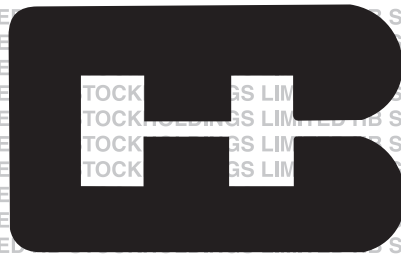


26th Annual Report 2012 - 13



HB STOCKHOLDINGS LIMITED



BOARD OF DIRECTORS

Mr. Lalit Bhasin	Chairman
Mr. Pradeep Kumar Mittal	Director
Mr. Gulshan Rai	Director
Mr. Harbans Lal	Director
Mr. Anil Goyal	Director
Mr. Vijay Sood	Managing Director
Mr. J.M.L. Suri	Executive Director

CHIEF FINANCIAL OFFICER

Mr. Mahesh Kumar Gupta

COMPANY SECRETARY

Mr. Anil Kumar Mittal

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

WEBSITE

www.hbstockholdings.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. RCMC Share Registry Pvt. Ltd.

B-106, Sector - 2,
Noida - 201 301
Ph : 0120-4015880, Fax : 0120-2444346
E-mail : shares@rcmcdelhi.com

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HB STOCKHOLDINGS LIMITED

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the members of HB Stockholdings Ltd. will be held as per the schedule given below:

Day : Friday
Date : 23rd August 2013
Time : 11.00 A.M.
Place : GIA House I.D.C. Mehrauli Road, Opp. Sector 14, Gurgaon-122 001 Haryana

to transact the following businesses:-

ORDINARY BUSINESS:

- To consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the reports of Board of Directors and Auditors thereon.
- To declare a dividend on equity shares.
- To appoint a Director in place of Mr. Lalit Bhasin who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint a Director in place of Mr. Gulshan Rai who retires by rotation and being eligible, offers himself for re-appointment.
- To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

- To approve the Reappointment of Managing Director and payment of remuneration 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 in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and hereby accorded as a Special Resolution, to the re-appointment of Mr. Vijay Sood as the Managing Director of the company for a further period of 3 years w. e. f. 30th April 2013 on the terms and conditions including remuneration as approved by the Board of Directors and set out in the Explanatory Statement accompanying this Notice, with power and liberty to the Board of Directors to alter and vary the terms and conditions of reappointment and / or payment of remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all other acts, deeds and things as may be necessary and incidental in the matter, including seeking the approval, consent, permission(s) from such other authorities, as may be required from time to time."

- To approve the Reappointment of Executive Director and payment of remuneration 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 in accordance with the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the Company be and hereby accorded as a Special Resolution, to the re-appointment of Mr. Jag Mohan Lal Suri as the Executive Director of the company for a further period of 3 years w. e. f. 1st July 2013 on the terms and conditions including remuneration as approved by the Board of Directors and set out in the Explanatory Statement accompanying this Notice, with power and liberty to the Board of Directors to alter and vary the terms and conditions of reappointment and / or remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all other acts, deeds and things as may be necessary and incidental in the matter, including seeking the approval, consent, permission(s) from such other authorities, as may be required from time to time."

By the Order of the Board
For HB STOCKHOLDINGS LTD.

Place : Gurgaon
Date : 17th May, 2013

ANIL KUMAR MITTAL
COMPANY SECRETARY

DIRECTORS SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

Name of the Director	Mr. Lalit Bhasin	Mr. Gulshan Rai
DIN No:	00002114	00527181
Date of Birth	14-08-1968	01-04-1934
Qualifications	B Com (Hons)	B Com(Hons) FCA
Brief Resume & Expertise in specific functional areas	Over 24 years' experience in Stock Market, Investment Banking and Real Estate development and established a Five Star Hotel in Sector 44 of Gurgaon known as "Vivanta By Taj - Gurgaon NCR"	A practicing Chartered Accountant having over 55 years' experience in the field of Financial Management, Tax Planning, Management Control Systems, Corporate Planning & Business Restructuring.

Has vast experience and expertise in International business operations of Indian Companies abroad and vice-versa in planning restructuring and setting up of branches / 100% owned subsidiaries of foreign entities in India and of Indian companies, overseas.

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/ HER SELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING THE PROXY SHOULD, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- The Register of Members and Share Transfer Books of the Company will remain closed from 16th August 2013 to 23rd August 2013 (both days inclusive) for determining the names of members eligible for dividend on equity Shares, if declared at the meeting.
- Members / Proxies attending the meeting should bring in their Attendance Slips duly filled in for attending the meeting. They are also requested to 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.
- An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
- Members are requested to:

(a) Notify any change in their address including Pin Code to the company or to the Registrar and Share Transfer Agent of the company namely, RCMC Share Registry Pvt. Ltd., B-106, Sector-2, NOIDA - 201 301. Phones: 0120-4015880. Fax: 0120-2444346. E-mail: shares@rcmcdelhi.com. Members whose shareholding in the Company is in electronic mode are requested to direct Change of Address notifications and bank particulars for receiving the dividend, through electronic credit under ECS, to their respective Depository participants.

(b) Shareholders seeking any information with regard to Accounts of the Company are requested to write to the Company Secretary at the Registered Office address at least 7 days before the date of the meeting so as to enable the management to keep the information ready.

- The Equity Shares of the Company are in the list of securities for compulsory trading in dematerialized form and can be dematerialized by the Shareholders under ISIN No: INE550B01014 with National Security Depository Ltd. (NSDL) or Central Depository Services (India) Ltd. (CDSL) for which they may contract the Depository Participants of either of the above Depositories.

- The Company is implementing the "Green Initiative" as per Circular 17/2011 dated April 21, 2011 and 18/2011 April 29, 2011 issued by Ministry of Corporate Affairs (MCA) to enable electronic delivery of notices / documents and annual report to shareholders. Hence forth, email addresses indicated in your respective Depository Participants (DP) account 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 Sec 219 of the Companies Act, 1956. The Notice of AGM and the copies of audited financial statement, directors' report, auditors report etc. shall also be displayed on the website www.hbstockholdings.com of the Company and 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 Transfer Agent of the company at the address mentioned in 5(a) above quoting their folio number(s).

