

34th Annual Report 2020 - 21



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. Naresh Khanna (VP-Investments)

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 34TH ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF HB STOCKHOLDINGS LIMITED WILL BE HELD ON WEDNESDAY, 29TH SEPTEMBER, 2021, AT 03.00 P.M. THROUGH VIDEO CONFERENCING ("VC")/ OTHER AUDIO-VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS INCLUDING CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021 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, 2021, including the Audited Balance Sheet as at 31st March, 2021, 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. RE-APPOINTMENT OF MR. LALIT BHASIN (DIN: 00002114), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT.

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

"RESOLVED THAT pursuant to Section 152 (6) and other applicable provisions, if any, of the Companies Act, 2013, Mr. Lalit Bhasin (DIN: 00002114), 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. APPOINTMENT OF MR. NARESH KHANNA AS MANGER BEING THE KEY MANAGERIAL PERSONNEL 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 2(53), 196, 197, 198 and 203 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and other applicable provisions, if any of the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Naresh Khanna, be and is hereby appointed as the Manager being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 7th June, 2021 to 6th June, 2024 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" with term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit.

RESOLVED FURTHER THAT subject to the provisions of Schedule V of the Companies Act, 2013, the remuneration shall be payable as minimum remuneration comprising salary and other perquisites to the Manager (KMP) in the event of absence/ inadequacy of profits in any financial year.

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 : 21st June, 2021

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 and Circular No. 02/2021 dated 13th January, 2021 issued by the Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated 15th January, 2021 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 34th 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, 2021 to 29th September, 2021** (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/CMD2/CIR/P/2021/11 dated 15th January, 2021 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 2020-21) 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 2020-21 and Notice of AGM shall 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 up-to 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, 2021 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@rcmcdelhi.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.
- 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.
- 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 Company had, accordingly, transferred ₹ 24,13,712/- (Rupees Twenty-Four Lakh Thirteen Thousand Seven Hundred Twelve Only) to IEPF on 14th October, 2020 being the Unpaid and Unclaimed Dividend amount pertaining to Final Dividend for the Financial Year ended 31st March, 2013.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules thereto, the Company has duly transferred all Equity Shares in respect of which Dividend has not been paid or claimed for seven (7) consecutive years or more to the specified DEMAT Account of the Investor Education and Protection Fund (IEPF) Authority, Ministry of Corporate Affairs after giving individual notice to all such Equity Shareholders and publication of newspaper advertisement thereto. The complete details of such Equity Shares transferred to IEPF Account is available on the website of the Company; <http://www.hbstockholdings.com>.

Any further benefit on such Equity Shares except Right Issue shall be credited to the IEPF Account. The Equity Shareholders may claim back their Shares along with the Unclaimed Dividend amount from the IEPF Authority by following the refund procedure as detailed on the website of IEPF Authority; <http://iepf.gov.in/IEPFA/refund.html>. The refund procedure is also available on the Company's website, <http://www.hbstockholdings.com>.

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;

www.hbstockholdings.com/InvestorInformation/ListingInformation/ig.html

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

(A) VOTING THROUGH ELECTRONIC MEANS:

- (i) In compliance with Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations and various Circulars as mentioned above, the Members are provided with the facility to attend AGM through VC / 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)**.
- (ii) The remote e-voting period commences on **26th September, 2021 (09.00 A.M)** and ends on **28th September, 2021 (05.00 P.M)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is casted by the Member, the Member shall not be allowed to change it subsequently.
- (iii) 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, 2021**, may cast their vote by remote e-voting / e-voting at the meeting.
- (iv) Any person who acquires Shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding Shares as on the cut-off date, i.e. **22nd September, 2021** may obtain the 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 existing user ID and password for casting your vote.
- (v) Ms. Jyoti Sharma, Company Secretary in Whole-time Practice (Membership No.: 8843, C.P. No.: 10196) failing her Ms. Puri 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.
- (vi) **In case of any grievance connected with the facility for voting by electronic means, Members can directly contact Ms. Soni Singh, Assistant Manager - NSDL, e-mail ID: 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:

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 and join the AGM on NSDL e-Voting system.

