

Hybrid Financial Services Limited

[Formerly known as Mafatlal Finance Company Limited]



August 14, 2019

<p>The Secretary The National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051</p> <p>Scrip Code – MAFATLAFIN</p>	<p>The Secretary BSE Limited, Listing Department. Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai - 400 001</p> <p>Scrip Code - 500262</p>
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Dear Sirs,

Sub: **Submission of Annual Report**

We are submitting herewith our 32nd Annual Report for the year ended 31st March, 2019.

Kindly acknowledge the receipt of the same

Thanking you,

Yours faithfully,

For HYBRID FINANCIAL SERVICES LIMITED

(Formerly known as **MAFATLAL FINANCE COMPANY LIMITED**)

**Wholetime Director and
Company Secretary**

Encl: As above

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HYBRID FINANCIAL SERVICES

HYBRID FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

BOARD OF DIRECTORS

SHRI.N.R.DIVATE	Wholetime Director
SHRI.K.CHANDRAMOULI	Wholetime Director and Company Secretary
SHRI.JAYESH R.TALPADE	Director
SHRI. TANVEER SHAIKH	Director
SMT. MEGHA J. VAZKAR	Director

CHIEF FINANCIAL OFFICER

SHRI. VINAY RAMAKANT KULKARNI

MANAGEMENT TEAM

SHRI.N.R.DIVATE	Wholetime Director
SHRI.K.CHANDRAMOULI	Wholetime Director and Company Secretary

AUDITORS

S.RAMANAND AIYAR & CO
Chartered Accountants
Mumbai

REGISTERED OFFICE

35, A-Wing, Raj Industrial Complex Premises
Co-operative Society Limited,
Military Road, Marol,
Andheri (East), Mumbai-400 059

WEBSITE

www.hybridfinance.co.in

CORPORATE IDENTIFICATION NUMBER (CIN)

L99999MH1986PLC041277

REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED
1st Floor, Bharat Tin Works Building,
Opp, Vasant Oasis, Makwana Road,
Marol, Andheri (East)
Mumbai - 400 059

NOTICE

Notice is hereby given that the **THIRTYSECOND ANNUAL GENERAL MEETING** of the Members of **HYBRID FINANCIAL SERVICES LIMITED** (FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED) will be held at Vishal Hall, Hotel Highway Inn, Sir.M.V.Road, (Andheri-Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 069 on Friday, 26th July, 2019 at 11 am to transact the following BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Statement of Profit and Loss, Cash Flow Statement of the Company for the year ended 31st March, 2019 and the Balance Sheet as at that date and the Reports of Directors and the Auditors thereon.
2. To declare Dividend @ 1% on Preference Share for the year.
3. To appoint Auditors and fix their remuneration and in this regard, pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) M/S. BDMV & Co, Chartered Accountants, having Firm Registrations No: 101256W be and are hereby appointed as Statutory Auditors of the Company for a term of 3 (Three) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2022 at such remuneration as shall be fixed by the Board of Director of the Company.”

SPECIAL BUSINESS:

4. Appointment of Mr. Nandakishore R. Divate as Wholetime Director

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

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment / modifications thereof) and subject to such other necessary approval(s), consent(s), or permission(s), as may be required, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Nandakishore R. Divate (DIN: 00304616) as a Wholetime Director of the Company for a period of 3 years with effect from August 01, 2019, on terms and conditions set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mr. Nandakishore R. Divate, Wholetime Director the Company has no profits or the profits are inadequate, approval of the members of the Company be and is hereby accorded to pay him the maximum remuneration in accordance with the provisions of the Act.

RESOLVED FURTHER THAT the Board and / or Nomination & Remuneration Committee constituted by the Board be and is hereby authorized to vary the terms of appointment and to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary and with the power on behalf of the Company to settle questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

NOTES:

- a) The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 (“Act”) setting out material fact concerning the business under item No. 4 of the Notice, is annexed hereto.

The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of person seeking appointment as Wholetime Director under Item No. 4 of the Notice, are also annexed.

- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER.
- c) The proxy form duly completed and signed by the shareholder should be deposited at the registered office of the company atleast 48 hours before the commencement of the meeting.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 22nd July 2019 to Friday, 26th July 2019 (both days inclusive).
- e) Members are requested to notify any change in their address to the Company’s Registrars & Share Transfer Agents, M/s. Big Share Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059 quoting their folio nos. immediately, so as to ensure that all communications / reports reach the Members promptly.
- f) Shareholders seeking any information with regard to the Accounts of the Company are requested to write to the Company at an early date so as to enable the Management to keep the information ready. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for 2018–2019 will also be available on the Company’s website www.hybridfinance.co.in for download.

g) E Voting Procedure

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to Cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-Voting is optional and members shall have the option to vote either through e-voting or in person at the Annual General Meeting. Following are the E Voting Procedure:

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select “HYBRID FINANCIAL SERVICES LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker) in the PAN field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the HYBRID FINANCIAL SERVICES LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

* Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

* They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

* After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

* The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

* They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(xviii) please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(xix) The voting period begins at 9.00 am on Tuesday, 23rd July 2019 and ends at 5.00 pm on Thursday, 25th July 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th July 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter (i.e at 5.00 pm on Thursday, 25th July 2019).

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) The Company has appointed Mr. Vijay S. Tiwari, Practicing Company Secretary (Certificate of Practice No. 12220) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

(xxii) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward his report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorized by the Chairman for this purpose.

(xxiii) The Result declared along with the Scrutinizer's Report shall be placed on the Company's website www.hybridfinance.co.in and on the website of CDSL within three working days after declaration and shall also be communicated to the Stock Exchanges accordingly.

Registered Office:

35, A-Wing, Raj Industrial Complex Premises
Co-operative Society Limited,
Military Road, Marol,
Andheri (East), Mumbai - 400 059

Date: 21st May, 2019

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K.CHANDRAMOULI
Wholetime Director and
Company Secretary

Explanatory Statement

As required by Section 102 of Companies Act, 2013 (“Act”), the following explanatory Statement sets out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice:

Item No.4

Appointment of Mr. Nandakishore R. Divate as Wholetime Director

Mr. Nandakishore R. Divate is presently working as Wholetime Director of the Company based on the resolution passed by shareholders on July 29, 2016. His terms of appointment have been varied based on the resolution passed by the shareholders on July 27, 2018 and his present term is expiring on July 31, 2019.

Based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Nandakishore R. Divate is proposed to be appointed as a Wholetime Director of the Company for the further period of 3 years with effect from August 01, 2019 subject to the approval of the members.

Duties:

Mr. Nandakishore R. Divate, shall subject to superintendence, control and directions of the Board of Directors devote his whole time to the business of the Company and carry out such duties as may be entrusted to him by Board from time to time, in the best interest of the business of the Company and the business of any one or more of its associated Companies, subsidiaries and/ or joint ventures, including performing duties as assigned by the Board from time to time by serving on the Boards of such associated Companies, subsidiaries and/ or joint ventures or any other executing body or any Committee of such a Company.

- i. Salary Limit: Not exceeding Rs. 1,65,000 (in the scale of Rs. 1,50,000 - 3,00,000) per month with authority to the Nomination and Remuneration Committee / Board of Directors to determine the amount of salary payable and the amount of increment payable every year effective from 1st August 2019, subject to a maximum od Rs. 3 Lakhs during the term of appointment.

Perquisites:

In addition to the salary Mr. Nandakishore R. Divate will also be entitled to following perquisites and allowance:

- * Retirement benefits, Contribution to superannuation fund and payment of gratuity as per the Company rules.
- * Medical reimbursement for self on actual basis.
- * For the purpose of calculation of the above ceiling, perquisites and allowances will be evaluated as per Income-tax rules wherever applicable. In the absence of any such rules, the perquisites and allowances will be evaluated as per actual cost. For the purpose of Gratuity, the service of all the period from 2008, shall be considered for calculation as continuous service.

Other Information as required under the Act is as follows:

I. GENERAL INFORMATION

- * **Nature of Industry** : The Company is engaged in providing Services (Service Industry).
- * **Financial Performance** : The financial performance of the company has been mainly to restructure its balance sheet and debt and there has been significant improvement in the same after the sanction of the ‘Scheme of Compromise and Arrangement’ under section 391 and 394 of the Companies Act, 1956. The Company is in the lookout for new activities to improve its operations.

II. INFORMATION ABOUT THE APPOINTEE

- * **Background** : Engineering and Management Graduate with substantial experience in the Industry.
- * **Last Remuneration** : Rs. 22.89 Lakhs, appointed as per the terms of appointment approved by the members in the Annual General Meeting held on 27th July, 2018.
- * **Job Profile and suitability** : He has been with the company since 1993 and has adequate managerial capacity in terms of qualifications and experience and also oversees

the operations of the Subsidiary, Maximus Securities Limited (Previously known as Mafatlal Securities Limited)

- * **Remuneration proposed** : Salary up to Rs. 1,65,000 (in the scale of Rs. 1,50,000 - 3,00,000) per month with perquisites as given in the explanatory statement. The remuneration proposed is reasonable taking the fact that the ailing company needs the services to make it viable.
- * **Other Disclosures** : He has no relationship with any directors of the company.

III. OTHER INFORMATION

The Company’s Broking Subsidiary is making efforts to enhance its business and also generate other income. Mr. Divate is actively engaged in the same and ensures upheaval in the market do not dent the operations of the company

The Board recommends the Resolution at Item no. 4 for the approval of members.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Nandakishore R. Divate is concerned and interested in item no. 4 of the Notice.

Registered Office:

35, A-Wing, Raj Industrial Complex Premises
Co-operative Society Limited,
Military Road, Marol,
Andheri (East), Mumbai-400 059

Date: 21st May 2019

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K.CHANDRAMOULI
Wholetime Director and
Company Secretary

ANNEXURE TO THE NOTICE

Details of the Director seeking appointment/re-appointment at the Forthcoming Annual General Meeting

[Pursuant to Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Name of the Director	Mr. Nandakishore R. Divate
Date of Birth	May 04, 1957
Date of First Appointment	September 09, 2008
Expertise in specific functional area	He is an Engineering and Management Graduate with substantial experience in the industry. He has been with the company since 1993 and has adequate managerial capacity in terms of qualifications and experience.
Directorships held in other body corporate as on 31st March 2019	1) Hybrid Systems Limited 2) Maximus Securities Limited
Membership/Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March 2019	Nil
Number of equity shares held in the Company as on 31st March 2019	93,83,995
Relationship with other Directors and Key Managerial Personnel	None

DIRECTORS' REPORT

To,
The Members
Hybrid Financial Services Limited
(Formerly known as Mafatlal Finance Company Limited)

Your Directors present the Thirty Second Annual Report with the Audited Statement of Accounts of the Company for the year ended 31st March 2019.

1. FINANCIAL RESULTS

The Financial results of the company for the year under review as compared to the previous year are summarized below for your consideration:

Particulars	Year Ended 31.03.2019 (Rs. in Lakhs)	Year Ended 31.03.2018 (Rs. in Lakhs)
Gross Income	154.63	173.26
Gross Profit before Depreciation, Exceptional Item and Income Tax	37.74	55.76
Depreciation	0.24	0.31
Provision for Tax	Nil	Nil
Net Profit After Tax	37.50	55.45
Other Comprehensive Income	0.10	0.27
Add: Amount brought forward from previous year	(796.37)	(852.09)
Provision for Contingencies	505.62	-
Balance carried forward	(1,264.39)	(796.37)

2. OPERATIONS

The Financial Year 2018-2019 has ended with the company earning a profit of Rs.37.50 Lakhs after Tax mainly on account of Write Backs and Tax Refunds. The Company's operations are still on very low scale due to the uncertainties of business environment and inadequate liquidity. The Company does not anticipate any significant revenue growth from operations in the coming years, till the resolution of many pending issues. The Company only foresees lower level of operation in the coming year due to dwindling business opportunities.

3. OUTLOOK

The company is trying to undertake new Non - NBFC activities and these activities earned a net income of Rs.0.04 Lakhs during the year. Other operations have yielded an income of Rs.79.20 Lakhs and Rs.24.00 Lakhs as Rent. Company's business is confined to attending to past issues from its earlier operations. The business outlook of the Company's subsidiary is also showing negative trend and is attempting to reduce costs by rationalisation and outsourcing.

4. DIVIDEND

The Board of Directors have recommended a Dividend of 1% on Preference Shares amounting to Rs.2.53 Lakhs inclusive of Dividend Distribution Tax. However, no dividend is recommended on Equity Shares to conserve resources and inadequate profit.

5. EXTRACT OF ANNUAL RETURN

As per the provisions of the Companies (Amendment) Act, 2017, Extract of Annual Return in the prescribed Form MGT-9 will be placed on the web site of the Company: www.hybridfinance.co.in

6. BOARD MEETINGS

The details of the Board Meetings held during the Financial Year 2018-2019 have been furnished under clause I 2(d) of the Corporate Governance Report forming a part of this Annual Report.

7. OTHER COMMITTEES

The Company has constituted the following Committees and the date of its constituents and changes during the year are as under:

a) Audit Committee:

The Audit Committee of the Company is Constituted in line with the provisions of section 177 of the Companies Act, 2013 read with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The members of the Audit Committee are as under on 31.03.2019:

Name of Member	Status	Nature of Directorship
Mr. Jayesh Talpade	Chairman	Independent Director
Mr. Tanveer Shaikh	Member	Independent Director
Mr. N. R. Divate	Member	Wholetime Director

Mr. K. Chandramouli is an Ex-officio Secretary of the Audit Committee.

b) Nomination and Remuneration Committee:

To meet with the requirements of Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N. R. Divate ceased to become the member of Nomination and Remuneration committee with effect from 22nd May, 2018 and the committee stands reconstituted. The members of the reconstituted Nomination and Remuneration committee are as under on 31.03.2019:

Name of Member	Status	Nature of Directorship
Mr. Tanveer Shaikh	Chairman	Independent Director
Mr. Jayesh Talpade	Member	Independent Director
Mrs. Megha J. Vazkar	Member	Women Director

c) Stakeholders Relationship Committee:

The company has a Stakeholder Relationship Committee, consisting of the following members as on 31.03.2019:

Name of Member	Status	Nature of Directorship
Mr. Jayesh Talpade	Chairman	Independent Director
Mr. K. Chandramouli	Member	Wholetime Director
Mr. N. R. Divate	Member	Wholetime Director
Mr. Tanveer Shaikh	Member	Independent Director
Mrs. Megha Vazkar	Member	Non – Executive Director

d) Risk Management Committee:

The company has constituted a Risk Management Committee and following are the members in the committee as on 31.03.2019:

Name of Member	Status	Nature of Directorship
Mr. K. Chandramouli	Chairman	Wholetime Director
Mr. N. R. Divate	Member	Wholetime Director
Mr. Tanveer Shaikh	Member	Independent Director

The details regarding the meetings held during the Financial Year 2018-2019 are given in the Corporate Governance Report forming a part of this Annual Report.

8. COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standard 1 (Board Meetings) and Secretarial Standards 2 (General Meetings) to the extent as applicable to the Company.

9. BOARD EVALUATION

The Board generally evaluate the overall performance and the evaluation are as under:

- (a) As growth opportunities are getting stymied by environmental threats, the management needs to be in guard to prevent any unforeseen dangers.
- (b) The need to preserve the integrity and ethics are more important than any other business demands.
- (c) Long pending issues need to be addressed and resolved at the earliest so that the future path can be harmonised with greater focus.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of Related Parties and the Transaction with them are disclosed as required by Ind AS - 24 issued by The Institute of Chartered Accountants of India under Note No. 2.19.8 forming part of this Annual Report.

In our opinion there were no "material" transactions that warrant a disclosure in this report.

Accordingly, particulars of Contracts or Arrangements with related parties referred to in Section 188(1) in Form AOC-2 does not form a part of this report.

Further the members may note that the Company has not entered into Contracts/Arrangements/Transactions which are not at arm's length basis.

11. PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

During the year under review, pursuant to the provisions of Section 186 Company has not granted any Loan or has made any Investment or given any guarantees and Security.

12. TRANSFER TO RESERVES

The Company has not made any transfer to the reserve other than transfer of surplus earned during the year.

13. LISTING OF SHARES

The company made an appeal in Securities Appellate Tribunal on 21st April 2017 against BSE for Non-Revocation of Suspension and Listing of New Shares Pursuant to Capital Reduction and against NSDL for not allotting new ISIN subsequent to Capital reduction. Subsequently, Securities Appellate Tribunal has passed an order on October 16, 2017 stating that the Company should make the necessary presentations to BSE and NSE as required by them within 4 weeks after passing this order and BSE and NSE shall consider the same and pass the appropriate order thereon within 3 months from the date of receiving the representations from the Company.

