

# **31st Annual Report 2013 - 14**



**HB LEASING AND FINANCE COMPANY LIMITED**

**BOARD OF DIRECTORS**

Mr. Lalit Bhasin	Chairman
Mr. Anil Goyal	Managing Director
Dr. M.P. Jain	Director
Mr. L. N. Malik	Director
Mr. Arvind Kohli	Director

**CHIEF FINANCIAL OFFICER**

Mr. C. P. Singh

**COMPANY SECRETARY**

Ms. Swati Vaish

**AUDITORS**

**M/s. P. Bholusaria & Co.**

Chartered Accountants,  
26/11, Shakti Nagar,  
Delhi - 110 007.

**REGISTERED OFFICE**

Plot No. 31, Echelon Institutional Area,  
Sector-32, Gurgaon - 122 001, Haryana  
Ph : 0124-4675500, Fax : 0124-4370985  
E-mail: corporate@hbleasing.com  
CIN: L65910HR1982PLC034071

**WEBSITE**

[www.hbleasing.com](http://www.hbleasing.com)

**REGISTRAR & SHARE TRANSFER AGENT**

**RCMC Share Registry Pvt. Ltd.,**

B-25/1, First Floor, Okhla Industrial Area, Phase - II,  
New Delhi - 110020  
Ph : 011-26387320, 26387321, 26387323, Fax : 011-26387322  
E-mail: shares@rcmcdelhi.com  
Website: [www.rcmcdelhi.com](http://www.rcmcdelhi.com)

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# HB LEASING AND FINANCE COMPANY LIMITED

## NOTICE

(Note: The business of this Meeting may be transacted through electronic voting system).

NOTICE is hereby given that the 31<sup>st</sup> Annual General Meeting of the Company will be held as follows:

Day : Wednesday

Date : 29th October, 2014

Time : 3.00 P.M.

Place : GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon (Haryana) - 122 001

To transact the following business:

### AS ORDINARY BUSINESS (S):

- To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the year ended 31st March, 2014, including the Audited Balance Sheet as at 31st March, 2014, the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Lalit Bhasin (DIN 00002114), who retires by rotation and being eligible offers himself for re-appointment.
- To re-appoint M/s. P. Bholusaria & Co., Chartered Accountants (Firm registration No. 000468N) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

### AS SPECIAL BUSINESS:

- To appoint Mr. Lachmi Narain Malik (DIN 00481449) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Lachmi Narain Malik (DIN 00481449), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as non-executive Independent Director of the Company to hold office for five (5) consecutive years with effect from date of passing of this resolution and he shall not be liable to retire by rotation.”

- To appoint Mr. Arvind Kohli (DIN 00001920) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Arvind Kohli (DIN 00001920), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as non-executive Independent Director of the Company to hold office for five (5) consecutive years with effect from date of passing of this resolution and he shall not be liable to retire by rotation.”

- To consider and approve the appointment of Mr. Anil Goyal (DIN 00001938), as **Managing Director** and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT subject to the approval of Shareholders and pursuant to the provisions of Sections 196, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, Mr. Anil Goyal (DIN 00001938), be and is hereby appointed as the Managing Director of the Company, who is also Managing Director of HB Portfolio Limited, for a period of five (5) years with effect from 17th May, 2014 and shall be liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013.

RESOLVED FURTHER THAT no remuneration shall be payable to Mr. Anil Goyal so long as he holds the office of the Managing Director of HB Portfolio Limited and opts to draw his remuneration from HB Portfolio Limited.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to fix remuneration payable, including the minimum remuneration in the event of absence/inadequacy of profits to Mr. Anil Goyal in accordance with the limits specified in Schedule V of the Companies Act, 2013, in the event of his relinquishing the office of Managing Director and/or ceasing to draw remuneration from HB Portfolio Limited.”

- To consider and approve adoption of new set of Articles of Association of the Company and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

BY THE ORDER OF THE BOARD  
For HB LEASING & FINANCE CO. LTD.

Sd/-  
SWATI VAISH

(COMPANY SECRETARY)  
MEMBERSHIP NO: ACS 33196

Place : Gurgaon

Date : 16.09.2014

### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON CANNOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

A PERSON WHOSE CALL MONEY IS IN ARREAR ON SHARES HELD BY HIM SHALL NOT BE TREATED AS A MEMBER AND SHALL NOT BE ELIGIBLE TO CAST A VOTE / E-VOTE AT THE MEETING.

- An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the special business herein is annexed hereto and form part of this notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 24th October, 2014 to 29th October, 2014 (Both days inclusive).
- The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company's Registrar and Share Transfer Agent namely RCMC Share Registry Pvt. Ltd.
- Members/Proxies should bring Attendance Slips duly filled in for attending the meeting.
- Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- Members are requested to:
  - Notify any change in their address to the Company including PIN CODE to the Registrar and Share Transfer Agent of the Company namely:
 

RCMC Share Registry Pvt. Ltd.  
B-25/1, First Floor,  
Okhla Industrial Area, Phase-II,  
New Delhi – 110 020  
Phone : 011 – 26387320, 26387321, 26387323  
Fax : 011 - 26387322  
E-mail: [shares@rcmcdelhi.com](mailto:shares@rcmcdelhi.com)

Members whose shareholding is in electronic mode are requested to direct change of address notifications and bank particulars for receiving the dividend, if declared, through electronic credit under ECS, to their respective Depository Participants.

Members whose shareholding is in electronic mode are requested to direct change of address notifications and bank particulars for receiving the dividend, if declared, through electronic credit under ECS, to their respective Depository Participants.

- Bring their copies of Annual Report with them to the meeting as the same will not be supplied again at the Meeting as a measure of economy.

9. The Company is implementing the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/ CDSL will be deemed to be your registered email address for serving notices/ documents including those covered under Section 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statements, directors report, auditors report etc. will also be displayed on the website [www.hbleasing.com](http://www.hbleasing.com) of the Company and the other requirements of the aforesaid MCA circular will be duly complied with.

Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Share Transfer Agent of the Company at the address mentioned in 8(a) above quoting their folio number(s).

Copies of the Annual Report 2014 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 including Attendance Slip and Proxy Form are being sent by the permitted mode.

10. **Voting through electronic means:**

E-voting facility is being provided to all members pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement. The Company has engaged the services of Karvy Computershare Private Limited ("Karvy") for providing e-voting facilities. The e-voting rights of the Members / Beneficial Owners shall be reckoned in proportion to the equity shares held by them in the Company as on 12th September, 2014 (Cut-off date fixed for this purpose). **Detailed instructions for availing the e-voting facility indicating the process and manner of e-voting are given separately in the e-voting notice sent along with the Annual Report.**

The Results of e-voting alongwith the Scrutinizer's Report(s) will be announced by the Company on its website [www.hbleasing.com](http://www.hbleasing.com) as well as on the website of Karvy <https://evoting.karvy.com> within two(2) days from the date of the Meeting or any adjournment thereof and also be informed to the Bombay Stock Exchange (BSE) where the Company's shares are listed.

11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 A.M to 5.30 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.

12. Details of Directors seeking appointment/ reappointment at the ensuing Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement) are as under:

### PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ENSUING 31ST AGM

(Refer Item No. 2 of the Notice for AGM)

<b>Name of the Director</b>	<b>(1) Mr. Lalit Bhasin</b>
<b>Date of Birth</b>	14th August, 1968
<b>Date of Appointment</b>	29th June, 1990
<b>Profile/ Expertise in Specific functional Areas.</b>	Mr. Lalit Bhasin is a commerce graduate from Shri Ram College of Commerce, Delhi University. He is an expert in investments and Capital Market by virtue of nearly two decades of association with the Securities Market. During this association, he has acquired complete expertise of the functioning and interacting of the securities and investment in India.
<b>Qualifications</b>	B.Com
<b>List of directorship in other Public Companies. (As on 31st March 2014)</b>	<ol style="list-style-type: none"> <li>1. HB Stockholdings Limited</li> <li>2. HB Estate Developers Limited</li> <li>3. HB Portfolio Limited</li> <li>4. RRB Securities Limited</li> <li>5. Taurus Asset Management Co. Limited</li> <li>6. Har Sai Investments Limited</li> <li>7. HB Securities Limited</li> <li>8. RRB Master Securities Delhi Limited</li> <li>9. CHL (South) Hotels Limited</li> <li>10. Raja Ram Bhasin Share &amp; Stock Brokers Limited</li> <li>11. Bhasin Share &amp; Stock Brokers Limited.</li> <li>12. AHL Hotels Limited</li> <li>13. CHL Limited</li> <li>14. Mansingh Hotels and Resorts Limited</li> </ol>
<b>Membership of Committee of the Board in other Public Companies (As on 31st March 2014)</b>	<u>Audit Committee</u> <ol style="list-style-type: none"> <li>1. Mansingh Hotels and Resorts Limited</li> <li>2. CHL Limited</li> </ol> <u>Shareholder/Investor Grievance Committee</u> <ol style="list-style-type: none"> <li>1. RRB Securities Limited</li> <li>2. CHL Limited</li> </ol> <u>Remuneration Committee</u> <ol style="list-style-type: none"> <li>1. CHL Limited</li> </ol>
<b>Shares held by the Director</b>	21,63,377



**PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ENSUING 31ST AGM**

(Refer Item No. 4 of the Notice for AGM)

Name of the Director	(2) Mr. Lachmi Narain Malik
Date of Birth	1st December, 1940
Date of Appointment	15th March, 2003
Profile/ Expertise in Specific functional Areas.	He is a Practising Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. He has an expert knowledge in the field of Taxation & Auditing with more than 43 years of experience in this field.
Qualifications	Chartered Accountant
List of directorship in other Public Companies. (As on 31st March 2014)	1. Krishna Continental Limited
Membership of Committee of the Board in other Public Companies (As on 31st March 2014)	Nil
Shares held by the Director	Nil

(Refer Item No. 5 of the Notice for AGM)

Name of the Director	(3) Mr. Arvind Kohli
Date of Birth	30th July, 1961
Date of Appointment	15-03-2003
Profile/ Expertise in Specific functional Areas.	He is a Practising Company Secretary with more than 24 years of experience in the field of Corporate Laws. He is also an Associate Member of All India Management Institute and a Fellow Member of Indian Council of Arbitration.
Qualifications	Company Secretary
List of directorship in other Public Companies. (As on 31st March 2014)	Nil
Chairman / Member of the Committees of the Board of the Other Companies in which he is a Director as on 31.03.2008	Nil

BY THE ORDER OF THE BOARD  
For HB LEASING & FINANCE CO. LTD.