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

I. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode:

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for **Individual Shareholders** holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> If you are already registered with NSDL IDEAS facility, please visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for NSDL IDEAS facility, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL 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 'Shareholder/ Member' section. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Shareholders/ Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p>    </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of E-Voting Service Provider (ESP) i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Once logged in, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID/ Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

II. Login Method for e-Voting and joining virtual meeting for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in Physical Mode:

- 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 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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 117229 then user ID is 117229001***

- 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 email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. 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 email ID is not registered, please refer If your email ID is not registered, please refer the "PROCEDURE FOR REGISTRATION OF E-MAIL ID FOR OBTAINING E-VOTING USER ID & PASSWORD, NOTICE OF AGM, ANNUAL REPORT 2020-21 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 etc.

d) 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.

Step 2: Cast your vote electronically and join the AGM on NSDL e-Voting system.

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

>> General Guidelines for Shareholders:

- Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently.
- 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.
- 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 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh, Assistant Manager at evoting@nsdl.co.in

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

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 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.
- 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.
- 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:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join Annual General meeting" menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member 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.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- 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.
- 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, 2021 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 2020-21 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 License, 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 2020-21.

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 from 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 from 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

Name of Director	MR. LALIT BHASIN
Directors Identification Number (DIN)	00002114
Date of Birth	14 th August, 1968
Date of First Appointment on the Board	16 th August, 1989
Profile / Expertise in Specific functional Areas.	Mr. Lalit Bhasin, Director (Chairman) is a commerce graduate from Shri Ram College of Commerce, Delhi University. He brings with him nearly three decades of expertise in the field of management, hospitality, investments and capital market.
Qualifications	B. Com
List of Directorship in other Companies	Listed Companies: <ol style="list-style-type: none"> HB Portfolio Ltd. HB Leasing and Finance Co. Ltd. HB Estate Developers Ltd. CHL Ltd. Other Companies: <ol style="list-style-type: none"> Taurus Asset Management Co. Ltd. RRB Master Securities Delhi Ltd. RRB House Finance Pvt. Ltd. Pal Properties (India) Pvt. Ltd. HB Financial Consultants Pvt. Ltd. ALMR Gems & Trading Pvt. Ltd.
Membership of Committee of the Board in other Companies.	Audit Committee: <ol style="list-style-type: none"> HB Leasing and Finance Co. Ltd. (Member) CHL Ltd. (Member) Stakeholder's Relationship Committee: <ol style="list-style-type: none"> HB Leasing and Finance Co. Ltd. (Chairperson) CHL Ltd. (Member) Nomination and Remuneration Committee: <ol style="list-style-type: none"> HB Leasing and Finance Co. Ltd. (Member) CHL Ltd. (Member) Corporate Social Responsibility Committee: <ol style="list-style-type: none"> Taurus Asset Management Ltd. (Chairperson)
No. of Equity Shares held	3678691
No. of Board Meetings attended/entitled to attend during the year	4/4
Whether related to any Board Members, Manager or KMP of the Company	Mr. Ashish Kapur, Non-Executive Non-Independent Director of the Company is deemed interested.

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


EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")
ITEM NO. 3:

Mr. Naresh Khanna, aged 57 years is a Commerce Graduate from the prestigious Shri Ram College of Commerce (SRCC), University of Delhi and CS Inter with over 33 years of experience in Banking Industry with core strength in the area of loans and foreign exchange. He was associated with Oriental Bank of Commerce (Now merged with Punjab National Bank) and his last designation was Assistant General Manager (AGM). He is proficient in designing & implementing systems / procedures to achieve financial discipline and enhance overall efficiency of the organisation. He has also got comprehensive understanding and knowledge in handling the issues pertaining to Banking, Loans and Investments.

Mr. Naresh Khanna is working as Vice President - Investments of the Company on the terms and conditions given hereinafter. The Board of Directors in their Meeting held on 07th June, 2021 considered and approved giving him additional charge as a Manager being the Key Managerial Personnel (KMP) of the Company to fill the casual vacancy caused due to sudden demise of Mr. JML Suri.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with applicable rules made thereunder, the Company is required to appoint a Whole-time Key Managerial Personnel (KMP) viz. Managing Director or Chief Executive Officer or Manager and in their absence, a Whole Time Director.

