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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, 2016, the Statement of Profit and Loss and the 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.

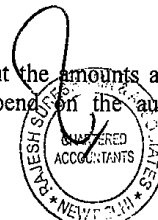
### **Auditor's Responsibility**

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. 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.

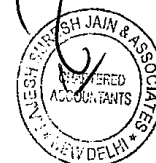
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### 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 March 2016 and its loss 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, 2016 ("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, a statement on the matters specified in the paragraph 3 and 4 of the Order.
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 purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance sheet, the Statement of profit and loss and the 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 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) 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 litigations on its financial position in its financial statements – Refer Note 10 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 RAJESH SURESH JAIN & ASSOCIATES  
Chartered Accountants  
Firm Registration No.: 017163N

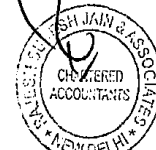
PLACE: New Delhi  
DATED: 23.05.2016



**Annexure – A to the Auditors' Report**

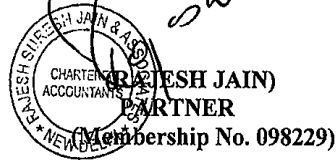
The annexure referred to in Independent Auditor's Report to the members of the company on the financial statements for the year ended on 31<sup>st</sup> March, 2016, We Report that:

1. The Company does not have any fixed assets.
2. As explained to us, there is no inventory in the Company during the year.
3. As explained to us, the Company has not granted any loans, secured or unsecured to corporate, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 186 of the Act, with respect to the investment made. As per the information and explanation given to us, the Company has neither given any loan nor given any guarantee or provided any security in connection with a loan to any other body corporate or person.
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, Service Tax, Customs Duty, Excise Duty, Value added 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 31st March, 2016 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.
8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
10. In our opinion and according to the information and explanation given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not paid any managerial remuneration.



12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
13. According to the information and explanations given to us and based on or examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the record of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

*sh*  
**RAJESH JAIN)**  
**PARTNER**  
**(Membership No. 098229)**

**PLACE: New Delhi**  
**DATED: 23.05.2016**

### Annexure – B to the Auditors' Report

#### **Report on the Internal Financial Control under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of IIB Corporate Services Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

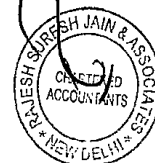
#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

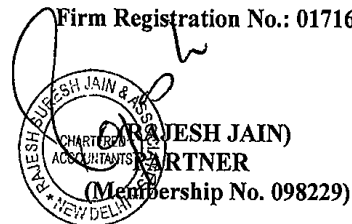
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**


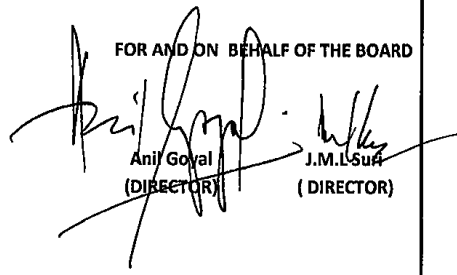
In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**PLACE: New Delhi**  
**DATED: 23.05.2016**



# HB CORPORATE SERVICES LIMITED

BALANCE SHEET AS AT	Note No.	₹ As At 31st March, 2016	₹ As At 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	42510700	42510700
Reserves and Surplus	3	7926177	8114086
		50436877	50624786
<b>Current Liabilities</b>			
Other Current Liabilities	4	326847	139052
		<b>50763724</b>	<b>50763838</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	33724	33838
Short term loan and advances	6	50730000	50730000
		50763724	50763838
		<b>50763724</b>	<b>50763838</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS</b>		1 to 10	-
<p>As Per our Report on even date            For Rajesh Suresh Jain &amp; Associates            Chartered Accountants            Firm Registration Number:017163N</p>			
<p>(RAJESH JAIN)            (Partner)            Membership No. 098229            PLACE: New Delhi            DATED: 23.05.2016</p> 		<p>FOR AND ON BEHALF OF THE BOARD</p> <p>Anil Goyal (DIRECTOR)      J.M.L.Sudh (DIRECTOR)</p> 	



**HB CORPORATE SERVICES LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

	Amount in ₹ Year ended 31st March,2016	Amount in ₹ Year ended 31st March,2015
<b>A) CASH FLOW FROM OPERATION ACTIVITIES</b>		
Net Profit before tax and Extraordinary Items	-187909	-23763
Adjustment for :		
Gain on sale of Long term Investments	0	0
<b>Operating Profit before Working Capital Changes</b>	<b>-187909</b>	<b>-23763</b>
Adjustment for :		
Trade Receivable	0	20000000
Trade payables	187795	-19976249
<b>Cash Generated from operation</b>	<b>-114</b>	<b>-12</b>
Income tax paid	0	0
<b>Cash Flow after exceptional Items</b>	<b>-114</b>	<b>-12</b>
<b>Net Cash from Operation Activities</b>	<b>-114</b>	<b>-12</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>-114</b>	<b>-12</b>
<b>Cash and Cash Equivalents</b> (Opening Balance)	<b>33838</b>	<b>33850</b>
<b>Cash and Cash Equivalents</b> (Closing Balance)	<b>33724</b>	<b>33838</b>