The company has made the sufficient representations and awaiting for the final order to be passed by BSE and NSE. Although the Company is in compliance with the standard of operating procedure for Revocation of Suspension the BSE is denying the matter due to the alleged difference in capital issued in the year 2000 which is contested by the Company. Due to the same, BSE has not revoked the suspension nor has listed the shares issued post reduction of capital in 2011 nor the preferential allotment made in 2012. This delay is also causing damage to the Company but beneficial to BSE. As the reinstatement fees levied are based on the number of years of suspension of trading in shares of the Company. This is also contested by the Company as there is no fault of the Company. Further BSE is also insisting on the listing of shares in NSE and the Company has not officially delisted from NSE although shareholders have approved the same in the year 2003. Due to the same, it is felt that the cost implication of the revocation of suspension of listing of shares is prohibitively high and a future drain on the Companies major resources. The Company however is attempting to negotiate the matter for a satisfactory resolution

focusing its outcome to provide an opportunity to the shareholders to have an exit opportunity and hope the same shall be done in the current year. In view of the impasses in the matter, the promoters are of the opinion that, there may be no other option but to get the Company delisted at an exit price decided in consultation with the Exchanges.

The Company's ISIN remains suspended as new ISIN subsequent to Name Change and Reduction of Capital is not yet allotted.

As the Depositories are providing no services presently, the Company has not made payment of their Annual Custodial Fees.

14. MAXIMUS SECURITIES LIMITED (MSL) – SUBSIDIARY COMPANY]

The Subsidiary Company has earned a net profit of Rs. 32.80 Lakhs for the financial year ended 31st March, 2019. The Subsidiary Company is exploring various options to improve its earnings in the current financial year.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGOING

The Company is not engaged in manufacturing activities therefore there is no information to submit in respect of conservation of energy and absorption of technology.

Foreign Exchange Earnings: Nil

Foreign Exchange Outgoings: Nil

16. CONTINGENCY PROVISIONS

With the uncertainties in the operations environment, to mitigate the adverse effect of unforeseen and disputed liabilities, the company in this year has created additional provision for contingency of Rs. 505.62 Lakhs with a review by the Management after three years.

17. DIRECTORATE

The present tenure of Mr. Nandakishore R. Divate as Wholetime Director will end on July 30, 2019. The Nomination and Remuneration Committee has already recommended the reappointment of Mr. Nandakishore R. Divate as Wholetime Director for a period of three years commencing from 1st August, 2019. Members are hereby requested to consider and approve his reappointment on the terms as per Special resolution placed in the Annual General Meeting. Mr. Nandakishore R. Divate is interested in the said resolution. The Board of Directors also recommend the same.

18. DEPOSITORIES

Effective October 30, 2000, the Equity Shares of your Company have been mandated by Securities and Exchange Board of India for delivery only in dematerialized form for all investors.

Your Company has already entered into arrangements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for custody and dematerialization of shares in accordance with the Depositories Act, 1996.

19. E-VOTING

In terms of the requirements of Listing, the Company has concluded an Agreement with Central Depository Services (India) Limited (CDSL) for E-Voting Facility for its Shareholders.

20. PARTICULARS OF EMPLOYEES

There are no employees who are covered under Section 134(3) of the Companies Act, 2013 read with Companies (Particulars of Employees) Rules 1975.

21. WEBSITE OF THE COMPANY

The Company maintains a website www.hybridfinance.co.in where detailed information of the Company is provided.

22. WHISTLE BLOWER MECHANISM

The Company has a Whistle Blower Policy in place for vigil mechanism. The said policy has been implemented keeping in view of the amendments in the Companies Act, 2013 and in compliance with the Listing Agreement.

23. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has an adequate internal control system commensurate with the size of the Company and the nature of its business. The Internal Control System of the Company is monitored and evaluated by Internal Auditor and his Audit Reports are periodically reviewed by the Audit Committee of the Board of Directors. The observations and comments of the Audit Committee are placed before the Board.

24. DIRECTOR'S RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance.

As required under section 134(3)(c) of the Companies Act, 2013 the Directors hereby confirm that:

- i. in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the Directors had 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 year;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the Annual Accounts on a going concern basis.

25. CORPORATE GOVERNANCE

Pursuant to the Listing Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 Management Discussion and Analysis and Corporate Governance Report are made a part of the Annual Report.

26. AUDIT REOPORTS

The Statutory Auditors have expressed their opinion or observations in the Audit Report and Management of the Company offers their response on the same:

Opinion / Observations of the Statutory Auditors	Response of the Management
<p>Emphasis of Matter</p> <p>We draw attention to Note 2.19.12 of the standalone financial statements, which states that the Company has made provision towards gratuity on the basis of Gratuity Act instead of Ind AS 19 as prescribed by ICAI. "Employee Benefit. Our opinion is not modified in respect of this matter</p>	<p><i>Disclosure Required under Ind AS-19 of The Institute of Chartered Accounts of India with regard to Employee Benefit are not given as the Company has no employees as on 31st March 2019 other than Two Whole Time Directors and Chief Financial Officer (on deputation). However, during the year, the Company has provided Gratuity with effect from 1st April 2011 for the two Wholetime Directors as per the Gratuity Act,1972.</i></p>

Opinion / Observations of the Statutory Auditors	Response of the Management
<p>We have sought and obtained all the information and explanations subject to Item No 4 of Note No. 2.19.4 regarding non-receipt of confirmation of certain bank balances which to the best of our knowledge and belief were necessary for the purpose of our audit.</p>	<p><i>Most of the Bank Accounts are in-operative for a long time. We have already taken measures to close all these inoperative accounts. Some of the Statutory Accounts which have to be transferred to Investor Education and Protection Fund have already been transferred during the year ended 31st March 2013. In the absence of complete bank statements these balances do not appear to be recoverable.</i></p>

27. STATUTORY AUDITORS

The Audit committee recommend the appointment of M/s. BDMV & Co, Chartered Accountants, Mumbai, having Firm Registration No. 101256W as Statutory Auditors of the Company for a term of 3 (Three) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 35th Annual General Meeting to be held in the year 2022.

The Board of Directors also recommend their appointment and members are hereby requested to consider and approve the same.

28. SECRETARIAL AUDITOR

The Board of Directors have appointed Mr. Vijay S. Tiwari, a practising Company Secretary, as Secretarial Auditor for the Financial Year 2018-2019.

29. CORPORATE SOCIAL RESPONSIBILITY

The said provisions are not applicable to the Company.

30. ACKNOWLEDGEMENTS

Your Directors wish to thank and place on record their appreciation of the valuable support given by Company's Customers, Shareholders and Bankers.

FOR AND ON BEHALF OF THE BOARD

K. CHANDRAMOULI
Wholetime Director and
Company Secretary

Place: Mumbai
Date : 21st May 2019

MANAGEMENT DISCUSSION AND ANALYSIS

The company would be drawing up the resource plans to carry out future operations in fee-based areas.

FINANCIAL REVIEW

The company's income was Rs.154.63 Lakhs which includes Rs.79.24 Lakhs towards operational income and Rs.75.39 Lakhs as other income (which includes write-backs and Tax Refunds) and the company earned a pre-tax profit of Rs.37.50 Lakhs.

BUSINESS ANALYSIS OUTLOOK

The company has been exploring the possibility of alternate activities on the hope of improved market conditions in future in the fee based segment. As the medium-term strategy is to further enhance the competitiveness and activities of its wholly owned stock broking subsidiary. However, the long-term strategy is to develop new areas of operations to further augment its revenue after resolving long pending issues.

Presently the Company's operations are muted due to the overhang of past matters and the inability to put additional resources and relative stagnancy in its subsidiary's operations. The compliance environment is also demanding extreme care and caution. The Company is however facing the challenges with appropriate risk mitigating strategies. Having regard to the dynamics of its business, the Company has to ensure that unforeseen and any other operational error do not impinge on its subsistence or continuity. Hence building an appropriate defence mechanism is a critical focus area.

RISK AND CONCERNS

The company faces the challenge of Contingent Risks which the company is not currently facing but may be exposed too.

The Business environment has still not improved and gives the strained financial position the Company continuous to focus only on Fee Based Activities. Also, due to tougher regulatory conditions the Company is not contemplating any immediate business plans. The Companies' financial position also does not provide any opportunities to undertake any fund based business presently.

INTERNAL CONTROL AND THEIR ADEQUACY

The company has appropriate and adequate internal control system, which are sufficient for the level of activities carried by it. The internal audit is being carried out by an external firm of Chartered Accountant and their findings are reviewed at reasonable intervals. The Board is of the opinion that the internal control system is adequate to the size of the Company's business.

The company has fully computerised and integrated financial and accounting function.

INDUSTRIAL RELATIONS

The Company as on 31st March 2019 has two employees (Two Wholetime Directors) on its payroll. The relationship was cordial.

CAUTIONARY STATEMENTS

Statement in the Management Discussion and Analysis describing the Company's position and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulation. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the market in which the Company operates, changes in the Government Regulations, tax laws and other statutes and incidental factors.

ANNEXURE – PARTICULARS OF EMPLOYEES

a) Information as per Rule 5 (1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration Managerial personnel) Rules, 2014 is as under:

Sr. No.	Disclosure Requirement	Disclosure Details		
		Director	Title	Ratio
1.	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	Mr. K. Chandramouli	Wholetime Director	111.11
		Mr. N. R . Divate	Wholetime Director	100
2.	Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manger if any, in the financial year	Director / Key Managerial Personnel	Title	% Increase / Decrease in remuneration
		Mr. K. Chandramouli	Wholetime Director	(1.44%)
		Mr. N. R. Divate	Wholetime Director	(0.01%)
		Mr. Vinay Kulkarni	Chief Financial Officer	(21.37%)
3.	Percentage increase in the median remuneration of employees in the financial year	(0.01%)		
4.	Number of permanent employees on the rolls of the Company at the end of the year	3 (2 Directors + 1 CFO)		
5.	Average percentile increases already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Not Applicable		
6.	Affirmations that the remuneration is as per the Remuneration Policy	It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company and also in compliance with the relevant Statutory Provisions.		

* Mr. Vinay Kulkarni is not on the roles of the Company and is deputed by Hybrid Systems Limited, a Group Company. His Remuneration is being reimbursed by the Company to the said Group Company.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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]

The Members,
Hybrid Financial Services Limited
35, A-Wing, Raj Industrial Complex Premises
Co-op.Society Ltd, Military Road, Marol,
Andheri (East), Mumbai – 400059
Maharashtra
CIN: L99999MH1986PLC041277

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hybrid Financial Services Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Governance conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company'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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Hybrid Financial Services Limited** ("the Company") for the financial year ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made hereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
- (iv) The Prevention of Money Laundering Act, 2002
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made hereunder 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Company has not identified any other laws which are presently applicable to it .

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- **The Company's shares were suspended from trading by The National Stock Exchange of India Limited (NSE) since September 2001 and BSE Limited (BSE) since December 2002 on account of failure of the Company to redress the Complaints of investors relating to redemption of public issue of non-convertible debentures. The Company has also not yet entered into Simplified Listing Agreement with BSE and NSE due to non-revocation of trading suspension.**
- **14,09,338 Equity Shares are held by promoters in physical mode out of total promoters holding of 1,87,62,052 Equity Shares. This is due to Non Listing of preferential issue of Equity Shares, Reduction of Share Capital and non allotment of new ISIN.**
- **The Company has not paid Listing Fees to BSE Limited for the Financial Years from 2012-2013 to 2018-2019 and also not paid Listing Fees to The National Stock Exchange of India Limited for the Financial Years from 2001-2002 to 2018-2019.**
- **The Company's ISIN remains suspended as new ISIN subsequent to Name Change and Reduction of Capital is not yet allotted. Consequently, the Corporate Action for Reduction of share Capital is pending with the Depositories. Also no services are also offered by the Depositories NSDL / CDSL to the Company's shareholders towards Demat Operations due to the suspended ISIN and non-payment of dues.**

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No change took place in the composition of the Board of Directors during the period under review except designating Shri. Jayesh R. Talpade as Chairperson and alternatively Shri. Tanveer Shaikh during the absence of Mr. Jayesh R. Talpade.

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.

Majority decision is carried through while the dissenting members' views are captured and considered.

I 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.

For Vijay S. Tiwari & Associates
Company Secretaries in Practice

Vijay Tiwari
Proprietor
C.P. No. – 12220
M.No. 33084

Place: Mumbai
Date: 21st May 2019

CORPORATE GOVERNANCE REPORT

In accordance with the Listing Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) the report containing the details of Corporate Governance as at 31st March 2019 is as follows:

I. MANDATORY REQUIREMENTS

1. CORPORATE GOVERNANCE PHILOSOPHY

The company's philosophy is aimed at being transparent by discharge of all functions in a professionally sound and competent manner. The company's operations in the past have been hampered due to operative difficulties but nevertheless the company has been continuously striving to meet its responsibilities and obligations towards shareholders and others.

2. BOARD OF DIRECTORS

(a) Composition and Category of Directors

The company has two Wholetime Directors Mr.Nandakishore R. Divate and Mr.K Chandramouli, two Independent Directors Mr. Jayesh R.Talpade and Mr. Tanveer Shaikh and one Woman Director Mrs.Megha J. Vazkar.

The company follows the prescribed board procedures by circulating various items of agenda in advance which are to be dealt at the Board Meetings.

The company has formulated a code of conduct for the Board Members and Senior Management. The code provides for fair degree of transparency of operations with necessary guidelines for ethics, appropriate safety and healthy working environment.

(b) Attendance of each Director at the Board of Director's Meetings held during 2018-2019 and the last Annual General Meeting is as follows:

Director	Board Meetings Attended	Last Annual General Meeting Attended (Held on 27.07.2018)
Mr. N.R. Divate	4	Yes
Mr. K. Chandramouli	4	Yes
Mr. Jayesh Talpade	4	Yes
Mr.Tanveer Shaikh	4	Yes
Mrs.Megha J.Vazkar	4	Yes

(c) Details of Directorships/Committee Memberships held by the existing Directors in other companies are given hereunder:

Name of the Director	Category	Directorships held in other Companies		Committee Memberships held in other Companies	
		As Director	As Chairman	As Member	As Chairman
Mr. K. Chandramouli	Non Independent, Executive	5	-	-	-
Mr. N.R. Divate	Non Independent, Executive	2	-	1	1
Mr. Jayesh Talpade	Independent, Non-Executive	1	-	1	1
Mr.Tanveer Shaikh	Independent, Non-Executive	1	-	-	-
Mrs.Megha J.Vazkar	Woman Director Non-Executive	4	-	1	-

(d) Number of Board Meetings held and the dates on which held:

Four Board Meetings were held during the year 2018-2019. The dates on which meetings were held were as follows:
22nd May, 2018, 27th July, 2018, 29th October 2018 and 23rd January 2019.

Mr. Binod C. Maharana, Partner of M/S. S. Ramanand Aiyar & Co., Chartered Accountants, Statutory Auditors, attended the Board Meeting held on 22nd May 2018 as Special Invitee.

(e) Remuneration of Directors:

The company does not pay any remuneration to the Independent Directors. During the year, the company paid Rs.25,43,345/- to Mr.K.Chandramouli and Rs.22,89,099/- to Mr.N.R.Divate, Wholetime Directors of the Company towards remuneration and the same has been approved by the members. The Company also paid a remuneration of Rs.4,34,970/- for the year to Mr.Vinay Kulkarni, Chief Financial Officer.

(f) Directors Share Holding:

Mr.K.Chandramouli is holding 93,78,057 Equity Shares, 10,50,000 1% Cumulative Redeemable Preference Shares, (ii). Mr.N.R.Divate is holding 93,83,995 Equity Shares, 10,50,000 1% Cumulative Redeemable Preference Shares and (iii). Mr.Jayesh Talpade is holding 30,600 Equity Shares in the Company.

3. AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit committee comprises Two Independent – Non-Executive Directors and one Executive Director. The Audit Committee met four times in 2018-2019 on 22nd May, 2018, 27th July, 2018, 29th October, 2018 and 23rd January, 2019. The composition of the committee during 2018-2019 and the details of meeting attended by the Directors are as under:

Name of the Members	Category	Attendance Particulars
Mr. Jayesh R. Talpade	Chairman and Independent Director	4
Mr. Tanveer Shaikh	Member and Independent Director	4
Mr.N.R.Divate	Member and Wholetime Director	4

Mr. K. Chandramouli is an Ex-officio Secretary of the Audit Committee.

Mr. Binod C. Maharana, Partner of M/S. S. Ramanand Aiyar & Co., Chartered Accountants, Statutory Auditors, attended the Audit Committee Meeting held on 22nd May, 2018 as Special Invitee.

