruments at FVTOCI	(150,982)	(4,357)	
	Less: Taxes on above item	-	-	
	Cosing Balance	(702,594)	(483,928)	(473,856)
c.	**Equity Component of Compound financial Instruments***			
	Opening Balance	-	-	
	Add:	20,000,000	-	
	Cosing Balance	20,000,000	-	-
d.	**Retained Earning**			
	Opening Balance	(27,872,800)	(23,436,854)	
	Add: Profit for the current year	(3,392,129)	(4,435,946)	
	Add/ Less: Appropriations			
	Closing Balance	(31,264,929)	(27,872,800)	(23,436,854)
	TOTAL OTHER EQUITY	5,032,478	(11,356,728)	(6,910,710)

Description of the nature and purpose of Other Equity:

Securities Premium

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

Other Comprehensive Income-Remeasurement gain/ (losses) on defined benefit plan

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

Equity Component of Compound financial Instruments

The Twenty Thousand (20000) 0% Fully Convertible Preference Shares - Series I having Face Value of Rs. 1000/- each alloted on Right basis to the holding company HB Portfolio Limited. The terrms of conversion into equity share are as under: -

The '0% Fully Convertible Preference Shares – Series I' of Rs. 1,000/- (Rupees One Thousand) each shall be compulsorily converted into Equity Shares of Rs. 10/- (Rupees Ten) each in the following manner:-

(i) 25% of the face value to be converted into Equity Shares at the end of 17th year of allotment at a price / premium to be determined as per the then prevailing Income Tax Act and Rules applicable to the Company.

(ii) Next 25% of the face value to be converted into Equity Shares at the end of 18th year of allotment at a price / premium to be determined as per the then prevailing Income Tax Act and Rules applicable to the Company.

(iii) Next 25% of the face value to be converted into Equity Shares at the end of 19th year of allotment at a price / premium to be determined as per the then prevailing Income Tax Act and Rules applicable to the Company.

(iv) Rest 25% of the face value to be converted into Equity Shares at the end of 20th year of allotment at a price / premium to be determined as per the then prevailing Income Tax Act and Rules applicable to the Company.

Retained Earnings

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

Notes forming part of the standalone financial statements for the year ended 31 March 2020

(Amount in Rs.)

20. **Interest Income**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Interest on Fixed Deposit with Bank	1,260,499	1,249,888
Total	1,260,499	1,249,888

21. **Dividend Income**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Dividend on Investments	1,969	1,442
Total	1,969	1,442

22. **Fees and commission income**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Brokerage, Commission & Service Charges (Net)	585,884	89,579
Total	585,884	89,579

23. **Other Income**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Interest on Income Tax Refund	18,352	-
Net gain on disposal of property, plant and equipment	-	50,000
Total	18,352	50,000

24. **Employee Benefit Expenses**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Salary & Benefits	1,962,941	1,765,413
Contribution to Provident fund and Gratuity fund	220,993	104,275
Total	2,183,934	1,869,688

25. **Finance cost**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Interest Expense on OD facility	75,126	199,034
Total	75,126	199,034

26. **Other Expenses**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Legal & Professional	141,496	144,941
Conveyance & Travelling	5,757	9,971
Printing & Stationary	24,229	11,105
Repair & Maintenance		
-Vehicles	271,262	383,278
-Others	1,438,918	1,542,637
Insurance	38,024	53,642
Membership & Subscription	162,365	131,833
Postage Telegram & Telephone	20,719	49,240
Miscellaneous	84,819	48,622
VSAT Charges	36,000	36,000
Loss on Sale of Fixed Asset	8,326	-
Bank Charges	174,320	171,676
Electricity Charges	455,970	915,489
Auditors Remuneration		
-Audit Fees	15,000	15,000
-Certification & Other Matters	18,000	27,000
Total	2,895,205	3,540,434