Sd/-  
SWATI VAISH  
(COMPANY SECRETARY)  
Membership No.: ACS 33196

Place : Gurgaon  
Date : 16.09.2014

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****ITEM NO. 4 & 5:**

Mr. Lachmi Narain Malik and Mr. Arvind Kohli who were appointed as Non-Executive (Independent) Directors of the Company subject to retirement by rotation in the past, in terms of the provisions of erstwhile Companies Act, 1956.

As per Section 149(5) of the Companies Act, 2013, the Company is required to appoint Independent Director under Section 149(4) within a period of one year from 01st April, 2014 i.e. the date of commencement of the said Section and Rules made there under. The Board of Directors in their meeting held on May 17th, 2014 after consideration has recommended to reappoint the above said directors as Non-Executive Independent Directors within the meaning of Section 149 and 152 [including section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years with effect from the date of this Annual General Meeting.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- each proposing the candidature of Mr. Lachmi Narain Malik and Mr. Arvind Kohli for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. This may be treated as individual notice under Section 160(2) of the Companies Act, 2013. The notice received under Section 160(2) is available for inspection during normal business hours on any working day of the Company.

The Company has received from Mr. Lachmi Narain Malik and Mr. Arvind Kohli (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Lachmi Narain Malik and Mr. Arvind Kohli, the Independent Directors proposed to be appointed fulfils the conditions specified in the Act and the Rules made thereunder and they are independent of the Management. A copy of the draft letter for the appointment of Mr. Lachmi Narain Malik and Mr. Arvind Kohli as Independent Directors setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Director.

The said independent directors are not related to any of the Directors or Key Managerial Personnel (including relatives of Directors or Key Managerial Personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company (including relatives of Directors or Key Managerial Personnel) other than the respective Non-Executive Independent Director himself is concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in Item No. 4 & 5 for the approval of the members.

**ITEM NO. 6:**

The Board of Directors of the Company appointed Mr. Anil Goyal as Managing Director of the Company in their meeting held on 17th May, 2014, for a period of 5 years w.e.f. 17th May, 2014 on following terms and conditions subject to approval of Shareholders of the Company:

- Remuneration:** No remuneration shall be drawn by him from the Company in view of his already drawing remuneration from HB Portfolio Ltd. However in case of his relinquishing the office of Managing Director in the other Company or his ceasing to draw remuneration from HB Portfolio Ltd., the Board of Directors shall determine the remuneration including the minimum remuneration in the event of absence or inadequacy of profits, payable to him in terms of the provisions of Schedule V of the Companies Act, 2013.
- Termination of Contract:** The appointment can be terminated by either side on a three months notice or salary in lieu thereof in case any remuneration is paid to the Managing Director as on that date.
- Sitting Fee:** No sitting fees shall be drawn by him for his attending the meetings of the Board of Directors/ Committee thereof.
- Reimbursement of expenses:** The Managing Director shall be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- Retire by Rotation:** The Managing Director shall be liable to retire by rotation.
- The above terms and conditions of appointment may be altered or varied by the Board of Directors at its discretion and as may be deemed fit from time to time subject however to the provisions of Schedule V of the Companies Act, 2013.

The aforesaid resolution for appointment of Mr. Anil Goyal as Managing Director is placed before the members for their approval. Except Mr. Anil Goyal, Managing Director, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

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

**ITEM NO. 7:**

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 ("the Act").

With the coming into force of the new Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AOA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft AoA is being uploaded on the Company's website, [www.hbleasing.com](http://www.hbleasing.com) for perusal of the shareholders. The draft AoA would also be available for inspection by the members at the Registered Office of the Company during business normal hours on any working day, up to and including the date of the Annual General Meeting.

The Board recommends the Special Resolution at Item No. 7 of the Notice for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

**BY THE ORDER OF THE BOARD  
For HB LEASING & FINANCE CO. LTD.**

Sd/-  
**SWATI VAISH**  
(COMPANY SECRETARY)  
Membership No.: ACS 33196

Place : Gurgaon  
Date : 16.09.2014

## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 31st Annual Report together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2014.

## FINANCIAL RESULTS

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

(₹ in Lacs)

PARTICULARS	Year Ended 31.03.2014	Year Ended 31.03.2013
Total Turnover	26.87	29.62
Gross Profit/(Loss)	(29.39)	(1585.83)
<b>Less :</b>		
(a) Depreciation	0.72	0.76
(b) Finance Cost		
(c) Provision for Income Tax	(0.09)	(0.22)
<b>Net Profit /(Loss)</b>	<b>(30.02)</b>	<b>(1586.37)</b>
<b>Appropriations</b>		
Statutory Reserve Fund	0.00	0.00
General Reserve	0.00	0.00
Proposed Dividend	0.00	0.00
Tax on Dividend	0.00	0.00
Balance Brought Forward	0.00	Nil
Accumulated Profits	<b>(28.94)</b>	<b>(2864.35)</b>

## DIVIDEND

In view of the brought forward losses, your directors regret their inability to recommend dividend for the year under review.

## PERFORMANCE REVIEW & OUTLOOK

During the year, the BSE sensitive Index was at 18,835 at the start of the financial year and ended at 22,386 in March 2014. The year was marked by high volatility in the stock market. As a result, the Divestment/ Investment activity of the Company was curtailed during the year and the Company posted a Gross Loss of 29.39 Lakhs as compared to Rs. 1585.83 Lakhs in the previous year. Net Loss after tax for the year under review was 30.02 Lakhs as compared to Rs. 1586.37 Lakhs in the previous year.

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

## STATUTORY STATEMENTS

Your Company has not accepted any deposits from the public during the year under review.

The particulars under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology absorption are not applicable to your Company. During the year under review, there were no earnings or outgo in foreign exchange.

The provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable, as there is no such employee who were drawing/ in receipt of remuneration of prescribed amount during the period under review.

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby stated that in the preparation of the Annual Accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departures. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. Further, the Directors have prepared the annual accounts (for the period under review) on a going concern basis.

## CORPORATE GOVERNANCE

The report of Corporate Governance for the year under review is annexed hereto and forms a part of the Director's Report.

## STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's equity shares are listed at Bombay Stock Exchange Ltd, Mumbai. The listing fee for the year under review has been paid to BSE.

## AUDITORS' REPORT

Observations of the Auditors are explained, wherever necessary, by notes to accounts.

## AUDITORS

The Auditors, M/s P. Bholusaria & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment.

## DIRECTORS

As per the relevant provisions of the existing Article of Association of the Company and the terms of appointment, the period of office of Directors viz. Mr. Lalit Bhasin, Mr. L. N. Malik, Dr. M. P. Jain and Mr. Arvind Kohli was liable to determination by retirement of Directors by rotation.

As per the relevant provisions of the existing Article of Association of the Company and the provisions of the erstwhile Companies Act, 1956, Mr. Lalit Bhasin, Director of the Company was supposed to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

The Companies Act, 2013 provides for appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 (effective April 1st, 2014) provides that independent directors shall hold office for a term of up to five consecutive years on the Board of a Company. Mr. L. N. Malik, Mr. Arvind Kohli and Dr. M. P. Jain fulfills the criteria of Independent Directors as specified in Section 149(6) of the Companies Act, 2013 and the Rules made thereunder. The Company has received requisite Notices in writing from a member proposing the appointment of Mr. L. N. Malik and Mr. Arvind Kohli as Independent Directors. The Company has also received declarations from Mr. L. N. Malik and Mr. Arvind Kohli confirming that they meet with the criteria of independence as prescribed both under section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange. The Company has not received any declaration from Dr. M. P. Jain with regard to his appointment as Independent Director. No member has sent a Notice in writing to the Company proposing his appointment as Independent Director. Therefore, The Board of Directors recommends the appointment of Mr. L. N. Malik and Mr. Arvind Kohli as Independent Directors of the Company for a term of five (5) years and they shall not be liable to retire by rotation.

As per the relevant provisions of the existing Article of Association of the Company and the provisions of the section 196, 203 and other applicable provisions of Companies Act, 2013 and Rules made there under, Mr. Anil Goyal who is also the Managing Director of HB Portfolio Limited, is to be appointed as Managing Director of the Company for a period of five (5) years w.e.f. 17th May, 2014 and shall be liable to retire by rotation as per the provisions of Section 152 of the Companies Act, 2013. The Board of Directors recommends his appointment.