4. NOMINATION AND REMUNERATION COMMITTEE

To meet with the requirements of Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. N. R. Divate ceased to become the member of Nomination and Remuneration committee with effect from 22nd May, 2018 and the committee stands reconstituted. The members of the reconstituted Nomination and Remuneration committee are as under on 31.03.2019

Mr. Tanveer Shaikh	... Chairman and Independent Director
Mr. Jayesh Talpade	... Member and Independent Director
Mrs. Megha J. Vazkar	... Member and Non Executive Women Director

Mr. N. R. Divate function as Ex-officio to the Nomination and Remuneration Committee only for one meeting held on 22nd May, 2018.

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The Nomination and Remuneration Committee met Three times in 2018-2019 on 22nd May, 2018, 27th July, 2018, and 29th October, 2018 and the details of meeting attended by the Directors are as under:

Name of the Member	Category	Attendance Particulars
Mr. Tanveer Shaikh	Chairman and Independent Director	3
Mr. Jayesh Talpade	Member and Independent Director	3
Mrs. Megha Vazkar	Member and Non Executive Women Director	3
Mr. N. R. Divate*	Ex-officio	1

* Mr. N. R. Divate ceased to become a member of the committee with effect from 22nd May, 2018 and attended the same meeting as Ex-officio to the Nomination and Remuneration Committee.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The company has a Stakeholder Relationship Committee, consisting of the following members as on 31.03.2019:

Mr. Jayesh Talpade	...	Chairman and Independent Director
Mr. K. Chandramouli	...	Member and Wholetime Director
Mr. N.R. Divate	...	Member and Wholetime Director
Mr. Tanveer Shaikh	...	Member and Independent Director
Mrs. Megha J. Vazkar	...	Member and Non Executive Women Director

The Committee oversees and approves transfer/transmission of equity shares. The Committee also oversees complaints received from investors for appropriate redressal. The minutes of the Committee meetings are placed at the Board Meetings from time to time. All valid shares transfers received during the year have been acted upon.

Complaint Status: 01.04.2018 to 31.03.2019

Number of Equity Shareholders / Debenture holders}	:	Nil
Preference Shareholders complaints pending as on 01.04.2018}	:	Nil
Number of complaints received during the year	:	31
Number of complaints solved during the year	:	31
Number of complaints pending as on 31.03.2019	:	Nil

Four meetings were held during the year 2018-2019. (22nd May, 2018, 27th July, 2018, 29th October 2018 and 23rd January 2019). The attendance for the said meetings is as follows:

Name of the Director	Category	Attendance Particulars
Mr. Jayesh Talpade	Chairman and Independent Director	4
Mr. K. Chandramouli	Member and Wholetime Director	4
Mr. N.R. Divate	Member and Wholetime Director	4
Mr. Tanveer Shaikh	Member and Independent Director	4
Mrs. Megha J. Vazkar	Member and Non Executive Women Director	4

6. RISK MANAGEMENT COMMITTEE

The company has constituted a Risk Management Committee and following are the members in the committee as on 31.03.2019:

Mr. K. Chandramouli	...	Chairman and Wholetime Director
Mr. N.R. Divate	...	Member and Wholetime Director
Mr. Tanveer Shaikh	...	Member and Independent Director

One meetings of Risk Management Committee was held on 22nd May 2018 during the year 2018-2019 and all the above three members of the committee have attended the meeting.

7. DIRECTORS

Mr. Nandakishore R. Divate, Wholetime Director, whose term of appointment ends on 31st July 2019 and is being recommended for re-appointment in the Ensuing Annual General Meeting.

8. GENERAL BODY MEETINGS

Date	Venue	Time
23rd July, 2016	Vishal Hall, Hotel Highway Inn, Sir M.V. Road, (Andheri- Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 093.	11.00 A.M
29th July, 2017	Vishal Hall, Hotel Highway Inn, Sir M.V. Road, (Andheri- Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 093.	11.00 A.M
21st July, 2018	Vishal Hall, Hotel Highway Inn, Sir M.V. Road, (Andheri- Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 093.	11.00 A.M

9. SUBSIDIARY COMPANY:

The company has appointed Mr. Jayesh Talpade as a Director of the holding company in the board of the subsidiary company with effect from 22nd January 2009 in compliance with the Listing Agreement. The audit committee of the listed holding company also reviews the financial statement of the unlisted subsidiary company and also other matters connected thereto.

During the year ended 31st March 2006, the company had entered into contract for rendering services to the subsidiary up to Rs. 60 Lakhs per annum plus taxes as per the terms mutually agreed and codified through an agreement entered in this respect. However, in view of the rising costs and enhanced services, this limit was raised up to Rs.84 Lakhs for the financial year 2016-2017 onwards. In view of the additional compliances and other requirements this amount is now proposed to be raised upto Rs. 96 Lakhs for the Financial Year 2018-2019 onwards. These services consist of seconding employee to the subsidiary and attending to the taxation, treasury, accounting and other operations of the subsidiary. These services are provided at a fair and market related price. In addition to the contractual payment, expenses incurred including engagement of Professionals and other Services are paid separately.

10. DISCLOSURES

- The details of related party transactions are given in Point No. 8 of Note No. 2.19, the notes on Financial Statements.
- The company's shares were suspended from trading by The National Stock Exchange of India Limited (NSE) since September 2001 and BSE Limited since December 2002 on account of failure of the company to redress the complaints of investors relating to redemption of public issue of non-convertible debentures.

The Company has made an application to BSE for removal of suspension and relisting of the shares under the new name on 30th August 2011. The matter is being pursued.

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The change of name of Company is not yet effected by BSE although the application has been made in the year 2009 and also the requisite fees have been paid.

The company made an appeal in Securities Appellate Tribunal on 21st April 2017 against BSE for Non-Revocation of Suspension and Listing of New Shares Pursuant to Capital Reduction and against NSDL for not allotting new ISIN subsequent to Capital reduction.

The Company has not made payment of Listing Fee to Bombay Stock Exchange Limited (BSE) or any other Exchanges for the year 2018-2019.

The Company's ISIN remains suspended as new ISIN subsequent to Name Change and Reduction of Capital is not yet allotted. The Company has also not paid the charges of NSDL and CDSL.

The company has not paid the listing fees to Bombay Stock Exchange Limited (BSE) for the years 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018 and 2018-2019.

The Company has received a demand from NSE for payment of outstanding listing fees of Rs. 32,55,209/- (inclusive of interest of Rs.13,27,857/-). The Company has not accepted the said liability.

The Shareholders of the Company in the Annual General Meeting held on 29th December 2003 have approved the voluntary delisting of the Company's share from The National Stock Exchange of India Limited (NSE), Delhi Stock Exchange Association Limited, and The Stock Exchange, Ahmedabad. The Company is presently deemed to be listed only in BSE Limited.

Similarly, the Company has also not paid the outstanding fees to NSDL / CDSL on account of the fact that no service has been provided by them to our shareholders on account of the following:

- (a) They have suspended the old ISIN (on the name of Mafatlal Finance Company Limited of Rs. 10/- per share)
- (b) They have not carried out the Corporate Action due to reduction of capital in 2011, (sanctioned by Hon'ble Bombay High Court) and hence the allotment of new shares of Hybrid Financial Services Limited of face value of Rs. 5/- per share is still dormant.
- (c) Our Shareholders are unable to either dematerialize the shares or carry out off market trades.

As all the services to our shareholders are presently stopped, we are proposing to the Exchanges / Depositories to either revoke the suspension or provide an alternative exit option to them.

11 WHOLETIME DIRECTORS CERTIFICATION:

The Wholetime Directors of the company have certified to the Board that:

- a) They have reviewed the Financial Statements as on 31st March 2019 and the Cash Flow Statement for the year ended 31st March 2019 and that to the best of their knowledge and belief:
 - * These statements do not contain any material untrue statement or omit any material fact or contain statement that might be misleading.
 - * These statements in their opinion present true and fair view of the company's affairs and are in compliance with the existing accounting standards applicable laws and regulations.
- b) There are to the best of their knowledge and belief, no transactions that have been entered into by the company during the year which are fraudulent or illegal or violative of the Company's code of conduct
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company, pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which they are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i). There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii). There has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and
 - iii). They are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

12 MEANS OF COMMUNICATION

- a) Half-yearly Report sent to each household of shareholders : No
- b) Quarterly Results : Quarterly Results are taken on record by the Board of Directors and submitted to the Stock Exchanges as per the requirements of the Listing Agreement, which enables the Exchanges to put the same in their websites.
 - * In which newspapers normally published in : Navshakti and The Free Press Journal
 - * Websites where displayed : www.hybridfinance.co.in
 - * Whether it also displays official news releases and presentations made to institutional investors/analysis. : No
- c) Whether Management Discussions and Analysis is a part of the Annual Report : Yes

13. GENERAL SHAREHOLDER INFORMATION

13.1 Annual General Meeting

Date, Time & Venue : Friday, 26th July 2019 at 11 A.M. at Vishal Hall, Hotel Highway Inn, Sir.M.V.Road, (Andheri-Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 069.

13.2 Financial Calendar (2019-2020) (tentative)

: Quarterly Results:
Quarter Ending June 30, 2019 : Last week of July 2019
Quarter Ending September 30, 2019 : Last week of October 2019
Quarter Ending December 31, 2019 : Last week of January 2020
Quarter Ending March 31, 2019 : Last week of May 2020

13.3 Book Closure date(s) : Monday, 22nd July 2019 to Friday, 26th July 2019 (both days inclusive).

13.4 Dividend payment date(s) : Not applicable

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- 13.5 Listing of Equity shares/debentures on Stock Exchanges** : BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
- The company's shares were originally listed in The National Stock Exchange of India Ltd (NSE), Ahmedabad Stock Exchange Ltd, and Delhi Stock Exchange Association Ltd. The members have approved delisting from these Exchanges in the Annual General Meeting held on 29th December 2003.
- The company has paid the listing fees to BSE Limited (BSE) under protest for the financial years from 2004-2005 to 2007-2008 on 17th May 2007, listing fees for 2008-2009 and 2009-2010 on 18th February 2010, listing fee for 2010-2011 on 26th April 2010 and listing fee for the year 2011-2012 on 20th June 2011
- BSE is insisting on listing with NSE also as pre-condition and hence the Company has no other option but to pursue the Revocation of Suspension and Listing of the new shares in both BSE and NSE.

13.6 Stock Code

- Physical Segment – BSE : 500262
- Demat Segment - BSE : INE965B01014. This ISIN remains suspended as new ISIN subsequent to name change and reduction of capital, is not yet allotted

13.7 Market Price Data:

The trading of the company's shares has been suspended in the National Stock Exchange of India Limited (NSE) with effect from September 2001 as well as in the BSE Limited (BSE) with effect from December 2002 and accordingly no market price data is available.

13.8 Registrar & Transfer Agents

- : M/s. Big Share Services Private Ltd.
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059
Tel No: 022- 62638200
Fax: 022- 62638299

**13.9 Share & Transfer agents
(for Electronic Transfers)**

- : M/s. Big Share Services Private Ltd.
1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai-400059
Tel No: 022- 62638200
Fax: 022- 62638299

13.10 (a) Distribution of Shareholding as on 31st March, 2019

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to – 5000	52,023	99.59	66,70,177	22.66
5001-10000	97	0.18	6,63,629	2.25
10001-20000	64	0.12	8,79,234	2.99
20001-30000	20	0.04	5,11,412	1.74
30001-40000	8	0.02	2,79,746	0.95
40001-50000	4	0.01	1,86,900	0.64
50001-100000	8	0.02	5,63,250	1.91
100001 and above	7	0.02	1,96,81,927	66.86
GRAND TOTAL	52,231	100.00	2,94,36,275	100.00

(b) Category of Shareholding as on 31st March, 2019

Sr. No.	Category	Shareholding	Percentage
1.	Promoters	1,87,62,052	63.74
2.	Financial Institutions, Nationalised Banks and Mutual Funds	2,62,200	0.89
3	Bodies Corporate	4,21,292	1.43
4.	Directors and their relatives	30,600	0.10
5.	Non-Resident Individuals	22,687	0.08
6.	General Public	99,37,444	33.76
	TOTAL	2,94,36,275	100.00

13.11 Dematerialization of shares

The Company has arrangements with NSDL and CDSL for Demat Facility. 77.62% of the total equity shares are held in dematerialized form with NSDL and CDSL as at 31st March 2019

Members can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also. However due to the suspension of the old ISIN and pending allotment of the new ISIN due to change in the Company's name and reduction in value & number of shares, the facility of Dematerialisation is not available.

- 13.12 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity.** : NIL

- 13.13 Registered Office and Address for Correspondence** : No.35, A-Wing, Raj Industrial Complex Premises Co-operative Society Limited, Military Road, Marol, Andheri (East), Mumbai-400 059

II. NON-MANDATORY REQUIREMENTS

1. Office of the Chairman of the Board and re-imbursement of expenses by the Company

There is no office of the Chairman of the Board and no expenses are reimbursed.

2. Remuneration Committee

The Company has a remuneration Committee in place. For details regarding composition and scope of the Remuneration Committee, please refer to Item No. 4 above under the head "Mandatory Requirements"

3. Shareholders' Rights – Furnishing of Quarterly Results

The Company's Quarterly Results are published in the newspapers and also posted on its own website (www.hybridfinance.co.in). Hence Quarterly Results are not sent to the shareholders. However, the Company furnishes the Quarterly Results on receipt of requests from the shareholders.

4. Audit Qualifications

The Company, at present, does not have any audit qualification pertaining to the financial results. The Auditors have given an unmodified opinion.

5. Mechanism for Evaluating Non-Executive Board Members

The Company at present does not have any mechanism for evaluating the performance of Non-Executive Directors by a peer group.

6. Whistle Blower Policy

The Company has implemented Whistle Blower Policy

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company.

I confirm that the Company has received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the employee in the cadre of Wholetime Directors on 31st March 2019.

K.CHANDRAMOULI
Wholetime Director and
Company Secretary

Place: Mumbai
Date: 21st May 2019

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

TO THE MEMBERS OF
HYBRID FINANCIAL SERVICES LIMITED,
(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

We have examined the compliance of conditions of Corporate Governance by **Hybrid Financial Services Limited** (Formerly known as Mafatlal Finance Company Limited) for the year ended on 31st March 2019, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations")

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

We 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 S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 21st May 2019

INDEPENDENT AUDITORS' REPORT

To,
The Members,
HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED)

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **HYBRID FINANCIAL SERVICES LIMITED** (formerly known as MAFATLAL FINANCE COMPANY LIMITED) ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 2.19.12 of the standalone financial statements, which states that the Company has made provision towards gratuity on the basis of Gratuity Act instead of Ind AS 19 as prescribed by ICAI. "Employee Benefit. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matters	Auditor's Response
1	<p>Disputed Tax and other liabilities.</p> <p>The company has received demand from income tax department</p> <p>The Company has material uncertain tax positions including matters under dispute, demand from FEMA and other different regulators like civil court, labour court, consumer forums etc. which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 2.19.1 to the Standalone Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and correspondences from different regulators made by the company during the year. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and other demand from various regulators and the possible outcome of those disputes. Our internal experts and company's legal consultant also considered legal precedence and other rulings in evaluating management's position on these uncertain liabilities. Additionally, we considered the effect of new information in respect of uncertain tax positions and other matters as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>
2	<p>Immovable properties acquired in satisfaction</p> <p>During the year 2004-2005 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs.59,76,429/-. Though the company is in possession of the property, registration in the name of company is still pending.</p>	<p>Principal Audit Procedures</p> <p>We have been informed by the Management that the documents related to the property are still pending for registration and follow up is being made for registration of the same.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations subject to Item No 4 of Note No. 2.19 regarding non-receipt of confirmation of certain bank balances 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 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 standalone 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 31st March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2019 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".
- 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 2.19.1 to the financial statements;
 - ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

FOR S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 21st May 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[The annexure referred to in our Independent Auditors' Report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2019, in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of **HYBRID FINANCIAL SERVICES LIMITED** (formerly known as MAFATLAL FINANCE COMPANY LIMITED)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company being in the service sector, clause (ii) of paragraph 3 of the Order, is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties which are covered in the Register to be maintained under Section 189 of the Companies Act 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Therefore, the provisions of clause (vi) of the Order are not applicable to the Company.
- (vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues in arrears, as at 31st March, 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, detail of statutory dues which has not been deposited as on 31st March, 2019 on account of dispute is given below:

Name of Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sub-Regional Office, Employees' Provident Fund, Vashi	Demand Under Section 7A proceedings	21,06,154/-	2013-2014	The Company had appealed against the order and obtained a favourable decision in its favour from Employee Provident Fund Appellate Tribunal. The Company is unaware of any appeal made by the Department against the same.
Income Tax Act, 1961.	Income Tax	8,14,51,511/-	1993-94 to 1998-99	Assessing Officer