- Brief resume of the Directors seeking reappointment, nature of their expertise in specific functional areas, names of the Ltd. Companies in which hold directorships and memberships/ chairmanships of Board committees, shareholding and relationship between directors inter se as stipulated in Clause 49 of the Listing agreement are provided in the Notice of the meeting.



HB STOCKHOLDINGS LIMITED

Other Public Ltd Companies in which directorship held as on 31.3.2013

HB Leasing & Finance Co. Limited	Nil
HB Portfolio Ltd	
HB Estate Developers Limited	
RRB Securities Ltd.	
Taurus Asset Management Co. Limited	
Har Sai Investments Limited	
HB Securities Limited	
RRB Master Securities Delhi Limited	
CHL (South) Hotels Ltd.	
Raja Ram Bhasin Share & Stock Brokers Limited	
Bhasin Share & Stock Brokers Limited	
AHL Hotels Ltd	
Mansingh Hotels & Resorts Ltd	
CHL Ltd.	

Chairman / Member of the Committees of the Board of other Companies in which he is a director as on 31.3.2013

Member of Shareholder /Investors Grievances Committee (s)	Nil
RRB Securities Limited	
HB Leasing & Finance Co. Ltd.	
CHL Limited	
Audit Committee	
HB Leasing & Finance Co. Ltd.	
CHL Limited	
Mansingh Hotels & Resorts Ltd	

Relationship between directors

Not related	Not related
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Shareholding of Director as on 31.03.2013

1,22,62,307	Nil
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EXPLANATORY STATEMENT PUSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned at item no: 6 & 7 of the accompanying Notice:

ITEM NO. 6

The Board of Directors in their meeting held on 17th May 2013, on the recommendation of the Remuneration Committee, reappointed Mr. Vijay Sood, Managing Director of the Company for a further period of 3 (Three) years from 30-04-2013, and also approved the payment of remuneration to Mr. Vijay Sood subject to such other approvals as may be necessary.

The re-appointment and payment of remuneration to Mr. Vijay Sood, the Managing Director requires the approval of the members in Annual General Meeting by a Special Resolution pursuant to Schedule XIII of the Companies Act, 1956 read with Section 198, 269, 309, 310 and Sec 311 of the said Act. The terms and conditions of re-appointment of Mr. Vijay Sood, as approved by the Board of Directors at their meeting is as under:

S. No.	Particulars	Per Annum Amount in Rs.
1	Basic Salary Rs. 4,68,500X12	56,22,000
2	Housing Rent Allowance Rs. 242000X12	29,04,000
3	Medical Reimbursement	24,000
4	Leave Travel Concession (payable annually)	75,000
	Cost to the Company	86,25,000

In addition to the remuneration proposed as mentioned herein above, Board of Directors of the Company shall be given an authority to increase the remuneration payable to Mr. Vijay Sood by a maximum of 15 % per annum at the end of first and second year of the tenure.

Mr. Vijay Sood, Managing Director shall also be entitled to the following perquisites which shall not be included in the remuneration payable as mentioned herein above:

- Company maintained Car with driver.
- Reimbursement of Telephone facility at residence/ Mobile phone
- Personal Accident Insurance, annual premium not to exceed Rs. 10,000/-

Other Terms of Appointment

- The appointment may be terminated by either party with 3 months' Notice or payment of 3 months' remuneration in lieu thereof.
- Reimbursement of expenses incurred in the course of business of the company shall be allowed.
- Leave with Full pay and allowances in a year as under- Privilege Leave (30 days with accumulation up to 45 days). Accumulated Privilege Leave to be encashed on the basis of last Basic Salary drawn at the time of his ceasing to hold office of Managing Director. Medical Leave (10 days, with accumulation up to 30 days) and Casual Leave (7 days, no accumulation)
- No sitting fee will be paid to the Managing Director for attending meetings of the Board of Directors or Committees thereof.
- The above remuneration shall be payable as minimum remuneration in the event of absence/ inadequacy of profits in any financial year.

The Additional Disclosures mentioned in Para 1(B) (iv) of Section II of Part I of Schedule XIII to the Companies Act, 1956 is as under:

I GENERAL INFORMATION:

1. Nature of Industry	The Company is a NBFC registered with RBI and engaged in financial services sector since the year 2000.
2. Date or expected date of Commence of Production	The Company is a existing listed Company and it is not engaged in any manufacturing activities and is only engaged in making proprietary investments and financing.
3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.	An existing company, it obtained Certificate of commencement of Business in the year 1985.
4. Financial Performance based on given indicators	Information given are hereunder:-

(Rs. In lakhs)

Particulars	2012-13	2011-12	2010-11
Total Sales and other Income	1887.52	1215.01	789.85
Profit for the year before Depreciation & Tax	1117.73	788.97	373.18
Depreciation	7.80	12.08	11.83
Provision for Taxation	110.00	(4.78)	58.76
Exception item (Add)	-	141.63	-
Transfer to Statutory Reserve	199.99	184.66	60.52
Proposed Dividend	237.92	-	-
Tax on Proposed Dividend	40.43	-	-
Surplus -	521.59	738.65	242.07

5. Export performance and net foreign Exchange collaborations.	The Company is not engaged in export activity. There is no Foreign Collaboration with any company.
6. Foreign investments or collaborators, if any	The company has no foreign investments or foreign collaborations. The company has neither made any foreign investments nor has any collaboration overseas.