## ACKNOWLEDGEMENTS

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

**BY THE ORDER OF THE BOARD**  
**For HB LEASING & FINANCE CO. LTD.**

Sd/-  
**LALIT BHASIN**  
**(CHAIRMAN)**  
**DIN: 00002114**

Place : Gurgaon  
Date : 17.05.2014

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**1. Operating Results**

The Company's total income for the year under review is Rs. 26.87 lakhs as compared to Rs. 29.62 lakhs in the previous year. During the year under review the total expenses amounted to Rs. 56.98 lakhs as compared to Rs. 1616.21 lakhs during the previous year.

**2. Industry Trends and Business Analysis**

The year under review was marked by a variance in growth and financial market conditions. The first half of the year evidenced weak global growth with an instability in the financial markets following a change in perception about a tapering of the US Federal Reserve's quantitative easing programme, this precipitated a sell-off in emerging market assets amid a hardening of US interest rates. Thereafter, financial markets normalised with green shoots of growth led by advanced economies like the US, the eurozone, the UK and Japan. On a longer horizon, the Indian equity market has given a compounded annual growth rate of 15.8 per cent over the 10-year period which may be regarded as a comparable return vis-à-vis other global markets. The Government in consultation with RBI & Securities and Exchange Board of India (SEBI) has made concerted efforts & instituted several measures to attract off-shore portfolio investment and improving investor's appetite.

**3. Opportunities and Threats**

With the globalization and electronic age, Indian stock market changed over the past decade. Nearly 100% of all transactions are executed through electronic media online trading system. The developments of high-tech and transparent markets with an increasingly wide geographic footprint have increased the number of trading venues offering diverse pools of liquidity. Current elevated rates of inflation pose significant risks to future growth. With the attention of Government focused in containing the inflation, the economic growth may see a deceleration with corporates turning in moderate growth.

**4. Future Prospects and Outlook**

India has overcome various challenges in the economy and is considered to be one of the fastest growing ones amongst many developing countries. As far as estimates are concerned India by the end of this decade would be the 3rd largest economy after China and USA based on consumption level and increase in income besides other factors.

**5. Risks and concerns**

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The Company is exposed to the market risk (including liquidity risk) and also the factors that are associated with capital

market, which inter alia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility and credit risk.

The Company is confident of managing these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

**6. Internal control system and their adequacy**

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

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines. Besides, the Audit Committee reviews the internal controls at periodic intervals in close coordination with the Internal Auditors.

**7. Financial performance**

**a) Share Capital:** The Company's issued and subscribed share capital consists of Equity Share capital only. The paid-up share capital of the Company as at 31st March 2014 stood at Rs.11,06,27,310 comprised of 1,10,62,731 Equity Shares of Rs.10/- each.

**b) Reserves and Surplus:** During the year under review the reserves and surplus is Rs. (889.77) lakhs as against Rs (859.74) lakhs during the previous year.

**c) Non-Current Assets:** During the year under review the Non- Current assets stood at Rs. 1962.03 lakhs as against Rs. 1962.37 lakhs during the previous year.

**d) Current Assets & Current Liabilities:** The current assets and current liabilities & provisions for the year under review stood at Rs. 142.53 lakhs and Rs. 330.59 lakhs respectively against Rs. 137.24 lakhs and Rs. 295.84 lakhs for the previous year.

**8. Human Resources**

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

**9. Cautionary Statement**

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

**REPORT ON CORPORATE GOVERNANCE**

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

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

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

The Board of Directors of your Company comprises of five (5) directors out of whom four (4) are non-executive and three (3) directors are Non-Executive Independent directors as on 31st march, 2014. The non-executive directors are proficient in their own fields and bring with them decades of rich experience. Mr. Lalit Bhasin is the Chairman and Non - Executive Director of the Company. Mr. Anil Goyal is the Managing Director of your Company. He has to his credit nearly 31 years of corporate experience. He is responsible for overall management of the Company. The composition of the Board is in conformity with the Clause 49 of the Listing Agreement.

Four (4) Board meetings were held during the year under review on 30th May, 2013, 07th August, 2013, 12th November, 2013 and 14th February, 2014.

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

Name of the Director & Category	Directorships in other Public Companies*		Committee Membership held in other Public Companies*		No. of Board Meetings during the year		Attended Last AGM	Shareholding in the Company & % to the paid-up share capital
	Total	As Chairman	Total	As Chairman	Held	Attended		
Mr. Lalit Bhasin Promoter Non Executive	14	4	6	Nil	4	4	Yes	21,63,377 (19.56%)
Mr. Anil Goyal Non-Independent Executive	11	Nil	5	1	4	4	Yes	150 (Insignificant)
Dr. M.P Jain Independent & Non – Executive	1	Nil	Nil	Nil	4	Nil	No	Nil
Mr. Arvind Kohli Independent & Non – Executive	Nil	Nil	Nil	Nil	4	4	No	Nil
Mr L.N Malik Independent & Non – Executive	1	Nil	Nil	Nil	4	2	Yes	300 (Insignificant)

# As on 31.03.2014

In terms of the provisions of the Articles of Association of the Company, one-third of the rotational directors of the Company retire at every Annual General Meeting. Accordingly, Mr. Lalit Bhasin would retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

**3. BOARD COMMITTEES AND REMUNERATION TO DIRECTORS**

**(A) AUDIT COMMITTEE**

The Audit Committee as reconstituted on 15th March, 2003 comprises of Mr. L. N. Malik as its Chairman, Mr. Lalit Bhasin and Mr. Arvind Kohli as its Members and the Company Secretary of the Company as Secretary to the Committee. The Audit Committee has been empowered, inter-alia, to carry out the following functions:

- To lay down, review and revise the accounting policies of the Company.
- To review the financial operations and performance of the Company.
- To review the quarterly, half-yearly and annual financial accounts and other financial reports and statements, before placement thereof before the Board of Directors.

4. To consider and constitute sub-committees, wherever necessary for carrying out and/or monitoring the financial operations of the Company.

5. To appoint whenever deemed expedient, an independent internal auditor to carry out continuous audit of the accounts and systems of the Company and also consider and/or review the appointment and removal of auditors of the Company.

6. To consider and set up adequate internal control systems and review and monitor the same in consultation with the internal auditors and the auditors of the Company and ensure compliance of the same.

7. To receive, discuss and consider the observations and reports of the internal auditors and auditors of the Company from time to time.

8. To review and investigate on the matter of financial nature, as and when deemed necessary and expedient.

9. To give report and/or recommendations to the Board on the matters concerning financial operations of the Company.



## HB LEASING AND FINANCE COMPANY LIMITED

10. To invite and summon any executive of the Company and/or appoint experts, wherever necessary and discuss with them the matters relating to the finance, audit and internal control system etc.
11. To obtain legal and professional advice wherever found necessary and expedient.
12. To consider and act on any matters as or included under Clause 49 of the Listing Agreement and/or as may be so included from time to time, whether provided here in above or not.
13. To deal with any other matters related and or incidental to the above or as may be assigned, in addition to the aforesaid, by the Board from time to time.

During the year under review, four Audit Committee Meetings were held on 25th May, 2013, 07th August, 2013, 14th November, 2013 and 14th February, 2014. All the members were present in all the Committee Meetings except Mr. L. N. Malik, who could not attend the Committee Meeting held on 07th August, 2013.

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

### (B) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholders / Investors Grievance Committee comprises of Mr. Arvind Kohli as its Chairman, Mr. Lalit Bhasin and Mr. Anil Goyal as its Members and the Company Secretary, as Secretary to the Committee. The Shareholder's Committee has been empowered, inter-alia, to carry out the following functions:-

1. To consider and approve the transfer, transmission and issue of fresh/duplicate share certificates.
2. To review the status of dematerialization of Company's shares and matters incidental thereto.
3. To review and monitor the approval to the transfers and transmissions made by the Executive Director, under executive authority delegated to him from time to time.
4. To monitor the matters of litigation related to shareholders and take decisions relating thereto.
5. To deal with any other matters related and/or incidental to the shareholders.

Mr. Anil Goyal, Managing Director has, however, been empowered to approve transfers up to 2000 Equity Shares under one folio at a time.

During the year under review Three (3) Shareholders Committee Meetings were held on 27th December, 2013, 30th January, 2014, and 10th March, 2014 and the same were attended by all the committee members.

### (C) DIRECTOR'S REMUNERATION

#### Sitting Fees

An amount of Rs. 1,35,000/- was paid as sitting fees towards attending of meetings of the Company to the directors during the year are given below:

Name	Board Meeting	Audit Committee Meeting	Shareholders'/ Investor Grievance Committee Meeting	Total
Mr. Lalit Bhasin	20,000/-	20,000/-	15,000/-	55,000/-
Mr. Anil Goyal	NIL	NIL	NIL	NIL
Mr. M. P. Jain	NIL	NIL	NIL	NIL
Mr. Arvind Kohli	20000/-	20,000/-	15,000/-	55,000/-
Mr. L. N. Malik	10000/-	15,000/-	NIL	25,000/-

The non-executive directors are paid sitting fees for attending each meeting of the Board of Directors and the Committees constituted by the Board. The sitting fee for each meeting of Board of Directors and the Committee of Directors is fixed by the Board of Directors within the overall ceiling laid down under the Companies Act.