- (viii) 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.
- (ix) 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.
- (x) According to the information and explanations 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.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) 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.
- (xiii) According to the information and explanations given to us and based on our examination 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 transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records 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.
- (xv) According to the information and explanations given to us and based on our examination of the records 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.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 21st May 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls 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 **Hybrid Financial Services Limited** (formerly known as Mafatlal Finance Company Limited) ("the Company") as of 31st March 2019 in conjunction with our audit of the standalone 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 31st March 2019, 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 S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 21st May 2019

Balance Sheet as at 31st March 2019

Particulars	Note	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
A ASSETS			
1 Non- Current Assets			
(a) Property Plant and Equipment	2.01	334	364
(b) Financial Assets			
(i) Non Current Investments	2.02	100,447	100,437
(c) Other Non Current Assets	2.03	7,623	7,723
Total Non Current Assets		108,404	108,524
2 Current Assets			
(a) Financial Assets			
(i) Cash and Bank Balances	2.04	28,389	22,422
(ii) Other Current Financial Assets	2.05	709	555
(b) Other Current Assets	2.06	3,659	3,747
Total Current Assets		32,757	26,724
TOTAL ASSETS		141,161	135,248
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	2.07	147,181	147,181
(b) Other Equity	2.08	(126,439)	(79,637)
Total Equity		20,742	67,544
2 Non Current Liabilities			
(a) Borrowings	2.09	21,000	21,000
(b) Provisions	2.10	85,257	33,050
(c) Other Non Current Financial Liabilities	2.11	2,126	2,126
Total Non Current Liabilities		108,383	56,176
3 Current Liabilities			
(a) Financial Liabilities			
(i). Borrowings	2.12	95	-
(ii). Other Current Financial Liabilities	2.13	11,688	11,276
(b) Provisions	2.14	253	252
Total Current Liabilities		12,036	11,528
TOTAL EQUITY AND LIABILITIES		141,161	135,248

Significant Accounting Policies
Notes forming part of the financial statements

1
2

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board

BINOD C. MAHARANA
Partner
M.No. 056373

N. R. DIVATE
Wholtime Director
DIN - 00304616

JAYESH R.TALPADE
Chairman
DIN - 02403271

K.CHANDRAMOULI
Wholtime Director
and Company Secretary
DIN - 00036297

TANVEER SHAIKH
Director
DIN - 02657790

MEGHA J.VAZKAR
Director
DIN - 00179162

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated : 21st May 2019

Mumbai, Dated : 21st May 2019

Statement of Profit and Loss for the Year Ended 31st March 2019

Particulars	Note	Year Ended 31st March 2019 Rs. in 000s	Year Ended 31st March 2018 Rs. in 000s
INCOME			
(a) Revenue from operations			
Service Charges		7,924	8,541
		<u>7,924</u>	<u>8,541</u>
(b) Other Income	2.15	7,539	8,785
1 Total Income		<u><u>15,463</u></u>	<u><u>17,326</u></u>
EXPENSES:			
(a) Employee Benefit Expenses	2.16	6,658	5,416
(b) Depreciation and Amortisation Expenses	2.01	24	31
(c) Finance Cost	2.17	266	270
(d) Other Expenses	2.18	4,765	6,064
2 Total Expenses		<u>11,713</u>	<u>11,781</u>
3 Profit before Exceptional Items and Tax		<u>3,750</u>	<u>5,545</u>
4 Exceptional items		-	-
5 Profit before Tax from Continuing Operations		<u>3,750</u>	<u>5,545</u>
6 Income Tax Expense		-	-
		-	-
7 Profit for the year		<u>3,750</u>	<u>5,545</u>
8 Other Comprehensive Income			
-Remeasurement of Gains /(Losses) on Non Current Investments		10	27
9 Total Comprehensive Income for the year		<u>3,760</u>	<u>5,572</u>
10 Earning Per Share (Equity Share of Rs. 5/- Each)			
Basic and Diluted		0.13	0.19
Significant Accounting Policies	1		
Notes forming part of the financial statements	2		

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

BINOD C. MAHARANA
Partner
M.No. 056373

Mumbai, Dated : 21st May 2019

For and on behalf of the Board

N. R. DIVATE
Wholetime Director
DIN - 00304616

K.CHANDRAMOULI
Wholetime Director
and Company Secretary
DIN - 00036297

MEGHA J.VAZKAR
Director
DIN - 00179162

JAYESH R.TALPADE
Chairman
DIN - 02403271

TANVEER SHAIKH
Director
DIN - 02657790

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated : 21st May 2019

Cash Flow Statement For The Year Ended 31st March, 2019

	2018-2019 Rs. in 000s	2017-2018 Rs. in 000s
A. Cash Flow from Operating Activities		
Net Profit Before Tax	3,750	5,545
Adjustment for :		
Sundry Credit Balances Written Back	-	(1)
Provision for Doubtful Debts Written Back	(587)	(1,763)
Loss on Sale of Fixed Assets	5	-
Depreciation	24	31
Interest / Dividend on Investments	(1,609)	(1,346)
Provisions for Gratuity	1,385	-
Provisions for Leave Encashment	260	260
Financial Cost	266	270
Operating Profit before Working Capital Changes	3,494	(2,549)
Changes in Working Capital		
Adjustments for (Increase) / Decrease in operating assets		
Other Non Current Assets	-	2
Other Current Assets	675	581
Adjustments for Increase / (Decrease) in operating liabilities		
Other Current Financial Liabilities	422	708
Cash Generated From Operations	1,097	1,291
Direct Taxes Received (Net)	100	1,111
Net Cash From Operating Activities (A)	4,691	5,398
B. Cash Flow from Investing Activities		
Sale of Fixed Assets	1	-
Interest/Dividend Received	1,455	1,016
Net Cash From Investing Activities (B)	1,456	1,016
C. Cash Flow from Financing Activities		
Short Term Borrowings	95	-
Financial Costs	(13)	(18)
Redemption of Preference Shares	(10)	(3,000)
Dividend Paid on Preference Shares	(210)	(240)
Dividend Distribution Tax on above	(42)	(49)
Net Cash Used In Financing Activities (C)	(180)	(3,307)
Net Increase in Cash and Cash Equivalents (A+B+C)	5,967	3,107
Cash and Cash Equivalents as at the commencement of the year	22,422	19,315
Cash and Cash Equivalents as at the end of the year	28,389	22,422
Net Increase as Disclosed above	5,967	3,107
(See Notes attached)		

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-2019 Rs. in 000s	2017-2018 Rs. in 000s
1 Cash and cash equivalents include :		
Cash on hand	1	1
Bank Balances	28,388	22,421
Total	28,389	22,422
2 All figures in brackets are outflows.		
3 Previous years figures have been regrouped wherever necessary to confirm to this year's classification.		

As per our attached report of even date
For S. RAMANAND AIYAR & Co
Chartered Accountants
Firm Registration No.: 000990N

BINOD C. MAHARANA
Partner
M.No. 056373

Mumbai, Dated: 21st May 2019

For and on behalf of Board of Directors

N. R. DIVATE
Wholetime Director
DIN - 00304616

K. CHANDRAMOULI
Wholetime Director and
Company Secretary
DIN - 00036297

MEGHA J. VAZKAR
Director
DIN - 00179162

Mumbai, Dated: 21st May 2019

JAYESH R. TALPADE
Chairman
DIN - 02403271

TANVEER SHAIKH
Director
DIN - 02657790

VINAY KULKARNI
Chief Financial Officer

Statement of Changes in Equity for the year ended 31.03.2019

a Equity Share Capital

Particulars	No. of Shares	Rs. in 000s
Balance as at 01.04.2017	29,436,275	147,181
Add: Shares issued during the year	-	-
Balance as at 31.03.2018	29,436,275	147,181
Add: Shares issued during the period	-	-
Balance as at 31.03.2019	29,436,275	147,181

b Other Equity

Rs. in 000s

Particulars	Other Equity			Total
	Retained Earnings	Capital Redemption Reserve Account	Other Comprehensive Income	
Balance as at 1st April 2017	(102,158)	16,907	42	(85,209)
Addition During the year:				
Transfer to retained earnings	5,545	-	-	5,545
Equity instruments through other comprehensive income	-	-	27	27
Balance as at 31st March 2018	(96,613)	16,907	69	(79,637)
Addition During the year:				
Transfer to retained earnings	3,750	-	-	3,750
Provision for Contingencies	(50,562)	-	-	(50,562)
Equity instruments through other comprehensive income	-	-	10	10
Balance as at 31st March 2019	(143,425)	16,907	79	(126,439)

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board

N. R. DIVATE
Wholtime Director
DIN - 00304616

JAYESH R. TALPADE
Chairman
DIN - 02403271

TANVEER SHAIKH
Director
DIN - 02657790

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K.CHANDRAMOULI
Wholtime Director
and Company Secretary
DIN - 00036297

MEGHA J. VAZKAR
Director
DIN - 00179162

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated : 21st May 2019

Mumbai, Dated : 21st May 2019

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

I) CORPORATE INFORMATION

The Company's main business activities are Management Consulting, providing Debt Recovery Advise, Consultancy in Financial, Secretarial, Commercial, Legal, Direct and Indirect Taxation, Other Levies, Statistical, Accountancy and Other Fields. The Company is having Registered Office / Head Quarter in Mumbai. The Company presently has no branches.

II) SIGNIFICANT ACCOUNTING POLICIES:

a. BASIS OF PREPARATION:

The financial statements have been prepared in accordance with Indian Accounting Standards (hereafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards (Ind AS)) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention and accrual basis, except for certain financial assets and liabilities measured at fair value.

b. USE OF ESTIMATES

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

c. OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current /non-current classification.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

d. PROPERTY, PLANT AND EQUIPMENT (INCLUDING CAPITAL WORK-IN-PROGRESS)

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

e. DEPRECIATION/AMORTISATION ON FIXED ASSETS

Depreciation on Fixed Assets is provided on straight-line method in accordance with life of assets specified in Part C of Schedule II to the Companies Act, 2013 as per details given below:

Sl.No.	Nature of Assets	Estimated useful life in years
1	Building	60
2	Computers - Servers	6
3	Computers – End user devices	3
4	Furniture and Fixtures	10
5	Motor Vehicles	8
6	Office Equipments	5

AMORTISATION

Expenses incurred on Computer Software are amortised on straight line basis over a period of three years.

ASSETS ACQUIRED IN SATISFACTION OF CLAIMS

Assets acquired in satisfaction of claim has been accounted at fair value of the assets acquired and is marked down by a subsequent reduction in the Net Realisable Value, if any.

f. IMPAIRMENT OF NON FINANCIAL ASSETS

Non- financial assets other than inventories and non-current assets held for sale are reviewed at each balance sheet date to determine whether there is any indication. If any such indication exists or when annual impairment testing for an asset required, the company estimates the asset's recoverable amount. The recoverable amount is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flow that is largely independent of those from other assets or group of assets.

When the carrying amount of an assets or CGU exceeds its recoverable amount, the assets are considered impaired and is written down to its recoverable amount.

g. STOCK IN TRADE / SECURITIES FOR SALE

Stock in trade is valued at weighted average cost or net realisable value whichever is lower.

h. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, balances in current accounts with scheduled banks and bank deposits.

i. REVENUE RECOGNITION

Revenue is recognized when there is reasonable certainty of its ultimate realization / collection. Revenue is net of Goods and Service Tax where recovered.

(i) Income from Operations

Brokerage income is recognized on transactions on which "Settlements" are completed during the year. In case of Income from Marketing of Financial Products the same are accounted on cash basis.

(ii) Profits on Sale of Investments

Profit on Sale of Investments is accounted reckoning the average cost of the investments.

(iii) Other Income

Other Income is accounted on accrual basis except Dividend Income, Interest on Government Bonds and Interest on Income Tax Refunds which are accounted on cash basis.

j. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

k. RETIREMENT BENEFITS

The Company has dissolved the Provident Fund Trust and is in the process of closure of the same as there are no employees left other than the two Wholetime Directors and Chief Financial Officer. The Company's Superannuation Fund is administered through Life Insurance Corporation of India and is recognised by the Income Tax Department. Company's contribution to Superannuation Fund for the year is charged against revenue. The Company has provided for Gratuity in Current Year for the Two Wholetime Directors with effect from 1st April 2011

l. LEAVE ENCASHMENT

Provision is made for Leave Encashment on the basis of actual leave to the credit of the employee.

m. TAXES ON INCOME

Current Tax is determined as per Law. Deferred Tax Asset and Liability are measured using the tax rates that have been enacted or substantively enacted at the Balance Sheet date.

n. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are provided on the basis of management evaluation of the same and reviewed on the basis of events happening, besides disclosures in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

o. LEASED ASSETS

Rentals in respect of assets taken on operating lease by the company are expensed with reference to the lease and other considerations.

p. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Subsequent measurement is determined with reference to the classification of the respective financial assets and the contractual cash flow characteristic of the financial assets, the company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Financial Assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial Assets at fair value through other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL

Debt instruments included within the FVTOCI category are measured at fair value with all changes recognized in profit and loss. However currently the company does not have any financial instrument in this category.

Equity Investment

All equity investments in scope of Ind AS 109 are measured at fair value except unquoted equity investments including investment in subsidiary which are stated at cost. Equity instruments which are held for trading are classified as at FVTPL. For other equity instruments, the company decides to classify the same either as at FVTOCI or FVTPL. The company makes such election on an instrument by instruments basis. The Classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, all fair value changes on the instrument, excluding dividends are recognized in other comprehensive income.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

● **Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at fair value.

● **Financial Guarantee Contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

● **De-recognition of Financial Liabilities**

Financial Liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

● **Offsetting Financial Instruments**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis; to realise the assets and settle the liabilities simultaneously.

q. FAIR VALUE MEASUREMENT

The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation and other relevant documents.

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NOTES FORMING PART OF FINANCIAL STATEMENTS

2.01 Property, Plant and Equipment

Rs. in 000s

Particulars	Building	Furnitures & Fixtures	Computer Equipments	Office Equipments	Total
Gross Carrying as at 1st April, 2017	521	35	329	181	1,066
Addition for the year	-	-	-	-	-
Disposals	-	-	-	-	-
As at 31st March 2018	521	35	329	181	1,066
Addition for the year	-	-	-	-	-
Disposals	-	-	304	63	367
As at 31st March 2019	521	35	25	118	699
Depreciation and impairment					
As at 1st April 2017	184	21	299	167	671
Depreciation charge for the year	8	4	14	5	31
Disposals	-	-	-	-	-
As at 31st March 2018	192	25	313	172	702
Depreciation charge for the year	8	4	9	3	24
Disposals	-	-	298	63	361
As at 31st March 2019	200	29	24	112	365
Net Book Value					
As at 31st March 2019	321	6	1	6	334
As at 31st March 2018	329	10	16	9	364

2.02 Non Current Investments

Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
IN FULLY PAID EQUITY SHARES OF SUBSIDIARY COMPANIES		
1,00,00,000 Shares of Rs.10 each in Maximus Securities Limited	100,000	100,000
SUB TOTAL (A)	100,000	100,000
IN FULLY PAID EQUITY SHARES - QUOTED		
112 Shares of Rs.2 each in Larsen & Toubro Limited	155	147
28 Shares of Rs.10 each in Ultratech Cement Limited	112	110
SUB TOTAL (B)	267	257
IN FULLY PAID EQUITY SHARES - UNQUOTED WITH ASSOCIATE COMPANIES		
24,500 shares of Rs.10 each in Hybrid Systems Limited	245	245
	245	245
<u>Less: Provision for Diminution in Value</u>	245	245
SUB TOTAL (C)	-	-
WITH OTHERS		
16,000 shares of Rs.10 each in Amitabh Bachchan Corporation Ltd.	1,280	1,280
3,00,000 shares of Rs.10 each in Leisure Hotel Ltd.	3,000	3,000
	4,280	4,280
<u>Less: Provision for Diminution in Value</u>	4,120	4,120
SUB TOTAL (D)	160	160
IN FULLY PAID PREFERENCE SHARES		
52,255 shares of Rs.10 each in Pasupati Fabrics Ltd.	523	523
<u>Less: Provision for Diminution in Value</u>	523	523
SUB TOTAL (E)	-	-
OTHERS		
333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Ltd.	10	10
1,000 shares of Rs.10 each in Saraswat Co-operative Bank Ltd.	10	10
SUB TOTAL (F)	20	20
TOTAL [A + B + C + D + E + F]	100,447	100,437

HYBRID FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

Particulars	As at	As at
	31st March	31st March
	2019	2018
	Rs. in 000s	Rs. in 000s
2.03 Other Non Current Assets		
Advance payment of Income Tax and Tax Deducted at Source	1,180	1,280
Sub Total (A)	1,180	1,280
Deposit with others		
(i) Considered Good	466	466
(ii) Considered Doubtful	8,000	8,000
	8,466	8,466
Less : Provision for Doubtful Deposit	8,000	8,000
Sub Total (B)	466	466
Assets acquired in satisfaction of claims [Refer Note No. 2.19.5]	5,977	5,977
Sub Total (C)	5,977	5,977
Total (A) + (B) + (C)	7,623	7,723
2.04 Cash and Bank Balances		
Cash-in-Hand		
Cash Balance	1	1
Sub Total (A)	1	1
Balances With Banks		
Balances With Banks in Current Accounts [Refer Note No. 2.19.4]	796	1,838
	796	1,838
Bank Deposits		
Fixed Deposits for Bank Overdraft	7,990	9,361
Fixed Deposits Others	19,602	11,222
Sub Total (B)	28,388	22,421
Note: There are no Bank Deposits which carries a maturity period beyond 12 Months as on 31st March 2019		
Total (A) + (B)	28,389	22,422
2.05 Other Current Financial Assets		
Interest Accrued on Bank Deposits	709	555
Total	709	555
2.06 Other Current Assets		
Loans and Advances to Related Parties		
Loans to Subsidiary Company - Unsecured Considered Good	2,502	1,878
Other Related Parties - Unsecured		
(i) Considered Good	-	-
(ii) Considered Doubtful	116	704
	116	704
Less : Provision for Doubtful Advances	116	704
	-	-
Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good	1,157	1,869
Total	3,659	3,747

Particulars	Year Ended	Year Ended
	31st March	31st March
	2019	2018
	Rs. in 000s	Rs. in 000s
2.07 Equity Share Capital		
AUTHORISED CAPITAL		
7,00,00,000 Equity shares of Rs.5/- each	350,000	350,000
	350,000	350,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
2,94,36,275 Equity Shares of Rs.5/- each fully paid	147,181	147,181
Total	147,181	147,181

Movements in Share Capital
Equity shares

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Rs. in 000s	Number	Rs. in 000s
Number of shares at the beginning of the year	29,436,275	147,181	29,436,275	147,181
Add: Shares issued during the year	-	-	-	-
Number of shares at the end of the year	29,436,275	147,181	29,436,275	147,181

Terms / Rights attached to Equity shares

The company has one class of share referred to as equity shares having a par value of Rs.5/-. Each holder of equity shares is entitled to one vote per share and dividend per share as may be declared/proposed by the Board of Directors.