Mr. Naresh Khanna is working as Vice President - Investments of the Company and considering his knowledge, background, extensive experience and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 07th June, 2021, gave him additional charge and appointed him as Manager being the Key Managerial Personnel (KMP) of the Company for a period of three (3) years with effect from 7th June, 2021 to 6th June, 2024 pursuant to the provisions of Sec 203 of the Companies Act, 2013 read with applicable rules made thereunder subject to the approval of the Shareholders of the Company on the terms and conditions as details herein below:

1. BASIC SALARY

He shall be paid Basic Salary of Rs. 80,000/- (Rupees Eighty Thousand Only) per month.

2. HOUSE RENT ALLOWANCE

He shall be entitled to Rs. 45,000/- (Rupees Forty-Five Thousand Only) per month as House Rent Allowance.

3. VEHICLE MAINTENANCE REIMBURSEMENT

He shall be reimbursed an amount up to Rs. 25,000/- (Rupees Twenty-Five Thousand Only) per month for maintenance (including salary of Driver) of Vehicle.

4. PERFORMANCE INCENTIVE

He shall be paid performance incentive @ 5% of Profit exceeding 10% per annum return on funds entrusted to him for investment. This will be calculated at the end of 12 months from joining his duties with us on weighted average method.

5. PROVIDENT FUND

He shall not participate in the Employees Provident Fund Scheme. As such neither he nor the company will be contributing towards Provident Fund.

6. He shall be on probation for a period of six months from the date of his joining the services of the company, which period is liable to be extended at the sole discretion of the Management. During the period of probation, his appointment can be terminated without notice or compensation. Continuance of his service after expiry of the period of probation will be subject to his satisfactory performance during the period of probation.

7. After the satisfactory completion of probation period, his appointment may be terminated by the company by one month's notice or in lieu thereof pay and allowances as admissible. He may also leave the services of the Company by giving one month's notice or in lieu thereof pay and allowances as admissible.

8. His service may be terminated by the Management without notice or compensation and any other accrued benefits, if in the opinion of the management; he is guilty of in subordination, insolence, gross negligence or dereliction of duty, dishonesty and embezzlement or conduct prejudicial to the company's interest.

9. His services are liable to be transferred, part-time or whole-time to other Departments and/ or he may also be assigned such other duties, as it may be necessary at the discretion of the Management in any office or branch of the Company and/or its subsidiaries.

10. He shall keep information and/or secrets of the Company to himself and shall not disclose or use them for any purpose other than that of the Company.

11. He shall maintain complete secrecy during the subsistence of this contract and thereafter with regard to the Company's affairs.

12. He shall, while in Company's services, devote his time and attention exclusively to the business and interests of the Company and shall not engage in any other commercial business or pursuit, part-time or otherwise, and shall not undertake part-time assignment or work in advisory capacity for any other person and/or concern either on his accord or as an agent for others except with prior consent in writing from the Company or unless he is deputed to do so by the Company.

In case he is found to have indulged in any of the foregoing activities, his services shall be liable to be terminated without Notice or compensation and any other accrued benefits.

13. He shall not receive any presents, commission, gifts, loans, advances or any sort of gratification or benefits in cash or kind from any person, party or firm or Company having dealing or any connection with the Company and if he is offered the same, he shall immediately report the matter to the Company in writing.

14. He shall undertake and agree that all property including all correspondence addressed to/ by him, specifications, vouchers, literatures, books, circulars, articles, goods etc. relating to the Company's business which shall come into his possession in the course of his employment or otherwise shall be held by him as a trustee for the Company and shall deliver the same to the Company on demand without claiming any lien or right whatsoever thereon.

15. His services shall be subject to all the Rules and Regulations of the Company from time to time.

16. If any declaration or information furnished by him in his application is found to be false or if he is found to have willfully suppressed any material information, he shall be liable to removal from the services of the Company without any Notice or compensation and any other accrued benefits.

17. He shall strictly abide by the Code of Conduct laid down by the Company as amended from time to time.

18. The above remuneration shall be payable as minimum remuneration to the Manager (KMP) in the event of absence/ inadequacy of profits in any financial year subject to the overall ceiling laid down in Schedule V of the Companies Act, 2013.

Mr. Naresh Khanna shall be entitled to such remuneration as decided by the Nomination and Remuneration Committee from time to time, which shall not exceed five (5) percent of the net profits calculated in the manner specified under the Companies Act, 2013 and rules specified thereunder, in any year.