### 4. GENERAL BODY MEETINGS

#### (A) Details of Annual General Meetings:

##### (i) Location and time at the last 3 AGM's

Year	Type	Location	Date	Time
2012-13	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon - 122 001 (Haryana)	17.09.2013	11.00 A.M.
2011-12	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon - 122 001(Haryana)	29.08.2012	12.30 P.M.
2010-11	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon - 122 001(Haryana)	07.09.2011	12.00 NOON.

(ii) List of Special Resolutions passed in the previous 3 AGMs: No Special Resolutions were passed in the previous 3 Annual General Meetings

- (iii) Whether Special Resolutions were put through postal ballot last year No  
 (iv) Are polls proposed to be conducted through postal ballot this year No

### 5. DISCLOSURES

- I. There have been no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31st March 2014 (Refer Note No 21 to the notes to accounts) forming part of Balance Sheet and Profit & Loss Account). Accordingly, the same have not been reproduced here.
- II. No penalty has been imposed nor any strictures have been passed by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during the last three years.

- III. The Company has adopted a code of conduct applicable to all Directors and Senior Management Personnel of the Company and the same has been posted on the website of the Company [www.hbleasing.com](http://www.hbleasing.com). For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of said code. A declaration to this effect from Managing Director of the Company is also given to this effect at the end of this report.
- IV. Risk Assessment and Minimization procedures are in existence and are reviewed periodically.
- V. The Managing Director (CEO) and the Chief Financial Officer (CFO) of the Company has, as required under Clause 49 of the Listing Agreement, given the certificate on the review of financial statements, including Cash Flow, for the year ended 31st March, 2014 to the Board of Directors.
- VI. Remuneration Committee has not been constituted and Whistle Blower policy has not been reviewed by the Company being non mandatory requirements.
- VII. All the mandatory requirements under Clause 49 (relating to Corporate Governance norms) of the Listing Agreement are being adhered to / complied with.

### 6. MEANS OF COMMUNICATION

- I. Quarterly Results: Dissemination through Stock Exchange, Company's Website and through publication in newspaper as required under Listing Agreement.
- II. Newspaper wherein results normally published: Business Standard (Hindi & English).
- III. Website where displayed: [www.hbleasing.com](http://www.hbleasing.com)
- IV. The website also displays official news releases and important communications made to Stock Exchange. As and when any presentation is made to institutional investors the same would be simultaneously uploaded in the Company's Website.

### 7. GENERAL SHAREHOLDER INFORMATION

#### I. Ensuing Annual General Meeting Date, time and venue:

Date	: 29.10.2014
Time	: 3:00 P.M.
Venue	: GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon (Haryana) – 122 001

#### II. Financial Year

: 1st April 2013 to 31st March 2014

#### III. Date of Book Closure

: 24th October, 2014 to 29th October, 2014

#### IV. Dividend Payment Date

: No dividend is being declared for year under review.

#### V. Listing on Stock Exchanges

The Company's equity shares are listed at Bombay Stock Exchange Limited (BSE), Mumbai

#### VI. Stock Code: The Company's scrip code at BSE is 508956.

#### VII. Dematerialisation of Share and Liquidity

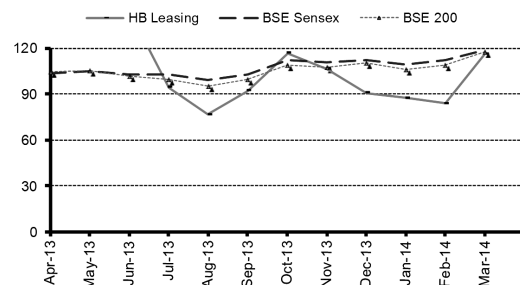
The trading in the Equity Shares of the Company has come under compulsory dematerialization w.e.f. 26th February 2001 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29th May 2000.

The Company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN No. allotted to the Company is INE549B01016. As at 31st March 2014, 73,86,276 Equity Shares of the Company are held in dematerialized form constituting 64.32% of the Company's subscribed share capital.

#### VIII. Market Price Data: The monthly High, Low price of the Company during each month in the last financial year at BSE is as under:

Month	High Price	Low Price	Close Price	Volume
Apr 13	4.55	2.76	4.33	3541
May 13	5.09	4.12	5.09	193
Jun 13	5.4	3.81	3.81	207
Jul 13	3.8	2.4	2.48	6194
Aug 13	2.4	2.01	2.01	798
Sep 13	2.42	2.01	2.42	1276
Oct 13	3.07	2.53	3.07	1659
Nov 13	3.07	2.75	2.8	1214
Dec 13	2.8	2.38	2.38	3662
Jan 14	2.65	2.25	2.3	14189
Feb 14	2.41	1.91	2.2	79343
Mar 14	3.2	2.31	3.05	14529

#### IX. Performance in Broad based indices:




**X. Stock Performance-Absolute returns**

	1 YEAR
HB Leasing	-29.56
BSE Sensex	14.78
BSE 200	12.24

**XI. Share Transfer System**

Share Transfers are registered and returned within a period of thirty (30) days from the date of receipt, if the documents are clear in all respects. The authority for transfer of shares has been delegated to the Managing Director for transfer of shares up to a fixed number beyond which the matters are placed before the Shareholders Committee, which meets as and when required. As reported by Company's RTA all valid requests for transfer during the year under review were transferred within stipulated time limit.

**XII. The status of Investor's Grievance Redressal from 01.04.2013 to 31.03.2014 is as under:**

Nature of Grievance	Received during the year	Cleared during the year
Relating to Dividend	15	15
Relating to transfer, transmission, exchange etc.	41	41
Non Receipt of Annual Report	07	07
<b>Total</b>	<b>63</b>	<b>63</b>

**XIII. The distribution of shareholdings of the Company as on 31st March 2014 is as under:**

No of Shares	Shareholders		Shareholding	
	Nos.	% to total	Shares	% to total
Up to 5000	35336	97.38	4468859	40.40
5001-10000	545	1.50	421344	3.81
10001-20000	236	0.65	340218	3.08
20001-30000	59	0.16	154595	1.40
30001-40000	34	0.09	119918	1.08
40001-50000	13	0.04	61138	0.55
50001-100000	27	0.07	190985	1.73
100001 and above	39	0.11	5305674	47.96
<b>Total</b>	<b>36309</b>	<b>100.00</b>	<b>11062731</b>	<b>100.00</b>

The category-wise distribution of Shareholders is as follows:

Category	No. of shares held	% of shareholding
<b>A. PROMOTER HOLDING</b>		
1. Indian Promoter	39,46,877	35.68
2. Foreign Promoter	0	0.00
<b>B. PUBLIC SHAREHOLDING (Institutions)</b>		
1. Mutual Funds and UTI	1570	0.01
2. Banks/Financial Institutions	510	0.00
3. Foreign Institutional Investors	0	0.00
<b>C. Public Shareholding (Non Institutions)</b>		
1. Bodies Corporate	8,49,330	7.68
2. NRIs	1,55,659	1.41
3. Indian Public	6,104,469	55.18
4. Clearing Members/ Intermediaries.	4,316	0.04
<b>TOTAL</b>	<b>1,10,62,731</b>	<b>100.00</b>

**XIV. The Company has no outstanding GDRs/ ADRs/ Warrants or any other instruments convertible into equity.**
**XV. Registrar & Transfer Agents:  
RCMC Share Registry Pvt. Ltd.,**

B-25/1, First Floor,  
Okhla Industrial Area, Phase-II,  
New Delhi – 110 020  
Phone : 011 – 26387320, 26387321, 26387323  
Fax : 011 - 26387322  
E-mail: shares@rcmcdelhi.com

**XVI. Address for Correspondence**

**HB Leasing and Finance Company Limited**  
HB House, 31, Echelon Institutional Area,  
Sector-32, Gurgaon – 122 001

**Managing Director's Declaration on Code of Conduct**

To  
The Members of  
**HB Leasing & Finance Company Limited**

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

For HB Leasing & Finance Company Limited

Sd/-  
Anil Goyal  
Managing Director  
(DIN: 00001938)

Place : Gurgaon  
Date : 17.05.2014

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The company has obtained a Certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges.

**CERTIFICATE**

To the Members of

**HB Leasing and Finance Company Limited**

**Gurgaon**

We have examined the compliance of conditions of Corporate Governance by **HB Leasing and Finance Company Limited** for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For P. BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS  
FRN: 000468N

Sd/-  
AMIT GOEL  
(PARTNER)  
(Membership No. 092648)

Place : Gurgaon  
Date : 17.05.2014



# HB LEASING AND FINANCE COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
HB LEASING & FINANCE COMPANY LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **HB LEASING & FINANCE COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

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

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - on the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For P. BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No. 000468N

Sd/-  
AMIT GOEL  
(PARTNER)  
Membership No. 92648

Place : Gurgaon  
Date : 17.05.2014

### Annexure to Independent Auditors' Report

#### Re: HB Leasing & Finance Company Limited

Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date for the year ended 31st March, 2014

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification
  - In our opinion, the Company has not disposed off substantial part of fixed assets during the year that would affect going concern status of the Company.

