

33rd Annual Report 2019 - 20



HB STOCKHOLDINGS LIMITED

**BOARD OF DIRECTORS**

Mr. Lalit Bhasin	Chairman
Mr. Anil Goyal	Director
Mr. Ashish Kapur	Director
Mr. Gulshan Rai	Director
Mr. Harbans Lal	Director
Mrs. Asha Mehra	Director

COMPANY SECRETARY

Mr. Rupesh Kumar

CHIEF FINANCIAL OFFICER (CFO)

Mr. Mahesh Kumar Gupta

MANAGER

Mr. Jag Mohan Lal Suri (Executive Director - Operations)

STATUTORY AUDITORS**G. C. Agarwal & Associates**

Chartered Accountants
240, Ghalib Apartments,
Parwana Road, Pitampura,
Delhi - 110 034

REGISTERED OFFICE

HB Stockholdings Limited
CIN L65929HR1985PLC033936

Plot No. 31, Echelon Institutional Area,
Sector-32, Gurugram - 122 001, Haryana
Ph : 0124-4675500, Fax : 0124-4370985
Email: corporate@hbstockholdings.com

WEBSITE

www.hbstockholdings.com

REGISTRAR & SHARE TRANSFER AGENT**M/s. RCMC Share Registry Pvt. Ltd.****CIN: U67120DL1950PTC601854**

B-25/1, First Floor
Okhla Industrial Area, Phase-II
New Delhi - 110020
Ph : 011-26387320, 26387321
Fax : 011-26387322
E-mail: investor.services@rcmcdelhi.com
Website: www.rcmcdelhi.com

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 33RD ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF HB STOCKHOLDINGS LIMITED WILL BE HELD ON TUESDAY, 29TH SEPTEMBER, 2020, AT 03.00 P.M. THROUGH VIDEO CONFERENCING ("VC")/ OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS INCLUDING CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020 TOGETHER WITH THE REPORTS OF THE DIRECTORS' AND AUDITORS' THEREON.

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Audited Financial Statements including Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2020, including the Audited Balance Sheet as at 31st March, 2020, the Statement of Profit & Loss, Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon be and are hereby approved and adopted."

2. APPOINTMENT OF MR. ANIL GOYAL (DIN: 00001938), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.

To consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Anil Goyal (DIN: 00001938), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as the Director of the Company."

SPECIAL BUSINESS:

3. RE-APPOINTMENT OF MRS. ASHA MEHRA (DIN: 02658967) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mrs. Asha Mehra (DIN: 02658967), who has already attained age of seventy five years in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as Non-Executive Independent Director of the Company to hold office for second term of five (5) consecutive years with effect from 09th September, 2020 to 08th September, 2025 and she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

4. APPOINTMENT OF MR. ASHISH KAPUR (DIN: 00002320) NON-EXECUTIVE NON-INDEPENDENT DIRECTOR OF THE COMPANY.

To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 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 and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, Mr. Ashish Kapur (DIN: 00002320), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and who shall hold office up to the date of this Annual General Meeting 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 Non-Independent Director of the Company and he shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things, necessary and expedient to give effect to this resolution."

**BY ORDER OF THE BOARD
FOR HB STOCKHOLDINGS LIMITED**

**Sd/-
RUPESH KUMAR
(Company Secretary)
Membership No: A-43104**

**Place : Gurugram
Date : 31st July, 2020**

NOTES:

- In view of the massive outbreak and extraordinary circumstances due to COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 08th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 05th May, 2020 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), the Companies are permitted to hold the Annual General Meeting (AGM) through Video

Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Circulars as mentioned hereinabove, the 33rd AGM of the Company is being held through VC / OAVM. The deemed venue of this AGM shall be the Registered Office of the Company.

- Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members to attend and cast vote for the members will not be available for this AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September, 2020 to 29th September, 2020 (Both days inclusive).
- The Members can join the AGM in the VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1000 Members on first come first served basis. However, this number does not include the large Shareholders i.e. Shareholders holding 2% or more shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to Section 113 of the Companies Act, 2013, Institutional/Corporate Shareholders (i.e. other than Individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or Authorization Letter authorizing its representative to attend the AGM through VC / OAVM and to vote on their behalf through remote e-voting or through e-voting at the AGM. The said Resolution or Authorization Letter shall be sent to the Scrutinizer, Ms. Jyoti Sharma by an e-mail through its registered email address to csjyotisharma@gmail.com with a copy marked to evoting@nsdl.co.in.
- In compliance with MCA Circular No. 20/2020 dated 05th May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board's Report, Auditor's report or other documents required to be attached therewith (together referred to as Annual Report 2019-20) and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
- The Annual Report 2019-20 and Notice of AGM will also be available on the website of the Company, www.hbstockholdings.com; website of the Stock Exchange(s) i.e. BSE Limited at www.bseindia.com, National Stock Exchange of India Limited at www.nseindia.com and the website of NSDL (agency for providing the Remote e-voting facility) i.e. <https://www.evoting.nsdl.com>
- Details of Directors seeking Appointment / Re-appointment at the ensuing Annual General Meeting [Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India] is annexed hereto and forms an integral part of this Notice.
- An Explanatory Statement(s) pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business herein is annexed hereto and forms an integral part of this Notice.
- All documents referred to in the Notice shall be made available for inspection in electronic mode, from the date of circulation of this Notice upto the date of the meeting. Members may request the same by sending an e-mail from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at corporate@hbstockholdings.com
- The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 shall be made available for inspection in electronic mode during the AGM upon login at NSDL e-voting system at <https://www.evoting.nsdl.com>
- Members who would like to express their views/ask questions with regard to the Financial Statements or any other matter can submit their queries in advance through an e-mail from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at corporate@hbstockholdings.com on or before 25th September, 2020 till 05.00 P.M. The views/questions of those Members will only be taken up who have mailed it to the Company within time and the same will be replied by the Company suitably.
- Members holding shares in physical form are requested to intimate their PAN, e-mail address, Bank Account details, Change of Address, Change of Name, Registration of Nomination etc. immediately to the Registrar and Share Transfer Agent (RTA) 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
Fax: 011 - 26387322
E-mail: investor.services@rcmdelhi.com**



Members holding shares in demat form can update their necessary details with their Depository Participants. These changes will be automatically reflected in the Company's records which will help the Company to provide efficient and better service to the Members.

15. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. In view of the same and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's RTA for assistance in this regard.
16. The Ministry of Corporate Affairs (MCA) has notified provisions relating to Unpaid / Unclaimed Dividend under Sections 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016. As per these rules, the amount of Dividend remaining Unpaid or Unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

The dividend declared by the Company in the Annual General Meeting held in the year 2013 is due to be transferred to Investor Education and Protection Fund (IEPF) Authority. The Unpaid / Unclaimed Dividend amount stood at Rs. 24,24,709/- as on 31st March, 2020. The Company strongly recommends Shareholders to encash / claim their respective dividend on or before 25th September, 2020 from the Company's Registrar and Share Transfer Agents.

Mr. Rupesh Kumar, Company Secretary has been appointed as the Nodal Officer in terms of the provisions of IEPF Rules and complete details are available on the website of the Company;

<http://www.hbstockholdings.com/Investor%20Information/Listing%20Information/ig.html>

17. **INFORMATION ON REMOTE E-VOTING, ATTENDING THE AGM THROUGH VC / OAVM AND E-VOTING DURING AGM:**

(A) **VOTING THROUGH ELECTRONIC MEANS:**

- In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and various Circulars issued by the Ministry of Corporate Affairs (MCA) and SEBI as mentioned above, the Members are provided with the facility to attend AGM through Video Conferencing (VC) / Other Audio Visual Means (OAVM), to cast their vote electronically through the remote e-voting before the AGM and through e-voting during the AGM, through the Authorised Agency, **National Securities Depository Limited (NSDL)**.
- The remote e-voting period commences on **26th September, 2020 (09.00 A.M)** and ends on **28th September, 2020 (05.00 P.M)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- The e-voting rights of the Members shall be in proportion to the paid-up value of their Shares in the Equity Share Capital of the Company. Members of the Company holding Shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 22nd September, 2020**, may cast their vote by remote e-voting / e-voting at the meeting.
- Any person who acquires Shares of the Company and becomes member of the Company after dispatch of the Notice and holding Shares as on the cut-off date i.e. 22nd September, 2020 may obtain the e-voting login Id and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your exiting user ID and password for casting your vote.
- Ms. Jyoti Sharma, Company Secretary in Whole-time Practice (Membership No.: 8843, C.P. No.: 10196) failing her Ms. Purni Singhal, Company Secretary in Whole-time Practice (Membership No.: 40565, C.P. No.: 19493) have been appointed as the Scrutinizer(s) for conducting the remote e-voting & e-voting at AGM in a fair and transparent manner.
- In case of any grievance connected with the facility for voting by electronic means, Members can directly contact Ms. Pallavi Mhatre, Manager - NSDL, e-mail ID: pallavid@nsdl.co.in / evoting@nsdl.co.in or call on Toll Free No.: 1800-222-990. Members may also write to the Company Secretary at the e-mail ID: corporate@hbstockholdings.com.

(B) **INSTRUCTIONS FOR REMOTE E-VOTING PRIOR TO AGM ARE AS UNDER:**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-voting system.

>> Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.

- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 113758 then user ID is 113758001***

- Your password details are given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
 - If your e-mail address is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail address. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your e-mail address is not registered, please refer the **"PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS FOR OBTAINING E-VOTING USER ID & PASSWORD, NOTICE OF AGM, ANNUAL REPORT 2019-20 AND UPDATION OF BANK ACCOUNT DETAILS"** provided hereinafter.