27. **Earning Per Share (EPS)**

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Profit for the year (Rs.)	(3,392,129)	(4,435,946)
Weighted average number of Equity Shares used in computing basic EPS	7,290,903	7,207,570
Weighted average number of Equity Shares used in computing diluted EPS	7,290,903	7,207,570
Basic Earnings per share (Rs.)	(0.47)	(0.62)
Diluted Earnings per share (Rs.)	(0.47)	(0.62)
Face value per share (Rs.)	10	10

28. RELATED PARTY TRANSACTIONS

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

a) **Holding Company**

Five Thousand (5000) 6% Series II- Tranche-I Non Convertible Non Cumulative Redeemable Preferenc

Twenty Five Thousand (25000) 6% Series II- Tranche-II Non Convertible Non Cumulative Redeemable Preference Shares having Face Value of Rs. 1000/- each alloted on 30.11.2018 which were due to be matured on 29.09.2028. However all these preference shares have been redeemed during the financial year 2019-20.

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 31.03.2020	For the year ended 31.03.2019
i	HB Portfolio Limited	Depository Charges Received	20724	9006
		Advance Received	5000000	-
		Guarantee Given on behalf of company	19300000	19300000
		Issue of Equity Shares	10000000	-
		Redemption of Preference Shares	30000000	-
		Issue of Preference Shares	20000000	30000000
ii	HB Estate Developers Ltd.	Depository Charges Received	1770	1180
		Redemption of Preference Shares	-	10000000
iii	HB Stockholdings Limited	Depository Charges Received	5356	9639
iv	RRB Securities Ltd.	Depository Charges Received	1770	4955
		Redemption of Preference Shares	-	5000000
v	HB Leasing & Finance Co. Ltd.	Depository Charges Received	1770	1358
vi	RRB Master Securities Delhi Limited.	Depository Charges Received	42088	13994
		Margin/ Advance Received/ (Paid) (Net)	19700000	6900000

Related Party Balances

(Amount in Rs.)

Sr. No.	Particulars	Nature of Balance	For the year ended 31.03.2020	For the year ended 31.03.2019
i	HB Leasing & Finance Co. Ltd.	Depository Charges	-	178
ii	HB Portfolio Limited	Advance	5000000	-
iii	RRB Master Securities Delhi Limited.	Margin/ Advance	33742210	35860694

29 **Retirement Benefit Obligations**

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

A) **Defined Contributions Pans:**

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

Particulars	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Company Contribution to Provident Fund	99,636	106,416

B) **Defined Benefit Plans:**

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

(i) Movement in defined benefit obligation

(Amount in Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March31, 2020	Year ended March31, 2019	Year ended March31, 2020	Year ended March31, 2019
Present value of obligation -at the beginning of the period	603,301	525,295	154,990	142,724
Interest cost	42,231	36,771	10,849	11,061
Current service cost	38,439	34,240	10,468	8,564
Benefits paid	-	-	(20,100)	(10,933)
Remeasurements - actuarial (gain)/ loss	27,752	6,995	39,932	3,574
Present value of obligation -at the end of the period	711,723	603,301	196,139	154,990

(ii) Movement in Plan Assets – Gratuity

(Amount in Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March31, 2020	Year ended March31, 2019	Year ended March31, 2020	Year ended March31, 2019
Fair value of plan assets at beginning of year	654,125	606,795	-	-
Expected return on plan assets	-	42,476	-	-
Employer contributions	10,000	-	-	-
Benefits paid	-	-	-	-
Actuarial gain / (loss)	-	4,854	-	-
Fair value of plan assets at end of year*	664,125	654,125	-	-

*100% of fund is managed by Insurance Company

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

(Amount in Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March31, 2020	Year ended March31, 2019	Year ended March31, 2020	Year ended March31, 2019
Present value of obligation -at the end of the period	711,723	603,301	196,139	154,990
Fair value of plan assets at end of year	664,125	654,125	-	-
Net liability/(asset) recognized in Balance Sheet	47,598	(50,824)	196,139	154,990
Funded Status- Surplus/ (Deficit)	(47,598)	50,824	(196,139)	(154,990)

(iii) Expense recognised in the statement of Profit and Loss:

(Amount in Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March31, 2020	Year ended March31, 2019	Year ended March31, 2020	Year ended March31, 2019
Interest cost	42,231	36,771	10,849	11,061
Current Service cost	38,439	34,240	10,468	8,564
Expected return on plan assets	-	(42,476)	-	-
Expenses to be recognised in P&L	80,670	28,535	21,317	19,625

(iv) Recognised in other comprehensive income

(Amount in Rs.)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March31, 2020	Year ended March31, 2019	Year ended March31, 2020	Year ended March31, 2019
Cumulative unrecognized actuarial (gain)/loss opening. B/F	2,141	-	20,206	16,632
Remeasurement - Actuarial (gain)/loss -Obligation	27,752	6,995	39,932	3,574
Remeasurement - Actuarial (gain)/loss -Plan assets	-	(4,854)	-	-
Total Acturial (gain)/loss	27,752	2,141	39,932	3,574
Cumulative unrecognized actuarial (gain)/loss opening. C/F	29,893	2,141	60,138	20,206

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

Weighted average actuarial assumptions	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Year ended March31, 2020	Year ended March31, 2019	Year ended March31, 2020	Year ended March31, 2019
Discount Rate	7.00 % per anum	7.00 % per anum	7.00 % per anum	7.75 % per anum
Expected Rate of increase in salary	6.00 % per anum	6.00 % per anum	6.00 % per anum	6.00 % per anum
Mortality rate	IALM 2012-14	IALM 2006-08 Ultimate	IALM 2012-14	IALM 2006-08 Ultimate
Withdrwal Rate- 18 to 30 Years	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.	5.00 % p.a.
- 30 to 44 Years	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.	3.00 % p.a.
- 44 to 70 Years	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.	2.00 % p.a.

(vi) Sensitivity analysis:

For the year ended March 31, 2020

Particulars	Change in assumption	Effect on Gratuity	Effect on leave Encashment
Discount rate	+1%	634,842	175,410
	-1%	801,144	220,088
Salary Growth rate	+1%	801,144	220,088
	-1%	633,495	175,044
Attrition Rate	+1%	717,817	197,695
	-1%	704,961	194,430

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

(Amount in Rs.)

Particulars	Gratuity	Leave encashment
01 Apr 2020 to 31 Mar 2021	20,434	5,489
01 Apr 2021 to 31 Mar 2022	7,456	190,659
01 Apr 2022 to 31 Mar 2023	7,456	-
01 Apr 2022 to 31 Mar 2024	7,453	-
01 Apr 2022 to 31 Mar 2025	7,449	-
01 Apr 2025 Onwards	661,475	-

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

(a) Counter Guarantee in respect of Bank Guarantee given by the Companies Bankers outstanding as on 31st March, 2020 Rs.1.33 Crores (Previous year

31 QUANTITATIVE DETAILS

Quantitative information in respect of Investments in securities:

EQUITY INSTRUMENTS

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty.(Nos.)	Amount (₹)
Opening Balance	1662753	53549624	1663313	53891354
Purchases	0	0	0	0
Sales	0	0	560	285600
Closing Balance	1662753	53398643	1662753	53549624

32 Due to Micro,Small and Medium Enterprises

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

Note: 33 First-time Adoption of Ind As

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

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

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

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

(A) Mandatory exceptions and optional exemptions availed :

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

Mandatory exceptions

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

(i) Estimates

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

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

(ii) Derecognition of financial assets and financial liabilities

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

(iii) Classification and measurement of financial assets

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

(iv) Impairment of financial assets

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

Optional exemptions availed

(i) Investments in Subsidiaries, associates

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

(ii) Property, plant, equipment & intangible assets

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

(iii) Business combinations

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

(B) **Reconciliation between Ind AS and previous GAAP are given below:**
Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods. The following table represent the reconciliation from previous GAAP to Ind AS.