- As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
  - In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - The Company has maintained proper records of inventories. As explained to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
- The Company has neither granted nor taken any loans, secured or unsecured to/from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and for sale of goods. During the year there was no sale of services. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
- In our opinion and according to the information and explanations given to us, the particulars of contracts for arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into in the register required to be maintained under that Section.
  - In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at a price which are reasonable having regard to the market price prevailing at the relevant time.
- The Company has not accepted any deposits from the public during the year.
- In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
- The nature of the Company's business/activities is such that Clause 4(viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of Cost Records is not applicable to the company.
- According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues as applicable have been generally regularly deposited by the company during the year with the appropriate authorities. According to the information and explanation given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March 2014 for a period of more than Six months from the date of becoming payable.
  - The disputed statutory dues aggregating to ₹ 12,95,21,686/- that have not been deposited on account of matters pending before appropriate authorities are as under :

Sr. No.	Name of the statute	Nature of the Dues	Forum where Dispute is pending	Amount (₹)
1.	Income Tax Act, 1961	Income Tax	Hon'ble Delhi High Court	20,70,090/-
2.	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeal)	12,44,89,926/-
3.	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeal)	29,61,670/-
<b>TOTAL</b>				<b>12,95,21,686/-</b>

- The accumulated losses of the company at the Financial year end are more than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit and also incurred cash losses in the immediately preceding financial year.
- Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
- In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
- The Company has maintained proper records of transactions and contracts in respect of trading/ investments in shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name except for shares given as margin/pledged or bad deliveries pending for rectification.
- The Company has given guarantee in respect of loan taken from bank by a company. In the opinion of management, as explained in note no.19 (c), the terms and conditions of guarantee given are not prejudicial to the interest of the company. However, we are unable to comment about the same.
- The Company has not raised any term loans during the year.
- According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the company has not raised any funds during the year either on long term or on short term basis.
- During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- The Company has neither issued any debentures during the years nor there are any old debentures outstanding, and hence the question of Creating Securities in respect thereof does not arise.
- The Company has not raised any money by way of public issue during the year.
- In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

For P. BHOLUSARIA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No. 000468N

Sd/-  
AMIT GOEL  
(PARTNER)  
Membership No. 92648

Place : Gurgaon  
Date : 17.05.2014



## HB LEASING AND FINANCE COMPANY LIMITED

### BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note(s)	As at	As at
		31st March, 2014 (in ₹)	31st March, 2013 (in ₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	110041095	110041095
Reserves and Surplus	3	-88977188	-85974857
		<u>21063907</u>	<u>24066238</u>
<b>Non-Current Liabilities</b>			
Long Term Provisions	4	156333118	156310446
		<u>156333118</u>	<u>156310446</u>
<b>Current Liabilities</b>			
Other Current Liabilities	5	24451287	21009745
Short Term Provisions	6	8607416	8574520
		<u>33058703</u>	<u>29584265</u>
		<u>210455728</u>	<u>209960949</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	7	236776	229656
Non-current investments	8	179047686	179097890
Deferred Tax Assets (Net)	9	236405	227413
Long term loans and advances	10	16682159	16682159
		<u>196203026</u>	<u>196237118</u>
<b>Current Assets</b>			
Inventories	11	4005728	4076865
Trade Receivables	12	7169997	7169997
Cash and Cash equivalents	13	1568128	949621
Short-Term Loans and Advances	14	1508849	1527348
		<u>14252703</u>	<u>13723831</u>
		<u>210455728</u>	<u>209960949</u>

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

As per our Report attached on even date

For P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Registration Number : 000468N

Amit Goel  
(Partner)  
Membership Number: 092648

Place : Gurgaon  
Date : 17.05.2014

For and on behalf of the Board

Lalit Bhasin  
Chairman

Anil Goyal  
Managing Director

C. P. Singh  
Chief Financial Officer

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note(s)	As at	As at
		31st March, 2014 (in ₹)	31st March, 2013 (in ₹)
Revenue from operations	15	-68333	1436437
Other Income	16	2755326	1525950
<b>Total Revenue</b>		<u>2686993</u>	<u>2962387</u>
<b>Expenses:</b>			
Employee Benefit Expense	17	2796419	3068261
Depreciation	7	72052	75871
Other Expenses	18	2829844	2480821
Provision for diminution in value of Non-Current/Long term Investments		0	155967386
Contingent Provision against Standard Assets		0	28934
<b>Total Expenses</b>		<u>5698315</u>	<u>161621273</u>
Profit/-Loss for the year before Tax		<u>-3011322</u>	<u>-158658886</u>
<b>Tax expense:</b>			
Current tax		0	0
Deferred/(Credit)		-8992	-22293
Profit/-Loss for the year after Taxation		<u>-3002331</u>	<u>-158636593</u>
<b>Earning per equity share:</b> 26			
Equity share of Par value ₹ 10/-each			
Basic and Diluted		-0.27	-14.34

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

As per our Report attached on even date

For P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Registration Number : 000468N

Amit Goel  
(Partner)  
Membership Number: 092648

Place : Gurgaon  
Date : 17.05.2014

For and on behalf of the Board

Lalit Bhasin  
Chairman

Anil Goyal  
Managing Director

C. P. Singh  
Chief Financial Officer

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Year Ended	Year Ended
	31st March, 2014 Amount (in ₹)	31st March, 2013 Amount (in ₹)
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/-Loss before tax and Extraordinary Items	-3011322	-158658886
Adjustment for :		
Contingent provision against standard assets	0	28934
Depreciation	72052	75871
Provisions for Gratuity and Leave encashment	55568	107505
Profit/-Loss on sale of long term investments	-2755326	0
Dividend on Long term investments	0	24600
Provision for diminution in value of Non current /Long term Investments	0	155967386
<b>Operating Profit/-Loss before Working Capital Changes</b>	<b>-5639028</b>	<b>-2454591</b>
Adjustment for :		
Trade & other Receivables	18499	1391907
Inventories	71137	-1431455
Current and Non-current Liabilities	3441542	2830780
<b>Cash Generated from operation</b>	<b>-2107851</b>	<b>336642</b>
Income tax paid	0	0
<b>Net Cash from Operation Activities</b>	<b>-2107851</b>	<b>336642</b>

Particulars	Year Ended	Year Ended
	31st March, 2014 Amount (in ₹)	31st March, 2013 Amount (in ₹)
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Sale of Investments	2805531	0
Purchase of Fixed Assets	-79173	-55334
Dividend income on Long term investments	0	-24600
<b>Net Cash used in Investing Activities</b>	<b>2726358</b>	<b>-79934</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>Net Cash used in Financing Activities</b>	<b>0</b>	<b>0</b>
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>618507</b>	<b>256707</b>
<b>Cash and Cash Equivalents</b>	<b>949621</b>	<b>962914</b>
(Opening Balance)		
<b>Cash and Cash Equivalents</b>	<b>1568128</b>	<b>949621</b>
(Closing Balance)		
<b>Components of Cash &amp; Cash Equivalents at the end of the year</b>		
Balances with Banks		
- In Current Accounts	164243	195736
Cheques-in-Hand	1050000	400000
Cash-in-Hand	353885	353885
<b>Total</b>	<u><b>1568128</b></u>	<u><b>949621</b></u>

As per our Report attached on even date

For P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Registration Number : 000468N

Amit Goel  
(Partner)  
Membership Number: 092648

Place : Gurgaon  
Date : 17.05.2014

For and on behalf of the Board

Lalit Bhasin  
Chairman

Anil Goyal  
Managing Director

C. P. Singh  
Chief Financial Officer

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014**
**1. SIGNIFICANT ACCOUNTING POLICIES**
**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:-**

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

**1.2 USE OF ESTIMATES**

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

**1.3 REVENUE RECOGNITION**

- 1.3.1 All Income & Expenditure are accounted for on accrual basis.  
1.3.2 Provision for loss in respect of open equity derivative instruments as at the balance sheet date is made indexwise/ scrip wise. As a matter of prudence, any anticipated profit is ignored.

**1.4 FIXED ASSETS**

Fixed Assets are stated at cost less depreciation.

**1.5 DEPRECIATION**

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

**1.6 STOCK IN TRADE**

Stock in trade is valued scrip-wise at cost or fair market value/realizable value whichever is lower.

**1.7 INVESTMENTS**

Non current/Long Term Investments are valued at cost. Provision for diminution in the value of Long term/Non current investments is made only if such a decline is other than temporary.

**1.8 EMPLOYEE BENEFITS**

- 1.8.1 Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under :-  
1.8.2 Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.  
1.8.3 Employee benefits under defined contribution plans comprise of contribution to Provident Fund and Superannuation. Contributions to Provident Fund are deposited with appropriate authorities and charged to Profit & Loss account. Contribution to Superannuation are funded with Life Insurance Corporation of India.  
1.8.4 Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with Life Insurance Corporation of India.  
1.8.5 Termination benefits are recognized as an Expense as and when incurred.  
1.8.6 The actuarial gains and losses arising during the year are recognized in the Profit & Loss account of the year without resorting to any amortization.

**1.9 TAXATION**

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

**1.10 IMPAIRMENT OF FIXED ASSETS**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.  
Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

**1.11 CONTINGENCIES:**

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

**NOTES ON ACCOUNTS FOR THE PERIOD ENDED MARCH 31, 2014**

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

**2. SHARE CAPITAL**

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
<b>AUTHORIZED</b>		
2,00,00,000 (2,00,00,000) Equity Shares of ₹10/- each.	200000000	200000000
50,00,000 (50,00,000) Redeemable Preference Shares of ₹10/- each	50000000	50000000
	250000000	250000000
<b>ISSUED</b>		
1,11,83,681 (1,11,83,681) Equity Shares of ₹10/- each.	111836810	111836810
	111836810	111836810
<b>SUBSCRIBED &amp; PAID UP</b>		
1,10,62,731 (1,10,62,731) Equity Shares of ₹10/- each fully paid up.	110627310	110627310
Less: Allotment money Receivable (Other than Directors)	586215	586215
	110041095	110041095

— Issued Share capital of the Company has only one class of shares referred to as equity shares having Par value of ₹ 10/. Each holder of Equity Shares is entitled to One vote per share.

— Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2014 & 31st March, 2013 is as under:

Particulars	As at 31.03.2014		As at 31.03.2013	
	Shares	Amount (₹)	Shares	Amount (₹)
Number of shares at the beginning	11062731	110041095	11062731	110041095
Number of shares at the end	11062731	110041095	11062731	110041095

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

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Lalit Bhasin	2163377	19.56	2163377	19.56
Merrygold Investments Ltd.	1507895	13.63	1507895	13.63

— 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.

**3. RESERVES AND SURPLUS**

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
Capital Reserve-Opening balance	99875	99875
	99875	99875
Securities Premium Reserve-opening balance	182029190	182029190
Less: Allotment money receivable (Other than Directors)	1432491	1432491
	180596699	180596699
Statutory Reserve -Opening balance *	19763490	19763490
	19763490	19763490
Surplus -opening balance	-286434921	-127798328
Add: Net Profit/-Loss after tax transferred from Statement of Profit & Loss	-3002331	-158636593
Surplus -closing balance	-289437252	-286434921
	-88977188	-85974857

(\*) Created by way of transfer of specified percentage of profits as per section 45IC of Reserve Bank of India (Amendment) Act,1997. Appropriation from Reserves shall be for the purposes as may be specified by Reserve Bank of India.

**4. LONG TERM PROVISIONS**

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
<b>Provision for Employees Benefit</b>		
Leave encashment	194514	238927
Gratuity	142284	75199
<b>Others</b>		
Contingent Provision against Standard Assets	28934	28934
Provision for diminution in value of Non-Current/ Long term Investments	155967386	155967386
	<b>156333118</b>	<b>156310446</b>

**5. OTHER CURRENT LIABILITIES**

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
Expenses Payable	593205	588258
TDS Payable	8082	21487
Advances from Customers	23850000	20400000
	<b>24451287</b>	<b>21009745</b>

**6. SHORT TERM PROVISIONS**

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
<b>Provision for Employees Benefit</b>		
Leave encashment	65243	32347
<b>Others</b>		
Sub-standard and Doubtful Assets	8542173	8542173
	<b>8607416</b>	<b>8574520</b>

**7. FIXED ASSET**

(Amount in ₹)

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		As at 01st April, 2013	Addition during the year	Deduction during the year	As at 31st March, 2014	As at 01st April, 2013	For the year	Deduction/ Adjustments during the year	As at 31st March, 2014	As on 31.03.2014	As on 31.03.2013
	<b>Tangible Assets</b>										
1	Furnitures & Fixtures	46299	0	0	46299	16373	2931	0	19304	26995	29926
2	Vehicles	50533	0	0	50533	22663	4801	0	27464	23069	27870
3	Office Equipment	657764	0	0	657764	552421	31244	0	583665	74099	105343
4	Data Processing Machine	108265	79173	0	187438	108265	11322	0	119587	67851	0
5	Air conditioners	458000	0	0	458000	391484	21755	0	413239	44761	66516
	<b>Total</b>	<b>1320861</b>	<b>79173</b>	<b>0</b>	<b>1400034</b>	<b>1091206</b>	<b>72052</b>	<b>0</b>	<b>1163258</b>	<b>236776</b>	<b>229656</b>
	<b>(Previous Year)</b>	<b>1265527</b>	<b>55334</b>	<b>0</b>	<b>1320861</b>	<b>1015335</b>	<b>75871</b>	<b>0</b>	<b>1091206</b>	<b>229656</b>	<b>250192</b>

**8. NON CURRENT INVESTMENTS**

Name of the Company	Face Value (₹)	As at 31.03.2014		As at 31.03.2013	
		Qty.(Nos.)	Amount (₹)	Qty.(Nos.)	Amount (₹)
<b>(LONG TERM INVESTMENTS)-AT COST</b>					
<b>NON TRADE INVESTMENTS</b>					
<b>A. INVESTMENT IN EQUITY INSTRUMENTS (QUOTED)</b>					
—FULLY PAID UP EQUITY SHARES					
CROMPTON GREAVES LIMITED	2	0	0	30750	50204
UNITECH LIMITED	2	361606	174047686	361606	174047686
<b>TOTAL (A)</b>		<b>361606</b>	<b>174047686</b>	<b>392356</b>	<b>174097890</b>
<b>B. INVESTMENT IN PREFERENCE SHARES (UNQUOTED)</b>					
FULLY PAID-UP REDEEMABLE PREFERENCE SHARE					
HB SECURITIES LIMITED (6% CUMULATIVE)	1000	5000	5000000	5000	5000000
<b>TOTAL (B)</b>		<b>5000</b>	<b>5000000</b>	<b>5000</b>	<b>5000000</b>
<b>TOTAL (A+B) (LONG TERM/NON CURRENT INVESTMENTS)</b>		<b>366606</b>	<b>179047686</b>	<b>397356</b>	<b>179097890</b>

**Notes:**

	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
8.1 Aggregate Amount of Quoted Investments	174047686	174097890
8.2 Market Value of Quoted Investments	5073332	11379016
8.3 Aggregate Amount of Unquoted Investments	5000000	5000000
8.4 Investments costing ₹ 17,39,96,666/- were lying as margin /pledged as at the year end (Previous Year ₹ 174046870/-).		

8.5 Provision for diminution in the value of investments is charged in the statement of Profit & Loss and shown correspondingly under the head "Provisions" in the Balance sheet without showing it as deduction from the value of investments. This is being done in compliance with Non-Banking financial (Non deposit accepting or holding) Companies prudential norms (Reserve Bank) Directions 2007. It has no impact on the Profit for the year and also on the net carried amount of the investments. The Net carrying value of investments are as under-

	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
Gross Amount of Investments	179047686	179097890
Less: Provision for Diminution in the Value of Investments	155967386	155967386
<b>Net Carrying Value</b>	<b>23080300</b>	<b>23130504</b>

8.6 The Detail of Diminution in the value of Non-Current/Long Term Investments where the net Carrying Amount is other than at Cost (i.e at cost Less Provision for diminution other than temporary diminution) are as under:

Name of Investment	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
<b>Equity Shares</b>		
UNITECH LIMITED	155967386	155967386
<b>Total</b>	<b>155967386</b>	<b>155967386</b>

8.7 Diminution amounting to ₹ 15,59,67,386/- in the value of Non-Current/Long Term Investments had been provided as a matter of prudence. In the opinion of management, diminution amounting of ₹ 1,30,06,968/- is temporary in nature and therefore, no provision is required to be made.

**9. DEFERRED TAX ASSETS**

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
<b>Deferred Tax Assets</b>		
Leave Encashment/gratuity	124231	107060
Fixed Assets	102834	120353
	<b>227065</b>	<b>227413</b>

**10. LONG TERM LOANS AND ADVANCES**

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
<b>(Unsecured, Considered Good)-Standard</b>		
Security Deposits *	11573705	11573705
Advance Income Tax and TDS (Net of Provision)	5108454	5108454
	<b>16682159</b>	<b>16682159</b>

\*Includes to Related Party HB Estate Developers Ltd. ₹ 1,15,00,000/- (Previous year ₹ 1,15,00,000/-)

**11. INVENTORIES**

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
Stock in trade	4005728	4076865
(Shares/securities)(As per detail attached)		
	<b>4005728</b>	<b>4076865</b>

STOCK IN TRADE

S. No.	Name of the Company	Face Value	As at 31.03.2014		As at 31.03.2013	
			Qty.	Amount (₹)	Qty.	Amount (₹)
<b>QUOTED FULLY PAID UP EQUITY SHARES</b>						
1	Agrotech India Ltd.	10	40400	0	40400	0
2	Andhra Cement Co.Ltd.	10	550	0	550	0
3	Baroda Rayon Corp. Ltd.	10	7055	0	7055	0
4	Digital World India Ltd	10	127900	0	127900	0
5	EIH Ltd.	2	573	13053	573	13053
6	Essar Oil Ltd	10	177	9018	177	13735
7	Haryana Petro Ltd	10	1200	0	1200	0
8	Hotline Glass Ltd.	10	400	0	400	0
9	Kalyan Sundram Cement Ltd.	10	8970	0	8970	0
10	Malanpur Steel Ltd.	10	1968	0	1968	0
11	Mansinghka Oil Products Ltd.	10	300100	0	300100	0
12	Mawana Sugar Ltd.	10	21590	168834	21590	204241
13	Modi Rubber Ltd.	10	5906	108375	5906	139382
14	Mohan Meakin Ltd.	5	800	0	800	0
15	Oswal Agro Mills Ltd.	10	192800	1378520	192800	1378520
16	Prakash Industries Ltd	10	50	1100	50	1100
17	Reliance Communications Ltd.	5	0	0	14	772
18	Reliance Industries Ltd.	10	28	1985	28	1985
19	Royal Orchid Hotels Ltd.	10	496	15177	496	14409
20	RFB Securities Ltd.	10	100000	2000000	100000	2000000
21	STI Granite Ltd.	10	60000	0	60000	0
<b>QUOTED PARTLY PAID UP EQUITY SHARES</b>						
1	Baroda Rayon Corp Ltd.	10	3527	0	3527	0
2	Ceat Ltd.	10	650	0	650	0
3	Kalyan Sundram Cement Ltd.	10	182060	0	182060	0
4	Nahar International Ltd.	10	41300	0	41300	0
<b>SUB TOTAL ( A )</b>			<b>1098500</b>	<b>3696062</b>	<b>1098514</b>	<b>3767199</b>
<b>UNQUOTED FULLY PAID UP EQUITY SHARES</b>						
1	Taurus Investment Trust Co. Ltd.	10	14380	149800	14380	149800
2	Harsai Investments Co. Ltd.	10	200000	0	200000	0
3	QR Properties Pvt. Ltd.	10	5900	59000	5900	59000
<b>UNQUOTED FULLY PAID-UP PREF.SHARES</b>						
1	HB Tele Communications Ltd. (2% Non Cumulative)	10	10000	100000	10000	100000
<b>UNQUOTED SHARE APPLICATION</b>						
1	Core Telecom Pvt. Ltd.	10	250000	0	250000	0
2	Solid Portfolio Pvt. Ltd.	10	250000	0	250000	0
<b>WITH MUTUAL FUND - (Unquoted)</b>						
1	UTI Master Gain	10	26100	866	26100	866
<b>SUB TOTAL ( B )</b>			<b>756380</b>	<b>309666</b>	<b>756380</b>	<b>309666</b>
<b>GRAND TOTAL ( A + B )</b>			<b>1854880</b>	<b>4005728</b>	<b>1854894</b>	<b>4076865</b>

