

32<sup>nd</sup>  
**Annual Report**  
**2014 - 15**



**HB LEASING AND FINANCE COMPANY LIMITED**

**BOARD OF DIRECTORS**

Mr. Lalit Bhasin	Chairman
Mr. Anil Goyal	Managing Director
Mr. L. N. Malik	Director
Mrs. Meenakshi Gopal	Director

**CHIEF FINANCIAL OFFICER**

Mr. C. P. Singh

**COMPANY SECRETARY**

Ms. Swati Vaish

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

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

**REGISTERED OFFICE**

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

**WEBSITE**

www.hbleasing.com

**REGISTRAR & SHARE TRANSFER AGENT****RCMC Share Registry Pvt. Ltd.,**

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

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## HB LEASING AND FINANCE COMPANY LIMITED

### NOTICE

**NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of HB Leasing and Finance Company Limited (the "Company") will be held as follows:**

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

**Day :** Wednesday

**Date :** 09<sup>th</sup> September, 2015

**Time :** 3.00 P.M.

**Place :** GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon - 122 001 Haryana  
(Please see route map provided in this Annual Report)

to transact the following business(es):

#### AS ORDINARY BUSINESS(S):

- To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2015, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- To appoint a Director in place of Mr. Anil Goyal (DIN 00001938), who retires by rotation and being eligible, offers himself for re-appointment.
- To re-appoint M/s. P. Bholusaria & Co., Chartered Accountants (Firm registration No. 000468N) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be decided by the Board of Directors or any Committee thereof.

#### AS SPECIAL BUSINESS:

- To appoint Mrs. Meenakshi Gopal (DIN: 07143044) as an Independent (Non-Executive) Director** and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable Rules made there-under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mrs. Meenakshi Gopal (DIN 07143044), who was appointed as an Additional Director (Independent Non-Executive) in terms of Section 161(1) of the Act and Articles of Association of the Company w.e.f 31<sup>st</sup> March, 2015 by the Board of Directors by passing resolution by circulation on 30<sup>th</sup> March, 2015 on the recommendation by the Nomination and Remuneration Committee, whose term of office expires at the ensuing 32<sup>nd</sup> 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 her candidature for the office of Director, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for five (5) consecutive years for a term upto 30<sup>th</sup> March, 2020 with effect from date of passing of this resolution and she shall not be liable to retire by rotation."

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

Sd/-

SWATI VAISH

(COMPANY SECRETARY)

Membership No.: ACS 33196

**Place :** Gurgaon

**Date :** 28.05.2015

#### NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY IN ORDER TO BE EFFECTIVE MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.**  
A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR MEMBER.  
**A PERSON WHOSE CALL MONEY IS IN ARREAR ON SHARES HELD BY HIM SHALL NOT BE TREATED AS A MEMBER AND SHALL NOT BE ELIGIBLE TO CAST A VOTE / E-VOTE AT THE ANNUAL GENERAL MEETING.**
- An Explanatory Statement(s) pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business to be transacted at the meeting is annexed hereto and forms part of this notice.
- The Register of Members and Share Transfer Books of the Company shall remain closed from 03<sup>rd</sup> September, 2015 to 09<sup>th</sup> September, 2015. (Both days inclusive).
- The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Company's Registrar and Share Transfer Agent namely RCMC Share Registry Pvt. Ltd.
- Members/Proxies should bring Attendance Slips duly filled and signed in for attending the meeting.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

- Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
- Shareholders seeking any information with regard to Accounts are requested to write to the Company at least 7 days before the date of the meeting so as to enable the management to keep the information ready.
- Members are requested to:

- Notify any change in their address to the Company including PIN CODE to the Registrar and Share Transfer Agent of the Company namely:

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

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

- Bring their copies of Annual Report with them to the meeting as the same will not be supplied again at the Meeting as a measure of economy.**
- The Company is implementing the "Green Initiative" as per Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 issued by the Ministry of Corporate Affairs (MCA) and Clause 32 of the Listing Agreement to enable electronic delivery of notices/ documents and annual reports to shareholders. Henceforth, the email addresses indicated in your respective Depository Participant (DP) accounts which will be periodically downloaded from NSDL/ CDSL will be deemed to be your registered email address for serving notices/ documents including those covered under Section 136 of the Companies Act, 2013. The Notice of AGM and the copies of audited financial statements, directors' report, auditor's report etc. will also be displayed on the website www.hbleasing.com of the Company and the other requirements of the aforesaid MCA circular will be duly complied with.

Members holding shares in electronic mode are therefore requested to ensure to keep their email addresses updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Share Transfer Agent of the Company at the address mentioned in 9(a) above quoting their folio number(s).

Copies of the Annual Report 2015 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2015 including Attendance Slip and Proxy Form are being sent by the permitted mode.

#### 11. Voting through electronic means:

- In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and clause 35B of the Listing Agreement, the Company is pleased to offer facility of voting through electronic means to exercise their right to vote by electronic means on any or all of the businesses specified in the accompanying Notice The facility of casting the votes by the members using an electronic voting system from a place other than venue of AGM ("**remote e-voting**") will be provided by Karvy Computershare Private Limited. The remote e-voting rights of the Members / beneficial owners shall be reckoned in proportion to the equity shares held by them in the Company as on **02<sup>nd</sup> September, 2015** (Cut-off date fixed for determining the eligibility to vote by electronic means or by ballot in the general meeting). **Detailed instructions for availing the e-voting facility indicating the process and manner of e-voting are given separately in the e-voting notice sent along with the Annual Report.**
- The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote through ballot paper at the meeting in terms of Companies (Management and Administration) Amendment Rules, 2014.
- The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- The Remote e-voting period commences 05<sup>th</sup> September, 2015 (9.00 A.M.) and ends on 08<sup>th</sup> September, 2015 (5.00 P.M.).** During this period, members of the Company holding shares either in physical or dematerialized form, as on the cut-off date of 02<sup>nd</sup> September, 2015 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. 02<sup>nd</sup> September, 2015 may obtain login ID and password by sending a request at <https://evoting.karvy.com>. However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote.
- Ms. Jyoti Sharma, Company Secretary in Whole-time Practice, (Membership No. ACS-22578, CP No. 10196) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members present at the AGM but have not cast their vote by availing remote e-voting facility.

## HB LEASING AND FINANCE COMPANY LIMITED



- viii. The Results declared along with the Scrutinizer's Report(s) shall be placed on the website of the Company viz. [www.hbleasing.com](http://www.hbleasing.com) and on Karvy's website viz. <https://evoting.karvy.com> immediately after the declaration of results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Bombay Stock Exchange Limited (BSE), where the Shares of the Company are listed.
12. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 A.M to 5.30 P.M) on all working days up to and including the date of the Annual General Meeting of the Company.
13. 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 Companies Act, 2013 and the Certificate from Auditors of the Company will be available for inspection at the Annual General Meeting.
14. Details of Directors seeking appointment/ reappointment at the ensuing Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement) are as under:

### PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ENSUING (32<sup>ND</sup>) AGM (Refer Item No. 2 & 4 of the Notice for AGM)

Name of the Director	(1) Mr. Anil Goyal	(2) Mrs. Meenakshi Gopal
DIN	00001938	07143044
Date of Birth	22 <sup>nd</sup> February, 1959	07 <sup>th</sup> February, 1966
Date of Appointment	01 <sup>st</sup> January, 1992	31 <sup>st</sup> March, 2015
Profile/ Expertise in Specific functional Areas.	A Fellow Member of Institute of Chartered Accountants of India. Expertise in the field of Finance, taxation, Investment banking, Corporate Restructuring and Strategic Planning. Has experience of Corporate and Legal matters including SEBI related laws	Graduate from Delhi University. She has also got Diploma in Secretarial practice. Has experience of over 25 years in the Financial Services industry.
Qualifications	B.Com, FCA	B.Com
List of directorships in other Public Companies. (As on 31 <sup>st</sup> March 2015)	<ol style="list-style-type: none"> <li>HB Stockholdings Limited</li> <li>HB Estate Developers Limited</li> <li>HB Portfolio Limited</li> <li>RRB Securities Limited</li> <li>HB Securities Limited</li> <li>Bhasin Investments Limited</li> <li>Mount Finance Limited</li> <li>HB Corporate Services Limited</li> </ol>	<ol style="list-style-type: none"> <li>RRB Securities Limited</li> </ol>
Membership of Committee of the Board in other Public Companies. (As on 31 <sup>st</sup> March 2015)	<u>Audit Committee</u> <ol style="list-style-type: none"> <li>HB Stockholdings Limited</li> </ol> <u>Nomination and Remuneration Committee</u> <ol style="list-style-type: none"> <li>RRB Securities Limited</li> </ol> <u>Corporate Social Responsibility</u> <ol style="list-style-type: none"> <li>HB Estate Developers Limited</li> </ol> <ol style="list-style-type: none"> <li>HB Portfolio Limited</li> </ol> <ol style="list-style-type: none"> <li>HB Stockholdings Limited</li> </ol> <u>Stakeholders Relationship Committee</u> <ol style="list-style-type: none"> <li>HB Portfolio Limited</li> <li>HB Estate Developers Limited</li> <li>RRB Securities Limited</li> </ol>	<u>Audit Committee</u> <ol style="list-style-type: none"> <li>RRB Securities Limited</li> </ol> <u>Nomination and Remuneration Committee</u> <ol style="list-style-type: none"> <li>RRB Securities Limited</li> </ol>
Shares held by the Director	150	NIL

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

Place : Gurgaon  
Date : 28.05.2015

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013: ITEM NO. 4: APPOINTMENT OF WOMAN/ INDEPENDENT DIRECTOR

As per the provisions of Section 149(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company should have at least one Women Director on the Board of the Company. Accordingly, pursuant to the Articles of Association of the Company and Section 161 of the Companies Act, 2013, the Board of Directors based on the recommendations of the Nomination and Remuneration Committee has appointed Mrs. Meenakshi Gopal (DIN: 07143044) as an Additional (Independent Non-Executive) Director of the Company w.e.f. 31<sup>st</sup> March, 2015 by passing resolution by circulation on 30<sup>th</sup> March, 2015 to hold office for 5 (five) consecutive years for a term up to the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company and she is not liable to retire by rotation."

The Board of Directors after consideration has recommended to appoint Mrs. Meenakshi Gopal as a Non-Executive Independent Director within the meaning of Section 149 and 152 [including Section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of five (5) consecutive years upto 30<sup>th</sup> March, 2020 with effect from the date of this Annual General Meeting.

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

The Company has received from Mrs. Meenakshi Gopal (i) consent in writing to act as a director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification

of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mrs. Meenakshi Gopal, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the Rules made there under and is independent of the Management. A copy of the draft letter for the appointment of Mrs. Meenakshi Gopal as Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM. The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail her services as an Independent Director.

The said Independent Director 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.

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

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

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

Place : Gurgaon  
Date : 28.05.2015

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



## DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 32<sup>nd</sup> Annual Report together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS

The summarized Financial Results of the Company during the year under review are as under:-

PARTICULARS	(₹ in Lakhs)	
	Year Ended 31.03.2015	Year Ended 31.03.2014
Total Turnover	100.67	26.87
Gross Profit/(Loss)	29.97	(29.39)
<b>Less :</b>		
(a) Depreciation	1.67	0.72
(b) Finance Cost		
(c) Provision for Income Tax- Deferred/(Credit)	(0.03)	(0.09)
<b>Net Profit /(Loss)</b>	<b>31.68</b>	<b>(30.02)</b>
<b>Appropriations</b>		
Statutory Reserve Fund	6.33	0.00
General Reserve	0.00	0.00
Proposed Dividend	0.00	0.00
Tax on Dividend	0.00	0.00
Balance Brought Forward		
Accumulated Profits	(2869.02)	(2894.37)

### DIVIDEND

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

### PERFORMANCE REVIEW & OUTLOOK

During the year, the BSE sensitive Index was at 22,455 at the start of the financial year and ended at 27,597 in March 2015. The year was marked by high volatility in the stock market. As a result, the Divestment/ Investment activity of the Company was curtailed during the year and the Company posted a Gross Profit of ₹ 29.97 Lakhs as compared to Gross Loss of ₹ 29.39 Lakhs in the previous year. Net Profit after tax for the year under review was ₹ 31.68 Lakhs as compared to Gross Loss of ₹ 30.02 Lakhs in the previous year.

According to IMF world economic outlook, overall, global growth is projected to reach 3.5% and 3.8% in 2015 and 2016 respectively. GDP Growth is projected to be stronger in 2015 as compared to 2014.

The medium term to long term growth prospects look positive in view of the Government's determination to bring in reforms. For the year 2015, the economy is expected to grow at a higher rate than in 2014. The long term prospect for the economy is optimistic.

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

### SHARE CAPITAL

As on March 31, 2015, the Company's Issued Share Capital is 1,11,83,681 Equity Shares of ₹ 10/- each and the Subscribed Share Capital is 1,10,62,731 Equity Shares of ₹ 10 each/-. After accounting for allotment money receivable amounting to ₹ 5,86,215/- the Paid up Equity Share Capital of the Company is ₹ 11,00,41,095. During the year under review, the Company has neither issued shares with differential voting rights nor granted stock options or sweat equity.