Reconciliarion of balance sheet as at date of transition 1st April 2018

Particulars	Note	Previous GAAP*	Adjustments	Ind As
ASSETS				
Financial Assets				
a. Cash and cash equivalents	4	4,524,559	0	4,524,559
b. Bank Balance other than (a) above	5	22,025,000	0	22,025,000
c. Receivables				
(i) Trade receivables	6	55,721	0	55,721
c. Investments	7	54,348,578	-457,224	53,891,354
e. Other Financial Assets	8	12,491,734	0	12,491,734
Non-Financial Assets				
a. Current tax assets (Net)	9	154849	0	154,849
b. Deferred tax assets (Net)	10	280348	0	280,348
c. Property, Plant and Equipment	11	562,713	0	562,713
d. Other non -financial assets	12	22,964,196	0	22,964,196
TOTAL ASSETS		117,407,698	-457,224	116,950,474
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
a. Borrowings	13	2,387,864	0	2,387,864
b. Subortinated liabilities	14	0	20,000,000	20,000,000
c. Other financial liabilities	15	340,276	0	340,276
Non-Financial Liabilities				
a. Provisions	16	142,724	0	142,724
b. Other non-financial liabilities	17	28,914,620	0	28,914,620
Equity				
a. Equity Share Capital	18	92,075,700	-20,000,000	72,075,700
b. Other Equity	19	-6,453,486	-457,224	-6,910,710
TOTAL LIABILITIES		117,407,698	-457,224	116,950,474

* The Previous GAAP figures have been reclassified to confirm to IndAS presentation requirements for the purpose of this note.

Reconciliation of balance sheet as at date of transition 31 March 2019

Particulars	Note	Previous GAAP*	Adjustments	Ind As
ASSETS				
Financial Assets				
a. Cash and cash equivalents	4	4,411,978	0	4,411,978
b. Bank Balance other than (a) above	5	17,025,000	0	17,025,000
c. Receivables				
(i) Trade receivables	6	57,131	0	57,131
c. Investments	7	54,062,978	-513,354	53,549,624
e. Other Financial Assets	8	24504849	0	24,504,849
Non-Financial Assets				
a. Current tax assets (Net)	9	290,813	0	290,813
b. Deferred tax assets (Net)	10	149,951	0	149,951
c. Property, Plant and Equipment	11	574,211	0	574,211
d. Other non -financial assets	12	27444469	0	27,444,469
TOTAL ASSETS		128,521,380	-513,354	128,008,026
LIABILITIES AND EQUITY				
LIABILITIES				
Financial Liabilities				
a. Borrowings	13	863,898	0	863,898
b. Subortinated liabilities	14	0	30,000,000	30,000,000
c. Other financial liabilities	15	243,525	0	243,525
Non-Financial Liabilities				
a. Provisions	16	154,990	0	154,990
b. Other non-financial liabilities	17	36,026,641	0	36,026,641
Equity				
a. Equity Share Capital	18	102,075,700	-30,000,000	72,075,700
b. Other Equity	19	-10,843,374	-513,354	-11,356,728
TOTAL LIABILITIES		128,521,380	-513,354	128,008,026

* The Previous GAAP figures have been reclassified to confirm to IndAS presentation requirements for the purpose of this note

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

Particulars	Note	As at 31st March 2019	As at 1st April 2018
Equity as reported under previous GAAP		91,232,326	85,622,214
Adjsutments			
Impact due to fair valuation of investments designated under FVOCI		-513,354	-457,224
Redeemable instruments designated as subortinated liabilities		-30,000,000	-20,000,000
		-30,513,354	-20,457,224
Less: Tax adjustments		-	-
Equity as per Ind AS		60,718,972	65,164,990