In the event of liquidation of the Company, the holders 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.

Details of shareholders holding more than 5 percent equity shares in the company:

Name of Shareholders	As at 31st March 2019		As at 31st March 2018	
	No of shares	% of holding	No of shares	% of holding
Mr. Nandakishore R. Divate - Promoter	9,383,995	31.88	9,383,995	31.88
Mr. K.Chandramouli - Promoter	9,378,057	31.86	9,378,057	31.86
Total	18,762,052	63.74	18,762,052	63.74

Note:

Promoters of the Company are holding 63.74% (Previous Year 63.74%) of the total Equity Share Capital of the Company and there are no other Share Holders holding more than 5% of the Equity Share Capital of the Company.

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Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
2.08 Other Equity		
Capital Redemption Reserve Account	16,907	16,907
Total (A)	16,907	16,907
<u>Surplus / (Deficit) as per Statement of Profit & Loss:</u>		
Opening Balance	(96,613)	(102,158)
Add: Profit for the year	3,750	5,545
	(92,863)	(96,613)
Less:		
Provision for Contingencies (Refer Note No. 2.19.1)	50,562	-
Total (B)	(143,425)	(96,613)
<u>Other Comprehensive Income</u>		
As per Last Balance Sheet	69	42
Movement in OCI (Net) during the year	10	27
Total (C)	79	69
Total (A) + (B) + (C)	(126,439)	(79,637)

Nature of Reserves

Retained Earnings

Retained Earnings represents surplus / accumulated earnings of the company and are available for distribution to shareholders.

2.09 Borrowings

21,00,000 1% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid	21,000	21,000
Total	21,000	21,000

2.10 Provisions

Provision for Employee Benefits :

Gratuity	1,385	-
Leave Encashment	5,310	5,050
Provision for Contingencies [Refer Note.2.19.1]	78,562	28,000
Total	85,257	33,050

2.11 Other Non Current Financial Liabilities

Unsecured

Security Deposits from lessees and others etc. [Refer Note No.2.19.3]	126	126
Rent Deposit Received	2,000	2,000
Total	2,126	2,126

Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
2.12 Borrowings		
Loans repayable on demand		
<u>Secured</u>		
From Banks - Overdraft (Secured against Pledge of Fixed Deposits)	95	-
Total	95	-
2.13 Other Current Financial Liabilities		
Redeemable Preference Shares Payable	3,590	3,600
Unclaimed Dividend on Preference Shares	29	29
Related Parties for Services Provided	5,790	5,653
Statutory Dues Payable:		
Tax Deducted at Source	107	147
Profession Tax	1	1
Goods and Service Tax	139	161
Other Payables:		
Auditor's Remuneration	104	90
Outstanding Expenses Payable	1,848	1,515
Others	80	80
Total	11,688	11,276

2.14 Provisions

Short Term Provisiosn :

For Proposed Dividend on Preference Shares	210	210
For Dividend Distribution Tax on Proposed Dividend on Preference Shares	43	42
Total	253	252

2.15 Other Income

Particulars	Year Ended 31st March 2019 Rs. in 000s	Year Ended 31st March 2018 Rs. in 000s
Interest Income		
Interest on Deposits with Banks	1,607	1,344
Interest on Income Tax Refund	651	852
Interest Others	-	1
Dividend Income from Long Term Investments	2	2
Other non-operating income		
Rent Received	2,579	2,598
Bad Debts Written Off in Earlier Years Recovered	756	-
Credit Balances no longer payable written back	-	1
Provision for Doubtful Debts/Advances written Back	587	1,763
Others	1,357	2,224
Total	7,539	8,785

HYBRID FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

Particulars	Year Ended	Year Ended
	31st March	31st March
	2019	2018
	Rs. in 000s	Rs. in 000s
2.16 Employee Benefit Expenses		
Salaries & Other Allowances	3,600	3,631
Contribution to Superannuation Fund	978	979
Gratuity	1,385	-
Leave Encashment	260	260
Reimbursement of Salaries	435	546
Total	6,658	5,416
2.17 Finance Cost		
Bank Charges and Commission	5	7
Interest on Bank Overdraft	7	11
Interest - Others	1	-
Dividend on Redeemable Preference Shares including Dividend Distribution Tax	253	252
Total	266	270

Particulars	Year Ended	Year Ended
	31st March	31st March
	2019	2018
	Rs. in 000s	Rs. in 000s
2.18 Other Expenses		
Advertisement and Business Promotion Expenses	766	963
Audit Fees and Other Services	148	158
Conveyance Expenses	37	33
Custodial and Corporate Action Fees	142	142
Insurance	7	12
Listing Fees	250	250
Motor Car Expenses	210	195
Postage and Courier Expenses	460	287
Printing and Stationery	566	432
Professional Fees & Service Charges	1,043	2,438
Rates and Taxes	3	13
Rent and Office Premises Compensation	144	144
Office Maintenance Expenses	24	29
Shared Service Expenses	107	123
Telephone Expenses	39	42
Travelling Expenses	28	21
Loss on Sale of Fixed Assets (Net)	5	-
Miscellaneous Expenses	786	782
Total	4,765	6,064

2.19 NOTES ON FINANCIAL STATEMENTS

1. Contingent Liabilities:

Sl.No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)	Current Status
1	Interest Tax	21,07,307/-	21,07,307/-	Under Appeal by Income Tax Department in High Court
2	Labour Court, Civil Court and Consumer Forums	29,51,064/-	29,51,064/-	Under Appeal before the Respective Authorities
3	Foreign Exchange Management Act	5,60,00,000/-	5,60,00,000/-	Under Appeal before the Appellate Tribunal for Foreign Exchange, New Delhi.
4	Sub-Regional Office, Employees' Provident Fund, Vashi.	21,06,154/-	21,06,154/-	The Company had appealed against the order and obtained a favourable decision in its favour from Employee Provident Fund Appellate Tribunal. The Provident Fund Department has appealed in the Hon'ble Bombay High Court and the matter is yet to be decided.
5	Listing Fees payable to The Nation Stock Exchange of India Limited (NSE)	32,55,209/-	29,13,009/-	The Company has contested the same and does not consider it as a liability.
6	BSE Limited	30,00,000/-	30,00,000/-	In the event of Listing of the Shares after revocation of suspension, the Company may be compelled to pay the Reinstatement Fees.
7	Disputed Income Tax Demands	8,14,51,511/-	8,14,51,511/-	The Company has obtained a favourable order from ITAT Mumbai. We understand that the Department has filed certain appeals in the Hon'ble Bombay High Court but the matter has not come up for hearing.

The Company has provided during the year out of abundant caution 50% of the Principal Liability in case of Sl Nos. 1,2,4 & 7 and 100% in case of Sl Nos. 5 & 6 as Contingency Provision. The Company has already provided 50% of the Net Liability as contingency Provision in the earlier years in case Sl No. 3. Based on the developments in the matter, the same will be reviewed by the management

Other than the above Contingent Liabilities, the Company receives notices of claims from various Courts in India which are not to its knowledge. These amounts are presently unascertainable and hence not provided for.

2. Payment to Auditors :

	Current Year Rs. in 000s	Previous Year Rs. in 000s
Statutory Audit Fee	75	75
Tax Audit Fees	25	25
Limited Review and Other Certification Work	45	55
Out of Pocket Expenses	4	3
Total	149	158

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3. Scheme of Compromise and Arrangements

The Company has since made all the payments due as per the sanctioned scheme except Security Depositors who have not yet claimed.

4. Non Confirmations and Reconciliations of Banks

In respect of Current Accounts with banks amounting to Rs. 6,67,612/- (net) [Previous Year Rs.6,67,612/- (net)] which includes book debit balance of Rs. 8,37,243/- and book credit balance of Rs. 1,69,631/-, statements of account were not being received; including from 2000-2001 in some cases.

5. During the year 2004-2005 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs.59,76,429/-. Though the company is in possession of the property, completion of documentation is pending.
6. The company's Debtors are fully written off as most of them have been suit filed or not traceable. In the past the Company had circulated confirmation letters to debtors/advances. As most of these companies' latest addresses are not available, the Company has not sent any confirmation letters this year. The Company has not circularised confirmations for Sundry Creditor Balances.
7. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
8. As required by Ind AS - 24 issued by The Institute of Chartered Accountants of India, Related Party Disclosures are as follows:

A. Subsidiary Company

Maximus Securities Limited

B. Associate Companies

Garron Shares and Stock Brokers Private Limited
Garron Trading Company Private Limited
Hybrid Systems Limited
Hybrid Services and Trading Limited
(Formerly known as Sunanda Service and Trading Limited)

C. Key Management Personnel

Mr. N. R. Divate
Mr. K.Chandramouli

Transactions with Related Parties:

Particulars	Subsidiary Company		Associate Companies		Key Management Personnel	
	2018-19 Rs.	2017-18 Rs.	2018-19 Rs.	2017-18 Rs.	2018-19 Rs.	2017-18 Rs.
(a) Outstanding Receivables	25,01,438	18,77,445	1,16,188	7,03,788	-	-
(b) Provision made as on date for doubtful debts	Nil	Nil	1,16,188	7,03,788	-	-
(c) Rent Deposit taken	20,00,000	20,00,000	-	-	-	-
(d) Outstanding Payable	-	-	57,90,594	56,53,437	-	-
(e) Investment in Subsidiary	10,00,00,000	10,00,00,000	-	-	-	-
(f) Rental Income	24,00,000	24,00,000	-	-	-	-
(g) Rent Paid	-	-	1,44,000	1,44,000	-	-
(h) Service Charges charged to them	79,20,000	84,00,000	-	-	-	-
(i) Service Charges charged by them	Nil	Nil	11,00,216	24,27,923	-	-
(j) Other Expenses Charged to them	11,24,834	21,69,644	Nil	Nil	-	-
(k) Other Expenses Charged by them	1,534	2,115	Nil	Nil	-	-
(l) Managerial Remuneration	-	-	-	-	48,32,444	48,69,790

9. The Company has complied with Ind AS-12 "Income Tax", issued by the Institute of Chartered Accountants of India; accordingly, the opening deferred tax asset and as well as for the year has not been accounted on the grounds of prudence.
10. The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs. 1,44,000/- (Previous Year Rs. 1,44,000/-) was paid during the year has been debited to Statement of Profit and Loss. The future minimum lease payment is as under:

	2018-2019 Rs.	2017-2018 Rs.
Not later than 1 year	1,44,000	1,44,000
Later than 1 year and Not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil
Total	1,44,000	1,44,000

11. Earning Per Share:

	Current Year (Rs. In 000s)	Previous Year (Rs. in 000s)
I) Basic Earning Per Share Profit for the year as per Statement of Profit & Loss (Excluding OCI) Weighted average number of Equity Shares of Rs.5 each outstanding during the year. Basic Earning Per Share (Rupees)	37,50 2,94,36,275 0.13	55,45 2,94,36,275 0.19
II) Diluted Earning Per Share Profit for the year as per Statement of Profit & Loss (Excluding OCI) <u>Add:</u> Interest forgone on account of Potential Equity shares	37,50 37,50	55,45 55,45
Weighted average number of Equity Shares of Rs.5 each outstanding during the year. <u>Add:</u> Shares issuable under Loan Contract upon default of payment of principal and interest Total Weighted average number of Equity Shares. Diluted Earning Per Share Nominal Value of Shares (Rupees)	2,94,36,275 2,94,36,275 0.13 5.00	2,94,36,275 2,94,36,275 0.19 5.00

12. The company has two employees on its payroll. The Company has provided Gratuity as per Gratuity Act 1972 instead of Ind AS 19 "Employee Benefit" issued by Institute of Chartered Accountant of India.
13. Comparative financial information (i.e. the amounts and other disclosures for the previous year presented above as corresponding figures), is included as an integral part of the current year's Financial Statements and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Factors

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, by providing for the same, while optimising the return.

Interest Rate Risk

The Company has financial assets which are at fixed interest rates and is therefore not exposed to the risks associated with the effects of fluctuation in interest rates.

Foreign Exchange Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the company does not deal in forex transaction, there is not foreign exchange risk.

Credit Risk

Credit Risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company's main credit risk concentration as on 31st March 2019 is negligible.

There is no risk in terms of Bank Balances, since the counterparty is a reputable bank with high quality external credit ratings.

Liquidity Risk

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below illustrates the aged analysis of the Company's financial liabilities.