12. TRADE RECEIVABLES

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
<b>Unsecured, Considered doubtful:</b>		
Outstanding for more than 6months	7169997	7169977
	7169997	7169977

Note: Provision for Sub-Standard and doubtful assets has been separately shown in Note No. 6 (Short term Provisions) instead of netting it from the value of asset. This is being done as required in the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank) Directions 2007.

13. CASH & CASH EQUIVALENTS

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
<b>Balances with Banks</b>		
-In Current and Deposit Accounts	164243	195736
-Cheques/Drafts on Hand	1050000	400000
Cash-in-Hand	353885	353885
	1568128	949621

14. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2014 (in ₹)	As at 31.03.2013 (in ₹)
<b>Unsecured, Considered Good, Unless otherwise stated:</b>		
Claim Recoverable-Doubtful	1372176	1372176
Recoverable from Employees	92442	111465
Prepaid Expenses	44231	43707
	1508849	1527348

Note: Provision for Sub-Standard and doubtful assets has been separately shown in Note no. 6 (Short term Provisions) instead of netting it from the value of asset. This is being done as required in the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank) Directions 2007.

15. REVENUE FROM OPERATIONS

Particulars	For the Year ended 31.03.2014 (in ₹)	For the Year ended 31.03.2013 (in ₹)
Profit/-Loss on Sale/Purchase of Shares and Valuation Profit/-Loss (Net)	-69151	1431455
Dividend Income (Gross)	818	4982
-On Stock in trade		
	-68333	1436437

16. OTHER INCOME

Particulars	For the Year ended 31.03.2014 (in ₹)	For the Year ended 31.03.2013 (in ₹)
Profit on sale of Long term/Non-current Investments	2755326	0
Dividend Income on Long term/Non-current investments	0	24600
Claim Received/Provision for doubtful receivables written back	0	1501350
	2755326	1525950

17. EMPLOYEE BENEFIT EXPENSES

Particulars	For the Year ended 31.03.2014 (in ₹)	For the Year ended 31.03.2013 (in ₹)
Salaries and Benefits	2500506	2634490
Contribution to Provident fund, E.S.I. and Gratuity fund	269016	402375
Staff Welfare	26897	31396
	2796419	3068261

18. OTHER EXPENSES

Particulars	For the Year ended 31.03.2014 (in ₹)	For the Year ended 31.03.2013 (in ₹)
Rent/Facility Charges	322524	322524
Vehicle Running and Maintenance	228138	201069
Insurance	5112	7857
Communication	420444	391367
Travelling and Conveyance	426600	451387
Printing and Stationery	232324	190555
Other Repairs and Maintenance	4597	37696
Depository and custodial	35208	33708
Legal and Professional	481734	335858
Advertisement & Publicity	71097	68470
Books and Periodicals	45738	48279
Listing fees	44944	44944
Miscellaneous	263046	138162
Auditors Remuneration		
- Audit Fees	42135	42135
- Tax Audit Fees	16854	16854
- Others	71349	35956
Directors Sitting Fees	130338	94945
	118000	114000
	2829844	2480821

19. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

- Income Tax demand disputed ₹ 13,43,03,760/- (Previous year ₹ 13,43,03,760/-) against which appeals are pending with appropriate authorities.
  - Claims against the company not acknowledged as debts ₹ 1,58,02,781/- (Previous Year ₹ 1,58,02,781/-)
  - Guarantees given on behalf of Related Parties:- ₹ 7,00,00,000/- (Previous Year ₹ 7,00,00,000/-)
- In the Opinion of the Management, the aforesaid guarantees had been given in view of overall long term business involvement/relation of the company with the aforesaid companies and the giving of aforesaid guarantees will not have any prejudicial impact on the company.

20. QUANTITATIVE DETAILS

Quantitative information in respect of securities traded in:

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Opening Balance	1854894	4076865	1854894	2645410
Purchases	Nil	Nil	Nil	Nil
Sales	14	1983	Nil	Nil
<b>Closing Balance</b>	<b>1854880</b>	<b>4005728</b>	<b>1854894</b>	<b>4076865</b>

**21 RELATED PARTY TRANSACTIONS**

21.1 List of related parties with whom transactions have taken place and relationship:

- a) Companies under direct or indirect common influence:
  1. HB Securities Ltd.
  2. HB Estate Developers Ltd.
  3. RRB Master Securities Delhi Ltd.
- b) Persons having direct/Indirect significant influence
  1. Sh. Lalit Bhasin

21.2 Transaction during the financial year ended 31.03.2014 with related Parties as under.

Sr. No.	Nature of Transaction	Related Party Referred in (a) above	Related Party Referred in (b) above
1	Sale of Securities through them	2807513 (Nil)	Nil (Nil)
2	Rent Paid	322524 (322524)	Nil (Nil)
3	Depository Charges Paid	1500 (Nil)	Nil (Nil)
4	Sitting Fees Paid	Nil (Nil)	46000 (42000)
5	<b>Outstanding as on 31.03.2014</b> – Receivables in respect of Security deposit paid for premises on rent – Outstanding Guarantee	11500000 (11500000) 70000000 (70000000)	Nil (Nil) Nil (Nil)

**22 SEGMENT REPORTING**

In the opinion of Management there are no separate reportable segments as per Accounting Standard Segment reporting (AS-17).

**23 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD-15**
Defined Contribution Plan

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

Particulars	Current Year	Previous Year	Head under which shown in Profit & Loss Account
Contribution to Provident Fund	1,81,499/-	1,91,628/-	Contribution to Provident fund and other fund.

Defined Benefit Plan

Movement in net liability

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	11,19,027/-	8,52,400/-	2,71,274/-	2,14,266/-
Interest Cost (B)	89,522/-	68,192/-	24,415/-	17,094/-
Current service cost (C)	54,769/-	43,785/-	12,098/-	14,802/-
Benefits paid (D)	(84,260/-)	Nil	(42,356/-)	(23,877/-)
Actuarial loss/ (gain) on obligation (E)	(10,409/-)	1,54,650/-	(5,674/-)	48,989/-
Present value of obligations as at the end of the year (F=A+B+C-D+E)	11,68,649/-	11,19,027/-	2,59,757/-	2,71,274/-

The amounts recognized in the Balance Sheet and Profit &amp; Loss Account are as follows :

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	11,68,649/-	11,19,027/-	2,59,757/-	2,71,274/-
Estimated fair value of plan assets (B)	10,26,365/-	10,43,828/-	Nil	Nil
Net Liability (C=A-B)	(1,42,284/-)	75,199/-	2,59,757/-	2,71,274/-
<b>Amounts in the Balance Sheet</b>				
Liabilities	(1,42,284/-)	75,199/-	2,59,757/-	2,71,274/-
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	54,769/-	43,785/-	12,098/-	14,802/-
Interest Cost	89,522/-	68,192/-	24,415/-	17,094/-
Expected Return on Plan Asset	(66,797/-)	(80,431/-)	Nil	Nil
Actuarial(Gain)/Loss	(10,409/-)	1,54,650/-	(5,674/-)	48,989/-
	67,085/-	1,86,196/-	30,839/-	80,885/-
Head under which shown in the Profit & Loss account	Contribution to Provident Fund and other Fund		Salary & benefits	

The Actual Return on Plan Assets is as follows

Particulars	Gratuity	
	Current Year	Previous Year
Actual return on plan assets	66,797/-	80,431/-

Following are the Principal Actuarial Assumptions used as at the balance sheet date

Particulars	Gratuity	
	Current Year	Previous Year
Discount Rate	8%	8%
Expected Rate of Return on Plan Assets	9%	9%
Salary Escalation Rate	6%	6%

A reconciliation of the opening and closing balances of the fair value of plan assets :

Sl. No.	Particulars	Gratuity	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	10,43,828/-	8,27,698/-
i)	Expected Return on Plan Assets	66,797/-	80,431/-
ii)	Actuarial Gains / (Losses)	0.00	0.00
iii)	Contribution by the Employer	0.00	0.00
iv)	Benefits Paid	(84,260/-)	0.00
v)	Contribution	0.00	1,35,699/-
	Closing Fair Value of Plan Assets	10,26,365/-	10,43,828/-

**24. Disclosure pursuant to Accounting Standard AS-19 for Leases: -**
**Operating Lease**

- a) Particulars of the minimum lease payments under Operating Lease:-
  - Not Later than One year ₹ 3,22,524/- (Previous Year ₹ 3,22,524/-)
  - Later than one year but not Later than five years ₹ NIL/- (Previous Year ₹ NIL/-)
  - Later than five years ₹ NIL/- (Previous Year ₹ NIL/-)
- b) Minimum lease payments recognised in the statement of profit & loss account during the year ended 31st March, 2014 is ₹ 3,22,524/- (Previous Year ₹ 3,22,524/-).
- c) General description of the lease arrangement.
  - The lease is for an initial period of 3 years, which may be renewal for further period as may be mutually agreed upon.
  - Restrictions imposed by lease arrangement:-
    - The Lessee shall not sublet or otherwise part with possession of a part or whole of the premise without the previous consent in writing of the lessor.
    - The lessee shall use the premises for commercial purposes only.