As Per our Report on even date

For Rajesh Suresh Jain &amp; Associates

Chartered Accountants

Firm Registration Number:017163N

(RAJESH JAIN)  
(Partner)

Membership No. 098229

PLACE: New Delhi

DATED: 23.05.2016

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 2016	31st March 2015
<b>Expenses:</b>			
Other Expenses	7	187909	23763
<b>Total Expenses</b>		<b>187909</b>	<b>23763</b>
Loss for the year before Tax		-187909	-23763
<b>Tax expense:</b>			
Current tax		0	0
Earlier Years		0	0
Loss for the year after Taxation		-187909	-23763
<b>Earning per equity share:</b>			
Equity share of Par value ₹ 10/-each	8		
Basic and diluted		-0.04	-0.01
<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

(RAJESH JAIN)  
 (Partner)

Membership No. 098229

PLACE: New Delhi

DATED: 23.05.2016



FOR AND ON BEHALF OF THE BOARD

*[Signature]*  
 Anil Goyal  
 (DIRECTOR)

*[Signature]*  
 J.M.L Suriz  
 (DIRECTOR)

# HB CORPORATE SERVICES LIMITED

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS TO ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2016

## 1 SIGNIFICANT ACCOUNTING POLICIES :

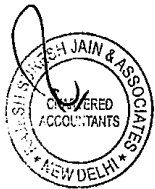
### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS: -

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 Rule7of the Companies (Accounts) Rules,2014 the provisions of the Act (to the extent notified). 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.

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.



A handwritten signature in black ink, appearing to be 'Sushil Kumar Jain'.

NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

2. SHARE CAPITAL

Particulars	₹		₹	
	As At 31st March, 2016		As At 31st March, 2015	
<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

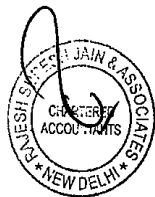
- Share capital of the Company has only one class of shares referred to as equity shares having Par value of ₹ 10/. Each holder of Equity Shares is entitled to One vote per share.

-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, 2016 & 31st March, 2015 is as under:

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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.

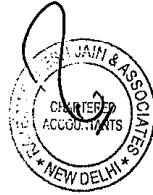


**3. RESERVES AND SURPLUS**

Particulars	₹	₹
	As At 31st March,2016	As At 31st March,2015
Securities Premium Reserve-opening balance	8500000	8500000
Add: Addition during the year	0	0
	8500000	8500000
Surplus -opening balance	-385914	-362151
Add: Net Profit/(Loss) after tax transferred from Statement of Profit & Loss	-187909	-23763
Surplus-Closing balance	-573823	-385914
	7926177	8114086

**4. Other Current Liabilities**

Particulars	₹	₹
	As At 31st March,2016	As At 31st March,2015
Expenses Payable	326847	139052
	326847	139052



*[Handwritten signatures]*

**5. Cash & Cash Equivalents**

Particulars	₹	₹
	As At 31st March, 2016	As At 31st March, 2015
Balances with Banks -In Current Accounts	33264	33378
Cash-on-Hand	460	460
	33724	33838

**6. Short Term Loans and Advances**

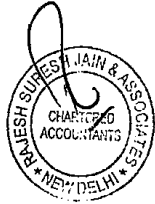
Particulars	₹	₹
	As At 31st March, 2016	As At 31st March, 2015
<b>Unsecured, Considered Good</b> Advance for purchase of Property	50730000	50730000
	50730000	50730000



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**7. Other Expenses**

Particulars	₹	₹
	For the Year ended 31st March,2016	For the Year ended 31st March,2015
Filing Fee	0	3030
Advertisement	5885	0
Audit Fees	5725	5618
Professional Fee	176185	15103
Bank Charges	114	12
	<b>187909</b>	<b>23763</b>



A handwritten signature in black ink, appearing to be 'Rakesh Jain'.

A second handwritten signature in black ink, appearing to be 'Suresh Jain'.

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	-187909	-23763
Net Profit/(Loss) available for Equity Share holders	-187909	-23763
Weighted Average No. of Equity Share Outstanding	4251070	4251070
Basic & Diluted Earning per share(Face Value of ₹10/- each.)	-0.04	-0.01

9 Disclosure pursuant to Accounting Standard AS-22 for accounting  
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 refund of Advances/Share application money	Nil	Nil
2. Reimbursement of Expenses	(NIL)	(2,50,00,000)
3- Refund of Share application money	182070 (23763)	Nil (NIL)
4. Outstanding as on 31.03.2016 - Payable in respect of expenses	Nil (2,50,00,000)	Nil (NIL)
	314402 (132382)	Nil (NIL)

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

(RAJESH JAIN)  
(Partner)  
Membership No. 008229  
PLACE: New Delhi  
DATED: 23.05.2016



FOR AND ON BEHALF OF THE BOARD

Anil Goyal (DIRECTOR)  
J.M.L Suri (DIRECTOR)