Further, if during the currency of tenure of Mr. Naresh Khanna, the Company has no profits or its profits are inadequate in any year, he shall be entitled to minimum remuneration as per the provisions of Schedule V to the Companies Act, 2013. In case the remuneration to be paid to him for that year is more than the minimum remuneration as specified under the said Schedule V, then the remuneration will be subject to the approval of the shareholders.

Mr. Naresh Khanna satisfies all the conditions set out in Part-I of Schedule V to the Companies Act, 2013 (including any amendments thereto) as also the conditions set out under sub-section (3) of Section 196 of the Companies Act, 2013 for being eligible for appointment.

Mr. Naresh Khanna has been actively involved in the area of Investment functions of the Company. The Board recommends to the Shareholders that the appointment of Mr. Naresh Khanna as Manager being the Key Managerial Personnel (KMP) would be beneficial to the Company considering his knowledge, background, extensive experience in corporate, operational and managerial field. The Board recommends the Ordinary Resolution at Item No. 3 of the Notice for the approval of the Members.

Except Mr. Naresh Khanna and / or his relatives, none of the Directors, Key Managerial Personnel (KMP) or their relatives are in any way concerned or interested, financially or otherwise, in the resolution(s).

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

**Place : Gurugram
Date : 21st June, 2021**

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

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 34th Annual Report together with the Audited Financial Statement for the Financial Year ended 31st March, 2021.

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 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
Interest Income	87.31	184.09	87.31	184.09
Dividend Income	15.53	12.31	15.53	12.31
Net Profit in Equity Derivative trading/ Share Dealing	168.16	-	168.16	-
Net gain on fair value change	1048.45	-	1048.45	-
Total Revenue from Operations	1319.45	196.40	1319.45	196.40
Other Income	5.71	18.29	5.71	18.29
Total Income	1325.16	215.08	1325.16	215.08
Expenses	147.82	944.05	153.01	949.36
Profit / (Loss) Before Tax	1177.34	(729.36)	1172.15	(734.28)
Tax Expense	(3.10)	0.56	(3.10)	0.56
Profit / (Loss) After Tax	1180.44	(729.91)	1175.25	(734.84)
Profit / (Loss) for the year	1180.44	(729.91)	1175.25	(734.84)
Other Comprehensive Income for the year, net of tax	1115.17	(3.76)	1115.17	(3.76)
Total Comprehensive Income for the year	2295.61	(733.67)	2290.42	(738.59)

DIVIDEND

In order to conserve resources for the future, Directors of your Company do not recommend any dividend for the financial year ended 31st March 2021.

TRANSFER TO GENERAL RESERVE

The Board of Directors have decided to retain the entire amount of profit for Financial Year 2020-21 in the retained earnings, except an amount of Rs. 2.36 crore, which has been transferred to Statutory Reserve created pursuant to Section 45-IC of the RBI Act, 1934.

PERFORMANCE REVIEW & OUTLOOK

Equity Market had a roller coaster ride in FY 2020-21. From the lows seen at the end of FY 2019-20 on account of Covid-19 induced lockdown, the markets started gradually recovering led by phase wise unlocking, various policy measures announced by governments, central banks and better-than-expected corporate earnings performance. The next booster dose for markets came with the approval of vaccines against Covid and this catapulted the market to reach new highs.

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 assess the future impact of Covid-19 pandemic 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, 2021 stood at ₹ 7,13,76,650/- comprising of 7137665 Equity Shares of ₹ 10/- each. During the year under review, the Company has not issued any Shares with differential voting rights or granted stock options, sweat equity etc.

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 (4) 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.

(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, 2021, the Board has five (5) 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.

CSR Committee has been dissolved by the Board in its meeting held on 21st June, 2021 and all the functions of the Committee shall be discharged by the Board of Directors.

(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, 2021:

Name of the Company	As on 31 st March, 2021	
	No. of Shares	% of holding
Mount Finance Limited	830006	100.00%

A separate statement containing the salient features of the Financial Statement of the Company's Subsidiary 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 Company will be made available upon request by any Member of the Company interested in obtaining the same. The Financial Statements of the Subsidiary Company 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 Section 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 Auditors confirming compliance(s) forms an integral part of this report.

WHISTLE BLOWER POLICY – VIGIL MECHANISM

In terms of the provisions of Section 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/CSR/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.