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

### EXTRACT OF ANNUAL RETURN

The extract of Annual Return under sub-section (3) of Section 92 of the Companies Act, 2013 in Form MGT-9 in annexed herewith as "Annexure A".

### MEETINGS OF THE BOARD

During the year, four (4) Board Meetings were convened and held. The details of the Board Meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) and sub-section (5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- in the preparation of the Annual Accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls in the company that are adequate and were operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

### NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy of the Company, inter-alia, includes the aims and objectives, principles of remuneration, criteria for identification of Board Members and senior management.

The Criteria for identification of the Board Members including for determining qualification, positive attributes, independence etc. are given hereunder:

- The Board Member shall possess appropriate skills, qualification and experience.
- Director should possess high level of personal and professional ethics and values. He should be able to manage the interests and concerns of the Company as well as the shareholders
- Independent Director shall be a person with vast experience and expertise who fulfils the criteria of independence under Section 149 of the Companies Act, 2013 and could contribute to the growth of the Company.
- The Director must be willing to denote sufficient time and energy to carry out his duties and responsibilities effectively and properly.

The said policy forms a part of this Report as "Annexure B".

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Details of Loans, Guarantees and Investments covered under the provisions of Section 188 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN OUTGO

The particulars under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 with regard to conservation of energy and technology absorption are not applicable to your Company. During the year under review, there were no earnings or outgo in foreign exchange.

### RISK MANAGEMENT POLICY- DEVELOPMENT AND IMPEMENTATION

Your Company has been following the principle of risk minimization since 2006 as a significant norm in every industry which has now become mandatory under Section 134(3)(n) of the Companies Act, 2013. The Board of Directors has adopted a Risk Management Policy which emphasis on the risk assessment and minimization procedures, steps for framing, implementing and monitoring the risk management plan for the company. The contents of the policy have been included in the "Management Discussion and Analysis" forming part of this report.

### BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

### 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, Managing 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.

As per the provisions of Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company, the Board of Directors had appointed Mrs. Meenakshi Gopal as an Additional Director (Independent Non-Executive Director) of the Company w.e.f 31<sup>st</sup> March, 2015 who holds office upto the date of ensuing Annual General Meeting. The said appointment was based on the recommendation of the Nomination and Remuneration Committee subject to the approval of the Shareholders of the Company at the ensuing Annual General Meeting. Mrs. Meenakshi Gopal is eligible for re-appointment and the details of the proposal for the appointment of Mrs. Meenakshi Gopal as an Independent Director w.e.f 31<sup>st</sup> March, 2015 for a period of five consecutive years for a term upto 30<sup>th</sup> March, 2020, are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 32<sup>nd</sup> Annual General Meeting of the Company. The Company has received requisite Notice in writing from a member proposing the appointment of Mrs. Meenakshi Gopal as an Independent Non- Executive Director. The Company has also received declaration from Mrs. Meenakshi Gopal confirming that she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange. The Board of Directors recommends the appointment of Mrs. Meenakshi Gopal as Independent Non – Executive Director of the Company for a term of five (5) years and she shall not be liable to retire by rotation. Her appointment is appropriate and in the best interest of the Company.

Dr. M. P. Jain and Mr. Arvind Kohli, Directors of the Company has resigned from the Board of the Company on 5<sup>th</sup> November, 2014 and 31<sup>st</sup> March, 2015 respectively. The Board has placed on record its appreciation for the outstanding contribution made by them during their tenure of office.

Ms. Swati Vaish has been appointed as the Company Secretary and Compliance Officer, being the KMP of your Company w.e.f. 19<sup>th</sup> August. 2014

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

The provisions of Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable, as there are no such employee who were drawing / in receipt of remuneration of prescribed amount during the period under review.

The Company has one Executive Director, Mr. Anil Goyal. No remuneration is paid to him as he holds the office of the Managing Director of HB Portfolio Limited and opts to draw his remuneration from HB Portfolio Limited. The non-executive directors are paid only sitting fees for attending meeting of the Board of Directors and the Committees constituted by the Board.

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:

- the ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year &
- the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Sr. No.	Name	Category	Ratio/Times per Median of employee remuneration	% Increase in remuneration
1.	Mr. Anil Goyal	Managing Director (Executive)	NIL	NIL
2.	Mr. Lalit Bhasin	Director (Non-Executive)	NIL	NIL
3.	Mr. L.N. Malik	Director (Non-Executive)	NIL	NIL
4.	Dr. M. P. Jain*	Director (Non-Executive)	NIL	NIL
5.	Mr. Arvind Kohli*	Director (Non-Executive)	NIL	NIL
6.	Mrs. Meenakshi Gopal	Director (Non-Executive)	NIL	NIL
7.	Ms. Swati Vaish (w.e.f. 19.08.2014)	Company Secretary		NIL

\*Dr. M. P. Jain and Mr. Arvind Kohli resigned from the Board of the Company on 05<sup>th</sup> November, 2014 and 31<sup>st</sup> March, 2015 respectively.

- the number of permanent employees on the rolls of Company.  
**Nine (9)**
- the explanation on the relationship between average increase in remuneration and Company performance.  
**Not Applicable.** There was no increase in the remuneration.
- comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.

Particulars	₹ (Lacs)
Remuneration of Key Managerial Personnel (KMP) (aggregated)	6.48
Total Revenue	100.67
Remuneration (as% of revenue)	6.44%
Profit Before Tax (PBT)	31.64
Remuneration (as% of PBT)	20.48%

- variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.

Particulars	As at 31st March, 2015	As at 31st March, 2014	Variation
Closing rate of Share (BSE) (₹)	1.93	3.05	(36.72%)
EPS (Consolidated) (₹)	0.29	(0.27)	207.41%
Market Capitalization (₹Lacs)	213.51	337.41	(36.72%)
Price Earning ratio	6.65	11.30	(41.15%)

- average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

**Nil**

- Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.

(₹ Lacs)

Particulars	Managing Director	CFO	Company Secretary
Remuneration	NIL	5.05	1.43
Revenue	100.67	100.67	100.67
Remuneration (as % of revenue)	NIL	5.02%	1.42%
Profit Before Tax (PBT)	31.64	31.64	31.64
Remuneration (as % of PBT)	NIL	15.96%	4.51%

\* Remuneration of Ms. Swati Vaish, Company Secretary is w.e.f. 19.08.2014.

- the key parameters for any variable component of remuneration availed by the directors.

**Nil**

- the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.

**None**

- The remuneration paid to the Directors / Key Managerial Personnel (KMP) is in accordance with the remuneration policy of the Company.

## PUBLIC DEPOSITS

Your Company has neither invited nor accepted any deposits from the public / shareholders pursuant to Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

## SIGNIFICANT ORDERS PASSED BY THE REGULATORS OR COURTS

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

## INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Your Company has adequate system of Internal Controls with reference to financial statements. The detail of the adequacy of Internal Financial Control forms a part of the Management Discussion and Analysis Report.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.

## CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement the report on Corporate Governance along with the Certificate from the Statutory Auditors of the Company regarding compliance for the year under review is annexed hereto and forms a part of the Directors' Report

## STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's Equity Shares are listed at Bombay Stock Exchange Ltd. (BSE), Mumbai. The listing fee for the year under review has been paid to BSE timely.

## AUDITORS OF THE COMPANY

### a) STATUTORY AUDITORS

The Statutory Auditors, M/s. P. Bholusaria & Co., Chartered Accountants, New Delhi (FRN 000468N) retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has also received their letter stating that they are not disqualified for re-appointment and their appointment would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

### b) INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and Rules related thereto, M/s. M.K. Choudhary & Co., Chartered Accountants, New Delhi acts as the Internal Auditors of the Company and their report is duly reviewed by the Audit Committee on quarterly basis.

### c) SECRETARIAL AUDITOR

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, M/s. A. N. Kukreja & Co., Company secretary in Practice to undertake the Secretarial Audit of the company. The Report of the Secretarial Audit in Form MR-3 is enclosed as a part of this report as "Annexure C".

### d) AUDITORS REPORT

Statutory Auditor's and Secretarial Auditor's observations, if any, in their respective report(s), have been suitably explained by way of appropriate notes to accounts and also in the Directors' Report wherever necessary.

## AUDIT COMMITTEE

The Board has reconstituted its Audit Committee on 31<sup>st</sup> March, 2015 comprises of Mr. L. N. Malik as its Chairman, Mr. Lalit Bhasin and Mrs. Meenakshi Gopal as its members. The functions of the Audit Committee are mentioned in the Corporate Governance Report.

## VIGIL MECHANISM - WHISTLE BLOWER POLICY

In terms of the provisions of Sec 177(9) & (10) of the Companies Act, 2013 and pursuant to the provisions of Clause 49 of the Listing Agreement, the Board of Directors in its meeting held on 14<sup>th</sup> November, 2014 has duly approved a vigil mechanism for stakeholders, Employees and Directors about illegal or unethical practices and for the directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics Policy. The Whistle Blower Policy duly approved by the Board of Directors has been uploaded on the website of the Company viz. [www.hbleasing.com](http://www.hbleasing.com) having following web link, [www.hbleasing.com/Investor Information/Corporate Governance](http://www.hbleasing.com/Investor%20Information/Corporate%20Governance).

## RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors, on the recommendation of the Audit Committee, has formulated a Policy on Related Party Transactions which is also available on Company's website viz. [www.hbleasing.com](http://www.hbleasing.com) having following web link, [www.hbleasing.com/Investor Information/Corporate Governance](http://www.hbleasing.com/Investor%20Information/Corporate%20Governance). All Related Party Transactions are placed before the Audit Committee for review and approval. None of the Directors has any pecuniary relationships or transactions with the Company during the year under review.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. There were no materially significant Related Party Transactions entered into by the Company during the year under review. 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.

## INTERNAL COMPLAINT COMMITTEE AND ITS POLICY AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Board has constituted an Internal Complaint Committee and adopted a policy on Sexual Harassment in their meeting held on 06<sup>th</sup> August, 2014 as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under comprises of Mrs. Banmala Jha as its presiding Officer and Mrs. Madhu Suri, Mr. Anil Goyal and Ms. Swati Vaish as its members. The functions of the Committee are mentioned in the Corporate Governance Report. The Internal Complaints Committee has not received any complaints on sexual harassment during the year under review.

## ACKNOWLEDGMENTS

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

**For and on Behalf of The Board**  
**HB LEASING AND FINANCE COMPANY LIMITED**

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

**Place : Gurgaon**  
**Date : 28.05.2015**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 1. OPERATING RESULTS

The Company's total income for the year under review is ₹ 100.67 lakhs as compared to ₹ 26.87 lakhs in the previous year. During the year under review the total expenses amounted to ₹ 69.02 lakhs as compared to Rs. 56.98 lakhs during the previous year.

### 2. INDUSTRY STRUCTURE AND DEVELOPMENTS

As per IMF estimates (World Economic Outlook, January 2015), World GDP growth remained unchanged at 3.3% in 2014. Global economic growth continued to remain uneven – while advanced economies like the US, Eurozone, and UK are expected to have gained traction in 2014, emerging economies like China, Russia, Brazil, etc. are expected to see a slowdown in their respective economies. Overall, it appears that the pace of economic recovery is getting marked by specificity. The year witnessed a marked slowdown in global growth. Emerging markets were characterised by a sharp fall in growth rates, especially in China. Europe and Japan continued to be under pressure all through the year, while US showed tepid signs of improvement. In the domestic market, better macroeconomic conditions, coupled with improved sentiment post the general elections helped India to be among the better performing emerging market economies. There was a slight increase in the GDP growth, while inflation moderated and the Rupee remained relatively stable during the year.

### 3. OPPORTUNITIES AND THREATS

With the globalization and electronic age, Indian stock market changed over the past decade. Nearly 100% of all transactions are executed through electronic media online trading system. The developments of high-tech and transparent markets with an increasingly wide geographic footprint have increased the number of trading venues offering diverse pools of liquidity.

Current elevated rates of inflation pose significant risks to future growth. With the attention of Government focused in containing the inflation, the economic growth may see a deceleration with corporates turning in moderate growth.

### 4. FUTURE PROSPECTS AND OUTLOOK

The global economic climate continues to be volatile, uncertain and prone to geo-political risks. The marked slowdown in global markets is expected to continue in 2015. The sharp fall in growth of emerging markets, notably China, will continue to keep commodity prices including oil, which is significantly lower than last year, volatile. The divergence in developed market growths as a result of the US recovery is expected to add to the volatility in the currency markets. In this global backdrop, India is expected to perform better, aided by improving macroeconomic fundamentals. However, execution of the reform agenda and kick starting the investment cycle will be key determinants of India's economic performance. While currently inflation is benign, upside pressures on inflation from the vagaries of monsoon or sudden changes in the rupee, could have a significant bearing on inflation.

