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## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
HB CORPORATE SERVICES LIMITED**

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

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





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

**Report on Other Legal and Regulatory Requirements**

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

For **RAJESH SURESH JAIN & ASSOCIATES**  
Chartered Accountants  
Firm Registration No.: 017163N



(RAVI KANT)  
PARTNER  
(Membership No. 525917)

PLACE: New Delhi  
DATED: 21.05.2014

**Annexure to Independent Auditors' Report**

Re: HB Corporate Services Ltd.

Referred to in Paragraph I under the heading of "Report on other legal and Regulatory Requirements" of our report of even date for the year ended 31<sup>st</sup> March, 2014

1. The Company does not have any fixed assets.
2. The company does not have any inventories.
3. The Company has neither granted nor taken any loans, secured or unsecured from Companies, firms or other parties listed in the Register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is 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 & fixed assets nor sale of goods and services. During the course of our audit, we have neither come across nor we have been informed of any instance of major weakness in the aforesaid internal control system.
5. In our opinion and according to the information and explanations given to us, there were neither any contracts or arrangement nor any transactions made in pursuance thereof, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public.
7. In our opinion the internal audit system of the Company is commensurate with its size and nature of its business.
8. The nature of the company's business/activities is such that Clause 4(viii) of the Companies (Auditor's Report) Order 2003 regarding maintenance of Cost Records is not applicable to the company.
9.
  - a. According to the records of the Company there were no statutory dues including Provident Fund, Income Tax, Wealth Tax, Cess and other statutory dues payable by the company. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.
  - b. According to the records of the Company, there are no disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities.





10. The accumulated losses of the company at the end of financial year are less than fifty percent of its net worth. The company has incurred cash losses during the financial year covered by our audit, as well as in the immediately preceding financial year.
11. 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.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the company.
14. The Company has neither made any investment nor done any trading in securities, debentures and other investments.
15. The Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The Company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the company has not raised any funds during the year.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. No debentures have been issued by the company and hence the question of creating securities in respect thereof does not arise.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

**For RAJESH SURESH JAIN & ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No.: 017163N**

  
  
**(RAVI KANT)**  
**PARTNER**  
**(Membership No. 525917)**

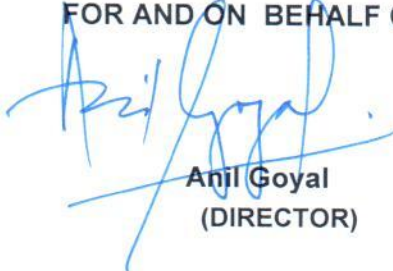
**PLACE: New Delhi**  
**DATED: 21.05.2014**


# HB CORPORATE SERVICES LIMITED

BALANCE SHEET AS AT	Note No.	₹	₹
		As At 31st March, 2014	As At 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	42510700	42510700
Reserves and Surplus	3	8137849	8147967
		50648549	50658667
<b>Current Liabilities</b>			
Other Current Liabilities	4	20115301	20105183
		<b>70763850</b>	<b>70763850</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	33850	33850
Short term loan and advances	6	70730000	70730000
		70763850	70763850
		<b>70763850</b>	<b>70763850</b>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT		1 to 10	-

As Per our Report on even date  
For Rajesh Suresh Jain & Associates  
Chartered Accountants  
Firm Registration Number:017163N

FOR AND ON BEHALF OF THE BOARD

  
Anil Goyal  
(DIRECTOR)

  
J.M.L. Suri  
(DIRECTOR)

  
  
(RAVI KANT)  
(Partner)  
Membership No.: 525917  
PLACE: NEW DELHI  
DATED: 21.05.2014