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- "Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

- Now, you will have to click on "Login" button.

- After you click on the "Login" button, Home page of e-Voting will open.

>> Details on Step 2 is mentioned below:

How to cast your vote electronically on NSDL e-voting system?

- After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.



- (iii) Select "EVEN" of company for which you wish to cast your vote.
- (iv) Now you are ready for e-Voting as the Voting page opens.
- (v) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- (vi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (vii) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- (viii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

>> General Guidelines for Shareholders:

- (i) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- (ii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- (iii) **In case of any queries / grievances, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on Toll Free No.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager - NSDL at pallavid@nsdl.co.in or evoting@nsdl.co.in**

(C) INSTRUCTIONS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

- (i) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (ii) Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- (iii) Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (iv) The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

(D) INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- (i) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush. Further, members can also use the OTP based login for logging into the e-voting system of NSDL.
- (ii) Members are encouraged to join the Meeting through Laptops for better experience.
- (iii) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Members who would like to express their views/ask questions during the meeting may pre-register themselves as a speaker by sending a request from their registered e-mail address mentioning their Name, DP ID / Client ID Number / Folio Number, Mobile Number to the Company at corporate@hbstockholdings.com. Those Members who have registered themselves as a speaker on or before **25th September, 2020 till 5:00 P.M.** will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. Questions that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.

(E) PROCEDURE FOR REGISTRATION OF E-MAIL ADDRESS FOR OBTAINING E-VOTING USER ID & PASSWORD, NOTICE OF AGM, ANNUAL REPORT 2019-20 AND UPDATION OF BANK ACCOUNT DETAILS.

- (i) **Members holding shares in physical form** who have not registered their e-mail address are requested to send scanned copy of duly signed request letter to Company's Registrar and Share Transfer Agent (RTA), RCMC Share Registry Private Limited through an e-mail at investor.hb@rcmcdelhi.com providing Folio No., Name of Shareholder along with scanned copy of the Share Certificate (front and back), self-attested scanned copy of the PAN Card and any one of the following documents viz., Aadhaar Card, Driving Licence, Voter Card, Passport or Utility bill in support of the address proof of the Member as registered with the Company for the purpose of obtaining e-voting User ID & Password, Notice of AGM and Annual Report 2019-20.

For updation of Bank Account Details, please provide (i) Bank Account Number (ii) Bank Name and Branch Address (iv) MICR Number (v) IFSC Code (vi) Cancelled cheque leaf or copy of Bank Passbook / Bank Statement duly attested by the Bank.

Please note that the registration of e-mail address / updation of Bank Account Details on the basis of scanned documents is only for the purpose this AGM. The Members will be required to send hard copy of the aforesaid documents to RTA for necessary updation in the master records of the Company.

- (ii) **Members holding shares in demat form** can update their e-mail address and Bank Account Details with their Depository Participants.

(F) DECLARATION OF RESULTS ON THE RESOLUTIONS:

- (i) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first unblock the votes cast at the meeting through e-voting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company, and make, not later than forty eight (48) hours of conclusion of the meeting, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith upon submission of the Scrutinizer's Report.
- (ii) The Company shall submit to the BSE Limited & National Stock Exchange of India Limited, within forty eight (48) hours of the conclusion of the meeting, details regarding the voting results in the prescribed format. The results declared along with the Scrutinizer's Report(s) shall also be placed on the website of the Company, <http://www.hbstockholdings.com> and on the website of NSDL, <https://www.evoting.nsdl.com> immediately after the declaration of results.
- (iii) Subject to the receipt of requisite number of votes, the resolution(s) shall be deemed to be passed on the date of the meeting.



PROFILE OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THIS ANNUAL GENERAL MEETING