II. INFORMATION ABOUT THE APPOINTEE

1. Background details	Mr. Vijay Sood has done his B A (Hons) in Economics from Delhi University in the year 1977 and MBA from Indian Institute of Management (IIM) Ahmedabad in the year 1979, the premier Business School of India. Mr. Sood is a member of Institute of Cost & Works Accounts of India (ICWA) since 1986. He has also completed an Advanced Management Programme from Wharton Business School, USA in 2003. Mr. Vijay Sood brings with him 34 years of experience in the fields of funds
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HB STOCKHOLDINGS LIMITED

	management, investment banking and corporate finance and has held senior and top positions in M N Cs and foreign Banks.
2. Past remuneration	Rs. 86,25,000/- per annum.
3. Recognition or awards	Nil
4. Job profile and his suitability	Being top level position, the job profile essentially requires a dynamic leader who is innovative, self-motivated and result oriented. The appointee being a hard core finance professional and has experience in conceptualizing, planning and directing and implementing business and financial strategies and translates them in terms of business growth.
5. Remuneration proposed	As per the Explanatory Statement being part of the Notice of the AGM
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin.)	Though the exact latest data of the comparative profile with remuneration of the CEO / MD / Key Personnel of Financial Services Companies is not available, however generally the CEOs/ MDs/ Key Managerial personnel of financial services sector / NBFC Companies of comparable status are generally receiving remuneration above Rs.100 lakhs per annum.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	He does not have any other pecuniary relationship with the company nor he is related to or has pecuniary relationship with any of the directors of the company. He is not holding any Equity shares in the Company.
III. OTHER INFORMATION	
1. Reasons of loss or inadequate profits	1. Provisioning requirements under Reserve Bank's Prudential Norms applicable to Non-Banking Financial Services Companies may result Loss in reported figures. 2. Loss on account of sudden crash in the stock indices and also on account of loss in the F & O segment due to high Intra-day volatility in the stock market during the year 2011 & 2012.
2. Steps taken or proposed to be taken for improvement	The company has undertaken a comprehensive review of its investments portfolio to identify and eliminate the low return yielding and illiquid stocks/ scrip's / securities so as to improve the average return/profitability. All these efforts yielded results and performance of the company improved significantly in the year 2011-2012 and company posted profits in its operations.
3. Expected increase in productivity and profits in measurable terms	The aforesaid measures undertaken have boosted performance of the company since the year 2010. The performance of the Company improved all round resulting adequate Cash flow and also surplus generated for creation of Statutory reserve as per the RBI guidelines.

IV. DISCLOSURES

Remuneration package payable to Mr. Vijay Sood, Managing Director of the company has been disclosed in the explanatory statement forming part of the Notice.

All elements of remuneration package to all other Directors' of the company are disclosed in the Corporate Governance Report annexed to the Director's Report.

The particulars set out hereinabove may be treated as the abstract of the terms and conditions of re-appointment of Mr. Vijay Sood as Managing Director of the Company, to be sent to the shareholders of the Company under section 302 of the Companies Act, 1956.

None of the Directors except Mr. Vijay Sood is concerned or interested in this resolution. The Board of Directors' recommends the Special Resolution set out at item no: 6 of the Notice for the approval of the Members.

ITEM NO. 7

The Board of Directors on the recommendations of the Remuneration Committee in their meeting held on 17th May 2013 re-appointed Mr. J M L Suri Executive Director of the Company for a further period of Three years, from 1st July 2013 up to 30th June 2016 subject to such approvals as may be necessary.

The re-appointment and payment of remuneration to Mr. J M L Suri, Executive Director, requires the approval of the Shareholders in the Annual General Meeting by a Special Resolution pursuant to Schedule XIII of the Companies Act, 1956 read with Section 269, 198, 309 and 310 of the said Act The re-appointment of Mr. J M L Suri as Executive Director of the company has been approved by the Board of Directors on the remuneration and subject to the terms and conditions detailed as under:-

a) **BASIC SALARY:** Rs.75000/- (Rupees Seventy Five Thousand only) per month

b) **PERQUISITES:**

i) **HOUSING:** Either one of the following:

- The expenditure by the company on hiring accommodation for the Executive Director will be subject to the ceiling of 60% of the salary of the Executive Director, or
- In case the accommodation provided to the Executive Director is owned by the Company, the company shall deduct 10% of the salary of the Executive Director, or
- In case no accommodation is provided by the company to the Executive Director, House Rent Allowance @ 60% shall be paid by the company to the Executive Director.

ii) **MEDICAL REIMBURSEMENT**

Expenses incurred for self and family subject to a ceiling of one month's Basic salary (Rs.75,000/-) in a year.

iii) **LEAVE TRAVEL CONCESSION**

Expenses incurred for self and family subject to a ceiling of one month's Basic Salary (Rs. 75,000/-) in a year.

iv) **CLUB FEES**

Fees of clubs, subject to a maximum of two clubs, with admission and life membership fees not allowed.

v) **PERSONAL ACCIDENT INSURANCE**

Premium subject to a maximum of Rs. 4000/- per annum.

vi) **PROVIDENT FUND**

Company's contribution towards Provident Fund, subject to a ceiling, as prescribed under the provisions of law applicable in this regard.

vii) **SUPERANNUATION FUND**

Company's contribution towards superannuation fund, which together with the Company's contribution towards provident fund shall be subject to the provisions of law applicable in this regard.

viii) **GRATUITY**

Half month's salary for each completed year of service.

ix) **CAR AND TELEPHONE**

The Company shall provide car for use on company's business and telephone at the residence of the Executive Director. However, personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Executive Director.

c) **LEAVE:**

Earned / Privilege leave, not exceeding one month for every eleven months of service, on full salary and allowance. Leave accumulated and not availed of during his tenure as Executive Director will be allowed to be cashed at the time of his ceasing to be the Executive Director of the Company.

d) Apart from the aforesaid salary, perquisite, allowances and benefits, the Executive Director will be entitled to reimbursement of expenses incurred in connection with the business of the company.

e) No sitting fees will be paid to the Executive Director for attending the meetings of the Board of Directors of the company or committees thereof.

f) The appointment may be terminated by three months' notice on either side or in lieu thereof three months full salary, allowances, perquisites and benefits.

g) The above remuneration shall be payable as the minimum remuneration to the Executive Director in the event of absence / inadequacy of profits in any of the financial years in which his terms of office continues.

h) As per provisions of Schedule XIII, since Mr. J M L Suri has completed 70 years of age hence his reappointment shall be made either with the approval of Central Government or by passing a Special Resolution. Hence, the company proposes to pass Special Resolution while reappointing him as Executive Director.

i) The terms and conditions of the above appointment may be altered, enhanced or varied from time to time by the Board of Directors as it may, in its discretion, deem fit, within the maximum amount payable to the Executive Director, in accordance with the provisions of Schedule XIII to the Companies Act, 1956 or any amendments made thereof hereafter.