**HB CORPORATE SERVICES LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

	Amount in ₹ Year ended 31st March, 2014	Amount in ₹ Year ended 31st March, 2013
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit before tax and Extraordinary Items	-10118	-18918
Adjustment for :		
Gain on sale of Long term Investments	0	0
<b>Operating Profit before Working Capital Changes</b>	<b>-10118</b>	<b>-18918</b>
Adjustment for :		
Trade Receivable	0	0
Trade payables	10118	15918
<b>Cash Generated from operation</b>	<b>0</b>	<b>-3000</b>
Income tax paid	0	0
<b>Cash Flow after exceptional Items</b>	<b>0</b>	<b>-3000</b>
<b>Net Cash from Operation Activities</b>	<b>0</b>	<b>-3000</b>
<b>B) CASH FLOW FROM INVESTMENTS ACTIVITIES</b>		
Sale of Investments	0	0
<b>Net Cash used in Investing Activities</b>	<b>0</b>	<b>0</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(-) repayment of Borrowings	0	0
<b>Net Cash used in Financing Activities</b>	<b>0</b>	<b>0</b>
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>	<b>0</b>	<b>-3000</b>
<b>Cash and Cash Equivalents</b> (Opening Balance)	<b>33850</b>	<b>36850</b>
<b>Cash and Cash Equivalents</b> (Closing Balance)	<b>33850</b>	<b>33850</b>

As Per our Report on even date  
For Rajesh Suresh Jain & Associates  
Chartered Accountants  
Firm Registration Number: 017163N


(RAVI KANT)  
(Partner)

Membership No.: 525917

PLACE: NEW DELHI

DATED: 21.05.2014

For and on behalf of the Board

  
Anil Goyal  
(DIRECTOR)

  
J.M.L. Suri  
(DIRECTOR)

# HB CORPORATE SERVICES LIMITED

₹

₹

Statement of Profit and Loss for the year ended	Note	31st March 2014	31st March 2013
<b>Expenses:</b>			
Other Expenses	7	10118	18918
<b>Total Expenses</b>		10118	18918
Loss for the year before Tax		-10118	-18918
<b>Tax expense:</b>			
Current tax		0	0
Earlier Years		0	0
Loss for the year after Taxation		-10118	-18918
<b>Earning per equity share:</b>			
Equity share of Par value ₹ 10/-each Basic and diluted	8	-0.01	0.00
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>	1 to 10		

As Per our Report on even date  
For Rajesh Suresh Jain & Associates  
Chartered Accountants  
Firm Registration Number:017163N



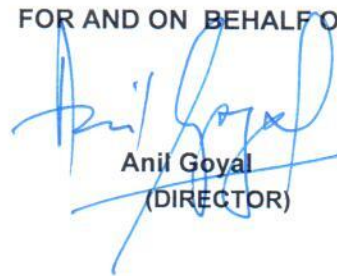
(RAVI KANT)  
(Partner)

Membership No.: 525917

PLACE: NEW DELHI

DATED: 21.05.2014

FOR AND ON BEHALF OF THE BOARD

  
Anil Goyal  
(DIRECTOR)

  
J.M.L. Suri  
(DIRECTOR)

# HB CORPORATE SERVICES LIMITED

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

### 1 SIGNIFICANT ACCOUNTING POLICIES :

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

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

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.

1.2 All income and expenses are accounted for on accrual basis.

1.3 Tax expenses for the year comprises of Current tax 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 arises 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.





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

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

**2. SHARE CAPITAL**

Particulars	₹		₹	
	As At 31st March,2014		As At 31st March,2013	
<b>AUTHORIZED</b>				
50,00,000 (50,00,000) Equity Shares of ₹ 10/- each.		50000000		50000000
		50000000		50000000
<b>ISSUED SUBSCRIBED &amp; PAID UP</b>				
42,51,070 (42,51,070) Equity Shares of ₹ 10/- each.		42510700		42510700
		42510700		42510700

- 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.