PARTICULARS	MR. ANIL GOYAL	MRS. ASHA MEHRA	MR. ASHISH KAPUR
Directors Identification Number (DIN)	00001938	02658967	00002320
Date of Birth	22 nd February, 1959	08 th August, 1940	27 th July, 1969
Date of First Appointment on the Board	30 th July, 2005	30 th March, 2015	23 rd July, 2020
Profile / Expertise in Specific functional Areas.	Mr. Goyal is a Fellow member of the Institute of Chartered Accountants of India with expertise in the fields of Finance, taxation, investment banking, corporate restructuring and strategic planning. He has good experience of Corporate and Legal matters including SEBI related Laws.	Mrs. Mehra has held various prestigious positions with Government of India like Assistant/ Deputy Commissioner of Income Tax, Deputy Director, Income Tax, Commissioner of Income Tax, New Delhi, Chief Commissioner of Income Tax, Rajasthan, Member, Central Board of Direct Taxes (CBDT) etc. She has also worked as Member and Chairperson of Income Tax Settlement Commission, Principal Bench, New Delhi.	Mr. Kapur is a Commerce Graduate from Panjab University. He has also done Master in Business Administration with major in Finance from Narsee Monjee Institute of Management Studies (NMIMS). He has got more than two decades of rich working experience in Finance, Investments and Capital Markets. He started his career in 1993 with Jardine Fleming India as AVP Capital Markets. He is on the Board of Directors of few other Companies.
Qualifications	B.Com & C.A	Post Graduate, & Post Graduate Diploma in Tax Management, 1972	B.Com & MBA
List of Directorship in other Companies	Listed Companies: <ol style="list-style-type: none"> HB Portfolio Ltd.- Managing Director HB Leasing and Finance Co. Ltd.- Managing Director HB Estate Developers Ltd.-Director (Chairman) Other Companies: <ol style="list-style-type: none"> HB Financial Consultants Pvt. Ltd. HB Securities Ltd. Mount Finance Ltd. RRB Securities Ltd. HB Corporate Services Ltd. Bhasin Investments Ltd. Taurus Investment Trust Company Ltd. R.R.B. House Finance Pvt. Ltd. 	Listed Company: HB Estate Developers Ltd.	<ol style="list-style-type: none"> RRB Master Securities Delhi Ltd. – Managing Director Leo Portfolios Pvt. Ltd. Invest Shoppe India Pvt. Ltd. BSP Constructions Pvt. Ltd. Aquarius Portfolios Pvt. Ltd.
Membership of Committee of the Board in other Companies.	Stakeholder's Relationship Committee <ol style="list-style-type: none"> HB Portfolio Ltd. (Member) HB Leasing and Finance Co. Ltd. (Member) HB Estate Developers Ltd. (Member) RRB Securities Ltd. (Member) Nomination and Remuneration Committee <ol style="list-style-type: none"> RRB Securities Ltd. (Member) HB Estate Developers Ltd. (Member) Corporate Social Responsibility Committee <ol style="list-style-type: none"> HB Portfolio Ltd. (Member) HB Estate Developers Ltd. (Member) Finance and Borrowings Committee <ol style="list-style-type: none"> HB Portfolio Ltd. (Member) Capital Restructuring Committee <ol style="list-style-type: none"> HB Portfolio Ltd. (Member) Securities Committee <ol style="list-style-type: none"> HB Estate Developers Ltd. (Member) Business Restructuring Committee <ol style="list-style-type: none"> HB Estate Developers Ltd. (Member) 	Audit Committee <ol style="list-style-type: none"> HB Estate Developers Ltd. (Chairperson) Nomination and Remuneration Committee <ol style="list-style-type: none"> HB Estate Developers Ltd. (Chairperson) Corporate Social Responsibility Committee <ol style="list-style-type: none"> HB Estate Developers Ltd. (Chairperson) 	None
No. of Equity Shares held	Nil	Nil	Nil
No. of Board Meetings attended/entitled to attend during the year	4/4	3/4	NA
Whether related to any Board Members, Manager or KMP of the Company	No	No	Mr. Lalit Bhasin, Director (Chairman) & Promoter of the Company is deemed interested.

BY ORDER OF THE BOARD
FOR HB STOCKHOLDINGS LIMITED

Place : Gurugram
Date : 31st July, 2020

Sd/-
RUPESH KUMAR
(Company Secretary)
Membership No: A-43104



EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

ITEM NO. 3:

Mrs. Asha Mehra (DIN: 02658967) was appointed as Non-Executive Independent Director of the Company for a term of five (5) consecutive years by the Shareholders in their Annual General Meeting held on 9th September, 2015 pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and rules made thereunder ('the Act') read with Schedule IV of the Act.

In terms of the said provisions, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

In terms of Regulation 17(1A) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a Special resolution is passed to that effect.

The Board of Directors, based on the performance evaluation of Independent Director and on the recommendation of the Nomination and Remuneration Committee in their meeting(s) held on 12th February, 2020 considered and recommended the re-appointment of Mrs. Asha Mehra (DIN: 02658967) aged 80 years as Non-Executive Independent Director of the Company for second term of five consecutive years pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') 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 of the Act and Regulation 17(1A) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The Company has received a declaration to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing her candidature for the office of Director.

In the opinion of the Board, Mrs. Asha Mehra fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 and she is independent of the management. She is 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.

Copy of Draft letter for her re-appointment as Non-Executive Independent Directors setting out the terms and conditions would be made available for inspection through electronic mode without any fee by the members, up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mrs. Asha Mehra is given in Notes forming part of the Notice.

The Board of Directors recommends to the Shareholders that the association of Mrs. Asha Mehra would be beneficial to the Company based on her performance evaluation, knowledge, background, extensive experience and contributions made during her tenure, it is desirable to re-appoint her as Non-Executive Independent Director of the Company for second term of five consecutive years.