### 5. RISKS, CONCERNS AND RISK MANAGEMENT POLICY

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The Company is exposed to the market risk (including liquidity risk) and also the factors that are associated with capital market, which inter-alia includes economic/business cycle, fluctuations in the stock prices in the market, besides the interest rate volatility and credit risk.

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

#### Risk Management Policy

This Policy is framed as per requirement of Clause 49 of the Listing Agreement and the provisions of the Companies Act, 2013 for the risk assessment and minimization procedures, implementing and monitoring the risk management plan of the Company.

The Senior Management is responsible for identification of new risks, changes to existing risks and retirement of previously identified risks through a formal decision making process. To ensure key risks are identified and analysed, the Senior Management:

- (a) defines risks in the context of the Company's strategy;
- (b) prepares risk profiles including a description of the material risks, the risk level and action plans used to mitigate the risk; and
- (c) regularly reviews and updates the risk profiles.

The Company has implemented a systematic process to assist in the identification, assessment, treatment and monitoring of risks and provides the necessary tools and resources to management and staff to support the effective management of risks. Risks faced by the Company in its business principally arise from Equity Capital markets. This includes macroeconomic risks, investee company specific risks, market wide liquidity risks and execution risks relating to the company/its intermediaries. The macroeconomic risks, investee company specific risks are covered by investment decisions based on third party research and internal assessment. Market wide risks are assessed and managed by investment timing decisions. The execution risk is managed by dealing with reputed intermediaries and through own back office discipline reaccounting and follow up of trades. The Company assesses the effectiveness of its risk management plan through structured continuous improvement processes to ensure risks and controls are continually monitored and reviewed.

### 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

### 7. FINANCIAL PERFORMANCE

a) **Share Capital:** As on March 31, 2015, the Company's Issued Share Capital is 1,11,83,681 Equity Shares of ₹ 10 each and the Subscribed Share Capital is 1,10,62,731 Equity Shares of ₹ 10 each/-. After accounting for allotment money receivable amounting to ₹ 5,86,215/- the Paid up Equity Share Capital of the Company is ₹ 11,00,41,095/-.

b) **Reserves and Surplus:** As at 31<sup>st</sup> March, 2015, the reserves and surplus is ₹ (858.09) lakhs as against ₹ (889.77) lakhs during the previous year.

c) **Non- Current Assets:** As at 31<sup>st</sup> March, 2015, the Non-Current assets stood at ₹ 220.53 lakhs as against ₹ 1962.03 lakhs during the previous year.

d) **Current Assets & Current Liabilities:** The Current Assets and Current Liabilities & provisions as at 31<sup>st</sup> March, 2015 stood at ₹ 130.67 lakhs and ₹ 105.62 lakhs respectively against ₹ 142.53 lakhs and ₹ 330.59 lakhs for the previous year.

### 8. HUMAN RESOURCES

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

### 9. CAUTIONARY STATEMENT

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



## REPORT ON CORPORATE GOVERNANCE

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

The Company's philosophy on Corporate Governance envisages adopting the high standards of transparency, accountability and ethics in all transactions and interactions with all stakeholders including but not limited to the shareholders, the Government, Suppliers, Contractors and other business associates. Focus of the Company has always been to ensure continuing value creation for each of its stakeholders and to achieve business excellence with the goal of long term sustainable development.

### 2. SIZE AND COMPOSITION OF THE BOARD

The Board of Directors of your Company comprises of Four (4) directors out of whom three (3) are non-executive and two (2) directors are Non-Executive Independent directors as on 31<sup>st</sup> March, 2015. Mrs. Meenakshi Gopal has been appointed as an Additional Director (Independent Non-Executive) w.e.f. 31.03.2015 by the Board of Directors, whose appointment as an Independent Non-Executive Director is recommended to the

shareholders at the ensuing Annual General Meeting. The non-executive directors are proficient in their own fields and bring with them decades of rich experience. Mr. Lalit Bhasin is the Chairman and Non - Executive Director of the Company. Mr. Anil Goyal is the Managing Director of your Company. He has to his credit nearly 32 years of corporate experience. He is responsible for overall management of the Company. The composition of the Board is in conformity with the Clause 49 of the Listing Agreement.

As requirement under Section 149(3) of the Companies Act, 2013, Mrs. Meenakshi Gopal, has been appointed as an Independent Woman Director of the Company.

None of the Directors is a Member of more than 10 Committees and more than 5 Committees as specified in Clause 49 of the Listing Agreement.

Four (4) Board meetings were held during the year under review on 17<sup>th</sup> May, 2014, 06<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014 and 11<sup>th</sup> February, 2015.

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

Name of the Director	Category	Directorships in Other Public Companies*		Committee Membership held in Other Public Companies*		No. of Board Meetings during the year		Attended Last AGM	Shares held
		Director	Chairman	Member	Chairman	Held	Attended		
Mr. Lalit Bhasin	PromoterNon Executive	8	3	2	1	4	4	Yes	21,63,377 (19.56%)
Mr. Anil Goyal	Non-Independent Executive	8	NIL	4	NIL	4	4	Yes	150 (Insignificant)
Mr. L. N. Malik	Independent & Non – Executive	2	NIL	NIL	NIL	4	2	Yes	300 (Insignificant)
#Mrs. Meenakshi Gopal	Independent & Non – Executive	NIL	NIL	1	NIL	4	NIL	N.A.	NIL
#Mr. Arvind Kohli	Independent & Non- Executive	NIL	NIL	NIL	NIL	4	4	Yes	NIL
# Dr. M. P. Jain	Independent & Non- Executive	2	NIL	NIL	NIL	4	NIL	No	NIL

\*As on 31.03.2015

# Mrs. Meenakshi Gopal has been appointed as an Additional Director (Independent Non – Executive) on the Board of the Company w.e.f 31<sup>st</sup> March, 2015.

# Mr. Arvind Kohli, Independent Non – Executive Director has resigned from the Board of the Company on 31<sup>st</sup> March, 2015.

# Dr. M. P. Jain, Independent Non – Executive Director has resigned from the Board of the Company on 05<sup>th</sup> November, 2014.

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

### 3. BOARD COMMITTEES AND REMUNERATION TO DIRECTORS

#### (A) AUDIT COMMITTEE

The Audit Committee as reconstituted w.e.f. 31<sup>st</sup> March, 2015 comprises of Mr. L. N. Malik as its Chairman, Mr. Lalit Bhasin and Mrs. Meenakshi Gopal as its Members and the Company Secretary of the Company as Secretary to the Committee. As per the provisions of Sec 177(4) of the Companies Act, 2013 and Rules made there under and as per revised Clause 49 of the Listing Agreement applicable from 01<sup>st</sup> October, 2014, the scope of the Audit Committee has been enlarged and accordingly the terms of reference was revised by the Board in its meeting held on 17<sup>th</sup> May, 2014. The Audit Committee has been empowered, inter-alia, to carry out the following functions:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- The Audit Committee shall mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- The Audit Committee shall also have powers, which should include the following:



- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- To consider and act on any matters as or included under Clause 49 of the Listing Agreement and/or as may be so included from time to time, whether provided here in above or not.
- To deal with any other matters related and or incidental to the above or as may be assigned, in addition to the aforesaid, by the Board from time to time.

During the year under review, four(4) Audit Committee Meetings were held on 17<sup>th</sup> May, 2014, 06<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014 and 11<sup>th</sup> February, 2015. All the members were present in all the Committee Meetings.

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

#### (B) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors in its meeting held on 17<sup>th</sup> May, 2014 changed the nomenclature of the Shareholders Investor Grievance Committee to Stakeholders Relationship Committee. The said Committee shall be empowered, inter-alia, to carry out the following functions:

- To consider and approve the transfer, transmission and issue of fresh/ duplicate share certificates.
- To review the status of dematerialization of Company's shares and matters incidental thereto.
- To review and monitor the approval to the transfers and transmissions made by the Executive Director, under executive authority delegated to him from time to time.
- To consider, review and look into the redressal of grievances of shareholders, debenture holders and other security holders.
- To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- To consider and finalize the Report on Corporate Governance to be annexed with the Annual Report of the company.
- To deal with any other matters related and/ or incidental to the shareholders.

The Committee was reconstituted by the Board of Directors in their meeting held on 31<sup>st</sup> March, 2015 comprising of Mr. Lalit Bhasin as its Chairman, Mr. Anil Goyal and Mrs. Meenakshi Gopal, as its members and Company Secretary of the Company as Secretary to the Committee.

During the year under review Three (3) Stakeholders Relationship Committee Meetings were held on 17<sup>th</sup> May, 2014, 10<sup>th</sup> September, 2014, and 11<sup>th</sup> February, 2015 and the same were attended by all the committee members.

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

#### (C) NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors in their meeting held on 17<sup>th</sup> May, 2014 constituted a "Nomination and Remuneration Committee" in terms of the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement. The said Committee shall be empowered, inter-alia, to carry out the following functions:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To deal with any other matters related and/ or incidental to the above or as may be assigned, in addition to the aforesaid by the Board from time to time.

The Committee was reconstituted by the Board of Directors w.e.f. 31<sup>st</sup> March, 2015 comprises of Mr. L.N. Malik, as its Chairman, Mr. Lalit Bhasin and Mrs. Meenakshi Gopal as the members of the Committee and Company Secretary of the Company as the Secretary to the Committee.

During the year under review, Two (2) Nomination and Remuneration Committee Meetings were held on 11<sup>th</sup> February, 2015 and 30<sup>th</sup> March, 2015 and the same were attended by all the committee members.

#### 4. NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee, has formulated a Remuneration policy for Directors and Senior Management. The objective and broad framework of Remuneration policy is to consider the level and composition of remuneration based on the performance benchmark and potential of the Directors. The Remuneration Policy is annexed to this Report.

#### 5. PERFORMANCE EVALUATION CRITERIA

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, individual Directors, Audit and Nomination & Remuneration Committees. A structured questionnaire covering their areas of functioning, execution and performance of specific duties, obligations and governance was prepared. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. Performance evaluation of individual Directors on parameters such as level of independence of judgment, safeguarding the interest of the Company and its shareholders etc. was done by the Board separately. The Board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as Stakeholders Relationship Committee. The Directors expressed their satisfaction with the evaluation process.

#### 6. MEETING OF INDEPENDENT DIRECTORS

In pursuance to Clause 49(II)(B)(6) of the Listing Agreement, the Independent Directors met on 11<sup>th</sup> February, 2015, without the presence of Non-Independent Directors and members of the management, inter-alia, to discuss:

- Evaluation and take note of the new provisions with regard to Independent Directors under the Companies Act, 2013.
- To familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.
- Evaluation of the performance of Non-Independent Directors and the Board as a whole and the flow of Information between the management and the Board to perform its duties effectively.

Mr. Arvind Kohli and Mr. L. N. Malik, Independent Directors of the Company were present at the meeting.

#### 7. INTERNAL COMPLAINT COMMITTEE

The Board of Directors constituted the Internal Complaint Committee and approved a policy on Sexual Harassment in their meeting held on 06<sup>th</sup> August, 2014 as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under. The objective of this Committee is to create healthy work environment for women and prevention of sexual harassment at workplace.

No Complaints were received by the Internal Complaint Committee from any Woman Employee with respect to Sexual Harassment. A declaration to this effect has been submitted to the Board by the Internal Complaint Committee.

A Special Awareness Programme for the awareness of Sexual Harassment was organised by the Internal Complaints Committee to curb sexual harassment at the workplace. The primary purpose of this programme was to create awareness amongst woman employees about their rights in the case of sexual harassment. "Awareness programme on Sexual Harassment of women at workplace" was conducted by Mrs. Banmala Jha, Presiding Officer of the Internal Complaint Committee, addressing Sexual Harassment of women at workplace guidelines and norms prescribed by the Honorable Supreme Court of India for dealing with cases of Sexual Harassment of women at workplace. The woman employees of the Company communicated their satisfaction from the programme.

#### 8. POLICY ON RELATED PARTY TRANSACTIONS

In compliance of Clause 49(VII) of the Listing Agreement, the Board of Directors has approved a policy on dealing with related party transactions in its meeting held on 14<sup>th</sup> November, 2014. The policy on Related Party Transactions as approved by the Board has been uploaded on the Company's website viz. [www.hbleasing.com](http://www.hbleasing.com) having following web link, [www.hbleasing.com/Investor Information/Corporate Governance](http://www.hbleasing.com/Investor%20Information/Corporate%20Governance)

#### 9. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS

As per Clause 49 of the Listing Agreement the Company has imparted a familiarization programme to familiarize the Independent Directors with the Company, their roles, rights and responsibilities. The details of such familiarization programme has already been uploaded on the Company's website viz. [www.hbleasing.com](http://www.hbleasing.com) having following web link, [www.hbleasing.com/Investor Information/Corporate Governance](http://www.hbleasing.com/Investor%20Information/Corporate%20Governance)

#### 10. DIRECTOR'S REMUNERATION

##### Sitting Fees

An amount of ₹ 1,44,000/- was paid as sitting fees towards attending the meetings of the Company to the directors during the year are given below:

Name	Board Meeting	Audit Committee Meeting	Stakeholders Relationship Committee Meeting	Nomination and Remuneration Committee Meeting	Total
Mr. Lalit Bhasin	20,000/-	20,000/-	6,000/-	4,000/-	50,000/-
Mr. Anil Goyal	NIL	NIL	NIL	NIL	NIL
Mr. L. N. Malik	20,000/-	20,000/-	NIL	4,000/-	44,000/-
#Mrs. Meenakshi Gopal	NIL	NIL	NIL	NIL	NIL
# Mr. Arvind Kohli	20,000/-	20,000/-	6,000/-	4,000/-	50,000/-
# Dr. M. P. Jain	NIL	NIL	NIL	NIL	NIL

# Mrs. Meenakshi Gopal has been appointed as an Additional Director (Independent Non – Executive) on the Board of the Company w.e.f. 31<sup>st</sup> March, 2015.