-All the above shares are held by the Holding Company HB Portfolio Ltd. And its nominees

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

Particulars	As at 31st March,2014		As at 31st March,2013	
	No of shares	Amount (₹)	No of shares	Amount (₹)
Number of shares at the beginning	4251070	42510700	4251070	42510700
Number of shares at the end	4251070	42510700	4251070	42510700

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



### 3. RESERVES AND SURPLUS

Particulars	₹	₹
	As At 31st March,2014	As At 31st March,2013
Securities Premium Reserve-opening balance	8500000	8500000
Add: Addition during the year	0	0
	8500000	8500000
Surplus -opening balance	-352033	-333115
Add: Net Profit after tax transferred from Statement of Profit & Loss	-10118	-18918
Surplus-Closing balance	<b>-362151</b>	<b>-352033</b>
	<b>8137849</b>	<b>8147967</b>

### 4. Other Current Liabilities

Particulars	₹	₹
	As At 31st March,2014	As At 31st March,2013
Advance against Share Application*	20000000	20000000
Expenses Payable	115301	105183
	<b>20115301</b>	<b>20105183</b>

\*The amount has been received from Holding Company HB Portfolio Ltd. .The terms and conditions including the number of shares to be issued and the issue price will be determined by the holding company in consultation with the company depending upon the execution of the business plans, the company is having. The amount can also be refunded without any issue/allotment of shares. No interest is payable. The increase in Authorized Capital, if required, will be made when the shares are issued and allotted.





**5. Cash & Cash Equivalents**

Particulars	₹	₹
	As At 31st March,2014	As At 31st March,2013
Balances with Banks -In Current Accounts	33390	33390
Cash-on-Hand	460	460
	33850	33850

**6. Short Term Loans and Advances**

Particulars	₹	₹
	As At 31st March,2014	As At 31st March,2013
<b>Unsecured, Considered Good</b> Advance for purchase of Property	70730000	70730000
	70730000	70730000

*[Handwritten signatures]*



### 7. Other Expenses

Particulars	₹	₹
	For the Year ended 31st March,2014	For the Year ended 31st March,2013
Filing Fee	2000	3000
Audit Fees	5618	5618
Printing & Stationery	0	600
Professional Fee	2500	9700
	<b>10118</b>	<b>18918</b>

*[Handwritten signature]*





8 Earning (Loss) per share pursuant to Accounting Standard (AS-20) "Earning Per Share"

Particulars	₹	₹
	Current Year (Amount ₹)	Previous Year (Amount ₹)
Net Profit/(Loss) after Tax for the year as per Profit & Loss Account	-10118	-18918
Net Profit/(Loss) available for Equity Share holders	-10118	-18918
Weighted Average No. of Equity Share Outstanding	4251070	4251070
Basic & Diluted Earning per share(Face Value of ₹10/- each.)	-0.01	0.00

9 Disclosure pursuant to Accounting Standard AS-22 for

In the absence of any material tax effect of timing difference there is no provision for deferred tax charge or credit in terms of Accounting Standard (AS 22) on accounting for taxes on income.

10 Disclosure of related party transaction in accordance with the Accounting Standard (AS-18) "Related Party Disclosures" are as under :

- I List of related parties with whom transactions have taken place and relationship:
- a) HB Portfolio Ltd. (Holding Company)
- b) Pisces Portfolios Pvt. Ltd (Associate of Holding Company)
- II Transactions during the Year with Related Parties.

Nature of Transaction	₹	₹
	Related Party Referred in (a) above	Related Party Referred in (b) above
1. Amount Received against Share application	Nil (NIL)	Nil (NIL)
2. Reimbursement of Expenses	10118 (15918)	Nil (NIL)
3. Outstanding as on 31.03.2014		
- Payable in respect of Share application	20000000 (20000000)	Nil (NIL)
- Payable in respect of expenses	86386 (76268)	Nil (NIL)
4. Outstanding as on 31.03.2014		
- Receivable in respect of Advances	Nil (NIL)	25000000 (25000000)

As Per our Report on even date  
For Rajesh Suresh Jain & Associates  
Chartered Accountants  
Firm Registration Number:017163N

(RAVI KANT)  
(Partner)

Membership No.: 525917

PLACE: NEW DELHI

DATED: 21.05.2014

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