Rs in 000s

	On Demand	Less than 1 Year	1 to 5 Years	Total
As at 31st March 2019:				
Borrowings	-	-	21000	21000
Other Payables	-	11688	-	11688
As at 31st March 2018				
Borrowings	-	-	21000	21000
Other Payables	-	11276	-	11276

15. Figures have been rounded off to the nearest rupee and expressed in thousands.

Signatures to Notes 1 and 2

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board

N. R. DIVATE
Wholtime Director
DIN - 00304616

JAYESH R.TALPADE
Chairman
DIN - 02403271

BINOD C. MAHARANA
Partner
M.No. 056373

K. CHANDRAMOULI
Wholtime Director
and Company Secretary
DIN - 00036297

TANVEER SHAIKH
Director
DIN - 02657790

MEGHA J. VAZKAR
Director
DIN - 00179162

VINAY KULKARNI
Chief Financial Officer

Mumbai Dated: 21st May 2019

Mumbai Dated: 21st May 2019

INDEPENDENT AUDITORS' REPORT

To,
The Members,
HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED)

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **HYBRID FINANCIAL SERVICES LIMITED** (formerly known as MAFATLAL FINANCE COMPANY LIMITED) ("the Company"), which comprise the balance sheet as at 31st March 2019, and the consolidated statement of Profit and Loss, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid the consolidated 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 the consolidated affairs of the Company as at March 31, 2019, and the consolidated profit, and the consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 2.22.14 of the consolidated financial statements, which states that the Company has made provision towards gratuity on the basis of Gratuity Act instead of Ind AS 19 as prescribed by ICAI. "Employee Benefit. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No	Key Audit Matters	Auditor's Response
1	<p>Disputed Tax and other liabilities.</p> <p>The company has received demand from income tax department</p> <p>The Company has material uncertain tax positions including matters under dispute, demand from FEMA and other different regulators like civil court, labour court, consumer forums etc. which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 2.22.1 to the Consolidated Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and correspondences from different regulators made by the company during the year. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and other demand from various regulators and the possible outcome of those disputes. Our internal experts and company's legal consultant also considered legal precedence and other rulings in evaluating management's position on these uncertain liabilities. Additionally, we considered the effect of new information in respect of uncertain tax positions and other matters as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>
2	<p>Immovable properties acquired in satisfaction</p> <p>During the year 2004-2005 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs.59,76,429/-. Though the company is in possession of the property, registration in the name of company is still pending.</p>	<p>Principal Audit Procedures</p> <p>We have been informed by the Management that the documents related to the property are still pending for registration and follow up is being made for registration of the same.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the consolidated 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 of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations *subject to Item No 4 of Note No. 2.22 regarding non receipt of confirmation of certain bank balances* 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 consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid consolidated 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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 A".
- 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 2.22.1 to the financial statements;
 - ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

FOR S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 21st May 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting **Hybrid Financial Services Limited** (formerly known as Mafatlal Finance Company Limited) ("the Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ("the 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 the respective 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 internal financial controls over financial reporting of the Company and its subsidiary company, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, 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 March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies 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 S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 21st May 2019

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Consolidated Balance Sheet as at 31st March 2019

Particulars	Note	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
A ASSETS			
1 Non- current assets			
(a) Property Plant and Equipment	2.01	11,615	12,100
(b) Other Intangible assets	2.01	206	325
(c) Financial Assets			
(i) Non Current Investments	2.02	150,807	161,061
(d) Other Non Current Assets	2.03	22,404	23,424
Total Non Current Assets		185,032	196,910
2 Current assets			
(a) Finanacial Assets			
(i) Trade Receivables	2.05	2,215	4,080
(ii) Cash and Bank Balances	2.06	138,003	125,300
(iii) Other Current Financial Assets	2.07	2,304	2,230
(b) Other current assets	2.08	1,910	1,726
Total Current Assets		144,432	133,336
TOTAL ASSETS		329,464	330,246
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	2.09	147,181	147,181
(b) Other Equity	2.10	37,388	101,750
Total Equity		184,569	248,931
2 Non Current Liabilities			
(a) Borrowings	2.11	21,000	21,000
(b) Provisions	2.12	100,403	34,761
(c) Deferred Tax Liability (net)	2.04	1,012	901
(d) Other Non Current Financial Liabilities	2.13	5,516	5,562
Total Non Current Liabilities		127,931	62,224
3 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	2.14	95	417
(ii) Trade Payables	2.15	3,484	4,623
(iii) Other Current Financial Liabilities	2.16	13,132	13,799
(b) Provisions	2.17	253	252
Total Current Liabilities		16,964	19,091
TOTAL EQUITY AND LIABILITIES		329,464	330,246

Significant Accounting Policies
Notes forming part of the financial statements

1
2

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board

BINOD C. MAHARANA
Partner
M.No. 056373

N. R. DIVATE
Wholetime Director
DIN - 00304616

JAYESH R. TALPADE
Chairman
DIN - 02403271

K. CHANDRAMOULI
Wholetime Director
and Company Secretary
DIN - 00036297

TANVEER SHAIKH
Director
DIN - 02657790

MEGHA J. VAZKAR
Director
DIN - 00179162

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated : 21st May 2019

Mumbai, Dated : 21st May 2019

Consolidated Statement of Profit and Loss for the Year Ended 31st March 2019

Particulars	Note	Year Ended 31st March 2019 Rs. in 000s	Year Ended 31st March 2018 Rs. in 000s
INCOME			
(a) Revenue from operations			
Service Charges		4	141
Brokerage Income		13,878	23,551
Income from Depository Services		1,535	1,738
Financial Products Marketing Fees		694	495
		<u>16,111</u>	<u>25,925</u>
(b) Other income	2.18	20,992	21,787
1 Total Income		<u><u>37,103</u></u>	<u><u>47,712</u></u>
EXPENSES:			
(a) Employee Benefit Expenses	2.19	15,594	15,712
(b) Depreciation and Amortisation Expenses	2.01	1,127	1,129
(c) Finance Cost	2.20	588	351
(d) Other Expenses	2.21	12,424	15,301
2 Total Expenses		<u><u>29,733</u></u>	<u><u>32,493</u></u>
3 Profit before Exceptional Items and Tax		<u>7,370</u>	15,219
4 Exceptional items		-	-
5 Profit before Tax from Continuing Operations		<u>7,370</u>	15,219
6 Income Tax Expense:			
(a) Current Tax		575	2,615
(b) Deferred Tax		111	92
(c) (Excess) / Short Provision for Earlier Years		(346)	551
		<u>340</u>	<u>3,258</u>
7 Profit for the year		<u>7,030</u>	11,961
8 Other Comprehensive Income (OCI)			
Remeasurement of (Losses) / Gains on Non Current Investments		(6,257)	29,483
9 Total Comprehensive Income for the year		<u>773</u>	41,444
10 Earning Per Share (Equity Share of Rs. 5/- Each)			
Basic and Diluted (without considering OCI)		0.24	0.41

Significant Accounting Policies

1

Notes forming part of the financial statements

2

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board

BINOD C. MAHARANA
Partner
M.No. 056373

N. R. DIVATE
Wholetime Director
DIN - 00304616

JAYESH R. TALPADE
Chairman
DIN - 02403271

K. CHANDRAMOULI
Wholetime Director
and Company Secretary
DIN - 00036297

TANVEER SHAIKH
Director
DIN - 02657790

MEGHA J. VAZKAR
Director
DIN - 00179162

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated : 21st May 2019

Mumbai, Dated : 21st May 2019

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-2019 Rs. in 000s	2017-2018 Rs. in 000s
A. Cash Flow from Operating Activities		
Net Profit before Tax	7,370	15,219
Adjustment for :		
Sundry Credit Balances Written Back	(275)	(2,550)
Provision for Doubtful Debts Written Back	(587)	(1,763)
Depreciation	1,127	1,129
(Profit) / Loss on Sale of Investments	(2,532)	1,292
(Profit) / Loss on Sale of Fixed Assets	(95)	-
Interest / Dividend on Investments	(9,929)	(10,276)
Provision for Gratuity	1,425	45
Provisions for Leave Encashment	304	300
Provisions & Write offs	-	137
Financial Cost	588	351
	<u>(9,974)</u>	<u>(11,335)</u>
Operating (Loss) / Profit before Working Capital Changes	(2,604)	3,884
Changes in Working Capital		
Adjustments for (Increase) / Decrease in operating assets		
Trade Receivables	1,865	(783)
Other Non Current Assets	1,118	498
Other Current Assets	428	1,592
Adjustments for Increase / (Decrease) in operating liabilities		
Trade Payables	(941)	409
Other Non Current Financial Liabilities	(46)	(55)
Other Current Financial Liabilities	(580)	1,698
Long Term Provisiosn	(122)	(160)
	<u>1,722</u>	<u>3,199</u>
Cash Generated From Operations	(1,427)	(2,507)
Direct Taxes Paid (Net)		
Net Cash (used In) / From Operating Activities (A)	(2,309)	4,576
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(585)	(599)
Purchase of Investments	(11,711)	(9,277)
Sale of Fixed assets	157	-
Sale of Investments	18,240	3,625
Interest/Dividend Received	9,830	9,416
	<u>15,931</u>	<u>3,165</u>
Net Cash From Investing Activities (B)	15,931	3,165
C. Cash Flow from Financing Activities		
Short Term Borrowings	(322)	(153)
Financial Costs	(335)	(99)
Redemption of Preference Shares	(10)	(3,000)
Dividend Paid on Preference Shares	(210)	(240)
Dividend Distribution Tax on above	(42)	(49)
	<u>(919)</u>	<u>(3,541)</u>
Net Cash Used In Financing Activities (C)	(919)	(3,541)
Net Increase in Cash and Cash Equivalents (A+B+C)	12,703	4,200
Cash and Cash Equivalents as at the commencement of the year	125,300	121,100
Cash and Cash Equivalents as at the end of the year	138,003	125,300
Net Increase as disclosed above	12,703	4,200
(See Notes attached)		

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	2018-2019 Rs. in 000s	2017-2018 Rs. in 000s
1 Cash and cash equivalents include :		
Cash on hand	42	22
Bank Balances	137,961	125,278
Total	138,003	125,300
2 Bank Balances include Fixed Deposit Pledged with Banks and Exchanges of Subsidiary Company amounting to Rs. 76,600 ('000) [Previous Year Rs. 76,600 ('000)]		
3 All figures in brackets are outflows.		
4 Previous years figures have been regrouped wherever necessary to confirm to this year's classification.		

As per our attached report of even date
For S. RAMANAND AIYAR & Co
Chartered Accountants
Firm Registration No.: 000990N

BINOD C. MAHARANA
Partner
M.No. 056373

Mumbai, Dated: 21st May 2019

For and on behalf of Board of Directors

N. R. DIVATE
Wholtime Director
DIN - 00304616

K. CHANDRAMOULI
Wholtime Director and
Company Secretary
DIN - 00036297

MEGHA J.VAZKAR
Director
DIN - 00179162

JAYESH R.TALPADE
Chairman
DIN - 02403271

TANVEER SHAIKH
Director
DIN - 02657790

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated: 21st May 2019

Consolidated Statement of Changes in Equity for the year ended 31.03.2019

a Equity Share Capital

Particulars	No. of Shares	Rs. in 000s
Balance as at 01.04.2017	29,436,275	147,181
Add: Shares issued during the year	-	-
Balance as at 31.03.2018	29,436,275	147,181
Add: Shares issued during the year	-	-
Balance as at 31.03.2019	29,436,275	147,181

b Other Equity

Rs.in 000s

Particulars	Other Equity			Total
	Retained Earnings	Capital Redemption Reserve Account	Other Comprehensive Income	
Balance as at 1st April 2017	(26,876)	16,907	70,275	60,306
Addition During the year:				
Transfer to retained earnings	11,961	-	29,483	41,444
Balance as at 31 March 2018	(14,915)	16,907	99,758	101,750
Addition During the year:				
Transfer to retained earnings	7,030	-	-	7,030
Provision for Contingencies	(50,562)	-	-	(50,562)
Provision for Market Fluctuations in Investments	-	-	(14,573)	(14,573)
Equity instruments through other comprehensive income	-	-	(6,257)	(6,257)
Balance as at 31st March 2019	(58,447)	16,907	78,928	37,388

As per our report of even date
For S Ramanand Aiyar & Co
Chartered Accountants
Firm Registration No.: 000990N

For and on behalf of the Board

N. R. DIVATE
Wholtime Director
DIN - 00304616

JAYESH R. TALPADE
Chairman
DIN - 02403271

TANVEER SHAIKH
Director
DIN - 02657790

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DIN - 00036297

MEGHA J.VAZKAR
Director
DIN - 00179162

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated : 21st May 2019

Mumbai, Dated : 21st May 2019

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

I) CORPORATE INFORMATION

The Company's main business activities are Management Consulting, providing Debt Recovery Advise, Consultancy in Financial, Secretarial, Commercial, Legal, Direct and Indirect Taxation, Other Levies, Statistical, Accountancy and Other Fields. The Company is having Registered Office / Head Quarter in Mumbai. The Company presently has no branches.

The Subsidiary Company's main business activities are Share and Stock Broking, Investment, Depository Participant and Marketing of Financial Products. The Company is having Registered Office / Head Quarter in Mumbai and has no branches.

II) SIGNIFICANT ACCOUNTING POLICIES:

a. BASIS OF PREPARATION:

The financial statements have been prepared in accordance with Indian Accounting Standards (hereafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of Companies Act, 2013 (the "Act") read with Companies (Indian Accounting Standards (Ind AS)) Rules, 2015 and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost convention and accrual basis, except for certain financial assets and liabilities measured at fair value.

b. USE OF ESTIMATES

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognized in the period in which they are determined.

c. PRINCIPLES OF CONSOLIDATION:

The consolidated financial statements relate to Hybrid Financial Services Limited (the Company), and it's wholly owned Subsidiary incorporated in India. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary have been prepared based on a line-by-line consolidation by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transaction.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's individual financial statements.

d. OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current /non-current classification.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

e. PROPERTY, PLANT AND EQUIPMENT (INCLUDING CAPITAL WORK-IN-PROGRESS)

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any.

Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

f. DEPRECIATION/AMORTISATION ON FIXED ASSETS

Depreciation on Fixed Assets is provided on straight-line method in accordance with life of assets specified in Part C of Schedule II

to the Companies Act, 2013 as per details given below:

Sl.No.	Nature of Assets	Estimated useful life in years
1	Building	60
2	Computers - Servers	6
3	Computers – End user devices	3
4	Furniture and Fixtures	10
5	Motor Vehicles	8
6	Office Equipments	5

AMORTISATION

Expenses incurred on Computer Software are amortised on straight line basis over a period of three years.

ASSETS ACQUIRED IN SATISFACTION OF CLAIMS

Assets acquired in satisfaction of claim has been accounted at fair value of the assets acquired and is marked down by a subsequent reduction in the Net Realisable Value, if any.

g. IMPAIRMENT OF NON FINANCIAL ASSETS

Non- financial assets other than inventories and non-current assets held for sale are reviewed at each balance sheet date to determine whether there is any indication. If any such indication exists or when annual impairment testing for an asset required, the company estimates the asset's recoverable amount. The recoverable amount is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flow that is largely independent of those from other assets or group of assets.

When the carrying amount of an assets or CGU exceeds its recoverable amount, the assets are considered impaired and is written down to its recoverable amount.

h. STOCK IN TRADE / SECURITIES FOR SALE

Stock in trade is valued at weighted average cost or net realisable value whichever is lower.

i. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, balances in current accounts with scheduled banks and bank deposits.

j. REVENUE RECOGNITION

Revenue is recognized when there is reasonable certainty of its ultimate realization / collection. Revenue is net of Goods and Service Tax where recovered.

(i) Income from Operations

Brokerage income is recognized on transactions on which "Settlements" are completed during the year. In case of Income from Marketing of Financial Products the same are accounted on cash basis.

(ii) Profits on Sale of Investments

Profit on Sale of Investments is accounted reckoning the average cost of the investments.

(iii) Other Income

Other Income is accounted on accrual basis except Dividend Income and Interest on Government Bonds which are accounted on cash basis.

k. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

l. RETIREMENT BENEFITS

The Parent Company has dissolved the Provident Fund Trust and is in the process of closure of the same as there are no employees left other than the two Wholetime Directors and Chief Financial Officer. The Company's Superannuation Fund is administered through Life Insurance Corporation of India and is recognised by the Income Tax Department. Company's contribution to Superannuation Fund for the year is charged against revenue. The Company has provided for Gratuity in Current Year for the Two Wholetime Directors with effect from 1st April 2011

The Subsidiary Company has also dissolved the Provident Fund Trust and is in the process of closure of the same as the number of employees has fallen below the Statutory Minimum. The Company's Super Annuation Fund is covered by the scheme with Life Insurance Corporation of India, are charged to the Profit & Loss A/c. The Company also provides for gratuity on the basis of half month's salary for each completed year of service.

m. LEAVE ENCASHMENT

Provision is made for Leave Encashment on the basis of actual leave to the credit of the employee.

n. TAXES ON INCOME

Current Tax is determined as per Law.

Deferred Tax is calculated at tax rates that have been enacted or substantively enacted at the Balance Sheet date and is recognized

on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable/virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

o. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are provided on the basis of management evaluation of the same and reviewed on the basis of events happening, besides disclosures in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

p. LEASED ASSETS

Rentals in respect of assets taken on operating lease by the company are expensed with reference to the lease and other considerations.

q. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Measurement:

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement:

Subsequent measurement is determined with reference to the classification of the respective financial assets and the contractual cash flow characteristic of the financial assets, the company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit and loss.

Financial Assets carried at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial Assets at fair value through other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. Debt instruments included within the FVTOCI category are measured at fair value with all changes recognized in profit and loss. However currently the company does not have any financial instrument in this category.

Equity Investment

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For other equity instruments, the company decides to classify the same either as at FVTOCI or FVTPL. The company makes such election on an instrument by instruments basis. The Classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, all fair value changes on the instrument, excluding dividends are recognized in other comprehensive income..

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss.

De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

* **Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at fair value.

* **Financial Guarantee Contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

* **De-recognition of Financial Liabilities**

Financial Liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/(losses).

* **Offsetting Financial Instruments**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis; to realise the assets and settle the liabilities simultaneously.

r. FAIR VALUE MEASUREMENT

The Company measures financial assets and financial liability at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation and other relevant documents.