# Mr. Arvind Kohli, Independent Non – Executive Director has resigned from the Board of the Company on 31<sup>st</sup> March, 2015.

# Dr. M.P. Jain Independent Non – Executive Director has resigned from the Board of the Company on 5<sup>th</sup> November, 2014.

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

None of the Directors of your Company are paid remuneration apart from sitting fees.

## 4. GENERAL BODY MEETINGS

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

(i) Location and time where the last 3 AGM's were held:

Year	Type	Location	Date	Time
2013-14	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon - 122 001 (Haryana)	29.10.2014 (Extension taken by the Company from ROC)	03.00 P. M.
2012-13	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon - 122 001 (Haryana)	17.09.2013	11.00 A.M.
2011-12	AGM	GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon - 122 001 (Haryana)	29.08.2012	12.30 P.M.

(ii) List of Special Resolutions passed in the previous 3 AGMs:

Year	Special Resolution(s)
2013-14	To consider and approve the appointment of Mr. Anil Goyal (DIN 00001938) as Managing Director
	To consider and approve adoption of new set of Articles of Association of the Company
2012-13	NIL
2011-12	NIL

(iii) Whether Special Resolutions were put through postal ballot last year: No

(iv) Are polls proposed to be conducted through postal ballot this year: No

## 5. DISCLOSURES

- There have been no materially significant related party transactions, pecuniary transactions or relationships other than those disclosed in the financial statements for the year ended 31<sup>st</sup> March 2015 (Refer Note No. 21 to the notes to accounts) forming part of Balance Sheet and Profit & Loss Account). Accordingly, the same have not been reproduced here. The said related party transactions do not have any conflict with the interests of the Company.
- No penalty has been imposed nor any strictures have been passed by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to Capital Markets during the last three years.
- The Company has adopted a code of conduct applicable to all Directors and Senior Management Personnel of the Company and the same has been posted on the Company's website viz. [www.hbleasing.com](http://www.hbleasing.com) having following web link, [www.hbleasing.com/Investor Information/Corporate Governance](http://www.hbleasing.com/Investor%20Information/Corporate%20Governance). For the year under review, all directors and senior management personnel have confirmed their adherence to the provisions of said code. A declaration to this effect from Managing Director of the Company is also given to this effect at the end of this report.
- Risk Assessment and Minimization procedures are in existence and are reviewed periodically.
- Whistle Blower Policy- A mandatory requirement has been reviewed by the Company and the same has been uploaded on the website of the Company viz. [www.hbleasing.com](http://www.hbleasing.com) having following web link, [www.hbleasing.com/Investor Information/Corporate Governance](http://www.hbleasing.com/Investor%20Information/Corporate%20Governance). The Company further affirms that no personnel has been denied access to the Audit Committee.
- The Managing Director (CEO) and the Chief Financial Officer (CFO) of the Company has, as required under Clause 49 of the Listing Agreement, given the certificate on the review of financial statements, including Cash Flow, for the year ended 31<sup>st</sup> March, 2015 to the Board of Directors.
- All the mandatory requirements under Clause 49 (relating to Corporate Governance norms) of the Listing Agreement are being adhered to / complied with.

## 6. MEANS OF COMMUNICATION

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

## 7. GENERAL SHAREHOLDER INFORMATION

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

Location	Date	Time
GIA House, I.D.C., Mehrauli Road, Opp. Sector 14, Gurgaon (Haryana) - 122 001	09 <sup>th</sup> September, 2015	03.00 P. M.

II. Financial Year : 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015.

III. Date of Book Closure : 03<sup>rd</sup> September, 2015 to 09<sup>th</sup> September, 2015.

IV. Dividend Payment Date : No dividend is being declared for year under review.

V. Listing on Stock Exchanges : The Company's Equity Shares are listed at Bombay Stock Exchange Limited (BSE), Mumbai.

VI. Stock Code : The Company's Scrip Code at BSE is 508956.

### VII. Dematerialization of Share and Liquidity:

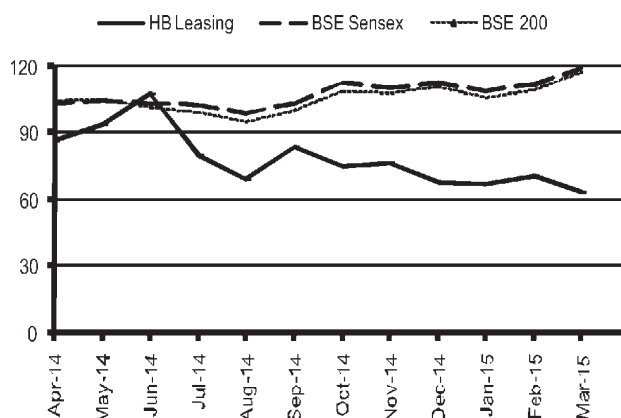
The trading in the Equity Shares of the Company has come under compulsory dematerialization w.e.f. 26<sup>th</sup> February 2001 in terms of the SEBI-Notification No. SMDRP/ POLICY/CIR - 23 / 2000 dated 29<sup>th</sup> May 2000.

The Company has joined the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The ISIN No. allotted to the Company is **INE549B01016**. As at 31<sup>st</sup> March 2015, 74,09,619 Equity Shares of the Company are held in dematerialized form constituting 66.98% of the Company's subscribed share capital.

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

Month	High Price	Low Price	Close Price	Volume
Apr 14	3	2.47	2.63	8785
May 14	2.9	2.28	2.85	12643
Jun 14	3.51	2.61	3.29	24283
Jul 14	3.14	2.21	2.44	12010
Aug 14	2.68	2.1	2.1	9994
Sep 14	3.17	1.9	2.55	30832
Oct 14	2.89	2.17	2.29	9857
Nov 14	2.76	2.1	2.33	22909
Dec 14	2.53	1.96	2.07	25336
Jan 15	2.28	2.04	2.04	25783
Feb 15	2.2	2.03	2.15	18883
Mar 15	2.24	1.84	1.93	21002

### IX. Performance in Broad based indices:



### X. Stock Performance-Absolute returns

	1 YEAR
HB Leasing	-26.62
BSE Sensex	24.71
BSE 200	31.60

### XI. Share Transfer System

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

XII. The status of Investor's Grievance Redressal from 01.04.2014 to 31.03.2015 is as under:

Nature of Grievance	Received	Cleared
Relating to Dividend	5	5
Relating to transfer, transmission, exchange etc.	13	13
Non Receipt of Annual Report	4	4
<b>TOTAL</b>	<b>22</b>	<b>22</b>

**XIII. The distribution of shareholdings of the Company as on 31<sup>st</sup> March, 2015 is as under:**

No. of Shares	Shareholders		Shareholding	
	Numbers	% to total	Numbers	% to total
Up to 5000	34993	97.41	4408418	39.85
5001-10000	531	1.48	410212	3.71
10001-20000	225	0.63	327612	2.96
20001-30000	57	0.16	147888	1.34
30001-40000	33	0.09	116105	1.005
40001-50000	13	0.04	59653	0.54
50001-100000	26	0.07	189650	1.71
100001 and above	46	0.13	5403193	48.84
<b>TOTAL</b>	<b>35924</b>	<b>100.00</b>	<b>11062731</b>	<b>100.00</b>

The category-wise distribution of Shareholders is as follows:

Category	No. of Shares held	% of Shareholding
<b>A. PROMOTERS HOLDING</b>		
• Indian Promoter	39,46,877	35.68
• Foreign Promoters	0	0.00
<b>B. Public Shareholding (Institutions)</b>		
• Mutual Funds and UTI	1,570	0.01
• Banks/Financial Institutions	510	0.00
• Foreign Institutional Investors	0	0.00
<b>C. Public Shareholding (Non Institutions)</b>		
• Bodies Corporate	8,69,858	7.86
• NRIs	1,52,262	1.38
• Indian Public	60,84,345	55.00
• Clearing Member/ Intermediary	7,309	0.07
<b>Total</b>	<b>1,10,62,731</b>	<b>100.00</b>

**XIV. The Company has no outstanding GDRs/ ADRs/ Warrants or any other instruments convertible into equity.**
**XV. Compliance Officer:** Company Secretary of the Company acts as the Compliance Officer.

**XVI. Registrar and Transfer Agents:**

RCMC Share Registry Pvt. Ltd.

B-25/1, First Floor,

Okhla Industrial Area, Phase-II,

New Delhi – 110 020

Phone: 011 – 26387320, 26387321, 26387323

Fax : 011 - 26387322

E-mail: shares@rcmdltd.com

**XVII. Address for Correspondence:**

**HB Leasing and Finance Company Limited**

HB House, Plot No. 31, Echelon Institutional Area,

Sector-32, Gurgaon – 122 001, Haryana.

E-mail: corporate@hbleasing.com

**MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT**

The Members of

**HB Leasing and Finance Company Limited**

I, Anil Goyal, Managing Director of the Company, hereby declares that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2015.

**For HB Leasing and Finance Company Limited**

Sd/-

Anil Goyal

Managing Director

(DIN: 00001938)

Place : Gurgaon

Date : 28.05.2015

**CEO/ CFO CERTIFICATION UNDER CLAUSE 49 OF LISTING AGREEMENT**

The Managing Director and CFO of your Company have submitted to the Board a Certificate regarding compliance of Internal Control System over Financial Reporting under Clause 49 of the Listing Agreement with the Stock Exchange.

**CERTIFICATE**

We, hereby, certify to the best of our knowledge and belief certify to the board that:

- We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit Committee
  - significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For HB Leasing and Finance Company Limited**

Sd/-

Anil Goyal

(Managing Director)

Date: 28<sup>th</sup> May, 2015

Place: Gurgaon

Sd/-

C. P. Singh

(Chief Financial Officer)

Date: 28<sup>th</sup> May, 2015

Place: Gurgaon

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

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

**CERTIFICATE**

To the Members

**HB Leasing and Finance Company Limited**

Gurgaon 122001

We have examined the compliance of conditions of Corporate Governance by **HB Leasing and Finance Company Limited** for the year ended on 31<sup>st</sup> March 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

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

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

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

**FOR P. BHOLUSARIA & COMPANY  
CHARTERED ACCOUNTANTS  
FRN: 000468N**

Sd/-

AMIT GOEL

PARTNER

(Membership No.: 92648)

Place : Gurgaon

Date : 28.05.2015

**FORM NO. MGT – 9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31.03.2015**

(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

**I. REGISTRATION & OTHER DETAILS:**

i.	CIN	L65910HR1982PLC034071
ii.	Registration Date	30.03.1982
iii.	Name of the Company	HB Leasing and Finance Company Limited
iv.	Category/Sub-Category of the Company	Company having Share Capital
v.	Address of the Registered office & contact details	Plot No. 31, Echelon Institutional Area, Sector – 32, Gurgaon 122001, Haryana
vi.	Whether Listed Company	Yes
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	RCMC Share Registry Pvt. Ltd. B- 25/1, First Floor, Okhla Industrial Area, Phase- II, New Delhi- 110020 Phone: 011-26387320/ 21/ 23 Fax: 011-26387322 Email : shares@rcmcdelhi.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name & Description of main products/services	NIC Code of the Product/Service	% to total turnover of the Company
1.	Financial Leasing Companies Activities	64910	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	NIL				

**IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as percentage of Total Equity):****(i) Category-wise Shareholding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
(1) Indian									
a) Individual / HUF	2253377	550	2253927	20.37	2253377	550	2253927	20.37	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	1692950	0	1692950	15.31	1692950	0	1692950	15.31	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL: (A) (1)</b>	<b>3946327</b>	<b>550</b>	<b>3946877</b>	<b>35.68</b>	<b>3946327</b>	<b>550</b>	<b>3946877</b>	<b>35.68</b>	<b>0.00</b>
(2) Foreign									
a) NRI-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL: (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3946327</b>	<b>550</b>	<b>3946877</b>	<b>35.68</b>	<b>3946327</b>	<b>550</b>	<b>3946877</b>	<b>35.68</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	0	1570	1570	0.01	0	1570	1570	0.01	0.00
b) Banks / FI	0	510	510	0	0	510	510	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>2080</b>	<b>2080</b>	<b>0.01</b>	<b>0</b>	<b>2080</b>	<b>2080</b>	<b>0.01</b>	<b>0</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non Institutions</b>									
a) Bodies Corporate									
i) Indian	741553	107777	849330	7.68	762111	107747	869858	7.86	0.186
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakhs	2016919	3438664	5455583	49.31	1949742	3415351	5365093	48.50	0.818
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakhs	648886	0	648886	5.87	719252	0	719252	6.50	0.636
c) Other (specify)									
i) Clearing Members	4316	0	4316	0.04	7309	0	7309	0.07	0.027
ii) Non-Residents	28275	127384	155659	1.41	24878	127384	152262	1.38	0.031
<b>SUB TOTAL (B)(2):</b>	<b>3439949</b>	<b>3673825</b>	<b>7113774</b>	<b>64.31</b>	<b>3463292</b>	<b>3650482</b>	<b>7113774</b>	<b>64.31</b>	<b>0</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)</b>	<b>3439949</b>	<b>3675905</b>	<b>7115854</b>	<b>64.32</b>	<b>3463292</b>	<b>3652562</b>	<b>7115854</b>	<b>64.32</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>7386276</b>	<b>3676455</b>	<b>11062731</b>	<b>100.00</b>	<b>7409619</b>	<b>3653112</b>	<b>11062731</b>	<b>100.00</b>	<b>0</b>

## (ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1.	Lalit Bhasin	1646472	14.88	0	1646472	14.88	0	0.00
2.	Merrygold Investments Ltd	1507895	13.63	0	1507895	13.63	0	0.00
3.	Lalit Bhasin	516905	4.672	0	516905	4.672	0	0.00
4.	Pal Properties (India) Pvt. Ltd.	105120	0.95	0	105120	0.95	0	0.00
5.	Mamta kapur	46000	0.42	0	46000	0.42	0	0.00
6.	H B Stockholdings Ltd	43200	0.39	0	43200	0.39	0	0.00
7.	R R B Securities Ltd	34735	0.31	0	34735	0.31	0	0.00
8.	H.C.Bhasin (HUF)	22000	0.20	0	22000	0.20	0	0.00
9.	Rima Arora	22000	0.20	0	22000	0.20	0	0.00
10.	HB Financial Consultants Pvt. Ltd.	2000	0.02	0	2000	0.02	0	0.00
11.	Amrit Lal Chadha	350	0.00	0	350	0.00	0	0.00
12.	Amrit Lal Chadha	200	0.00	0	200	0.00	0	0.00
	<b>Total</b>	<b>3946877</b>	<b>35.68</b>	<b>0</b>	<b>3946877</b>	<b>35.68</b>	<b>0</b>	<b>0.00</b>

## (iii) Change in Promoters' Shareholding (Please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	At the beginning of the year				
2.	Date wise increase / decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease. (e.g. allotment/transfer/bonus/sweat equity etc.)	No changes in Promoters Shareholding during the year			
3.	At the end of the year				

## (iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs):

Sl. No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	<b>Shubhika Estate &amp; Trading Pvt. Ltd.</b>				
	At the beginning of the year	343400	3.10	343400	3.10
	At the end of the year			343400	3.10
2.	<b>Delhi Iron &amp; Steel Co. (P) Ltd.</b>				
	At the beginning of the year	158202	1.43	158202	1.43
	At the end of the year			158202	1.43

Sl. No.	For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
3.	<b>Rajesh Jain</b>				
	At the beginning of the year	120659	1.09	120659	1.09
	At the end of the year			120659	1.09
4.	<b>Chirayush Pravin Vakil</b>				
	At the beginning of the year	83536	0.76	83536	0.76
	23/05/2014 Transfer	(100)	0.00	83436	0.75
	30/05/2014 Transfer	(100)	0.00	83336	0.75
	13/06/2014 Transfer	(200)	0.00	83136	0.75
	At the end of the year			83136	0.75
5.	<b>Urvi Jatin Parekh</b>				
	At the beginning of the year	63587	0.62	68587	0.62
	At the end of the year			68587	0.62
6.	<b>Light House investments Ltd.</b>				
	At the beginning of the year	57800	0.52	57800	0.52
	At the end of the year			57800	0.52
7.	<b>Onida Finance Limited</b>				
	At the beginning of the year	49200	0.44	49200	0.44
	At the end of the year			49200	0.44
8.	<b>Nilaben Navneet Hindocha</b>				
	At the beginning of the year	38673	0.35	38673	0.35
	30/05/2014 Transfer	100	0.00	38773	0.35
	06/06/2014 Transfer	100	0.00	38873	0.35
	At the end of the year			38873	0.35
9.	<b>Gagan Financial Resources Pvt. Ltd.</b>				
	At the beginning of the year	33700	0.30	33700	0.30
	At the end of the year			33700	0.30
10.	<b>Navnit Papatlal Hindocha</b>				
	At the beginning of the year	32825	0.30	32825	0.30
	At the end of the year			32825	0.30
	<b>TOTAL</b>			<b>986232</b>	<b>8.91</b>

Note: Figures in brackets represents negative figures.

(v) **Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Lalit Bhasin	21,63,377	19.56	21,63,377	19.56
2.	Mr. Anil Goyal, M.D (KMP)	150	0.00	150	0.00
3.	Mr. L. N. Malik	300	0.00	300	0.00
4.	Dr. M. P. Jain*	NIL	N.A	NIL	N.A
5.	Mrs. Meenakshi Gopal**	N.A	N.A	NIL	N.A
6.	Ms. Swati Vaish, C.S (KMP)***	NIL	N.A	NIL	N.A

Note: There is no change in the shareholding of Directors & KMP during the year.

\*Dr. M. P. Jain resigned from the Board of the Company w.e.f. 05<sup>th</sup> November, 2014.

\*\*Mrs. Meenakshi Gopal was appointed as an Additional Director w.e.f 31<sup>st</sup> March, 2015.

\*\*\*Ms. Swati Vaish was appointed as a Company Secretary w.e.f 19<sup>th</sup> August, 2014.

V. **INDEBTEDNESS:**

Indebtedness of the company including interest outstanding/accrued but not due for payment:

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Changes in Indebtedness during the financial year</b>				
• Addition	NIL	NIL	NIL	NIL
• Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A) Remuneration to Managing Director, Whole-Time Directors and / or Manager:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission - as % of profit - others, specify	NIL NIL
5.	Others, please specify	NIL
	<b>Total(A)</b>	<b>NIL</b>
	<b>Ceiling as per the Act</b>	5% of the Net Profits / As per Schedule V of the Companies Act, 2013 in case of absence or inadequacy of profits.

**B) Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹)
1.	<b>Independent Directors</b>	<b>Mr. L. N. Malik</b>	<b>Mr. Arvind Kohli*</b>	<b>Dr. M. P. Jain**</b>	<b>Mrs. Meenakshi Gopal***</b>	
	• Fee for attending board / committee meetings # • Commission • Others, please specify	44,000 NIL -	50,000 NIL -	NIL	NIL NIL -	94,000 NIL -
	<b>Total (1)</b>	<b>44,000</b>	<b>50,000</b>		<b>NIL</b>	<b>94,000</b>
2.	<b>Other Non-Executive Directors</b>	<b>Mr. Lalit Bhasin</b>				
	• Fee for attending board / committee meetings # • Commission • Others, please specify			50,000 NIL -		50,000 NIL -
	<b>Total (2)</b>					<b>50,000</b>
	<b>Total Managerial Remuneration (1) + (2)</b>					<b>1,44,000</b>
	<b>Overall Ceiling as per the Act</b>	Sitting fee is paid as per the provisions of the Companies Act, 2013.				

 \*Resigned from the Board of the Company on 31<sup>st</sup> March, 2015.

 \*\*Resigned from the Board of the Company on 05<sup>th</sup> November, 2014.

\*\*\*Appointed as an Additional Director (Independent Non- Executive) w.e.f 31st March, 2015.

# Excluding reimbursement of travel and other expenses incurred for attending the meetings.

**C) Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD:**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel (Company Secretary)		Total Amount (₹)
		Mr. C. P. Singh	Ms. Swati Vaish*	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	285000 194740 NIL	102387 69964 NIL	387387 264704 NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - As % of profit - Others, specify	NIL NIL	NIL NIL	NIL NIL
5.	Others, please specify	NIL	NIL	NIL
	<b>Total</b>	<b>479740</b>	<b>172351</b>	<b>650291</b>

 \*Appointed w.e.f 19<sup>th</sup> August, 2014.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD/NCLT / Court)	Appeal made if any (give details)
A. COMPANY					
Penalty / Punishment / Compounding	None				
B. DIRECTORS					
Penalty / Punishment / Compounding	None				
C. OTHER OFFICERS IN DEFAULT					
Penalty / Punishment / Compounding	None				

**ANNEXURE - B****NOMINATION AND REMUNERATION POLICY****1. PREAMBLE:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company, this policy on nomination and remuneration of Directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC/Committee") and approved by the Board of Directors of the Company at their meeting held on 11<sup>th</sup> February, 2015 in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement.

**2. OBJECTIVE:**

The Objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP and Senior Management. The Key Objectives of the Committee would be:

- 2.1. To guide the Board in relation to appointment and removal of Directors, KMP and Senior Management.
- 2.2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration of Directors, KMP and Senior Management.
- 2.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 2.4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 2.5. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- 2.6. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 2.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 2.8. To develop a succession plan for the Board and to regularly review the plan.
- 2.9. To assist the Board in fulfilling responsibilities.
- 2.10. To Implement and monitor policies and processes regarding principles of corporate governance.

**3. DEFINITIONS:**

"**Act**" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"**Board**" means Board of Directors of the Company.

"**Directors**" mean Directors of the Company both executive and non-executive.

"**Key Managerial Personnel (KMP)**" means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. Such other officer as may be prescribed.

"**Senior Management**" means Senior Management means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT:****A. Appointment Criteria and Qualifications**

- (I) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (II) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- (III) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**B. Term / Tenure****(I) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one (1) year before the expiry of term.

**(II) Independent Director:**

- a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b) No Independent Director shall hold office for more than two consecutive terms of upto maximum of five (5) years each, but such Independent

Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- c) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**C. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**D. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**E. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**5. REMUNERATION TO DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / SENIOR MANAGEMENT PERSONNEL:**

The Committee to recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management Personnel of the Company.

- a) The Remuneration / Compensation / Commission etc. to be paid to Managing Director, Whole-time/Executive Director, Non-Executive Director / Independent Directors, KMP shall be governed as per applicable provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- b) The Non-Executive / Independent Director may receive remuneration by way of sitting fee for attending the meeting of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- c) The remuneration payable to Senior Management Personnel shall be governed by the Company's HR Policy.

**6. DUTIES IN RELATION TO NOMINATION MATTERS:**

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation;
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- f) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- g) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- h) Delegating any of its powers to one or more members of the Committee;
- i) Recommend any necessary changes to the Board; and
- j) Considering any other matters, as may be requested by the Board.

**7. DUTIES IN RELATION TO REMUNERATION MATTERS:**

The duties of the Committee in relation to remuneration matters include:

- a) Considering and determining the remuneration based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- b) Approving the remuneration of the Senior Management including KMP of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) Delegating any of its powers to one or more members of the Committee.
- d) Considering any other matters as may be requested by the Board.

**8. REVIEW AND AMENDMENT:**

- a) The Committee or the Board may review the policy as and when it deems necessary.
- b) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this policy, if it thinks necessary.
- c) This policy may be amended or substituted by the Committee or by the Board as and when required and also by the Company Secretary where there is any statutory changes necessitating the change in the policy.





## ANNEXURE - C

### Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2015

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

To,  
The Members of  
HB Leasing and Finance Company Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HB Leasing and Finance Company Limited-CIN: L65910HR1982PLC034071** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **HB Leasing and Finance Company Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31<sup>st</sup> March, 2015** complied with statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made there under;
  - (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings\*.
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009\*;
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999\*.
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008\*;
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009\* and
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998\*.
  - (vi) The Other Laws applicable specifically to the Company are:
    - (a) The Reserve Bank of India Act, 1934.
      - (i) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
      - (ii) The Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008 and other applicable Directions, Guidelines, Standards/ instructions issued by RBI.

The Company is an NBFC-ND (Investment Company) and holds valid Certificate of Registration No. 14.00081 dated 26.02.1998 issued under Section 45IA of the Reserve Bank of India Act, 1934. The Company has complied with the provisions of above Act, Directions, Guidelines, standards and instructions issued by Reserve Bank of India.
    - (b) Prevention of Sexual Harassment of Women at Workplace (Prohibition and Redressal) Act, 2013.

\*Foreign Exchange Management Act, 1999 and the rules and regulations at sub-para (iv), SEBI Regulations listed at sub-para (v) Serial Nos. (c), (d), (e), (g) and (h) above are not applicable to the Company for 2014-15 as there were no corporate decisions/actions attracting these regulations.