Reconciliation of total comprehensive income for the year ended 31 March 2019

Particulars	Note	Previous GAAP*	Adjustments	Ind As
INCOME				
Revenue from operations				
(i) Interest Income	20	1,249,888	0	1,249,888
(ii) Dividend Income	21	1,442	0	1,442
(iii) Fees and commission income	22	89,579	0	89,579
I Total Revenue from operations		1,340,909	0	1,340,909
II Other Income	23	50,000	0	50,000
III Total income (I+II)		1,390,909	0	1,390,909
EXPENSES				
Employee Benefits Expenses	24	1,875,403	(5,715)	1,869,688
Finance Costs	25	199,034	0	199,034
Depreciation and amortisation expense	11	87,302	0	87,302
Others expenses	26	3,540,434	0	3,540,434
IV Total expenses (IV)		5,702,173	(5,715)	5,696,458
V Profit/ (loss) before tax (III-IV)		(4,311,264)	5,715	(4,305,549)
VI Tax expense				
(i) Current tax		0	0	0
(ii) Deferred tax (credit) / charge		130,397	0	130,397
Total tax expense (VI)		130,397	0	130,397
VII Profit for the year (V-VI)		(4,441,661)	5,715	(4,435,946)
VIII Other comprehensive income				
Items that will not be reclassified to profit or loss				
(a) Remeasurements of defined benefit plans		0	(5,715)	(5,715)
(b) Equity Instruments through FVTOCI		0	(4,357)	(4,357)
-Income tax relating to above mentioned item				
Other comprehensive income for the year, net of tax		0	(10,072)	(10,072)
Total comprehensive income for the year (VII +VIII)		(4,441,661)	(4,357)	(4,446,018)

Reconciliation of total comprehensive income for the year ended 31 March 2019 summarised in below table

Particulars	31st March 2019
Profit after tax as reported under previous GAAP	(4,441,661)
Adjustments:	
Net (loss)/ gain on fair value changes	
Net Profit After Tax as per Ind AS	(4,441,661)
Fair value changes	(4,357)
Other comprehensive income	(4,357)
Total comprehensive income as per Ind AS	(4,446,018)

Note: 34 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The company has adequate cash and bank balances. The company monitors its capital by careful scrutiny of the cash and bank balances, and a regular assessment of any debt requirements. In the absence of any significant amount of debt, the maintenance of debt equity ratio etc. may not be of any relevance to the Company.

Note: 35 **Financial Risk Management**

Financial risk factors

The Company's principal financial liabilities, comprise borrowings and other payables. The main purpose of these financial liabilities is to purchase certain fixed assets and other liabilities incurred during the ordinary course of Company's operations. The Company's principal financial assets include Investments, inter corporate deposits, loans, cash and cash equivalents and other receivables. The Company's activities expose it to a variety of financial risks:

I. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments.

The company is exposed to market risk primarily related to the market value of its investments.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of Financial Instruments will fluctuate because of change in market interest rates.The company does not have exposure to the risk of changes in market interest rate as it has debt obligations with fixed interest rates which are measured at amortised cost.

Currency risk

Currently company does not have transaction in foreign currencies and hence the company is not exposed to currency risk.

Equity Price Risk

(a) Exposure

The company is exposed to equity price risk arising from Investments held by the company and classified in the balance sheet as fair value through P&L. To manage its price risk arising from investment in equity securities, the company diversifies its portfolio.

The majority of the company's equity instruments are listed on the Bombay stock exchange (BSE) or the National stock exchange (NSE) in India.

(b) Sensitivity analysis- Equity price risk

The table below sumarise the impact of increase/ decrease of the index on the company's equity and the profit for the period. The analysis is based on the assumption that the equity/ index had increased by 2% or decreased by 2% with all other variable held constant, and that all the company's equity instruments moved in line with the Index.

(Amount in Rs.)

	Impact on OCI for the year ended 31st March 2020	
	31-Mar-20	31-Mar-19
NSE/ BSE Index - Increase by 2 %	2,673	5,730
NSE/ BSE Index - Decrease by 2 %	-2,673	-5,730

II. Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.The company is exposed to credit risk from its financing activities towards inter corporate loans where no significant impact on credit risk has been identified.

III. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.The Company manages its liquidity requirement by analysing the maturity pattern of Company's cash flows of financial assets and financial liabilities.

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities.

(Amount in Rs.)

As at 31st March, 2020	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and cash equivalents	9,348,248		9,348,248
Bank Balance other than above	17,025,000		17,025,000
Receivables			-
(i) Trade receivables	198,463		198,463
Investments	1,398,643	52,000,000	53,398,643
Other Financial Assets	21,742,121		21,742,121
Total	49,712,475	52,000,000	101,712,475
Financial Liabilities			
Borrowings	-		-
Subortinated liabilities	-		-
Other financial liabilities	298,030		298,030
Total	298,030	-	298,030

(Amount in Rs.)

As at 31st March, 2019	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and cash equivalents	4,411,978		4,411,978
Bank Balance other than above	17,025,000		17,025,000
Receivables			-
(i) Trade receivables	57,131		57,131
Investments	1,549,624	52,000,000	53,549,624
Other Financial Assets	24,504,849		24,504,849
Total	47,548,583	52,000,000	99,548,583
Financial Liabilities			
Borrowings	863,898		863,898
Subortinated liabilities	30,000,000		30,000,000
Other financial liabilities	243,525		243,525
Total	31,107,423	-	31,107,423

(Amount in Rs.)

As at 1st April, 2018	Within 12 Months	After 12 Months	Total
Financial Assets			
Cash and cash equivalents	4,524,559		4,524,559
Bank Balance other than above	22,025,000		22,025,000
Receivables			
(i) Trade receivables	55,721		55,721
Investments	1,891,354	52,000,000	53,891,354
Other Financial Assets	12,491,734		12,491,734
Total	40,988,368	52,000,000	92,988,368
Financial Liabilities			
Borrowings	2,387,864		2,387,864
Subortinated liabilities	20,000,000		20,000,000
Other financial liabilities	340,276		340,276
Total	22,728,140	-	22,728,140

Note: 36 **Maturity analysis of Assets and Liabilities:**

The table shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled

(Amount in Rs.)

Particulars	31st March, 2020 Within 12 Months	31st March, 2020 After 12 Months	31st March, 2020 Total	31st March, 2019 Within 12 Months	31st March, 2019 After 12 Months	31st March, 2019 Total	1st April, 2018 Within 12 Months	1st April, 2018 After 12 Months	1st April, 2018 Total
ASSETS									
Finacial Assets									
Cash and cash equivalents	9,348,248		9,348,248	4,411,978		4,411,978	4,524,559		4,524,559
Bank balances other tha (a) above	17,025,000		17,025,000	17,025,000		17,025,000	22,025,000		22,025,000
Receivables									
(i) Trade receivables	198,463		198,463	57,131		57,131	55,721		55,721
Investments	41,398,643	12,000,000	53,398,643	41,549,624	12,000,000	53,549,624	41,891,354	12,000,000	53,891,354
Other Financial Assets	21,742,121		21,742,121	24,504,849		24,504,849	12,491,734		12,491,734
Non-Finacial Assets									
Current tax assets (Net)	140,261		140,261	290,813		290,813	154,849		154,849
Deferred tax assets (Net)	149,080		149,080	149,951		149,951	280,348		280,348
Property, Plant and Equipment	377,443		377,443	574,211		574,211	562,713		562,713
Other non -financial assets	23,108,119		23,108,119	27,444,469		27,444,469	22,964,196		22,964,196
TOTAL ASSETS	113,487,378	12,000,000	125,487,378	116,008,027	12,000,000	128,008,027	104,950,474	12,000,000	116,950,474
LIABILITIES									
Financial Liabilities									
Borrowings	-	-	-	863,898	-	863,898	2,387,864	-	2,387,864
Subortinated liabilities	-			30,000,000			20,000,000		
Other financial liabilities	298,030		298,030	243,525		243,525	340,276		340,276
									-
Non Financial Liabilities									-
Provisions	196,139		196,139	154,990		154,990	142,724		142,724
Other non-financial liabilities	37,885,031		37,885,031	36,026,641		36,026,641	28,914,620		28,914,620
TOTAL LIABILITIES	38,379,200	-	38,379,200	67,289,054	-	37,289,054	51,785,484	-	31,785,484

Note: 37 **Fair values**

The management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

Note: 38 **Fair value hierarchy**

The company determines fair values of its financial instruments according to the following hierarchy:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use Inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020:

(Amount in Rs.)

Particulars	Ammortised cost	Fair value through OCI	Total carrying value	Total Fair value	Fair value Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	9,348,248	-	9,348,248	9,348,248	-	-	-	-
Bank Balance other than above	17,025,000	-	17,025,000	17,025,000	-	-	-	-
Receivables								
(i) Trade receivables	198,463	-	198,463	198,463	-	-	-	-
Investments	12,000,000	41,398,643		-	133,673	41,264,970		41,398,643
Other Financial Assets	21,742,121	-	21,742,121	21,742,121	-	-	-	-
	60,313,832	41,398,643	48,313,832	48,313,832	133,673	41,264,970	-	41,398,643
Financial Liabilities								
Borrowings	-	-	-	-	-	-	-	-
Subortinated liabilities	-							
Other financial liabilities	298,030	-	298,030	298,030	-	-	-	-
	298,030	-	298,030	298,030	-	-	-	-

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2019:

(Amount in Rs.)

Particulars	Ammortised cost	Fair value through OCI	Total carrying value	Total Fair value	Fair value Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	4,411,978	-	4,411,978	4,411,978	-	-	-	-
Bank Balance other than above	17,025,000	-	17,025,000	17,025,000	-	-	-	-
Receivables								
(i) Trade receivables	57,131	-	57,131	57,131	-	-	-	-
Investments	12,000,000	41,549,624			286,521	41,263,103		
Other Financial Assets	24,504,849	-	24,504,849	24,504,849	-	-	-	-
	57,998,959	41,549,624	45,998,959	45,998,959	286,521	41,263,103	-	-
Financial Liabilities								
Borrowings	863,898	-	863,898	863,898				
Subortinated liabilities	30,000,000							
Other financial liabilities	243,525	-	243,525	243,525				
	31,107,423	-	1,107,423	1,107,423	-	-	-	-

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at April 1, 2018:

(Amount in Rs.)

Particulars	Ammortised cost	Fair value through OCI	Total carrying value	Total Fair value	Fair value Level 1	Level 2	Level 3	Total
Financial Assets								
Cash and cash equivalents	4,524,559	-	4,524,559	4,524,559	-	-	-	-
Bank Balance other than above	22,025,000	-	22,025,000	22,025,000	-	-	-	-
Receivables								
(i) Trade receivables	55,721	-	55,721	55,721	-	-	-	-
Investments	12,000,000	41,891,354	53,891,354	53,891,354	661,630	41,229,725		41,891,354
Other Financial Assets	12,491,734	-	12,491,734	12,491,734	-	-	-	-
	51,097,014	41,891,354	92,988,368	92,988,368	661,630	41,229,725	-	41,891,354
Financial Liabilities								
Borrowings	2,387,864	-	2,387,864	4,775,727	-	-	-	-
Subortinated liabilities	20,000,000							
Other financial liabilities	340,276	-	340,276	680,553	-	-	-	-
	22,728,140	-	2,728,140	5,456,280	-	-	-	-

39 **Segment Reporting:**

In the opinion of Management there are no separate reportable segments as per Indian Accounting Standard (Ind AS-108).

40 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

41 The Company does not have any pending litigation which would impact its financial position.

42 The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

See accompanying notes to the standalone financial statements

As per our report of even date attached

For Rajesh Suresh Jain & Associates
Chartered Accountants
FRN:017163N

RAJESH JAIN
Partner
Membership No. 098229

For and on behalf of the Board of Directors of
HB Securities Limited

ANIL GOYAL
(Director)
(DIN: 00001938)

PRAVEEN GUPTA
(Director)
(DIN: 00002375)

HIMANSHU KANSAL
(Chief Financial Officer)

DINESH KAPOOR
(Company Secretary)
(MEM. NO. FCS-6731)

Place: Delhi
Date : 25 June 2020