Except Mrs. Asha Mehra, None of the other Directors, Key Managerial Personnel (KMP) and / or their relatives is in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3.

The Board of Directors recommends the Special Resolution at Item No. 3 of the Notice for the approval of the members.

ITEM NO. 4:

Mr. Ashish Kapur (DIN: 00002320), aged 51 years, was appointed as an Additional Director of the Company w.e.f 23rd July, 2020 who shall hold office only up to the date of this Annual General Meeting (AGM).

The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended to appoint Mr. Ashish Kapur as Non-Executive Non-Independent Director within the meaning of Section 152 of the Companies Act, 2013 read with Rules made there under and in accordance with the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received a declaration to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director. The documents mentioned hereinbefore would be made available for inspection through electronic mode without any fee by the members, up to the date of the AGM.

As per the requirements of Regulation 36(3) of Listing Regulations and Secretarial Standard – 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Ashish Kapur are given in Notes forming part of the Notice.

In the opinion of the Board of Directors, Mr. Ashish Kapur fulfills the conditions for appointment as a Non-Executive Non-Independent Director as specified in the Act and the Rules made thereunder. The Board recommends to the Shareholders that the association of Mr. Ashish Kapur would be beneficial to the Company considering his knowledge, background, extensive experience.

Mr. Lalit Bhasin, Director (Chairman) & Promoter of the Company is deemed interested in the proposed resolution. None of the other Directors and Key Managerial Personnel (KMP) or their relatives are concerned or interested in the proposed resolution.

The Board recommends the resolution set forth at Item No. 4 of the Notice for the approval of the members.

**BY ORDER OF THE BOARD
FOR HB STOCKHOLDINGS LIMITED**

**Place : Gurugram
Date : 31st July, 2020**

**Sd/-
RUPESH KUMAR
(Company Secretary)
Membership No: A-43104**

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 33rd Annual Report together with the Audited Financial Statement for the Financial Year ended 31st March, 2020.

FINANCIAL RESULTS

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

(Amount in ₹ Lakh)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Interest Income	184.09	338.03	184.09	338.03
Dividend Income	12.31	10.19	12.31	10.19
Total Revenue from Operations	196.40	348.22	196.40	348.22
Other Income	18.29	0.00	18.29	0.13
Total Income	214.69	348.22	214.69	348.34
Expenses	944.05	900.46	948.97	906.20
Profit / (Loss) Before Tax	(729.36)	(552.24)	(734.28)	(557.85)
Tax Expense	0.56	21.53	0.56	21.53
Profit / (Loss) After Tax	(729.91)	(573.77)	(734.84)	(579.38)
Profit / (Loss) for the year	(729.91)	(573.77)	(734.84)	(579.38)
Other Comprehensive Income for the year, net of tax	(3.76)	(1.04)	(3.76)	(1.04)
Total Comprehensive Income for the year	(733.67)	(574.81)	(738.59)	(580.42)

ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND-AS)

The Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act. The transition to Ind-AS has been carried out in accordance with Ind-AS 101. Accordingly, the financial figures for the previous year ended 31st March, 2019 have also been regrouped / rearranged in accordance with Ind-AS.

DIVIDEND

In view of the brought forward losses and current year loss, the Board of Directors regrets their inability to recommend any Dividend for the Financial Year 2019-2020.

TRANSFER TO GENERAL RESERVE

The Board of Directors of your Company has decided not to transfer any amount to the General Reserve for the year under review.

PERFORMANCE REVIEW & OUTLOOK

The Company's business activities have been adversely impacted due to volatility in the stock market and uncertain business environment / outlook. The Company is maintaining its operations in adherence to the safety norms issued by the Government from time to time. The Company has taken adequate measures to control the cash flow and overhead expenditures to manage the operations. There has been no impact on the internal financial reporting and controls of the Company. At present, the Company is in position to fulfil its legal obligations. The Company is closely monitoring the situation and continues to evaluate the impact of COVID-19 as the situation evolves.

It is very difficult to access the future impact on business operations and it is expected to evolve over a period of time. The Company aims to meet all its debt repayment with the available capital and financial resources. Further, the Company does not foresee any material impact on the Company's business due to non-fulfilment of any obligation(s) by any party. The Management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the Company and take necessary measures to address the situation.

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

(i) Share Capital

The Paid up Equity Share Capital as on 31st March, 2019 stood at ₹ 7,13,76,650/- comprising of 7137665 Equity Shares of ₹ 10/- each. During the year under review, the Company has neither issued any Shares with differential voting rights nor granted stock options nor sweat equity.

The Shareholding of Directors of the Company (including Promoter Director) is given in the Corporate Governance Report forming part of this report.