2. We have also examined the compliances with the applicable clauses of the Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited (BSE). The Secretarial Standards issued by the ICSI are not applicable for the financial year 2014-15.
3. During the period under review the Company has complied with the provisions of the Act and the Rules, Regulations, Guidelines etc. mentioned above
4. We further report that:
  - (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - (c) Majority decision is carried through while dissenting members' views are captured and recorded as part of the minutes.
5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period, no major decisions have been taken which have a bearing on Company's affairs in pursuance of the above referred laws, rules/regulations were taken. Nor any decision was taken by the members under Section 180 of the Companies Act, 2013.

This report is to be read with our letter of even date which is annexed as Annexure 'A' and forms an integral part of this report.

For A.N. Kukreja & Co.  
Company Secretaries  
Sd/-  
A.N. Kukreja  
(Proprietor)  
FCS 1070; CP 2318

Place : New Delhi  
Date : 28th May, 2015

## Annexure 'A'

To,  
The Members of  
HB Leasing and Finance Company Limited

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial record. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. During the course of our examination of the books and records of the Company carried out in accordance with generally accepted practices in India, we have neither come across any instance of fraud on or by the Company, nor the Company has noticed and reported any such case during the year and accordingly the Company has not informed us of any such case.

For A.N. Kukreja & Co.  
Company Secretaries  
Sd/-  
A.N. Kukreja  
(Proprietor)  
FCS 1070; CP 2318

Place : New Delhi  
Date : 28th May, 2015

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
HB LEASING & FINANCE COMPANY LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **HB LEASING & FINANCE COMPANY LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31<sup>st</sup>, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2015 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigation on the financial position in its financial Statements – Refer Note 29 to the Financial Statements;
    - ii. The Company did not have any Long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Sd/-  
AMIT GOEL  
(PARTNER)

Place : Gurgaon  
Date : 28<sup>th</sup> May, 2015

Membership No. 92648

## Annexure to Independent Auditors' Report

Re: HB Leasing & Finance Company Limited

The annexure referred to in our report to the members of the company on the financial statements for the year ended on 31<sup>st</sup> March, 2015, we Report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
2. a. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company has maintained proper records of inventories. As explained to us, no material discrepancies have been noticed on physical verification of inventory as compared to the book records.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ("the Act").
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory and fixed assets and sale of goods. However, during the year there was neither purchase of any inventory or fixed asset nor sale of services. During the course of our audit, we have not observed any major weakness in the internal control system.
5. The Company has not accepted any deposits from the public.
6. The nature of the company's business/activities is such that maintenance of Cost Records under Section 148(1) of the Act is not applicable to the company.
7. a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales-Tax, Value added tax, Wealth Tax, Customs Duty, Excise Duty, Service tax, Cess and other statutory dues to the extent and as applicable to the company have been generally regularly deposited by the company during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date of becoming payable.
- b. The disputed statutory dues aggregating to ₹ 17,46,60,436/- that have not been deposited on account of matters pending before appropriate authorities are as under :

Sr. No.	Name of the statute	Nature of the Dues	Forum where Dispute is pending	Amount (₹)
1.	Income Tax Act, 1961	Income Tax	Hon'ble Delhi High Court	20,70,090/-
2.	Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Delhi	16,96,28,676/-
3.	Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeal)	29,61,670/-
			<b>TOTAL</b>	<b>17,46,60,436/-</b>

- c. In our opinion and according to the information and explanations given to us, during the year no amount was required to be transferred to investor education and protection fund in accordance with the provisions of the Companies act, 1956.
8. The accumulated losses of the company at the financial year end are more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit but incurred cash losses in the immediately preceding financial year.
9. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
10. According to the information and explanations given to us, as at the year end the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. The Company did not have any terms loans outstanding during the year
12. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of audit.

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

Sd/-  
AMIT GOEL  
(PARTNER)

Place : Gurgaon  
Date : 28<sup>th</sup> May, 2015

Membership No. 92648



## HB LEASING AND FINANCE COMPANY LIMITED

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2015

Particulars	Note(s)	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	110041095	110041095
Reserves and Surplus	3	-85809257	-88977188
		<b>24231838</b>	<b>21063907</b>
<b>Non-Current Liabilities</b>			
Long Term Provisions	4	327086	156333118
		<b>327086</b>	<b>156333118</b>
<b>Current Liabilities</b>			
Other Current Liabilities	5	1956742	24451287
Short Term Provisions	6	8605165	8607416
		<b>10561907</b>	<b>33058703</b>
		<b>35120831</b>	<b>210455728</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	7	70002	236776
Non-current investments	8	5000000	179047686
Deferred Tax Assets (Net)	9	240014	236405
Long term loans and advances	10	16743287	16682159
		<b>22053303</b>	<b>196203026</b>
<b>Current Assets</b>			
Inventories	11	2309666	4005728
Trade Receivables	12	7169997	7169997
Cash and Cash equivalents	13	1942845	1568128
Short-Term Loans and Advances	14	1645020	1508849
		<b>13067528</b>	<b>14252702</b>
		<b>35120831</b>	<b>210455728</b>

#### SIGNIFICANT ACCOUNTING POLICIES AND

#### NOTES ON ACCOUNTS 1 to 31

The accompanying notes form an integral part of the financial statements  
As per our Report attached on even date

FOR P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Registration No. : 000468N

For and on behalf of the Board

AMIT GOEL Partner Membership No.: 092648	LALIT BHASIN Chairman DIN:00002114	ANIL GOYAL Managing Director DIN:00001938
Place : Gurgaon Date : 28 <sup>th</sup> May, 2015	SWATI VAISH Company Secretary	C. P. SINGH Chief Financial Officer

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	Note(s)	Year Ended 31st March, 2015 (In ₹)	Year Ended 31st March, 2014 (In ₹)
Revenue from operations	15	17122718	-68333
Other Income	16	-7056038	2755326
<b>Total Revenue</b>		<b>10066680</b>	<b>2686993</b>
<b>Expenses:</b>			
Employee Benefit Expense	17	2577513	2796419
Depreciation	7	166773	72052
Other Expenses	18	4158072	2829844
<b>Total Expenses</b>		<b>6902357</b>	<b>5698315</b>
Profit/-Loss for the year before Tax		<b>3164322</b>	<b>-3011322</b>
<b>Tax expense:</b>			
Current tax		0	0
Deferred/(Credit)		-3609	-8992
Profit/-Loss for the year after Taxation		<b>3167931</b>	<b>-3002330</b>
Earning per equity share:	26		
Equity share of Par value ₹ 10/-each			
Basic and Diluted		0.29	-0.27

#### SIGNIFICANT ACCOUNTING

#### POLICIES AND NOTES

#### ON ACCOUNTS 1 to 31

The accompanying notes form an integral part of the financial statements  
As per our Report attached on even date

FOR P. BHOLUSARIA & CO.  
Chartered Accountants  
Firm Registration No. : 000468N

For and on behalf of the Board

AMIT GOEL Partner Membership No.: 092648	LALIT BHASIN Chairman DIN:00002114	ANIL GOYAL Managing Director DIN:00001938
Place : Gurgaon Date : 28 <sup>th</sup> May, 2015	SWATI VAISH Company Secretary	C. P. SINGH Chief Financial Officer

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

Particulars	(Amount in ₹) Year Ended 31st March, 2015	(Amount in ₹) Year Ended 31st March, 2014
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit/-Loss before tax and Extraordinary Items	3164322	-3011322
Adjustment for :		
Provision for diminution in value of		
Non Current/Long Term investments	-155967386	0
Depreciation	166773	72052
Provisions for Gratuity and Leave encashment	-40897	55568
Profit/-Loss on sale of long term investments	163023424	-2755326
Investments		
<b>Operating Profit/-Loss before Working Capital Changes</b>	<b>10346236</b>	<b>-5639029</b>
Adjustment for :		
Trade & other Receivables	-197298	18499
Inventories	1696062	71137
Current and Non-current Liabilities	-22494545	3441542
<b>Cash Generated from operation</b>	<b>-10649545</b>	<b>-2107850</b>
Income tax paid	0	0
<b>Net Cash from Operation Activities</b>	<b>-10649545</b>	<b>-2107850</b>
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Sale of Investments	11024262	2805531
Purchase of Fixed Assets	0	-79173
<b>Net Cash used in Investing Activities</b>	<b>11024262</b>	<b>2726358</b>

Particulars	(Amount in ₹) Year Ended 31st March, 2015	(Amount in ₹) Year Ended 31st March, 2014
-------------	-------------------------------------------------	-------------------------------------------------

#### C) CASH FLOW FROM FINANCING ACTIVITIES

Net Cash used in Financing Activities	0	0
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>374717</b>	<b>618507</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>1568128</b>	<b>949621</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>1942845</b>	<b>1568128</b>
<b>Components of Cash and Cash Equivalents at the end of the year</b>		
<b>Balances with Banks</b>		
- In Current Accounts	598960	164243
Cheques-in-hand	1000000	1050000
Cash-in-hand	343885	353885
<b>Total</b>	<b>1942845</b>	<b>1568128</b>

The accompanying notes form an integral part of the financial statements  
As per our Report attached on even date

For P. Bholusaria & Co.  
Chartered Accountants  
Firm Registration No. : 000468N

For and on behalf of the Board

AMIT GOEL Partner Membership No.: 092648	LALIT BHASIN Chairman DIN:00002114	ANIL GOYAL Managing Director DIN:00001938
Place : Gurgaon Date : 28 <sup>th</sup> May, 2015	SWATI VAISH Company Secretary	C. P. SINGH Chief Financial Officer

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2015

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:-

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 the provisions of the Act (to the extent notified), guidelines issued by the Reserve Bank of India and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 1.2 USE OF ESTIMATES

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

#### 1.3 REVENUE RECOGNITION

1.3.1 All Income & Expenditure are accounted for on accrual basis.

1.3.2 Provision for loss in respect of open equity derivative instruments as at the balance sheet date is made indexwise/ scrip wise. As a matter of prudence, any anticipated profit is ignored.

#### 1.4 FIXED ASSETS

Fixed Assets are stated at cost less depreciation.

#### 1.5 DEPRECIATION

Depreciation on tangible assets is provided on Straight Line method over the useful life of assets in the manner specified in Schedule II to the Companies Act, 2013.

#### 1.6 STOCK IN TRADE

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

#### 1.7 INVESTMENTS

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

#### 1.8 EMPLOYEE BENEFITS

1.8.1 Employee Benefits are recognized/accounted for on the basis of revised AS-15 detailed as under :-

1.8.2 Short Term Employee benefits are recognized as expense at the undiscounted amount in the Profit & Loss account of the year in which they are incurred.

1.8.3 Employee benefits under defined contribution plans comprise of contribution to Provident Fund and Superannuation. Contributions to Provident Fund are deposited with appropriate authorities and charged to Profit & Loss account. Contribution to Superannuation are funded with Life Insurance Corporation of India.

1.8.4 Employee Benefits under defined benefit plans comprise of gratuity and leave encashment which are accounted for as at the year end based on actuarial valuation by following the Projected Unit Credit (PUC) method. Liability for gratuity is funded with Life Insurance Corporation of India.

1.8.5 Termination benefits are recognized as an Expense as and when incurred.

1.8.6 The actuarial gains and losses arising during the year are recognized in the Profit & Loss account of the year without resorting to any amortization.

#### 1.9 TAXATION

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

#### 1.10 IMPAIRMENT OF FIXED ASSETS

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's Fixed Assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the assets in prior years.

#### 1.11 CONTINGENCIES:

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

## NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

### 2. SHARE CAPITAL

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>AUTHORIZED</b>		
2,00,00,000 (2,00,00,000) Equity Shares of ₹ 10/- each.	200000000	200000000
50,00,000 (50,00,000) Redeemable Preference Shares of ₹10/- each	50000000	50000000
	250000000	250000000
<b>ISSUED</b>		
1,11,83,681 (1,11,83,681) Equity Shares of ₹ 10/- each.	111836810	111836810
	111836810	111836810
<b>SUBSCRIBED &amp; PAID UP</b>		
1,10,62,731 (1,10,62,731) Equity Shares of ₹ 10/- each fully paid up.	110627310	110627310
	110627310	110627310
Less: Allotment money Receivable (Other than Directors)	586215	586215
	110041095	110041095

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

– Reconciliation of the number of shares outstanding and Amount of Share Capital as on 31st March, 2015 & 31st March, 2014 is as under:

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Number of shares at the beginning	11062731	110041095	11062731	110041095
Number of shares at the end	11062731	110041095	11062731	110041095

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

Name of Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares Held	% of holding	No. of Shares Held	% of holding
Lalit Bhasin	2163377	19.56	2163377	19.56
Merrygold Investments Ltd.	1507895	13.63	1507895	13.63

– In the event of the Liquidation of the company, the holder of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all Preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



## 3. RESERVE AND SURPLUS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
Capital Reserve-Opening balance	99875	99875
	99875	99875
Securities Premium Reserve-opening balance	182029190	182029190
Less: Allotment money receivable (Other than Directors)	1432491	1432491
	180596699	180596699
Statutory Reserve -Opening balance *	19763490	19763490
Add: Transferred from Surplus	633586	0
	20397076	19763490
Surplus -opening balance	-289437252	-286434921
Add: Net Profit/-Loss after tax transferred from Statement of Profit & Loss	3167931	-3002331
	-286269321	-289437252
Less: Transferred to Statutory Reserve	633586	0
Surplus-Closing balance	-286902907	-289437252
	-85809257	-88977188

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

## 4. LONG TERM PROVISIONS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Provisions For Employee Benefit</b>		
Leave encashment	202152	194514
Gratuity	96000	142284
<b>Others</b>		
Contingent Provision against Standard Assets	28934	28934
Provision for diminution in value of Non-Current/Long term Investments	0	155967386
	327086	15633118

## 5. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
Expenses Payable	645613	593205
TDS and Service Tax Payable	11129	8082
Advances from Customers	1300000	23850000
	1956742	24451287

## 6. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Provisions For Employee Benefit</b>		
Leave encashment	62992	65243
<b>Others</b>		
Sub-standard and Doubtful Assets	8542173	8542173
	8605165	8607416

## 7. FIXED ASSETS

(Amount In ₹)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As at 01.04.2014	Addition during the year	Deduction during the year	As at 31.03.2015	up to 01.04.2014	For the year (a)	Adjustments during the year (b)- Refer Note no. 27	Total depreciation for the year (a+b)	Total up to 31.03.2015	As on 31.03.2015	As on 31.03.2014
	<b>Tangible Assets</b>											
1	Furnitures & Fixtures	46299	0	0	46299	19304	0	24680	24680	43984	2315	26995
2	Vehicles	50533	0	0	50533	27464	0	20542	20542	48006	2527	23069
3	Office Equipment	657764	0	0	657764	583665	0	41211	41211	624876	32888	74099
4	Data Processing Machine	187438	0	0	187438	119587	0	58479	58479	178066	9372	67851
5	Air conditioners	458000	0	0	458000	413239	0	21861	21861	435100	22900	44761
	<b>Total</b>	<b>1400034</b>	<b>0</b>	<b>0</b>	<b>1400034</b>	<b>1163259</b>	<b>0</b>	<b>166773</b>	<b>166773</b>	<b>1330032</b>	<b>70002</b>	<b>236776</b>
	<b>(Previous Year)</b>	<b>1320861</b>	<b>79173</b>	<b>0</b>	<b>1400034</b>	<b>1091206</b>	<b>72052</b>	<b>0</b>	<b>72052</b>	<b>1163258</b>	<b>236776</b>	<b>229656</b>

## 8. NON CURRENT INVESTMENTS

(Amount In ₹)

Name of the Company		Face Value (In ₹)	As at 31st March, 2015		As at 31st March, 2014	
			Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
(LONG TERM INVESTMENTS) - AT COST						
NON TRADE INVESTMENTS						
A. INVESTMENT IN EQUITY INSTRUMENTS (QUOTED)						
<u>–FULLY PAID UP EQUITY SHARES</u>						
UNITECH LIMITED		2	0	0	361606	174047686
TOTAL (A)			0	0	361606	174047686
B. INVESTMENT IN PREFERENCE SHARES (UNQUOTED)						
<u>FULLY PAID-UP REDEEMABLE PREFERENCE SHARE</u>						
HB SECURITIES LIMITED (6% CUMULATIVE)		1000	5000	5000000	5000	5000000
TOTAL (B)			5000	5000000	5000	5000000
TOTAL (A+B) (LONG TERM/NON CURRENT INVESTMENTS)			5000	5000000	366606	179047686

Notes:	As at March 31, 2015	As at March 31, 2014
8.1 Aggregate Amount of Quoted Investments	0	174047686
8.2 Market Value of Quoted Investments	0	5073332
8.3 Aggregate Amount of Unquoted Investments	5000000	5000000
8.4 Investments costing ₹ NIL were lying as margin /pledged as at the year end (Previous Year ₹ 173996666/-).		
8.5 Provision for diminution in the value of investments is charged in the statement of Profit & Loss and shown correspondingly under the head "Provisions" in the Balance sheet without showing it as deduction from the value of investments. This is being done in compliance with Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as Superseded by "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015. It has no impact on the Profit for the year and also on the net carried amount of the investments. The Net carrying value of investments are as under-		

	As at March 31, 2015	As at March 31, 2014
Gross Amount of Investments	5000000	179047686
Less: Provision for Diminution in the Value of Investments	0	155967386
Net Carrying Value	5000000	23080300

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

Name of Investment	As at March 31, 2015	As at March 31, 2014
<u>Equity Shares</u>		
UNITECH LIMITED	0	155967386
<b>Total</b>	<b>0</b>	<b>155967386</b>

#### 9. DEFERRED TAX ASSETS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<u>Deferred Tax Assets</u>		
Leave Encashment/gratuity	111593	124231
Fixed Assets	128421	112174
	<b>240014</b>	<b>236405</b>

#### 11. INVENTORIES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
Stock in trade	2309666	4005728
(Shares/securities)(As per detail attached)		
	<b>2309666</b>	<b>4005728</b>

#### 10. LONG TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<u>(Unsecured, Considered Good)-Standard</u>		
Security Deposits *	11573705	11573705
Advance Income Tax and TDS (Net of Provision)	5169582	5108454
	<b>16743287</b>	<b>16682159</b>

\* Includes given to Related Party HB Estate Developers Ltd. ₹ 1,15,00,000/- (Previous year ₹ 1,15,00,000/-)-Also Refer Note no.21

#### Stock in Trade

Sl. No.	Name of the Company	Face Value (In ₹)	As at 31st March, 2015		As at 31st March, 2014	
			Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
	<b>QUOTED FULLY PAID UP EQUITY SHARES</b>					
1	Agrotech India Ltd.	10	40400	0	40400	0
2	Andhra Cement Co.Ltd.	10	550	0	550	0
3	Baroda Rayon Corp. Ltd.	10	7055	0	7055	0
4	Digital World India Ltd	10	127900	0	127900	0
5	ElH Ltd.	2	0	0	573	13053
6	Essar Oil Ltd	10	0	0	177	9018
7	Haryana Petro Ltd	10	1200	0	1200	0
8	Hotline Glass Ltd.	10	400	0	400	0
9	Kalyan Sundram Cement Ltd.	10	8970	0	8970	0
10	Malanpur Steel Ltd.	10	1968	0	1968	0
11	Mansinghka Oil Products Ltd.	10	300100	0	300100	0
12	Mawana Sugar Ltd.	10	0	0	21590	168834
13	Modi Rubber Ltd.	10	0	0	5906	108375
14	Mohan Meakin Ltd.	5	800	0	800	0
15	Oswal Agro Mills Ltd.	10	0	0	192800	1378520
16	Prakash Industries Ltd	10	0	0	50	1100
17	Reliance Industries Ltd.	10	0	0	28	1985
18	Royal Orchid Hotels Ltd.	10	0	0	496	15177
19	RRB Securities Ltd.	10	100000	2000000	100000	2000000
20	STI Granite Ltd.	10	60000	0	60000	0
	<b>QUOTED PARTLY PAID UP EQUITY SHARES</b>					
1	Baroda Rayon Corp Ltd.	10	3527	0	3527	0
2	Ceat Ltd.	10	650	0	650	0
3	Kalyan Sundram Cement Ltd.	10	182060	0	182060	0
4	Nahar International Ltd.	10	41300	0	41300	0
	<b>SUB TOTAL (A)</b>		<b>876880</b>	<b>2000000</b>	<b>1098500</b>	<b>3696062</b>

Name of the Company	Face Value (In ₹)	As at 31st March, 2015		As at 31st March, 2014	
		Qty.(Nos.)	Amount (In ₹)	Qty.(Nos.)	Amount (In ₹)
<b><u>UNQUOTED FULLY PAID UP EQUITY SHARES</u></b>					
1 Taurus Investment Trust Co. Ltd.	10	14380	149800	14380	149800
2 Harsai Investments Co. Ltd.	10	0	0	200000	0
3 QR Properties Pvt. Ltd.	10	5900	59000	5900	59000
<b><u>UNQUOTED FULLY PAID-UP PREF.SHARES</u></b>					
1 HB Tele Communications Ltd. (2% Non Cumulative)	10	10000	100000	10000	100000
<b><u>UNQUOTED SHARE APPLICATION</u></b>					
1 Core Telecom Pvt. Ltd.	10	250000	0	250000	0
2 Solid Portfolio Pvt. Ltd.	10	250000	0	250000	0
<b><u>WITH MUTUAL FUND - (Unquoted)</u></b>					
1 UTI Master Gain	10	26100	866	26100	866
<b>SUB TOTAL ( B )</b>		<b>556380</b>	<b>309666</b>	<b>756380</b>	<b>309666</b>
<b>GRAND TOTAL ( A + B )</b>		<b>1433260</b>	<b>2309666</b>	<b>1854880</b>	<b>4005728</b>

## 12. TRADE RECEIVABLES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Unsecured, Considered doubtful:</b>		
Outstanding for more than 6 months	7169997	7169997
	7169997	7169997

Note: Provision for Sub-Standard and doubtful assets has been separately shown in Note no. 6 (Short term Provisions) instead of netting it from the value of asset. This is being done as required in the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 as Superseded by "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

## 13. CASH &amp; CASH EQUIVALENTS

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Balances with Banks</b>		
- In Current and Deposit Accounts	598960	164243
- Cheques/Drafts on Hand	1000000	1050000
Cash-on-Hand	343885	353885
	1942845	1568128

## 14. SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March, 2015 (In ₹)	As at 31st March, 2014 (In ₹)
<b>Unsecured, Considered Good, Unless otherwise stated:</b>		
Claim Recoverable-Doubtful	1372176	1372176
Recoverable from Employees	209692	92442
Prepaid Expenses	63152	44231
	1645020	1508849

Note: Provision for Sub-Standard and doubtful assets has been separately shown in Note no. 6 (Short term Provisions) instead of netting it from the value of asset. This is being done as required in the Non Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 as Superseded by "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

## 15. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Profit/-Loss on Sale/Purchase of Shares and Valuation Profit/-Loss (Net)	17117377	-69151
Dividend Income (Gross)		
- On Stock in trade	5341	818
	17122718	-68333

## 16. OTHER INCOME

(Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Profit/-Loss on sale of Long term/ Non current investments	-163023424	2755326
Provision For Diminution in value of Long Term/Non Current Investment written Back	155967386	0
	-7056038	2755326

## 17. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Salaries and Benefits	2385157	2500506
Contribution to Provident fund, E.S.I. and Gratuity fund	170502	269016
Staff welfare	21854	26897
	2577513	2796419

## 18. OTHER EXPENSES

(Amount in ₹)

Particulars	For the Year ended 31st March, 2015	For the Year ended 31st March, 2014
Rent/Facility Charges	322524	322524
Vehicle Running and Maintenance	232412	228138
Insurance	5622	5112
Communication	623095	420444
Travelling and Conveyance	442963	426600
Printing and Stationery	360586	232324
Other Repairs and Maintenance	2225	4597
Depository and custodial	39046	35208
Legal and Professional	1217818	481734
Advertisement & Publicity	71963	71097
Books and Periodicals	48364	45738
Listing fees	112360	44944
Miscellaneous	455594	263046
Auditors Remuneration		
- Audit Fees	42135	42135
- Tax Audit Fees	16854	16854
- Others	20511	71349
Directors Sitting Fees	144000	118000
	4158072	2829844

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

- (a) Income Tax demand disputed ₹ 17,46,60,436/- (Previous year ₹ 13,43,03,760/-) against which appeals are pending with appropriate authorities.
- (b) Claims against the company not acknowledged as debts ₹ 1,58,02,781/- (Previous Year ₹ 1,58,02,781/-)
- (c) Guarantees given on behalf of Related Parties:- NIL/- (Previous Year ₹ 7,00,00,000/-)

**20. QUANTITATIVE DETAILS**

Quantitative information in respect of securities traded in:

Particulars	Current Year		Previous Year	
	Qty. (Nos.)	Amount (₹)	Qty. (Nos.)	Amount (₹)
Opening Balance	1854880	4005728	1854894	4076865
Purchases	Nil	Nil	Nil	Nil
Sales	421620	18813439	14	1983
Closing Balance	1433260	2309666	1854880	4005728

**21. RELATED PARTY TRANSACTIONS**

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

- Companies under direct or indirect common influence:
  - HB Securities Ltd.
  - HB Estate Developers Ltd.
  - RRB Master securities Delhi Ltd.
- Persons having direct/Indirect significant influence
  - Sh. Lalit Bhasin
- Key Managerial Personnel
  - Sh. C.P. Singh, Chief Financial Officer
  - Swati Vaish, Company Secretary (w.e.f. 19.08.2014)