The above may also be deemed to be the Notice under Sec 302 of the Companies Act, 1956 to the Shareholders of the Company.

None of the Directors of the Company, except Mr. J M L Suri is concerned or interested in this Resolution. The Board of Directors recommends the Special Resolution set out at item no: 7 of the Notice for the approval of the Members.

**By the Order of the Board
For HB STOCKHOLDINGS LTD.**

**Place : Gurgaon
Date : 17th May, 2013**

**ANIL KUMAR MITTAL
COMPANY SECRETARY**



HB STOCKHOLDINGS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 26th Annual Report and the Audited Accounts of your Company for the financial year ended 31st March 2013.

FINANCIAL RESULTS

The Financial performance of the Company summarised for the year under review is as under:

PARTICULARS	(Amount Rs. in lacs)	
	Current Year Ended 31.3.2013	Previous Year Ended 31.3.2012
Total Revenue	1887.52	1215.01
Total Expenses	777.59	438.11
Profit for the Year before Tax and exceptional items	1109.93	776.89
- Tax Expenses	110.00	(4.78)
- Exceptional items	00.00	141.63
Profit After tax and Exceptional Items	999.93	923.30
Earning per Equity Shares (Before exceptional items)		
- EPS Basic	4.20	3.29
- EPS Diluted	4.20	3.29
(After Exceptional Items)		
- EPS Basic	4.20	3.88
- EPS Diluted	4.20	3.88

DIVIDEND

In view of the distributable profits available after providing for depreciation, your directors are pleased to recommend dividend @ Re.1/- per Equity Share of face value of Rs. 10/- each (i.e. 10%) for the year under review.

PERFORMANCE REVIEW & OUTLOOK

The year was marked by high volatility in the stock market, and most asset classes remained subdued. Crude oil prices remained in the range of 80 to 105 US dollar and commodity prices also remained high. Even though the health of the domestic industry remained fragile during the year, an inflow of USD 22 billion into the Indian equities by overseas investors supported the market though domestic investors have been sellers. GDP growth estimates for the year have shown a decline in its trend belying hopes of recovery of the economy. The BSE Index which was 17,430 at the start of the financial year 2012-13 made a recovery to reach at 20,203 in January 2013 and finally declined at the year end to close at 18,835 on 31st March, 2013.

During the year under review, inflation remained high even though the economy has slowed down with expected growth of 5.4% per annum. Volatile prices of index stocks have caused a fear in the domestic investors. High interest rates by the Reserve Bank to curtail inflation have affected Industrial growth resulting in low industrial production figures and these developments has been viewed negatively.

During the year under review, Income from operation was Rs.1870.68 Lakhs (previous year Rs. 1205.48 Lakhs). Income of the Company comprises of Dividend Income Rs. 63.73 Lakhs (previous year Rs. 69.13 Lakhs) Securities Trading Loss was Rs. 22.24 Lakhs (previous year Rs. 25.66 Lakhs). Provisions for diminution in the value of Investments written back were Rs 561.09 Lakhs (previous year Rs. 1770.63 Lakhs). Net profit booked on sale of Investment was Rs. 1234.49 Lakhs (a loss of Rs. 609.81 Lakhs in the previous year). Net Profit before Tax and exceptional items for the year was Rs.1109.93 Lakhs (previous year Rs. 776.89 Lakhs)

Securities and Exchange Board of India vide its Order dated 9th May 2012 restrained the Company from buying, selling or dealing in the securities market whatsoever or accessing the Securities market, directly or indirectly, for a period of two years from the date of the Order for having conducted few transactions in a listed scrip during the period August 2000 to December 2000. The Company has been advised that aforesaid order of SEBI is not legally sustainable on various grounds. The Company filed an Appeal against the aforesaid Order of SEBI with the Hon'ble Securities Appellate Tribunal (SAT). The Hon'ble SAT vide its order dated 17th May 2012 has stayed the aforesaid order of SEBI till disposal of the Appeal filed by the Company. The Management of the Company expects a favourable disposal of the Appeal.

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

PUBLIC DEPOSITS:

Your Company has neither invited nor accepted any deposits from the Public / shareholders during the year under review.

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956:

The particulars under The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 on conservation of energy, technology absorption etc. are not applicable to the company. During the year under review there have been no Earnings or outgo of Foreign Exchange.

PERSONNEL:

A list of employee(s) under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are given in the enclosed statement forming part of this report as Annexure.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217(2AA), your directors hereby states that

- in the preparation of the Annual Accounts for the year under review, the applicable Accounting Standards have been followed and no departures have been made there from.
- the directors had selected such accounting policies and applied them consistently and made judgements 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 of the Company for that period.

- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities and further,

- that the directors had prepared the annual accounts for the year under review on a going concern basis.

SUBSIDIARIES OF THE COMPANY

In terms of the General Circular No. 51/12/2007-CL-III dated 8th February, 2011 of Ministry of Corporate Affairs under section 212(8) of the Companies Act, 1956, a copy of the Balance Sheet, Statement of Profit & Loss, Report of Directors' and Auditors' of the subsidiaries namely HB Prima Capital Ltd. and Mount Finance Ltd. have not been attached with the Balance Sheet of the Company. However the financial data of the subsidiaries have been furnished under "Summary of Financial Information of Subsidiary Companies" and forms part of this Annual Report. Annual accounts of the subsidiary companies will be available upon request by any member of the Company interested in obtaining the same. Annual accounts of the subsidiary companies will also be kept open for inspection at the registered office of the Company and that of the respective subsidiary Companies.

CORPORATE GOVERNANCE REPORT

Your Company is fully compliant with the requirements of the applicable Corporate Governance Code and is committed to ensure due compliance of any modifications that may be stipulated by the stock exchange(s) from time to time and well ahead of their timely implementation. Compliances of your Company with the requirements are presented in the enclosed pages. A Corporate Governance Report in detail together with Certificate from the Statutory Auditor's in respect of compliance(s) of Clause 49 of the Listing Agreement is enclosed herewith forming part of this report.