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NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Property, Plant and Equipment

Particulars	Property, Plant and Equipment					Total	Other Intangible assets Computer Software
	Building	Vehicles	Furnitures & Fixtures	Computer Equipments	Office Equipments		
	Rs. in 000s						
Gross Carrying as at 1st April, 2017	10,292	5,629	825	1,637	496	18,879	1,993
Additions during the year	-	-	39	96	70	205	394
Deletions during the year	-	-	-	-	-	-	-
As at 31st March 2018	10,292	5,629	864	1,733	566	19,084	2,387
Additions during the year	-	-	-	422	50	472	113
Deletions during the year	-	1,008	20	336	147	1,511	-
As at 31st March 2019	10,292	4,621	844	1,819	469	18,045	2,500
Depreciation and impairment							
As at 1st April 2017	1,124	2,496	570	1,444	418	6,052	1,865
Depreciation charge for the year	162	491	141	98	40	932	197
Deletions during the year	-	-	-	-	-	-	-
As at 31st March 2018	1,286	2,987	711	1,542	458	6,984	2,062
Depreciation charge for the year	162	491	102	103	37	895	232
Deletions during the year	-	958	19	330	142	1,449	-
As at 31st March 2019	1,448	2,520	794	1,315	353	6,430	2,294
Net book value							
As at 31st March 2019	8,844	2,101	50	504	116	11,615	206
As at 31st March 2018	9,006	2,642	153	191	108	12,100	325

2.02 Non Current Investments

Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
IN FULLY PAID EQUITY SHARES - QUOTED		
6600 (Previous Year 6000) Shares of Rs.1 each In Astral Poly Technik Limited	7,645	5,374
15000 Shares of Rs.1 each In Ashok Leyland Limited	1,369	2,179
Nil (Previous Year 15000) Shares of Rs.2 each In Bharat Heavy Electricals Limited	-	1,221
5700 Shares of Rs. 2 each in BSE Limited	3,484	4,310
500 (Previous Year 600) Shares of Rs.5 each In CERA Sanitaryware Limited	1,513	2,067
3600 (Previous Year 1000) Shares of Rs.2 each In Cholamandalam Investment Finance Company Limited	5,211	1,450
Nil (Previous Year 300) Shares of Rs.10 each in Credit Analysis and Research Limited	-	363
1000 (Previous Year Nil) Shares of Rs.1 each in Elgi Equipments Limited	244	-
Nil (Previous Year 12000) Shares of Rs.2 each in EMCO Limited	-	124
100 Shares of Rs.1 each in Exide Industries Limited	22	22
1250 Shares of Rs.2 each In GE T&D India Limited	343	506
Nil (Previous Year 41177) Shares of Rs. 2 each in Gammon Infrastructure Projects Limited	-	102
2000 (Previous Year 1500) Shares of Rs.2 each In Graphite India Limited	894	1,090
Nil (Previous Year 15000) Shares of Rs.1 each in GEOJIT Financial Services Limited	-	1,370
400 Shares of Rs.2 each In HDFC Bank Limited	927	757
500 (Previous Year Nil) Shares of Rs.5 each In Heritage Foods Limited	272	-
21000 (Previous Year 37500) Shares of Rs.2 each in Indiabulls Ventures Limited	6,832	9,094
1000 (Previous Year Nil) Shares of Rs.5 each in Indostar Capital Finance Limited	419	-
800 Shares of Rs.10 each In IFB Industries Limited	782	920
3200 Shares of Rs.1 each in Jindal Steel & Power Limited	575	702
Nil (Previous Year 32700) Shares of Rs.1 each in JM Financial Limited	-	4,210
400 Shares of Rs.10 each in Kaira Can Company Limited	399	420
100 Shares of Rs.5 each in Kotak Mahindra Bank Limited	134	105
5962 (Previous Year 5737) Shares of Rs.2 each in Larsen & Toubro Limited	8,252	7,526
20 (Previous Year Nil) Shares of Rs.10 each in Page Industries Limited	498	-
1000 (Previous Year Nil) Shares of Rs.2 each in Punjab National Bank	95	-
3500 (Previous Year Nil) Shares of Rs.10 each in Sanathnagar Enterprises Limited	48	-
5000 Shares of Rs.10 each in Sastasundar Ventures Limited	598	555
Nil (Previous Year 1000) Shares of Rs. 2 each in Siemens Limited	-	1,073
1000 Shares of Rs.1 each in State Bank of India	321	250
1000 Shares of Rs.1 each in Sterling Biotech Limited	1	2
500 (Previous Year Nil) Shares of Rs.1 each in Sundaram Fastners Limited	283	-
15000 (Previous Year 20000) Shares of Rs.10 each in Supreme Infrastructure India Limited	344	1,050
400 (Previous Year 200) Shares of Rs.1 each In Tasty Bite Eatables Limited	3,343	1,493
1000 (Previous Year 600) Shares of Rs.1 each In Titan Company Limited	1,137	565
1000 Shares of Rs.1 each In TVS Motor Limited	474	617
48 (Previous Year 28) Shares of Rs.10 each in Ultratech Cement Limited	192	110
16800 Shares of Rs.2 each in Vedanta Limited	3,087	4,675
15000 (Previous Year 20000) Shares of Rs.10 each in Viceroy Hotels Limited	53	247
3800 Shares of Rs.1 each in Voltas Limited	2,396	2,358
Nil (Previous Year 2500) Shares of Rs.10 each in Voltamp Transformers Limited	-	2,660
58800 (Previous Year 61000) Shares of Rs.10 each in Whirlpool of India Limited	89,502	92,327
SUB TOTAL (A)	141,689	151,894

HYBRID FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
IN FULLY PAID EQUITY SHARES - UNQUOTED		
WITH ASSOCIATE COMPANIES		
24,500 shares of Rs.10 each in Hybrid Systems Limited	245	245
Less: Provision for Diminution in Value	245	245
SUB TOTAL (B)	-	-
WITH OTHERS		
16,000 shares of Rs.10 each in AB Corp Ltd.	1,280	1,280
3,00,000 shares of Rs.10 each in Leisure Hotel Ltd.	3,000	3,000
308167 shares of Rs. 10 each in Phthalo Colours & Chemicals (India) Ltd.	4,630	4,630
Less: Provision for Diminution in Value	8,910	8,910
	4,120	4,120
SUB TOTAL (C)	4,790	4,790
IN FULLY PAID PREFERENCE SHARES		
52,255 shares of Rs.10 each in Pasupati Fabrics Ltd.	523	523
Less: Provision for Diminution in Value	523	523
SUB TOTAL (D)	-	-
IN FULLY PAID UP GOVERNMENT BONDS (QUOTED)		
8.10% 300 Bonds in Indian Railway Finance Corporation Limited	345	346
8.20% 400 Bonds in National Highways Authority of India	436	444
8.20% 500 Bonds in Power Finance Corporation Limited	540	551
8.30% 600 Bonds in National Highways Authority of India	700	707
8.76% 800 Bonds in Housing and Urban Development Corporation Limited	968	970
8.20% to 8.35% 500 Bonds in Housing and Urban Development Corporation Limited	563	571
8.00% to 8.15% 700 Bonds in Indian Railway Finance Corporation Limited	756	768
SUB TOTAL (E)	4,308	4,357
OTHERS		
333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Ltd.	10	10
1,000 shares of Rs.10 each in Saraswat Co-operative Bank Ltd.	10	10
SUB TOTAL (F)	20	20
TOTAL [A + B + C + D + E + F]	150,807	161,061

Previous Year figures in terms of quantity indicated within brackets represents the stock position as on 31st March 2018

Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
2.03 Other Non current Assets		
Advance payment of Income Tax and Tax Deducted at Source	4,430	4,332
Sub Total (A)	4,430	4,332
Deposit with others		
(i) Considered Good	11,997	13,115
(ii) Considered Doubtful	8,000	8,000
	19,997	21,115
Less: Provision for Doubtful Deposit	8,000	8,000
Sub Total (B)	11,997	13,115
Assets acquired in satisfaction of claims [Refer Note No. 2.22.5]	5,977	5,977
Sub Total (C)	5,977	5,977
Total (A) + (B) + (C)	22,404	23,424

Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
2.04 Deferred tax Assets / Liabilities (Net)		
Deferred Tax Liabilities		
Timing Difference on account of Provision for Gratuity, Leave Encashment and Doubtful Debts.	99	89
Timing Difference on account of Accumulated Depreciation of Fixed Assets	913	812
Total	1,012	901
2.05 Trade receivables		
Unsecured, Considered Good:		
Trade Receivables	2,215	4,080
Total	2,215	4,080

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Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
2.06 Cash and bank balances		
Cash-in-Hand		
Cash Balance	42	22
Sub Total (A)	42	22
Balances With Banks		
In Current Accounts [Refer Note No.2.22.4]	8,581	8,407
	8,581	8,407
Bank Deposits		
Bank Deposits with more than 12 months Maturity [Refer Note No.2.22.8]	59,188	73,788
Other Bank Deposits [Refer Note No.2.22.8]	70,192	43,083
Sub Total (B)	137,961	125,278
Total (A) + (B)	138,003	125,300
2.07 Other Current Financial Assets		
Interest Accrued on Bank Deposits	2,304	2,205
Sub Total (A)	2,304	2,205
Inventories - Stock in Trade:		
IN FULLY PAID UP EQUITY SHARES (QUOTED) (At Cost or Net Realisable Value whichever is lower)		
Nil (Previous Year 40) Shares of Rs.10 each in Agri-Tech India Limited	-	1
Nil (previous Year 44) Shares of Rs. 10 each in Nath Bio-Genes (India) Limited	-	1
10 Shares of Rs.10 each in NEPC Agro Foods Limited	1	1
Nil (Previous Year 45) Shares of Rs.10 each in Oswal Agro Mills Limited	-	1
200 Shares of Rs.10 each in Rooft Industries Limited	33	1
15 Shares of Rs. 10 each in S & S Power Switchgear Limited	1	33
Nil (Previous Year 116) Shares of Rs.10 each in Techindia Nirman Limited	-	2
	35	40
Less: Fall in Market Value	35	15
Sub Total (B)	-	25
Total (A) + (B)	2,304	2,230
2.08 Other Current Assets		
Loans to Related Parties - Unsecured		
(i) Considered Good	-	-
(ii) Considered Doubtful	116	704
	116	704
Less : Provision for Doubtful Advances	116	704
	-	-
Prepaid Expenses (Unsecured, Considered Good)	1,318	1,092
Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good	592	634
Total	1,910	1,726

Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
2.09 Equity Share Capital		
AUTHORISED CAPITAL		
7,00,00,000 Equity shares of Rs.5/- each	350,000	350,000
	350,000	350,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
2,94,36,275 Equity Shares of Rs.5/- each fully paid	147,181	147,181
Total	147,181	147,181

Movements in Share Capital

Equity shares

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Rs. in 000s	Number	Rs. in 000s
Number of shares at the beginning of the year	29,436,275	147,181	29,436,275	147,181
Add: Shares issued during the year	-	-	-	-
Number of shares at the end of the year	29,436,275	147,181	29,436,275	147,181

Terms / Rights attached to Equity shares

The company has one class of share referred to as equity shares having a par value of Rs.5/-. Each holder of equity shares is entitled to one vote per share and dividend per share as may be declared/proposed by the Board of Directors.

In the event of liquidation of the Company, the holders 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.

Details of shareholders holding more than 5 percent equity shares in the company:

Name of Shareholders	As at 31st March 2019		As at 31st March 2018	
	No of shares	% of holding	No of shares	% of holding
Mr. Nandakishore R. Divate - Promoter	9,383,995	31.88	9,383,995	31.88
Mr. K.Chandramouli - Promoter	9,378,057	31.86	9,378,057	31.86
Total	18,762,052	63.74	18,762,052	63.74

Note:

Promoters of the Company are holding 63.74% (Previous Year 63.74%) of the total Equity Share Capital of the Company and there are no other Share Holders holding more than 5% of the Equity Share Capital of the Company.

HYBRID FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
2.10 Other Equity		
Capital Redemption Reserve Account	16,907	16,907
Total (A)	16,907	16,907
<u>Surplus / (Deficit) as per Statement of Profit & Loss:</u>		
Opening Balance	(14,915)	(26,876)
Add: Profit for the year	7,030	11,961
	(7,885)	(14,915)
<u>Less:</u>		
Provision for Contingencies (Refer Note No. 2.22.1)	50,562	-
Total (B)	(58,447)	(14,915)
<u>Other Comprehensive Income</u>		
As per Last Balance Sheet	99,758	70,275
Movement in OCI (Net) during the year	(6,257)	29,483
<u>Less: Provision for Market Fluctuations in Investments (Refer Note No.2.22.2)</u>		
	14,573	-
Total (C)	78,928	99,758
Total (A) + (B) + (C)	37,388	101,750
2.11 Borrowings		
21,00,000 1% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid	21,000	21,000
Total	21,000	21,000
2.12 Provisions		
<u>Provision for Employee Benefits :</u>		
Gratuity	1,685	319
Leave Encashment	5,548	5,307
	7,233	5,626
Provision For Taxation	35	1,135
Provision for Market Fluctuations in Investments (Refer Note No. 2.22.2)	93,135	28,000
Total	100,403	34,761
2.13 Other Non Current Financial Liabilities		
<u>Unsecured</u>		
Client Deposits towards Margin	5,390	5,436
Security Deposits from lessees and others etc. [Refer Note No.2.22.3]	126	126
Total	5,516	5,562
2.14 Borrowings		
<u>Loans repayable on demand</u>		
<u>Secured</u>		
From Banks - Overdraft (Secured against Pledge of Fixed Deposits)	95	417
Total	95	417

Particulars	As at 31st March 2019 Rs. in 000s	As at 31st March 2018 Rs. in 000s
2.15 Trade payables		
Total Outstanding of		
- Micro, Small and Medium Enterprises (MSME) (Refer Note No.2.22.7)	-	-
- Other than MSME	3,484	4,623
Total	3,484	4,623
2.16 Other Current Financial Liabilities		
Redeemable Preference Shares Payable	3,590	3,600
Unclaimed Dividend on Preference Shares	29	29
Client Deposits towards Margin - Future and Options	-	966
Related Parties for Services Provided	5,794	5,767
<u>Statutory Dues Payables:</u>		
Tax Deducted at Source	257	345
Profession Tax	2	2
Goods and Service Tax	148	201
Security Transaction Tax	-	1
<u>Other Payables:</u>		
Auditor's Remuneration	261	248
Client Dividend Payable	249	248
Rent Deposit Received	300	306
Outstanding Expenses Payable	2,334	2,001
Others	168	85
Total	13,132	13,799
2.17 Provisions		
<u>Short Term Provisioasn :</u>		
For Proposed Dividend on Preference Shares	210	210
For Dividend Distribution Tax on Proposed Dividend on Preference Shares	43	42
Total	253	252
Particulars	Year Ended 31st March 2019 Rs. in 000s	Year Ended 31st March 2018 Rs. in 000s
2.18 Other Income		
<u>Interest Income</u>		
Interest on Deposits with Banks (Gross)	8,728	8,956
Interest on Government Bonds	313	313
Interest on Income Tax Refund	791	852
Interest Others	176	167
<u>Dividend Income</u>		
Long Term Investments	1,201	1,320
Current Investments	3	1
<u>Other non-operating income</u>		
Rent Received	760	723
Profit on Sale of Investments (Net)	2,532	-
Profit on Sale of Fixed Assets (Net)	95	-
Credit Balances no longer payable written back	275	2,550
Bad Debts Written Off in Earlier Years Recovered	5,284	4,814
Provision for Doubtful Debts/Advances written Back	587	1,763
Income from Trading in Shares	-	224
Others	247	104
Total	20,992	21,787

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Particulars	Year Ended 31st March 2019 Rs. in 000s	Year Ended 31st March 2018 Rs. in 000s	Particulars	Year Ended 31st March 2019 Rs. in 000s	Year Ended 31st March 2018 Rs. in 000s
2.19 Employee Benefit Expenses			2.21 Other Expenses		
Salaries & Other Allowances	7,719	9,075	Advertisement & Business		
Contribution to Superannuation Fund	1,091	1,093	Promotion Expenses	791	1,036
Gratuity	1,590	46	Audit Fees and Other Services	348	371
Leave Encashment	314	309	Clearing House Expenses	133	158
Staff Welfare Expenses	376	471	Computer Maintenance Expenses	179	173
Reimbursement of Salaries	4,504	4,718	Custodial and Corporate Action Fees	142	142
			Electricity Expenses	265	334
Total	15,594	15,712	Expenses on Depository Services	255	316
			Insurance	589	470
2.20 Finance Cost			Listing Fees	250	250
Bank Charges and Commission	18	16	Membership and Subscription	186	187
Interest on Bank Overdraft	155	83	Motor Car Expenses	508	490
Interest - Others	162	-	Postage and Courier Expenses	543	377
Dividend on Redeemable Preference Shares including Dividend Distribution Tax	253	252	Printing and Stationery	720	656
			Professional Fees & Service Charges	1,732	3,123
TOTAL	588	351	Rates and Taxes	3	27
			Rent and Office Premises Compensation	238	282
			Office Maintenance Expenses	236	305
			SEBI Registration and Turnover Fees	256	233
			Shared Service Expenses	1,023	1,097
			Stamp Duty Charges	856	1,025
			Telephone Expenses	659	712
			Transaction Charges	330	440
			Travelling & Conveyance Expenses	779	685
			Loss on Sale of Investments (Net)	-	1,292
			Loss from Trading in Shares	420	-
			Bad Debts Written Off	-	137
			Miscellaneous Expenses	983	983
			TOTAL	12,424	15,301

2.22 NOTES ON CONSOLIDATED FINANCIAL STATEMENTS

1. Contingent Liabilities:

Sl.No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)	Current Status
1	Interest Tax	21,07,307/-	21,07,307/-	Under Appeal by Income Tax Department in High Court
2	Labour Court, Civil Court and Consumer Forums	29,51,064/-	29,51,064/-	Under Appeal before the Respective Authorities
3	Foreign Exchange Management Act	5,60,00,000/-	5,60,00,000/-	Under Appeal before the Appellate Tribunal for Foreign Exchange, New Delhi.
4	Sub-Regional Office, Employees' Provident Fund, Vashi.	21,06,154/-	21,06,154/-	The Company had appealed against the order and obtained a favourable decision in its favour from Employee Provident Fund Appellate Tribunal. The Provident Fund Department has appealed in the Hon'ble Bombay High Court and the matter is yet to be decided.
5	Listing Fees payable to The Nation Stock Exchange of India Limited (NSE)	32,55,209/-	29,13,009/-	The Company has contested the same and does not consider it as a liability.
6	BSE Limited	30,00,000/-	30,00,000/-	In the event of Listing of the Shares after revocation of suspension, the Company may be compelled to pay the Reinstatement Fees.
7	Disputed Income Tax Demands	8,14,51,511/-	8,14,51,511/-	The Company has obtained a favourable order from ITAT Mumbai. We understand that the Department has filed certain appeals in the Hon'ble Bombay High Court but the matter has not come up for hearing.