(ii) Number of meeting(s) of the Board

During the year under review, four Board Meetings were convened and held. The details of such meeting(s) are given in the Corporate Governance Report, which forms an integral part of Board's Report. The maximum interval between any two meeting(s) did not exceed 120 days, as prescribed in the Companies Act, 2013.

(iii) Committees of the Board

The Company has several Committees which have been established in compliance with the requirement of the relevant provisions of applicable laws and statutes. As on 31st March, 2020, the Board has five committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Business Restructuring Committee. A detailed note on the composition of the Committees is provided in the Corporate Governance Report, which forms an integral part of the Board's Report.

(iv) Public Deposits

The Company has not accepted any Deposits from the Public under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

(v) Significant and other material orders passed by the regulators or courts

There are no significant material orders passed by the Regulators or Courts or Tribunal during the year under review which has an impact on the Going Concern status and Company's operations in future.

(vi) Particulars of Loans, Guarantees or Investments

The principal business activity of the Company is to undertake financial services, investing and dealing in various kinds of securities. Details of Loans, Guarantees and Investments made by the Company in the ordinary course of its business are given in the notes to the Financial Statements.

(vii) Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars required under Section 134(3)(m) of the Companies Act, 2013 read with Rules 8 of the Companies (Accounts) Rules 2014 in respect of conservation of energy and technology absorption are not applicable to your Company.

The total foreign exchange earnings during the year under review and previous period is NIL and total foreign exchange out go during the year under review and the previous period is NIL.

(viii) Change in the Nature of Business

There is no change in the nature of business of the Company during the year under review.

(ix) Maintenance of cost records

The nature of Company's business / activities is such that maintenance of cost records under Section 148(1) of the Companies Act, 2013 is not applicable to the Company.

(x) Material Changes and commitments

No material changes and commitments have occurred between the end of the financial year to which the financial statements relate and date of this report, affecting the financial position of the Company.

(xi) Reporting of frauds by the Auditors

No fraud has been noticed or reported by the Statutory Auditor's during the course of their Audit

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

(i) Subsidiaries

The Company has following Subsidiary as on 31st March, 2020:

Name of the Company	As on 31 st March, 2020	
	No. of Shares	% of holding
1. Mount Finance Limited	830006	100.00%

A separate statement containing the salient features of the Financial Statement of the Company's Subsidiaries is being provided in **Form AOC-1** along with Financial Statements in terms of Section 129(3) of the Companies Act, 2013. The Financial Statements of the Subsidiary Companies will be made available upon request by any Member of the Company interested in obtaining the same. The Financial Statements of the Subsidiary Companies will also be kept for inspection by any Member of the Company at its Registered Office.

The Board of Directors has approved a Policy for Determining Material Subsidiaries in compliance with the provisions of Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy for Determining Material Subsidiary has been suitably modified as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The said Policy is available on the website of the Company having following web-link,

<https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>



HB STOCKHOLDINGS LIMITED

(ii) Joint Ventures

The Company is not having any Joint Venture business and no Company has become its Joint Venture during the year under review.

(iii) Associate Companies

In terms of Sec 2(6) of the Companies Act, 2013, the Company is not having any Associate Company during the year under review.

MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE REPORT

As required under Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion & Analysis Report; a Report on the Corporate Governance together with the Compliance Certificate from the Company's Statutory Auditor's confirming compliance(s) forms an integral part of this report.

WHISTLE BLOWER POLICY – VIGIL MECHANISM

In terms of the provisions of Sec 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Stakeholders, Employees and Directors of the Company has been established. The Whistle Blower Policy duly approved by the Board of Directors is available on the website of the Company having following web-link,

<https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>

RELATED PARTY TRANSACTIONS

The Related Party Transactions that were entered during the financial year under review were on arm's length basis and were in the ordinary course of business. The Audit Committee has accorded its omnibus approval for the said transactions. The Company has not entered into any materially significant Related Party Transaction under Section 188 of the Companies Act, 2013. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

The Board of Directors, on the recommendation of the Audit Committee, has approved a Policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act, 2013, the Rules made there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy on Related Party Transactions has been suitably modified as per the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. The Policy is available on the website of the Company having following web-link,

<https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all Stakeholders and in ensuring adherence to all laws and regulation in force.

The Board of Directors has adopted the Code of Conduct for regulating, monitoring and reporting of trading by insiders and other connected persons, in compliance with Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Code of Conduct lays down guidelines and procedures to be followed and disclosures to be made while dealing with the Shares of the Company, as well as the consequences of violation. The Code of Conduct has been formulated for prevention of Insider Trading and to maintain the highest standards of dealing in Company Securities. The Code of Conduct has been suitably modified as per the provisions of the Insider Trading Regulations and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Further, the Policy and procedure for inquiry in case of leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information have been framed in line with the provisions of the Insider Trading Regulations, as amended.