STATEMENT PURSUANT TO THE LISTING AGREEMENT

The Equity Shares of the Company are listed at Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd. (NSE) Mumbai.

The Listing fees for the current financial year to both the Stock Exchange(s) have been paid in time.

AUDITORS

M/s. P. Bholusaria & Co., Chartered Accountants, Delhi having FRN 0000468N, the Statutory Auditors retires at the conclusion of the ensuing Annual General Meeting and eligible offers them selves for reappointment. As per the requirements of the Listing Agreement, Statutory Auditor's firm are holding a valid certificate issued by the 'Peer Review Board' of the ICAI.

AUDITOR'S REPORT

Auditor's observations in their report have been suitably explained, by way of appropriate notes to accounts wherever necessary.

DIRECTORS

Mr. Vijay Sood, Managing Director was reappointed by the Board in their meeting held on 17th May 2013 for a further period of 3 years, on completion of his term on 30th April, 2013. The term of Mr. J M L Suri, Executive Director will end on 30th June 2013, the Board reappointed Mr. J M L Suri, Executive Director for a further period of 3 Years w.e.f 1st July 2013. Special Resolutions in respect of reappointment and payment of remuneration to these whole time directors have been included in the Notice of 26th Annual General Meeting for member's approval.

Mr. Lalit Bhasin and Mr. Gulshan Rai Directors shall retire by rotation at the conclusion of the 26th Annual General Meeting and they being eligible have offered themselves for re-appointment. Information as per clause 49 of the Listing Agreement is annexed with the Notice of the 26th Annual General Meeting.

ACKNOWLEDGEMENTS

Your Directors acknowledge the services rendered by the employees of the Company at all levels of the organisation and express their gratitude for the assistance, co-operation and support extended by various other stakeholders during all these years.

For and on Behalf of The Board

Place : Gurgaon
Dated : 17th May, 2013

Lalit Bhasin
Chairman

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Amount in Rs.

Name of the Subsidiaries	HB Prima Capital Ltd. 31-03-2013	Mount Finance Ltd. 31-03-2013
Financial Year of the subsidiaries ended on		
No of Equity Shares held by the Holding Company as on date (face value-Rs. 10/-)	10,00,000	8,30,006
Extent of Holding (%).	100%	100%
The Net aggregate of the Profit / (Loss) of the Subsidiary so far as they concern the members Of the Company for the year ended 31-03-13		
(i) for the financial year of the Subsidiary	(1,11,47,333)	(2,08,526)
(ii) for the previous financial period of the Sub.	17,311	(1,98,397)
The Net aggregate of the Profit / (Loss) of the Subsidiary as they concern the members of the company and which are not dealt with the accounts of the Company for the year 31 st March 2013		
(i) for the financial year of the subsidiary	Nil	Nil
(ii) for the previous financial periods of the sub.	Nil	Nil

ANNEXURE TO DIRECTORS' REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors' Report for the year ended 31st March 2013.

Name of Employee/ Age (Years)	Date of Employment	Qualifications	Designation/ Nature of job	Gross Remuneration (Rs.) during the year ended 31st March 2013	Particulars of previous Employment (Designation & Name of the Employer)	Experience (No. of years)	Whether relative of any Director or Manager of the Company
Mr. Vijay Sood 55 Yrs.	30-04-2007	AICWA, MBA from IIM Ahmedabad. Advance Management Programme from Wharton Business School, USA	Managing Director	Rs. 86,19,079/-	Group CFO, Renaissance Services SAOG, Oman	34	No

Note: Remuneration includes salary, Cost of leased accommodation, Company's contribution to Provident Fund, wherever applicable and other sums & allowances actually received by the employee during the financial year and the Perquisites are valued in accordance with the Income Tax Act, 1961 and Rules made there under. The appointment is contractual.

MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Operating Results

The Total Revenue earned by the Company during the year was Rs. 1887.52 Lakhs as compared to Rs. 1215.01 Lakhs in the previous year. Administrative expenses, Depreciation and amortization including provisions for sub-standard & doubtful assets, provision against standard assets and Loans & Advances written off were Rs. 777.59 Lakhs as compared to Rs. 394.04 Lakhs during the previous year. Interest and financial charges for the year under review was Rs. Nil as compared to Rs.44.07 Lakhs during the previous year.

2. Business Analysis during 2012-2013

During the year, the stock market moved up through the year the BSE Sensex moved in the range of 15,749 to 20,203. While the year started on a poor note, there were frequent bouts of recovery & volatility and an upward trend from June 2012 till mid-January 2013. During the year Global economy has not seen major revival across North America and Europe and growth continues to remain moderate in Asian economies. India has seen inflation moderate at the close of the financial year and stable oil prices give a hope to the growth outlook in the medium to long term. To combat inflation, the Reserve Bank has kept interest rates high during the year which have dampened the overall spirit in industry during the year.

An equity market is influenced by underlying corporate performance, inflows from domestic investors and its attractiveness to foreign investors. In 2012-2013 in India, inflow of USD 22 billion by FIIs supported the market although domestic investors have by and large been sellers on every rally.

During the year under review, Income was at Rs. 1887.52 Lakhs (Rs. 1215.01 Lakhs in previous year) and Net Profit after exceptional items was Rs. 999.93 Lakhs (Rs.923.29 Lakhs in the previous year). Securities Trading including Equity derivative trading resulted in a Loss of Rs. 22.24 Lakhs (previous year Loss of Rs. 25.66 Lakhs) Profit booked on Sale of Investments during the year was Rs. 1234.49 Lakhs (previous year's Loss of Rs. 609.81 Lakhs.) Provision for diminution in the value of investment written back was Rs. 561.09 Lakhs during the year (previous year Rs. 1770.63 Lakhs)

3. Future Prospects and Outlook

Recent years have seen a lot of change and turmoil in Indian Industry. The problems of the global economy after its meltdown in previous 2-3 years have also not gone away. China's economy which was a strong growth engine has been slowing down especially in the housing and infrastructure sectors. The problems of Eurozone are making the nascent global recovery look weak. Asia ex Japan continues to see growth though its composition varies across the region depending upon exposure to the export sector in different countries. Indian economy will see a reasonable growth of 5-6% in the near term though inflation, oil prices, budget deficits, interest rates, commodity prices and infrastructural bottlenecks remain areas of concern.