The Company has provided during the year out of abundant caution 50% of the Principal Liability in case of SI Nos. 1,2,4 & 7 and 100% in case of SI Nos. 5 & 6 as Contingency Provision. The Company has already provided 50% of the Net Liability as contingency Provision in the earlier years in case SI No. 3. Based on the developments in the matter, the same will be reviewed by the management

Other than the above Contingent Liabilities, the Company receive notices of claims from various Courts in India which are not to its knowledge. These amounts are presently unascertainable and hence not provided for.

HYBRID FINANCIAL SERVICES LIMITED
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2. During the year the Subsidiary Company has made a Provision of Rs.1,45,73,000/- @ 10% of the Market Value of all the Quoted Investments out of caution and cover as unforeseen fluctuation in market prices. The realizable value of market investments is subject to market volatility and associated tax incidences if any. In view of the same the provision is made
3. **Scheme of Compromise and Arrangements**
The Company has since made all the payments due as per the sanctioned scheme except Security Depositors who have not yet claimed.
4. **Non Confirmations and Reconciliations of Banks**
In respect of Current Accounts with banks amounting to Rs. 6,67,612/- (net) [Previous Year Rs. 6,67,212/- (net)] which includes book debit balance of Rs. 8,37,243/- and book credit balance of Rs. 1,69,631/-, statements of account were not being received; including from 2000-2001 in some cases.
5. During the year 2004-2005 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs.59,76,429/-. Though the company is in possession of the property, completion of documentation is pending.
6. The company's Debtors are fully written off as most of them have been suit filed or not traceable. In the past the Company had circulated confirmation letters to debtors/advances. As most of these companies' latest addresses are not available, the Company has not sent any confirmation letters this year. The Company has not circularised confirmations for Sundry Creditor Balances.
7. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
8. Fixed Deposit with Bank of Rs.7,66,00,000/- (Previous year Rs.7,66,00,000/-) is pledged by subsidiary company for overdraft facility, base capital and guarantees given to National Securities Clearing Corporation Ltd. / BSE Limited.
9. As required by Ind AS – 24 issued by The Institute of Chartered Accountants of India, Related Party Disclosures are as follows:
- A. Subsidiary Company**
Maximus Securities Limited
- B. Associate Companies**
Garron Shares and Stock Brokers Private Limited
Garron Trading Company Private Limited
Hybrid Systems Limited
- C. Key Management Personnel**
Mr. N. R. Divate
Mr. K.Chandramouli
Mrs. Megha J.Vazkar and
Mr. K.Suryanarayanan

Transactions with Related Parties:

	Particulars	Associate Companies		Key Management Personnel	
		2018-19 Rs.	2017-18 Rs.	2018-19 Rs.	2017-18 Rs.
(a)	Outstanding Receivables	1,16,188	7,03,788	-	-
(b)	Provision made as on date for doubtful debts	1,16,188	7,03,788	-	-
(c)	Outstanding Payable	57,94,884	57,68,127	-	-
(d)	Rent Paid	1,44,000	1,44,000	-	-
(e)	Service Charges charged by them	57,79,797	73,63,387	-	-
(f)	Other Expenses Charged by them	Nil	Nil	-	-
(g)	Managerial Remuneration	-	-	65,68,904	68,89,473

10. **Consolidated Segment Information for the year ended 31st March 2019**

Rs. in 000s

Particulars	Financial Services		Broking / Income from Capital Market Operations		Consolidated Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
REVENUE						
External	1,54,58	1,73,26	3,30,92	4,33,58	4,85,50	6,06,84
Inter Segment Revenue	(1,14,45)	(1,29,70)	(2)	(2)	(1,14,47)	(1,29,72)
Net Revenue	40,13	43,56	3,30,90	4,33,56	3,71,03	4,77,12
RESULTS						
Segment Results	(76,93)	(74,23)	1,50,63	2,26,42	73,70	1,52,19
Income Tax					(340)	(32,58)
Net Profit after Tax					70,30	1,19,61
Other Information						
Segment Assets	3,67,73	3,96,69	28,82,61	29,52,45	32,50,34	32,59,14
Unallocated Assets					44,30	43,32
TOTAL ASSETS					32,94,64	33,02,46
Segment Liabilities	13,91,61	13,32,48	18,92,56	19,49,62	32,84,17	32,82,10
Unallocated Liabilities					10,47	20,36
TOTAL LIABILITIES					32,94,64	33,02,46
Capital Expenditure		Nil	585	599	585	599
Depreciation	24	31	11,03	10,98	11,27	11,29
Other Non Cash Expenditure.	Nil	Nil	Nil	Nil	Nil	Nil

11. Listing of Subsidiary and Associates:

A). Subsidiary

Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2019	As at 31.03.2018
Maximus Securities Limited [Incorporated in India]	100%	100%

B). Associates

Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2019	As at 31.03.2018
Sunanda Capital Services Limited	45 %	45 %
Sushmita Engineering and Trading Limited	30 %	30 %
Hybrid Systems Limited	49 %	49 %

12. The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs. 2,82,000/- (Previous Year Rs. 2,79,000/-) was paid during the year has been debited to Statement of Profit and Loss. The future minimum lease payment is as under:

	2018-2019 Rs.	2017-2018 Rs.
Not later than 1 year	1,44,000	2,83,788
Later than 1 year and Not later than 5 years	Nil	55,763
Later than 5 years	Nil	Nil
Total	1,44,000	3,39,551

13. Earning Per Share:

	Current Year (Rs. In 000s)	Previous Year (Rs. in 000s)
I) Basic Earning Per Share		
Profit for the year as per Statement of Profit & Loss (Excluding OCI)	70,30	1,19,61
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,36,275	2,94,36,275
Basic Earning Per Share (Rupees)	0.24	0.41
II) Diluted Earning Per Share		
Profit for the year as per Statement of Profit & Loss (Excluding OCI)	70,30	1,19,61
Add: Interest forgone on account of Potential Equity shares	-	-
	70,30	1,19,61
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,36,275	2,94,36,275
Add: Shares issuable under Loan Contract upon default of payment of principal and interest	-	-
Total Weighted average number of Equity Shares.	2,94,36,275	2,94,36,275
Diluted Earning Per Share	0.24	0.41
Nominal Value of Shares (Rupees)	5.00	5.00

14. The company has two employees on its payroll. The Company has provided Gratuity as per Gratuity Act 1972 instead of Ind AS 19 "Employee Benefit" issued by Institute of Chartered Accountant of India.
15. Comparative financial information (i.e. the amounts and other disclosures for the previous year presented above as corresponding figures), is included as an integral part of the current year's Financial Statements and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Factors

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's

overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Market Risk

Market Risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, by providing for the same, while optimising the return.

Interest Rate Risk

The Company has financial assets which are at fixed interest rates and is therefore not exposed to the risks associated with the effects of fluctuation in interest rates.

Foreign Exchange Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the company does not deal in forex transaction, there is not foreign exchange risk.

Credit Risk

Credit Risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company's main credit risk concentration as on 31st March 2019 is negligible.

There is no risk in terms of Bank Balances, since the counterparty is a reputable bank with high quality external credit ratings.

Liquidity Risk

Liquidity Risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below illustrates the aged analysis of the Company's financial liabilities.

Rs in 000s

	On Demand	Less than 1 Year	1 to 5 Years	Total
As at 31st March 2019				
Borrowings	-	-	21095	21095
Trade Payables	-	3484	-	3484
Other Payables	-	13132	-	13132
As at 31st March 2018				
Borrowings	-	-	21417	21417
Trade Payables	-	4623	-	4623
Other Payables	-	13799	-	13799

17. Figures have been rounded off to the nearest rupee and expressed in thousands.

Signatures to Notes 1 and 2

As per our report of even date
For S Ramanand Aiyar & Co
 Chartered Accountants
 Firm Registration No.: 000990N

For and on behalf of the Board
N. R. DIVATE Wholetime Director
 DIN - 00304616
JAYESH R. TALPADE Chairman
 DIN - 02403271

BINOD C. MAHARANA
 Partner
 M.No. 056373

K.CHANDRAMOULI Wholetime Director
 and Company Secretary
 DIN - 00036297
TANVEER SHAIKH Director
 DIN - 02657790

MEGHA J.VAZKAR Director
 DIN - 00179162
VINAY KULKARNI Chief Financial Officer

Mumbai, Dated: 21st May 2019 Mumbai, Dated: 21st May 2019

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014-Form No. MGT-11]

HYBRID FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

CIN: L99999MH1986PLC041277

Regd. Office: 35, A-Wing, Raj Industrial Complex Premises Co-operative Society Limited, Military Road, Marol, Andheri (East), Mumbai-400 059 Tel No. 29207802 Email Id : office@hybridfinance.co.in
Website: www.hybridfinance.co.in

32nd Annual General Meeting dated 26th July 2019

Name of the member(s)	
Registered Address	
Email	
Folio No. / Client ID	
DPID	

I / We being the member(s) of _____ shares of the above named Company, hereby appoint

Name: _____ Email: _____

Address: _____

Signature: _____

Or failing him / her

Name: _____ Email: _____

Address: _____

Signature: _____

Or failing him / her

Name: _____ Email: _____

Address: _____

Signature: _____

(contd...)

as my / our proxy to attend and vote (on a poll) for me /us and my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Friday, 26th July 2019 at 11.00 a.m. at Vishal Hall, Hotel Highway Inn, Sir.M.V.Road, (Andheri-Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 069 and at any adjournment there of in respect of such resolutions as are indicated below:

Resolution No	Resolution	For	Against	Abstain
Ordinary Business				
1	Adoption of Audited Statement of Profit and Loss, Cash Flow Statement of the Company for the year ended 31st March, 2019 and the Balance Sheet as at that date and the Reports of Directors and the Auditors thereon.			
2	Approval of Dividend @ 1% on Preference Shares for the year			
3.	Appointment of M/s. BDMV & Co., Chartered Accountants, as Statutory Auditors for a term of 3 years.			
Special Business				
4.	Appointment of Mr. Nandakishore R. Divate (DIN: 00304616) as Whole Time Director for a term of 3 years.			

Signed this _____ day of _____ 2019

Affix
Revenue
Stamp of not
less than Rs.1

Signature of the member(s)

Signature of the proxy holder(s)

Note :

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.

Attendance Slip

HYBRID FINANCIAL SERVICES LIMITED

(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

CIN : L99999MH1986PLC041277

Regd. Office : 35, A-Wing, Raj Industrial Complex Premises Co-operative Society Limited, Military Road,
Marol, Andheri (East), Mumbai-400 059 Tel No. 29207802 Email Id : office@hybridfinance.co.in

Website: www.hybridfinance.co.in

32nd Annual General Meeting dated 26th July 2019

Registered Folio No. / DP ID No. / Client ID No.

Number of shares held

I certify that I am a member / proxy / authorized representative for the member of the Company

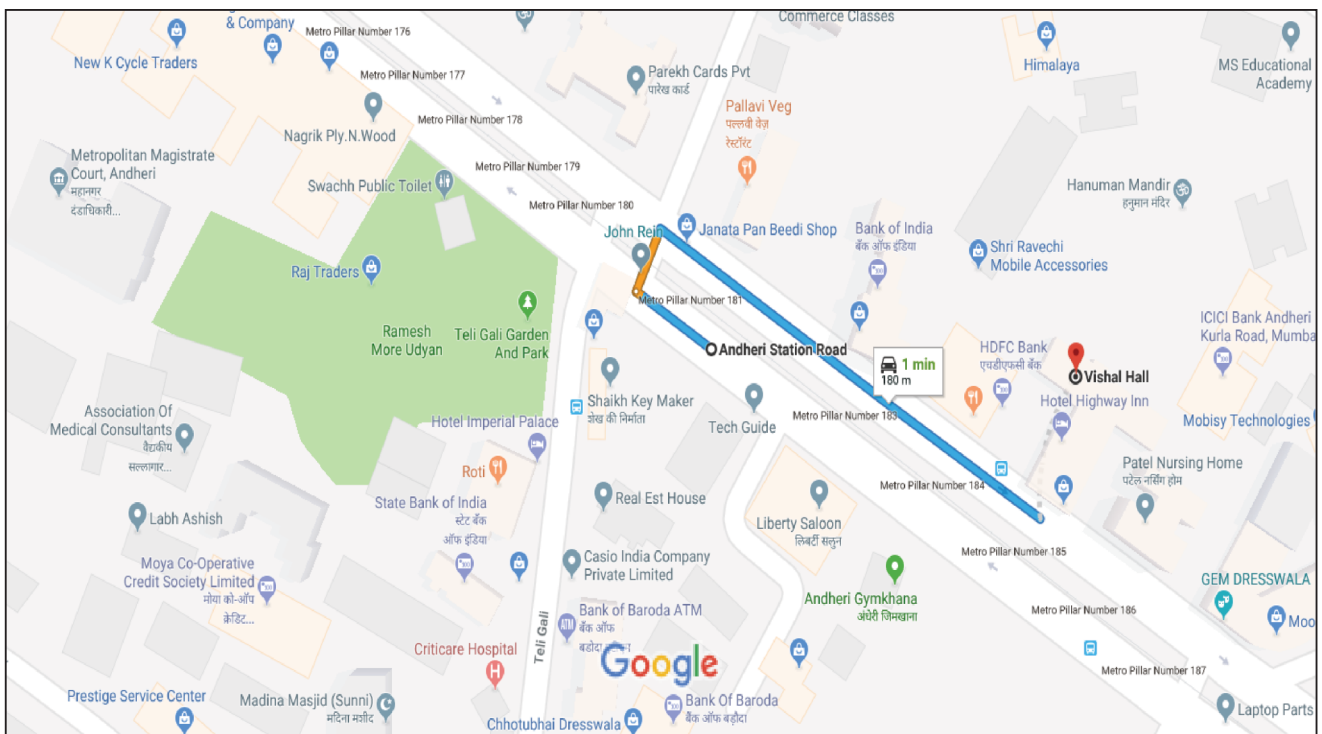
I hereby record my presence at the 32nd Annual General Meeting of the Company on Friday 26th July 2019 at 11.00 a.m. at Vishal Hall, Hotel Highway Inn, Sir.M.V. Road, (Andheri-Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai - 400 069

.....
Name of the member / proxy In BLOCK letters

.....
Signature of the member / proxy

Note: Please fill up this attendance slip and hand over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual report to the AGM

ROUTE TO THE AGM HALL



Andheri Station to Vishal Hall

If undelivered, please return :

BIGSHARE SERVICES PRIVATE LIMITED
Unit : HYBRID FINANCIAL SERVICES LIMITED
1st Floor, Bharat Tin Works Building,
Opp, Vasant Oasis, Makwana Road,
Marol, Andheri (East)
Mumbai - 400 059