PRESERVATION OF DOCUMENTS & ARCHIVAL POLICY

In terms of Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors in their meeting held on 11th February, 2016 has adopted a Policy for Preservation of Documents & Archival thereof, classifying them in two categories as follows:

- documents whose preservation shall be permanent in nature; &
- documents with preservation period of not less than eight years after completion of the relevant transactions.

The said Policy is available on the website of the Company having following web link,

<https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>

DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY

The Board of Directors has adopted the Risk Management Policy which sets out the framework for the management of risks faced by the Company in the conduct of its business to ensure that all business risks are identified, managed and monitored. The contents of Risk Management Policy have been included in Management Discussion and Analysis forming part of this report.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace. The Board of Directors

in their meeting held on 17th May, 2014 constituted the Internal Complaint Committee and thereafter re-constituted on 16th June, 2020. The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Internal Complaint Committee comprises of following members:

- Mrs. Banmala Jha, Presiding Officer (Sr. V.P Legal – HB Estate Developers Ltd.)
- Mrs. Renu Gupta, Member
- Mr. Mahesh Gupta, Member (Chief Financial Officer)
- Mr. Rupesh Kumar, Member (Company Secretary)*

(*) Appointed w.e.f 16th June, 2020

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The women employees were made aware about the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made there under and the provisions of Internal Complaint Policy of the Company.

Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is provided in the Corporate Governance Report which forms an integral part of the Board's Report.

INTERNAL CONTROLS SYSTEMS AND THEIR ADEQUACY

The Company has proper and adequate system of Internal Controls. The information about Internal Controls is set out in the Management Discussion and Analysis forming part of this report.

INTERNAL FINANCIAL CONTROLS

The Company has established Internal Financial Control System for ensuring the orderly and efficient conduct of the business including adherence to Company's Policies, the safeguarding of assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors has constituted a Corporate Social Responsibility Committee (CSR Committee) pursuant to the provisions of Section 135 of the Companies Act, 2013. The composition of the CSR Committee has been mentioned in the Corporate Governance Report forming part of this report. The Board of Directors, on the recommendation of the CSR Committee, has approved the Corporate Social Responsibility Policy (CSR Policy) of the Company which is available on the website of the Company having following web-link,

<https://www.hbstockholdings.com/Investor%20Information/Corporate%20Governance/index.html>

Brief outline / salient features of the CSR Policy of the Company are as follows:

- The Company endeavors to adopt an integrated approach to address the community, societal & environmental concerns by taking one or more of the activities allowed as per Section 135 of the Companies Act, 2013 and the applicable rules and regulations.
- To identify the activities in response to felt societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner.
- To provide financial assistance in the form of grant-in-aid assistance and corpus fund support etc. to support, supplement and improve the quality of life of different segments of the Society.
- As a responsible corporate entity, the Company will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on the social welfare activities.
- A total allocation of amount as prescribed by the Companies Act, 2013 and approved by the Board earmarked every year for implementation of CSR activities.

During the Financial Year 2019-2020, the Company has carried out following changes in the CSR Policy of the Company as per the provisions of the Companies Act, 2013 read with applicable Rules made thereunder, as amended:

The activities prescribed under Corporate Social Responsibility have been included / modified in following sub-clauses of clause no. 4 of the Policy:

- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- slum area development;

Explanation- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- disaster management, including relief, rehabilitation and reconstruction activities;



As a part of the CSR initiatives, your Company has undertaken CSR activity in accordance with Schedule VII of the Companies Act, 2013 during the financial year 2019-2020. The report on CSR activities is attached as “ANNEXURE – I” forming part of this report.

AUDITORS

(i) Statutory Auditors

The Shareholders in the 30th Annual General Meeting held on 26th September, 2017 had appointed ‘G. C. Agarwal & Associates’, Chartered Accountants, Delhi (FRN 017851N) as the Statutory Auditors for a term of five (5) consecutive years i.e. from the conclusion of the 30th Annual General Meeting to the conclusion of 35th Annual General Meeting to be held in the year 2022.

As per the amended provisions of Sec 139(1) of the Companies Act, 2013, the requirement of ratification of the appointment of Statutory Auditors by members at every general meeting has been omitted. Accordingly, the resolution is proposed for the approval of members at the ensuing Annual General Meeting to dispense with the requirement of annual ratification of appointment of ‘G.C. Agarwal & Associates’, Chartered Accountants, Delhi (FRN 017851N) for its remaining tenure as the Statutory Auditors of the Company.

Observations of the Statutory Auditors are explained, wherever necessary, by way of Notes to the Financial Statements.

(ii) Internal Auditors

‘Marv & Associates LLP’, Chartered Accountants, New Delhi perform the duties of the Internal Auditors of the Company and their report is reviewed by the Audit Committee on quarterly basis.