**25. 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, 2014 and 31st March, 2013.

**26. Earning per share pursuant to Accounting Standard (AS-20) "Earning Per Share"**

Particulars	Current Year (₹)	Previous Year (₹)
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders.	-3002331	-158636593
<b>Earning Per Share (face value of ₹10 each)</b>		
Weighted Average Nos. of Equity Share Outstanding	11062731	11062731
Basic and diluted Earning per share (₹)	-0.27	-14.34

**27. Schedule as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007**

(₹ in lakhs)

S. No.	Particulars	Amount out-standing	Amount overdue
	<b>Liabilities side :</b>		
(1)	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
	(a) Debentures : Secured	Nil (Nil)	Nil (Nil)
	: Unsecured (other than falling within the meaning of public deposits)	Nil (Nil)	Nil (Nil)





(b) Deferred Credits	Nil (Nil)	Nil (Nil)
(c) Term Loans	Nil (Nil)	Nil (Nil)
(d) Inter-corporate loans and borrowing	Nil (Nil)	Nil (Nil)
(e) Commercial Paper	Nil (Nil)	Nil (Nil)
(f) Public Deposits	Nil (Nil)	Nil (Nil)
(g) Other Loans (Vehicle Loan)	Nil (Nil)	Nil (Nil)
<b>(2) Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):</b>		
a) In the form of Unsecured debentures	Nil (Nil)	Nil (Nil)
b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil (Nil)	Nil (Nil)
c) Other public deposits	Nil (Nil)	Nil (Nil)
<b>Assets side :</b>		
<b>(3) Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :</b>		
(a) Secured	Nil (Nil)	
(b) Unsecured	117.10 (117.29)	
*Net of Provisions, The amount also includes security deposits paid, prepaid expenses and other recoverable which, though are not strictly credit facilities given by the company.		
<b>(4) Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities</b>		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial lease	Nil (Nil)	
(b) Operating lease	Nil (Nil)	
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	Nil (Nil)	
(b) Repossessed Assets	Nil (Nil)	
(iii) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed	Nil (Nil)	
(b) Loans other than (a) above	Nil (Nil)	
<b>(5) Break-up of Investments :</b>		
Current Investments (Stock in Trade)		
1. Quoted :		
(i) Shares : (a) Equity	36.96 (37.67)	
(b) Preference	Nil (Nil)	
(ii) Debentures and Bonds	Nil (Nil)	
(iii) Units of mutual funds	Nil (Nil)	
(iv) Government Securities	Nil (Nil)	
(v) Others (please specify)	Nil (Nil)	
2. Unquoted :		
(i) Shares : (a) Equity	2.09 (2.09)	
(b) Preference	1 (1)	
(ii) Debentures and Bonds	Nil (Nil)	
(iii) Units of mutual funds	Nil (Nil)	
(iv) Government Securities	Nil (Nil)	
(v) Others (Please Specify)	Nil (Nil)	

Long Term investments		
1. Quoted :		
(i) Shares : (a) Equity		1740.48 (1740.98)
(b) Preference		Nil (Nil)
(ii) Debentures and Bonds		Nil (Nil)
(iii) Units of mutual funds		Nil (Nil)
(iv) Government Securities		Nil (Nil)
(v) Others (please specify)		Nil (Nil)
2. Unquoted :		
(i) Shares : (a) Equity		Nil (Nil)
(b) Preference		50.00 (50.00)
(ii) Debentures and Bonds		Nil (Nil)
(iii) Units of mutual funds		Nil (Nil)
(iv) Government Securities		Nil (Nil)
(v) Others (please specify)		Nil (Nil)

<b>(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :</b>			
Category	Amount net of provisions		
	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	Nil (Nil)	Nil (Nil)	Nil (Nil)
(b) Companies in the same group	Nil (Nil)	Nil (Nil)	Nil (Nil)
(c) Other related parties	Nil (Nil)	115.00 (115.00)	115.00 (115.00)
2. Other than related parties	Nil (Nil)	2.10 (2.29)	2.10 (2.29)
<b>Total</b>	Nil (Nil)	117.10 (117.29)	117.10 (117.29)

<b>(7) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):*</b>			
Category	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)
1. Related Parties			
(a) Subsidiaries	Nil (Nil)		Nil (Nil)
(b) Companies in the same group	50.00 (50.00)		50.00 (50.00)
(c) Other related parties	20.00 (20.00)		20.00 (20.00)
2. Other than related parties	81.23 (143.66)		200.86 (202.07)
<b>Total</b>	151.23 (213.66)		270.86 (272.07)

<b>(8) Other information</b>		
Particulars	Amount	
(i) Gross Non-Performing Assets		
(a) Related parties	Nil (Nil)	
(b) Other than related parties	85.42 (85.42)	
(ii) Net Non-Performing Assets		
(a) Related parties	Nil (Nil)	
(b) Other than related parties	Nil (Nil)	
(iii) Assets acquired in satisfaction of debt	Nil (Nil)	

Note: Figures in bracket relates to previous year.

As per our Report attached on even date

For P. BHOLUSARIA & CO.

Chartered Accountants

Firm Registration Number : 000468N

Amit Goel

(Partner)

Membership Number: 092648

Place : Gurgaon

Date : 17.05.2014

For and on behalf of the Board

Lalit Bhasin  
Chairman

Anil Goyal  
Managing Director

C. P. Singh  
Chief Financial Officer





# HB LEASING AND FINANCE COMPANY LIMITED

## FORM NO. MGT-11

### PROXY FORM

*(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014*

CIN : L65910HR1982PLC034071  
 Name of the Company : HB Leasing and Finance Company Limited  
 Regd. Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurgaon - 122 001 (Haryana)  
 Name of the Member(s) :  
 Regd. Address :  
 Email Id :  
 Folio No./Client Id :  
 DP Id :

I/We, being the member(s) of ..... Shares of the above named Company, hereby appoint:

- 1) Name.....Address.....  
 Email.....Signature ..... or failing him
- 2) Name.....Address.....  
 Email.....Signature ..... or failing him
- 3) Name.....Address.....  
 Email.....Signature ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 29<sup>th</sup> day of October 2014 at 3:00 P.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector 14, Gurgaon - 122001, Haryana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

**Ordinary Business:**

1. Adoption of Audited Financial Statements (including Consolidated Financial Statements) for the financial year ending March 31, 2014 and the report of Board of Directors and Auditors' thereon.
2. Re-appointment of Mr. Lalit Bhasin.
3. Appointment of M/s. P.Bholusaria & Co. Chartered Accountants, Statutory Auditors and fixing their remuneration.

**Special Business:**

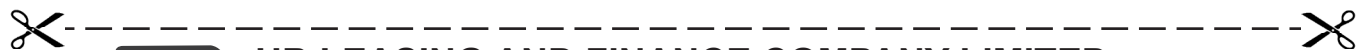
4. Appointment of Mr. Lachmi Narain Malik as an Independent Director.
5. Appointment of Mr. Arvind Kohli as an Independent Director.
6. Appointment of Mr. Anil Goyal as Managing Director.
7. Adoption of new set of Articles of Association of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014

Signature of the Shareholder \_\_\_\_\_ Signature of Proxyholder(s) \_\_\_\_\_

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



# HB LEASING AND FINANCE COMPANY LIMITED

## ATTENDANCE SLIP

### 31st ANNUAL GENERAL MEETING

Time : 3.00 P.M., 29th day of October, 2014  
 Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any .....

Father's/Husband's Name .....

Address in full.....

FULL NAME(S) OF THE PERSON ATTENDING THE MEETING AS A PROXY/SHAREHOLDER(S)  
 .....

I/We hereby record my/our presence at the 31st Annual General Meeting held on Wednesday, 29<sup>th</sup> day of October, 2014 at 3.00 P.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana.

Folio No/ DP ID. : .....

Client ID : .....

No. of Shares : .....

Signature(s).....

Members may please note that the Auditorium Authorities do not permit carrying of bags/articles/snack packets etc. inside the meeting hall. The Company will not make any arrangements for safe keeping of articles etc. outside the Hall. Members may make their own arrangements which shall be solely at their risk and cost and the Company will in no way be responsible for any loss/theft of articles etc.