21.2 Transactions during the financial year ended 31.03.2015 with related Parties as under.

Sr. No.	Nature of Transaction	Related Party Referred in (a) above	Related Party Referred in (b) above	Related Party Referred in (c) above
1	Sale of Securities through them	11425361 (2807513)	Nil (Nil)	Nil (Nil)
2	Rent Paid	322524 (322524)	Nil (Nil)	Nil (Nil)
3	Depository Charges Paid	5339 (1500)	Nil (Nil)	Nil (Nil)
4	Sitting Fees Paid	Nil (Nil)	50000 (46000)	Nil (Nil)
5	Remuneration and other services	Nil (Nil)	Nil (Nil)	648510 (505300)
6	<b>Outstanding as on 31.03.2015</b> - Receivables in respect of Security deposit paid for premises on rent  - Outstanding Guarantee	11500000 (11500000)  Nil (70000000)	Nil (Nil)  Nil (Nil)	Nil (Nil)  Nil (Nil)

**22. SEGMENT REPORTING**

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

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

Amount recognized as expense for defined contribution plans are as under: -(Amount in ₹)

Particulars	Current Year Amount ₹	Previous Year Amount ₹	Head under which shown in the Profit & Loss account
Contribution to Provident Fund	1,87,931/-	1,81,499/-	Contribution to Provident fund and other fund

Defined Benefit Plan

Movement in net liability

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligations as at beginning of the year (A)	11,68,649/-	1119027/-	2,59,757/-	2,71,274/-
Interest Cost (B)	93,492/-	89522/-	20,781/-	24,415/-
Current service cost (C)	39,224/-	54769/-	12,120/-	12,098/-
Benefits paid (D)	0.00	(84260/-)	(28,719/-)	(42,356/-)
Actuarial loss/ (gain) on obligation (E)	(77,905/-)	(10,409/-)	1,205/-	(5,674/-)
Present value of obligations as at the end of the year (F=A+B+C-D+E)	12,23,460	11,68,649/-	2,65,144/-	2,59,757/-

 The amounts recognized in the Balance Sheet and Statement of Profit & Loss are as follows :
   
(Amount in ₹)

Particulars	Gratuity (Funded)		Leave (Unfunded)	
	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation (A)	12,23,460	11,68,649/-	2,65,144/-	2,59,757/-
Estimated fair value of plan assets (B)	11,27,460/-	10,26,365/-	Nil	Nil
Net Liability (C=A-B)	(96000/-)	(1,42,284/-)	2,65,144/-	2,59,757/-
<b>Amounts in the Balance Sheet</b>				
Liabilities	(96000/-)	(1,42,284/-)	2,65,144/-	2,59,757/-
<b>Amount charged to Profit &amp; Loss Account</b>				
Current Service Cost	39,224/-	54769/-	12,120/-	12,098/-
Interest Cost	93,492/-	89522/-	20,781/-	24,415/-
Expected Return on Plan Asset	(93,049/-)	(66,797/-)	Nil	Nil
Actuarial (Gain)/Loss	(77,905/-)	(10,409/-)	1,205/-	(5,674/-)
	(38,238/-)	67,085/-	34,106/-	30,839/-
Head under which shown in the Profit & Loss account	Contribution to Provident Fund and other Fund		Salary & benefits	

 The Actual Return on Plan Assets is as follows:
   
(Amount in ₹)

Particulars	Gratuity	
	Current Year	Previous Year
Actual return on plan assets	93,049/-	66,797/-

 Following are the Principal Actuarial Assumptions used as at the balance sheet date:
   
(Amount in ₹)

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

 A reconciliation of the opening and closing balances of the fair value of plan assets:
   
(Amount in ₹)

Sl. No.	Particulars	Gratuity	
		Current Year	Previous Year
	Opening Fair Value of Plan Assets	10,26,365/-	10,43,828/-
i)	Expected Return on Plan Assets	93,049/-	66,797/-
ii)	Actuarial Gains / (Losses)	0.00	0.00
iii)	Contribution by the Employer	0.00	0.00
iv)	Benefits Paid	0.00	(84260/-)
v)	Contribution	8046/-	0.00
	Closing Fair Value of Plan Assets	11,27,460/-	10,26,365/-

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

a) Particulars of the minimum lease payments under Operating Lease:-

- Not Later than One year ₹ 3,22,524/- (Previous Year ₹ 3,22,524/-)
- Later than one year but not ₹ NIL/- (Previous Year ₹ NIL/-)
- Later than five years
- Later than five years ₹ NIL/- (Previous Year ₹ NIL/-)

b) Minimum lease payments recognised in the statement of profit &amp; loss account during the year ended 31st March 2015 is ₹ 3,22,524/- (Previous Year ₹ 3,22,524/-).

c) General description of the lease arrangement.

The lease is for an initial period of 3 years, which may be renewal for further period as may be mutually agreed upon.

Restrictions imposed by lease arrangement:-

- The Lessee shall not sublet or otherwise part with possession of a part or whole of the premise without the previous consent in writing of the lessor.
- The lessee shall use the premises for commercial purposes only.



**25. Due to Micro, Small and Medium Enterprises**

To the extent information available with the company, it has no dues to the Micro, Small and medium enterprises as at 31<sup>st</sup> March, 2015 and 31<sup>st</sup> March, 2014.

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

Particulars	Current Year (in ₹)	Previous Year (in ₹)
Net Profit/(Loss) as Per Statement of Profit and Loss attributable to Equity Shareholders.	3167931	-3002330
<b>Earning Per Share (face value of ₹ 10 each)</b>		
Weighted Average Nos. of Equity Share Outstanding	11062731	11062731
<b>Basic and diluted Earning per share (₹)</b>	<b>0.29</b>	<b>-0.27</b>

27. During the year, the company has revised depreciation rates on fixed assets as per the useful life specified in Schedule II to the Companies Act, 2013. Based on the Current estimates, depreciation of Rs 1,66,773/- on account of assets whose useful life has already exhausted as on April 1, 2014 has been added to the depreciation for the year ended March 31, 2015.

28. Schedule as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 as Superseded by "Non-Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

(₹ in lakhs)

Sl No.	Particulars		
	<b>LIABILITIES SIDE :</b>		
(1)	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>	<b>Amount outstanding</b>	<b>Amount overdue</b>
	(a) Debentures : Secured	Nil	Nil
		(Nil)	(Nil)
	: Unsecured	Nil	Nil
		(Nil)	(Nil)
	(other than falling within the meaning of public deposits)		
	(b) Deferred Credits	Nil	Nil
		(Nil)	(Nil)
	(c) Term Loans	Nil	Nil
		(Nil)	(Nil)
	(d) Inter-corporate loans and borrowing	Nil	Nil
		(Nil)	(Nil)
	(e) Commercial Paper	Nil	Nil
		(Nil)	(Nil)
	(f) Other Loans (Vehicle Loan)	Nil	Nil
		(Nil)	(Nil)

(₹ in lakhs)

Sl. No.	Particulars	Amount outstanding*
	<b>ASSETS SIDE :</b>	
(2)	<b>Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:</b>	<b>Amount Outstanding</b>
	(a) Secured	Nil
		(Nil)
	(b) Unsecured	118.47
		(117.10)
	* Net of Provisions, The amount also includes security deposits paid, prepaid expenses and other recoverable which, though are not strictly credit facilities given by the company.	
(3)	<b>Break up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities</b>	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	Nil
		(Nil)
	(b) Operating lease	Nil
		(Nil)
	(ii) Stock on hire including hire charges under sundry debtors:	
	(a) Assets on hire	Nil
		(Nil)
	(b) Repossessed Assets	Nil
		(Nil)
	(iii) Hypothecation loans counting towards EL/HP activities	
	(a) Loans where assets have been repossessed	Nil
		(Nil)
	(b) Loans other than (a) above	Nil
		(Nil)

(₹ in lakhs)

	Particulars	Amount outstanding*
(4)	<b>Break-up of Investments :</b>	
	<b><u>Current Investments (Stock In trade)</u></b>	
	<b>1. <u>Quoted :</u></b>	
	(i) Shares : (a) Equity	20.00 (36.96)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):*		
Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	Nil (Nil)	Nil (Nil)
(b) Companies in the same group	50.00 (50.00)	50.00 (50.00)
(c) Other related parties	20.00 (20.00)	20.00 (20.00)
2. Other than related parties	3.18 (81.23)	3.09 (200.86)
<b>Total</b>	<b>73.18</b> <b>(151.23)</b>	<b>73.09</b> <b>(270.86)</b>
(7) Other information		
Particulars	Amount ₹ in Lacs	
(i) Gross Non-Performing Assets		
(a) Related parties		Nil (Nil)
(b) Other than related parties		85.42 (85.42)
(ii) Net Non-Performing Assets		
(a) Related parties		Nil (Nil)
(b) Other than related parties		Nil (Nil)
(iii) Assets acquired in satisfaction of debt		Nil (Nil)

Note: Figures in Bracket relates to Previous Year.

## 29. Litigation

- The Company is in appeal in respect of various income tax matters. The Contingent liability in respect thereof is disclosed in note no. 19 (a). Besides, in respect of appeals decided in favour of the company, the department is in appeals in certain cases.
- In respect of block assessment for the period 01.04.1987 to 07.08.1997 the assessing officer, has made an assessment order determining demand of Rs. 15,66,41,461/- . The Company has filed application before Income Tax Settlement Commission wherein, the liability admitted and paid was Rs. 9,00,000/- only. In respect of certain directions passed by one member of Settlement commission, the Company has challenged the legality of such directions before the Hon'ble Delhi High Court which has sought reply from the Income Tax Department and, in the meantime, stayed further proceedings before the Settlement commission.
- A party has filed a suit for claim of ₹ 1,58,02,718/- with future interest against the company in respect of certain leasing and hire purchases agreements pertaining to more than 20 years back. The Company does not have acknowledge any debt.

In addition, the company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that the above legal claims and proceedings, when ultimately concluded and decided will have a material and adverse effect on the company's results of operations or financial statements.

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

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

**The accompanying notes form an integral part of the financial statements**  
**As per our Report attached on even date**

**FOR P. BHOLUSARIA & CO.**

**For and on behalf of the Board**

**Chartered Accountants**

**Firm Registration No. : 000468N**

**AMIT GOEL**

**LALIT BHASIN**

**ANIL GOYAL**

**Partner**

**Chairman**

**Managing Director**

**Membership No.: 092648**

**DIN:00002114**

**DIN:00001938**

**Place : Gurgaon**

**SWATI VAISH**

**C. P. SINGH**

**Date : 28<sup>th</sup> May, 2015**

**Company Secretary**

**Chief Financial Officer**



# HB LEASING AND FINANCE COMPANY LIMITED

FORM NO. MGT-11

## PROXY FORM

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

CIN : L65910HR1982PLC034070  
 Name of the Company : HB Leasing and Finance Company Limited  
 Regd. Office : Plot No. 31, Echelon Institutional Area, Sector - 32, Gurgaon - 122 001 (Haryana)  
 Name of the Member(s) :  
 Regd. Address :  
 Email Id :  
 Folio No./Client Id :  
 DP Id :

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 09<sup>th</sup> day of September 2015 at 3:00 P.M. at GIA HOUSE, I.D.C. Mehrauli Road, Opp. Sector 14, Gurgaon - 122001, Haryana and at any adjournment(s) thereof in respect of such resolutions as are indicated below:

### ORDINARY BUSINESS(S):

- Adoption of Audited Financial Statements for the financial year ending March 31, 2015 and the report of Board of Directors and Auditors' thereon.
- Re-appointment of Mr. Anil Goyal (DIN: 00001938), who retires by rotation and being eligible, offers himself for re-appointment.
- Appointment of M/s. P.Bholusaria & Co. Chartered Accountants, Statutory Auditors and fixing their remuneration.

### SPECIAL BUSINESS:

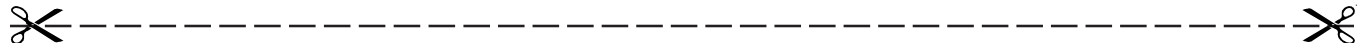
- Appointment of Mrs. Meenakshi Gopal (DIN: 07143044) as an Independent Director. (Ordinary Resolution)

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

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

### Notes:

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



# HB LEASING AND FINANCE COMPANY LIMITED

## ATTENDANCE SLIP

### 32<sup>nd</sup> ANNUAL GENERAL MEETING

Time : 3.00 P.M., 09<sup>th</sup> day of September, 2015  
 Place : GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

FULL NAME OF THE FIRST SHAREHOLDER.....

Joint Shareholders, if any.....

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

Address in full.....

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

I/We hereby record my/our presence at the 32<sup>nd</sup> Annual General Meeting held on Wednesday, 09<sup>th</sup> day of September, 2015 at 3.00 P.M. at GIA House, I.D.C. Mehrauli Road, Opp. Sector - 14, Gurgaon - 122 001, Haryana

Folio No. / DP-Id : .....

Client-Id : .....

No. of Shares : .....

Signature(s).....

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

## ROUTE MAP OF GIA HOUSE