(iii) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. A.N. Kukreja, Proprietor, ‘A.N. Kukreja & Co.’, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is enclosed as a part of this report as “ANNEXURE – II”.

The Secretarial Auditors have made following observations in their Secretarial Audit Report:

- 1) *The Registrar of Companies, NCT of Delhi and Haryana has filed complaint (bearing case No. CC/606/2019 at District Courts, Dwarka, New Delhi for alleged violation of Section 134(3)(o) read with Section 135 of the Companies Act, 2013 against the Company and its officers. The Company has on its own made an application - e-Form RD-1 (SRN 34522995) dated 02.03.2020 for compounding of the offence. Final order is awaited.*

Director’s Comment: No comments required as the Auditors observation is self-explanatory in itself.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

(a) Appointment / Re-appointment / Resignation of Directors and KMP

As per the provisions of Section 152 of the Companies Act, 2013, Mr. Anil Goyal (DIN: 00001938), Director shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors recommends his re-appointment.

Mr. Harbans Lal (DIN: 00076405) aged 77 years and Mr. Gulshan Rai (DIN: 000527181) aged 85 years has been re-appointed as Non-Executive Independent Directors for second term of five consecutive years by passing Special Resolution in the last Annual General Meeting held on 17th September, 2019.

Mrs. Asha Mehra (DIN: 02658967), aged 80 years is proposed to be re-appointed as Non-Executive Independent Directors for second term of five consecutive years. The Company has received a declaration to the effect that they are not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and are not debarred from holding the office of director by virtue of any SEBI Order or any other such authority. In the opinion of the Board, Mrs. Asha Mehra fulfill the conditions specified in the Act and the criteria of Independent Director in terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are independent of the management.

Pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (‘the Act’) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act, Regulation 17(1A) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends to the Shareholders that the association of Mrs. Asha Mehra would be beneficial to the Company based on her performance evaluation, considering her knowledge, background, extensive experience and contributions made by her during her tenure and it is desirable to re-appoint her as Non-Executive Independent Directors of the Company for second term of five consecutive years.

Mr. Rachit Tandon (M.No. A-30169) has resigned from the position of the Company Secretary with effect from 31st January, 2020.

Mr. Rupesh Kumar (M.No. A-43104) has been appointed as the Company Secretary and Compliance Officer being the Key Managerial Personnel of the Company w.e.f. 16th June, 2020 as per the provisions of Section 203 of the Companies Act, 2013 and Rule 8 of the Companies (Appointment and Remuneration) Rules, 2014.

(b) Declaration from Independent Directors

Mr. Harbans Lal, Mr. Gulshan Rai and Mrs. Asha Mehra are Non-Executive Independent Directors on the Board of the Company. The Company has received declarations from all the Independent Director(s) confirming that they meet with the criteria of Independence as prescribed both under Section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b), 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(c) Nomination and Remuneration Policy

The Board of Directors, on the recommendation of the Nomination & Remuneration Committee, has approved a Policy for selection, appointment & remuneration including criteria for determining qualifications, positive attributes of Directors, Key Managerial Personnel (KMP) and Senior Management employees of the Company.

Brief outline / salient features of the Nomination and Remuneration Policy are as follows:

- Nomination and Remuneration Committee has been empowered inter-alia to carry out the following functions:
 - Identification and selection of persons for appointment as Director, KMP or at Senior Management level considering their qualification, experience and integrity.
 - Determining the appropriate size, diversity and composition of the Board.
 - Developing a succession plan for the Board and Senior Management of the Company.
 - To recommend all remuneration, in whatever form, payable to senior management.
 - Considering and determining the remuneration based upon the performance to attract retain and motivate members of the Board.
 - Approving the remuneration of the Senior Management including KMPs of the Company.
 - Evaluation of performance of the Board, its committees, individual directors and Senior Management Personnel on yearly basis.
 - To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- Approval of the Shareholders by way of Special Resolution is required in following cases:
 - To appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years.
 - To appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years.
 - To re-appoint Independent Directors for second terms of five consecutive years.
 - Payment of fees or compensation to executive directors who are promoters or members of the promoter group exceeding particular limits specified in the policy.
 - The annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors.
- Executive Directors / Managing Director are paid remuneration as per applicable provisions of the Companies Act, 2013 and rules made there under.
- 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 has been fixed by the Board of Directors within the overall ceiling laid down under the Companies Act, 2013.

Following changes were made in the Nomination and Remuneration Policy of the Company during the Financial Year 2019-2020 as per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended:

- 1) The Nomination and Remuneration Committee to recommend to the Board, all remuneration, in whatever form, payable to the Directors, key managerial personnel and Senior Management.
- 2) “Senior Management” means officers / personnel of the Company who are members of the core management team excluding Board of Directors comprising all members of management one level below the chief executive officer / managing director / whole time director / manager (including chief executive officer / manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.
- 3) The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- 4) The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if-