4. Risks and concerns

The Company is mainly exposed to market risk (including liquidity risk), interest risk and credit risk. However prudent business and risk management practices followed by the company over the years help it to manage the normal industry risk factors, 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 has been managing these risks by observing a conservative financial profile in investment and trading of securities business.

5. Internal control systems and their adequacy

The Company has an adequate and effective system of internal controls for its various business processes, with regard to operations, financial reporting, compliance with applicable laws and regulations, etc. Clearly defined roles and responsibility for all managerial positions gives strength to the internal control system of the organisation. Internal audits are done at regular intervals to ensure that responsibilities are executed effectively. Audit Committee of the Board of Directors on Quarterly basis reviews the adequacy and effectiveness of internal control systems and suggests measures for improvement of the existing control system and procedures to strengthen the control in view of changing business needs and safe guarding the assets of the Company against misuse or significant Loss from time to time.

6. Financial performance

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 2013 stood at Rs. 2433.54 lakhs (including Rs. 54.32 Lakhs towards the original amount paid up on equity shares forfeited.) comprising of 2,37,92,218 Equity Shares of Rs.10/- each.

Reserves and Surplus: During the year under review, Reserve & Surplus were Rs. 9584.58 Lakhs (previous year Rs. 8863.01 Lakhs) including the Loss carried forward is Rs. 1682.68 Lakhs (previous year Rs. 2204.27 lakhs)

Fixed Assets stood at Rs. 62.91 Lakhs (Rs. 62.28 Lakhs in the previous year.)

Non Current Investments stood at Rs. 8518.93 Lakhs (previous year Rs. 8069.89 Lakhs)

Current Assets stood at Rs. 5148.48 Lakhs (previous year Rs. 4550.46 Lakhs)

7. Human Resources

Success of every business depends on proper human resource planning. The Company has adequate and experienced professionals having varied experience related to the Industry to carry out its business operations. The Company regularly makes efforts to develop leadership capability in the team members to enhance their skill and vision which reflects in the decision making process.

8. 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, direct tax regimes, credit appraisal and monitoring system, Notifications and guidelines issued by Reserve Bank of India, economic developments and other factors such as litigation etc.



HB STOCKHOLDINGS LIMITED

REPORT ON CORPORATE GOVERNANCE

Corporate Governance philosophy

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Corporate Governance deals with conducting the affairs of the company in such a manner as to ensure that there is fairness to all the stakeholders and action benefits to the greatest number of stakeholders. The accountability of the personal and corporate funds in a company in a more transparent and equitable manner and the essence of Corporate Governance which ensures investor protection and maximization of shareholders wealth. The Corporate Governance is a continuing exercise and the company would constantly endeavor to improve on these aspects.

Composition of the Board

The Board of Directors of your Company presently comprises of 7 directors, out of whom 5 directors are Non-executive and 4 directors are Independent. Mr. Lalit Bhasin a Promoter and is Non-Executive Chairman of the Board since 30th June 2004. The number of independent directors is more than half of the total strength of the Board composition. The other Non-Executive Directors are proficient in their respective fields and bring with them tremendous experience in the areas

of Corporate finance, Taxation, Legal expertise, Securities market operations, Corporate affairs and management. Mr. Vijay Sood Managing Director and Mr. J.M.L. Suri, Executive Director, both the working Director(s) have to their credit over three and four decades of corporate experience(s) respectively in Foreign Banks, Indian and Foreign Companies including Multinational Companies. These two working Directors among themselves share the overall responsibility of all the day to day business affairs of the company and implement Board's plan and policies. The Composition of the present Board is totally in conformity of the Clause 49 of the Listing Agreement as amended from time to time.

Number of Board Meetings

During the year under review (1-04-2012 to 31-03-2013), the Board of Directors of your Company meet Six (6) times on 25th May 2012; 08th August 2012; 29th August, 2012, 3rd November 2012; 6th February, 2013 and on 22nd March 2013. The gap between two Board Meetings did not exceed 120 days, as stipulated in the Listing Agreement.

Directors Attendance & their Directorships

Composition of the Board of Directors and Attendance of the Board members with their shareholding in the Company and status of presence in the last AGM 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	Shares held in the company & % to the subscribed capital
	Director	Chairman	Member	Chairman	Held	Attended		
Mr. Lalit Bhasin Promoter & Non-Executive	14	4	6	Nil	6	6	Yes	1,22,62,307 (51.54%)
Mr. P. K. Mittal Independent & Non Executive	1	Nil	Nil	Nil	6	5	No	NIL
Mr. Gulshan Rai independent & Non Executive	Nil	Nil	Nil	Nil	6	6	Yes	NIL
Mr. Anil Goyal Independent & Non Executive	11	Nil	5	1	6	6	Yes	NIL
Mr. Harbans Lal Independent & Non Executive	Nil	Nil	Nil	Nil	6	6	Yes	NIL
Mr. J.M.L. Suri Executive Director	13	Nil	5	2	6	6	Yes	1000(Not Significant)
Mr. Vijay Sood Managing Director	2	Nil	2	Nil	6	5	No	Nil

One-third of the rotational directors of the Company shall retire at every Annual General Meeting in terms of the Companies act, 1956, and Articles of Association of the Company. Accordingly, Mr. Lalit Bhasin and Mr. Gulshan Rai Directors being longest in their respective offices shall retire by rotation at the ensuing Annual General Meeting to be held in Aug/ September 2013 and they being eligible offer them selves for reappointment. In terms of clause 49(IV)(G) of the Listing agreement, a brief resume of directors proposed to be reappointed, nature of their expertise in specific functional areas, their other directorships and committee memberships. Their shareholdings and their relationships with other directors are provided in the Notice convening the ensuing Annual General Meeting of the Company.

Board Committee(s)

As per Clause 49 of the Listing Agreement, all mandatory Board committee's are in place and their Constitution meets the requirements as stipulated in the Listing Agreement and as per provisions amended from time to time. The Board of Director's in its meeting held on 7th March, 2001, constituted two Committee(s) namely; the Audit Committee in due compliance with Section 292A of the Companies Act, 1956 read with clause 49 of the Listing Agreement and Shareholders / Investors Grievance Committee. Further to that, a Remuneration Committee was constituted in the Board Meeting held on October 30, 2004 to meet the requirements of the Listing Agreement and Schedule XIII of the Companies Act, 1956.

(A) Audit Committee:

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting. The Audit Committee of the Board presently comprises of the following members:

1. Mr. Gulshan Rai,	Chairman
2. Mr. Pradeep Kumar Mittal,	Member
3. Mr. Anil Goyal,	Member
4. Mr. Harbans Lal,	Member

Mr. Vijay Sood, Managing Director and Mr. J. M. L. Suri, Executive Director, are the two permanent invitees at the Audit Committee Meetings in addition to the Internal and Statutory Auditor's of the Company. The Audit Committee in their meetings shall review the following information: Management discussion and Analysis of financial condition, Results of operations; Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management; Management letter / letters of internal control, weaknesses pointed out by the Statutory Auditors in the existing system of operations; Internal Audit Reports relating to Internal Control and the appointment, removal and terms of remuneration of the Internal Auditor shall be subject to review by the Audit Committee. The Audit Committee of the Board has been empowered, inter-alia, to carry out the following functions:

- 1) To lays down, review and revise the accounting policies of the company.
- 2) To review the financial operations and performance of the company.

- 3) 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 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.
- 10) To consider and act on any matters as are included under Clause 49 of the Listing Agreement and /or as may be so included from time to time.

During the year under review, 4 (Four) Audit Committee meeting(s) were held on 25-05-2012, 08-08-2012, 03-11-2012 and on 06-02-2013. Audit Committee Meeting(s) were attended by all the members of the Committee(s) as well as Internal and Statutory Auditors of the Company.

(B) Shareholders / Investors Grievance Committee:

The Shareholders / Investors Grievance Committee of the Board was reconstituted and presently comprises of three members viz. Mr. P K Mittal (Chairman of the Committee), Mr. Harbans Lal and Mr. J.M.L. Suri as Committee Members. The Company Secretary acts as Secretary to the Committee. The functions of the Committee, inter alia, include approval / rejection of Transfers and transmission of shares, Issue of fresh / duplicate certificates upon split / consolidation / renewal / mutilation / remat / loss or otherwise of equity share Certificate(s), review the status of dematerialisation of company's shares and matters incidental thereto, monitor the matters of litigation related to shareholders and take decisions relating thereto, Consider, review and monitor the Complaints related to the Investors in respect of various grievances.

During the year under review, Shareholders / Investors Grievances Committee meet 4 (Four) times on 25-05-2012, 08-08-2012, 03-11-2012 and on 06-02-2013. Mr. Harbans Lal, Mr. P K Mittal and Mr. J.M.L. Suri attended all the Committee Meetings.

In order to quickly process the requests for Share Transfers within 14 days of receipt and also dispatch the same to the small shareholders, Mr. J.M.L. Suri, Executive Director has been empowered by the Board of Directors to approve the Share Transfers up to 10,000 Equity Shares under one folio at a time when such requests accumulates for processing between the two Investors Grievances Committee meeting(s).

(C) Remuneration Committee:

The Remuneration Committee of the Board comprises of all independent directors on the Board, viz. Mr. Harbans Lal, Chairman, Mr. P. K. Mittal and Mr. Gulshan Rai the two members. The functions of the Committee, inter alia, includes to lay down, review and revise the remuneration payable to the managerial personnel, to give recommendations to the Board of Directors on the matters concerning the remuneration structure and composition, to deal with any other matter related or incidental to the above or as may be delegated by the Board of Directors from time to time.

During the year under review, no Remuneration Committee meeting was held.

Remuneration to Non Executive Directors

All the non-executive directors of the Company are remunerated by payment of sitting fees for each meeting of the Board and Committees thereof attended by the members, during the year 01-04-2012 to 31-03-2013, Directors' of the Company were paid remuneration as detailed hereunder:

Director (s)	Relationship with other Director(s)	Sitting Fees (Rs.)	Salary & Perks (Rs.)	Commission, if any
Mr. Lalit Bhasin	—	60,000	Nil	Nil
Mr. Gulshan Rai	—	1,10,000	Nil	Nil
Mr. P K Mittal	—	1,08,000	Nil	Nil
Mr. Harbans Lal	—	1,08,000	Nil	Nil
Mr. Anil Goyal	—	1,10,000	Nil	Nil

Sitting fee for each meeting of the Board and the Committee thereof payable to the Directors has been fixed and revised by the Board of Directors from time to time within the overall ceiling laid down under the Companies Act, 1956.

Remuneration to Whole Time Directors

Salary and perquisites paid for the year ended March 31, 2013, in aggregate value to Mr. Vijay Sood Managing Director and Mr. J.M.L. Suri, Executive Director are as under:

Mr. Vijay Sood Managing Director

Rs. 86,19,079/-

Mr. J M L Suri Executive Director

Rs.18,33,000/-

Besides, the remuneration mentioned herein above, Mr. J M L Suri, the Executive Director is also entitled to Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, and Mr. Vijay Sood Managing Director is entitled to encashment of Leave at the end of tenure, as per rules of the Company.

SHARE HOLDERS INFORMATION:**General Body Meetings:**

Location and time where the Annual General Meeting(s) were held during the last three years:

Year	Type	Location	Date	Time
2011-12	25th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	29-08-12	11.00 A.M.
2010-11	24th AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	30-08-11	11.00 A.M.
2009-10	23rd AGM	GIA House, I.D.C., Mehrauli Road, Opp.: Sector 14, Gurgaon -122 001	07-09-10	11.00 A.M.

Special Resolution(s) passed if any, in the previous 3 AGMs of the Company

S. No.	Subject Matter(s)	Reference and Date of passing at the AGM
1.	• No Special Resolution passed	25th AGM 29-08-2012
2.	• No Special Resolution passed	24th AGM 30-08-2011
3.	• Reappointment of Mr. Vijay Sood as the Managing Director of the Company	23rd AGM 07-09-2010

No resolution is proposed to be passed through Postal Ballot during the year and no Special Resolutions were put through Postal Ballot process in the previous year.

Disclosures:

- There were no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31-03-2013 (Refer Notes to Accounts - No.21.1 & 2 forming part of the Balance Sheet & Statement of Profit & Loss Account). Accordingly the same have not been reproduced here.
- No penalty has been imposed or any strictures have been passed by the Stock Exchanges or any other Statutory Authority on any matter related to capital market during the last year. However, in a matter relating to the alleged violations in the trading in a listed security carried out by the Company at stock exchanges in the year 2000, Securities Exchange Board of India (SEBI) restrained the Company from buying, selling or dealing in the securities market whatsoever or accessing the securities market, directly or indirectly, for a period of two years from the date of the Order 9th May 2012. The Hon'ble Securities Appellate Tribunal (SAT) vide its Order dated 17th May, 2012, in an Appeal filed by the Company has stayed the aforesaid order of SEBI till the disposal of Appeal filed by the Company. The Appeal filed by the Company is pending disposal.

- The company has adopted a Code of Conduct applicable to all the Directors and Senior Management personnel of the company and the same has been posted on the company's website www.hbstockholdings.com. During 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 on behalf of all the directors of the Company has been furnished by the Managing Director of the Company and the same is given at the end of the Corporate Governance Report.
- Risk assessment and minimisation procedures are in existence and are reviewed periodically.
- None of the Company's Subsidiaries viz., HB Prima Capital Limited and /or Mount Finance Limited falls under 'Material Non Listed Subsidiary' in terms of Clause 49 of the Listing Agreement. However, the financial results and the investments (as and when made) are regularly placed before the members of Audit Committee for their review.
- The Managing Director, the CEO and the CFO have given their Certification on the review of financial statements, including cash flow, for the year ended 31.03.2013 to the Board of Directors for review.
- Whistle Blower Policy being a Non Mandatory Requirement has not been adopted by the company.
- All the mandatory requirements under Clause 49 (relating to Corporate Governance norms) of the Listing Agreement are being adhered to/complied with. Non mandatory requirement relating to Remuneration Committee has been adopted by the company.

6. Means of Communication:

- Quarterly & Annual Results (audited and/or un-audited: Dissemination through Stock Exchanges announcements and also through Company's website soon after the conclusion of Board Meeting for Adoption of Audited / Unaudited Financial Results, and through publication of Financial Results in Newspapers as per Clause 41 of the Listing Agreement.
- Newspapers wherein results are normally published - Business Standard, English and Hindi Edition.
- Results (Unaudited & Audited) are promptly uploaded on Company's website at www.hbstockholdings.com for display and for the information of members of the company.
- Company's website displays official News releases and also important communications sent to Stock Exchanges. As per the Listing Agreement, any presentations made to institutional investor's etc. shall be communicated to the stock exchange(s) in advance and also to be uploaded on the Company's website.
- Company being a NBFC, registered with Reserve Bank of India has displayed the Certificate of Registration, and other communication mandatorily required to be hosted through the web site of the Company for its Customers and other stake holders.

7. General Shareholder Information:

- Ensuing Annual General Meeting Day, Date, time and venue:
Date : Friday, 23rd August 2013
Time : 11.00 A. M.
Venue : GIA House, I.D.C., Mehrauli Road,
Opp. Sector 14, Gurgaon - 122 001 (Haryana)
- Financial Year : 1st April 2012- 31st March 2013
- Date of Book Closure: 16th August, 2013 to 23rd August, 2013 (both days inclusive)
- Dividend Payment Date:
Subject to the approval of dividend by the shareholders, dividend warrants will be mailed to eligible members/ beneficial owner's (in respect of shares held in dematerialized form) on or before 23rd September, 2013.
- Listing on Stock Exchange(s)
• Bombay Stock Exchange Ltd., Mumbai
• National Stock Exchange of India Ltd. Mumbai.
- Stock Code
The Company's Scrip Code is as follows:
BSE, Mumbai **532216**
NSE, Mumbai **HBSTOCK**
- Dematerialisation of Share and Liquidity

The trading in the Equity Shares of the Company has come under compulsory dematerialisation w.e.f. 27th November 2000 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 Equity Shares of the Company is INE550B01014.

As on 31-03-2013; 1,97,59,054 Equity Shares constituting 83.05% of the Company's Subscribed and Paid up Share Capital are held in dematerialised form.

- Market Price Data: The monthly High, Low and Close price of Company's shares with volume of shares traded during each month in the financial year ended 31st March, 2013 at BSE & NSE are as under:

Months	BSE				NSE			
	High	Low	Close	Volume	High	Low	Close	Volume
Apr-12	13.18	10.27	10.75	28,772	12.70	10.20	10.40	15,443
May-12	11.93	7.25	9.00	57,728	11.35	8.05	8.70	21,500
Jun-12	10.70	8.45	9.80	22,019	10.75	8.00	9.95	60,854
Jul-12	11.77	9.34	9.89	1,14,707	11.45	9.00	9.35	60,131
Aug-12	11.60	9.26	9.76	1,09,852	11.60	9.10	9.60	51,461
Sep-12	12.00	9.41	11.44	48,663	13.00	9.10	11.20	86,317
Oct-12	13.65	11.00	11.00	2,85,026	13.25	9.55	10.95	70,597
Nov-12	15.85	11.27	13.29	3,30,070	15.35	10.80	13.25	1,86,208
Dec-12	15.00	12.00	13.10	1,11,269	14.95	10.50	13.00	86,924
Jan-13	15.57	11.18	12.23	2,33,341	14.90	11.30	12.50	41,028
Feb-13	13.98	9.41	9.52	48,386	12.50	9.10	10.00	32,418
Mar-13	11.80	8.00	9.54	62,402	12.85	7.80	8.75	43,449