As per the provision of Section 135 of the Companies Act, 2013, every Company having net worth of Rs. 500 Crore or more, or Turnover of Rs. 1000 Crore or more or a Net Profit of Rs. 5 Crore or more during the immediately preceding financial years is required to spend in every financial year, at least two percent (2%) of the average net profits made during the three immediately preceding financial year, in pursuance of the CSR Policy.

The Net Profit/ (Loss) of the Company for the immediately preceding three (3) consecutive financial years viz. 2019-20, 2018-19 and 2017-18 was Rs. (1.19) Crore, Rs. 1.13 Crore and Rs. 2.44 Crore respectively and Net Worth & Turnover during the immediately preceding three (3) consecutive financial years was also below the above said threshold.

Further pursuant to the provisions of the Rule 3 of Companies (Corporate Social Responsibility Policy) Rules, 2014, every Company which ceases to be a Company covered under sub section (1) of Section 135 of the Act for three (3) consecutive financial years shall not be required to (a) constitute a CSR Committee; and (b) comply with the provisions contained in sub-section (2) to (5) of the Section 135 till such time it meets the criteria specified in sub-section (1) of Section 135.

As per above, the Company ceases to be covered under sub section (1) of section 135 of the Act for three (3) consecutive financial years and it is not required to spend 2% of the Average Net Profit for the preceding three financial years in the current financial year.

As per Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, If a company's CSR obligation is less than or upto Rs. 50 lakh, then the Company shall not be required to constitute the CSR committee and the board of directors shall discharge all the function of the CSR committee as prescribed.

Pursuant to abovesaid amended CSR Rules and considering the specified threshold of CSR obligations, the Board of Directors in its meeting held on 21st June, 2021 has dissolved the CSR Committee and all the functions of the Committee shall be discharged by the Board of Directors.

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 Section 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.

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 – I".

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

- a) *The Registrar of Companies, NCT of Delhi and Haryana has filed complaint (bearing case No. CC/612/2019) 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 2nd March, 2020 for compounding of the offence.

Based on the application dated 2nd March, 2020 made by the Company, the Regional Director (Northern Region) vide its Order No. RD(NR)/726/DL/COMP/134/R34523258/3522, 3523, 3524 & 3524 dated 10th September, 2020 duly compounded the said offences.

As the matter has been compounded, the Additional Sessions Judge, Dwarka, Delhi has disposed of the case No. CC/612/2019 filed by the Registrar of Companies, NCT of Delhi and Haryana vide its orders dated 12th January, 2021 and all accused persons have been discharged in this case.

- b) *The National Stock Exchange of India Limited (NSE) has levied a fine of Rs. 5,36,900/- for non-compliance with the requirement of composition of the Board (The Board to have at least six directors with effect from 1st April, 2020) as stipulated by Regulation 17(1)(c) of SEBI (LODR) Regulations, 2015. The Company has since complied with the requirement of said regulation by appointing Mr. Ashish Kapur as sixth director w.e.f 23rd July, 2020 and paid fine levied by the NSE on 19th November, 2020.*

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. Lalit Bhasin (DIN: 00002114), 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.

Mrs. Asha Mehra (DIN: 02658967), aged 80 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 29th September, 2020.

Mr. Ashish Kapur (DIN: 00002320) aged 51 years has been appointed as Additional Director in the category of Non- Executive Non-Independent Director by the board w.e.f 23rd July, 2020. The Appointment of Mr. Kapur was regularized by the members in the last Annual General Meeting held on 29th September, 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.

Mr. Jag Mohan Lal Suri, Manager (KMP) designated as Executive Director (Operations) of the Company has left for his heavenly abode on 14th December, 2020.

Mr. Naresh Khanna has been appointed as Manager being the Key Managerial Personnel of the Company w.e.f. 07th 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.

The complete Nomination and Remuneration Policy of the Company is available on the website of the Company having following web-link,

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

(d) Board Diversity

The Company recognizes the importance and benefits of having the diverse Board to enhance quality of its performance.

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualification, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced growth of the Company. The Board of Directors on the recommendations of the Nomination and Remuneration Committee has adopted a Policy on Diversity of Board of Directors in terms of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(e) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance and of all the Directors individually as well as the evaluation of the working of Audit, Nomination & Remuneration and other Compliance Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

(f) Remuneration of the Directors / Key Managerial Personnel (KMP) and Particulars of Employees

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors / Key Managerial Personnel (KMP) and Employees of the Company is furnished hereunder: