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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	Whole Time Director
SHRI. K.CHANDRAMOULI	Whole Time Director and Company Secretary
SHRI. MAHESH S. MAKHIJANI (Appointed with effect from 25th September 2020)	Director
SHRI. NILAY SHARMA (Appointed with effect from 25th September 2020)	Director
SHRI. SAMEER S. PIMPALE (Appointed with effect from 25th September 2020)	Director
SHRI. JAYESH R.TALPADE (Ceased with effect from 25th September 2020)	Director
SHRI. TANVEER SHAIKH (Ceased with effect from 25th September 2020)	Director
SMT. MEGHA J. VAZKAR	Director

**CHIEF FINANCIAL OFFICER**

SHRI. VINAY RAMAKANT KULKARNI

**MANAGEMENT TEAM**

SHRI.N.R.DIVATE	Whole Time Director
SHRI.K.CHANDRAMOULI	Whole Time Director and Company Secretary

**AUDITORS**

BDMV & 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](http://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 THIRTY FOURTH ANNUAL GENERAL MEETING of the Members of **HYBRID FINANCIAL SERVICES LIMITED** (FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED) will be held on Wednesday, 8th September, 2021 at 11 am using Video Conferencing (VC) / Other Audio Visual Means (OAVM) 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, 2021 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 Financial Year 2021

**SPECIAL BUSINESS:**

3. **Appointment of Mr. K. Chandramouli as Whole Time Director and Company Secretary**

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. K. Chandramouli (DIN: 00036297 / PAN: AABPC3151D) as a Whole Time Director and Company Secretary of the Company for a period of 3 years with effect from October 01, 2021, 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. K.Chandramouli, Whole Time Director and Company Secretary, 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.”

4. **Variation in terms of appointment of Mr. Nandakishore R. Divate, Whole Time Director**

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

**“RESOLVED THAT** in partial modification to all resolutions passed in this regard and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, including the rules made there under (including any amendment / modification thereof) and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, the salary of Mr. Nandakishore R. Divate be and is hereby raised to Rs. 2,00,000 per month with effect from 1st October 2021 with attendant changes in the “Retirement Benefits” for the remainder of his tenure of appointment”

**NOTES:**

- a) The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 (“Act”) setting out material fact concerning the business under Item Nos. 3 and 4 of the Notice, is annexed hereto.

- b) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 2nd September, 2021 to Wednesday, 8th September, 2021 (both days inclusive). Members are requested to notify any change in their address, e-mail id and mobile no. etc 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, to [investor@bigshareonline.com](mailto:investor@bigshareonline.com) with a copy to [investor@hybridfinance.co.in](mailto:investor@hybridfinance.co.in)
- c) Shareholders seeking any information with regard to the Accounts of the Company are requested to email to the Company’s email id [investor@hybridfinance.co.in](mailto:investor@hybridfinance.co.in) at an early date so as to enable the Management to keep the information ready. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for 2020–2021 will also be available on the Company’s website [www.hybridfinance.co.in](http://www.hybridfinance.co.in) for download.

**CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.hybridfinance.co.in](http://www.hybridfinance.co.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The voting period begins at 9.00 am on Friday, 3rd September, 2021 and ends at 5.00 pm on Tuesday, 7th September, 2021. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 27th August, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter (i.e at 5.00 pm on 7th September, 2021).
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.
- Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p>

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Type of shareholders	Login Method
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on "Shareholders" module.
3. 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
  5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  6. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for HYBRID FINANCIAL SERVICES LIMITED on which you choose to vote.
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) **Facility for Non – Individual Shareholders and Custodians – Remote Voting**
- (A) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- (B) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (C) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (D) The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- (E) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investor@hybridfinance.co.in](mailto:investor@hybridfinance.co.in) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **4 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [investor@hybridfinance.co.in](mailto:investor@hybridfinance.co.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **4 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

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.

The Scrutinizer shall within a period of not exceeding two working days from the conclusion of the Annual General Meeting, 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.

The Result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hybridfinance.co.in](http://www.hybridfinance.co.in) and on the website of CDSL after the declaration of results and shall also be communicated to the Stock Exchanges accordingly.

All grievances connected with the facility for voting by electronic means may be addressed Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**Registered Office:**

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

Date: 31st May 2021

By Order of the Board  
**For HYBRID FINANCIAL SERVICES LIMITED**

**K.CHANDRAMOULI**  
Whole Time 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 Nos. 3 and 4 of the accompanying Notice:

**Item No.3**

**Appointment of Mr. K. Chandramouli as Whole Time Director and Company Secretary**

Mr. K.Chandramouli is presently working as Whole Time Director cum Company Secretary of the Company based on the resolution passed by shareholders on July 27, 2018 and the term of his appointment is expiring on September 30, 2021.

Based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mr. K.Chandramouli is proposed to be appointed as a Whole Time Director and Company Secretary of the Company for the further period of 3 years with effect from October 01, 2021 to September 30, 2024 subject to the approval of the members.

**Duties:**

Mr. K. Chandramouli, 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:** Rs. 2,00,000/- (in the scale of Rs. 1,50,000 - 3,00,000) with an annual rise of Rs.15,000/- per month every year during the term of appointment 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 October 2021, subject to a maximum of Rs. 3 Lakhs during the term of appointment.

**Perquisites:**

In addition to the salary Mr. K.Chandramouli 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.
- Provisions of use of Company’s car for official duty, telephone at residence including payment of local calls and long distance official calls shall not be included in the perquisites and allowance for the purpose of calculating the said limit.
- He will further be eligible for all benefits as are applicable to the senior employees of the Company, including membership of any club, the admission fee for which does not exceed Rs.3 lakhs.
- 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.
- Mr. K.Chandramouli shall operate from Mumbai or anywhere in India as per his convenience in discharging his duties.

**Other Incentives and allowances:**

In the event of absence or inadequacy of profits in any financial year during the tenure of the Mr. K. Chandramouli, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.

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 : Chartered Accountant and Company Secretary with substantial experience in the industry.
- Last Remuneration : Rs. 20.84 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 1994 and has adequate managerial capacity in terms of qualifications and experience.
- Remuneration proposed : Salary of Rs. 2,00,000 (in the scale of Rs. 1,50,000 - 3,00,000) with annual rise of Rs. 15,000/- 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 is in the threshold of reviving its operations consequent upon its debt settlement under the Scheme of Compromise and Arrangement sanctioned by the Hon’ble Bombay High Court. In the aforesaid process, there would be a significant role that would be assigned and hence the progress of the company is expected to improve.

The Board recommends the Resolution at Item no. 3 for the approval of members.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. K.Chandramouli is concerned and interested in Item No. 3 of the Notice.

**Item No. 4**

**Variation in terms of appointment of Mr. Nandakishore R. Divate, Whole Time Director**

Mr. Nandakishore R. Divate was appointed as Whole time Director for a term of 3 years vide Resolution of the Shareholders in the Annual General Meeting held on July 26, 2019 on a Basic salary of Rs. 1,65,000/- per month. He has however been drawing only Rs. 1,50,000/- per month in view of the uncertainties of Business and further Rs. 1,00,000/- per month for certain months during the Financial Year 2020-2021 on account of the Covid Pandemic.

The Nomination and Remuneration Committee in their meeting held on 31st May 2021 appreciated the adept handling of the Covid Pandemic fall out by the Whole Time Directors and approved the modification of salary of Mr.Nandakishore R.Divate to Rs. 2,00,000/- per month with effect from October 1, 2021 with an annual increase of Rs. 15,000/- per month during the reminder of term of his appointment.

Although the Shareholders have authorised the Nomination and Remuneration Committee to revise the structure, the Special Resolution is placed before the Shareholders out of abundant caution.

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: 31st May 2021

By Order of the Board  
**For HYBRID FINANCIAL SERVICES LIMITED**

**K.CHANDRAMOULI**  
Whole Time Director and  
Company Secretary

## DIRECTORS' REPORT

To,  
The Members

**Hybrid Financial Services Limited**  
(Formerly known as Mafatlal Finance Company Limited)

Your Directors present the Thirty Fourth Annual Report with the Audited Statement of Accounts of the Company for the year ended 31st March 2021.

### 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 31.03.2021 (Rs. in Lakhs)	Year Ended 31.03.2020 (Rs. in Lakhs)
Gross Income	160.77	131.74
Gross Profit before Depreciation, Exceptional Item and Income Tax	79.77	34.58
Depreciation	0.08	0.11
Exceptional Items	60.92	-
Provision for Tax	Nil	Nil
Net Profit After Tax	18.77	34.47
Other Comprehensive Income	1.66	(0.86)
Add: Amount brought forward from previous year	(1,330.51)	(1264.39)
Provision for Contingencies	-	99.73
Provision for Contingencies Reversed	40.00	-
Balance carried forward	(1,270.08)	(1,330.51)

### 2. OPERATIONS

The Financial Year 2020-2021 has ended with the company earning a profit of Rs.18.77 Lakhs after Tax. 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 years due to dwindling business opportunities. The Company is however making efforts to identify new opportunities and also to further improve the existing activities.

### 3. OUTLOOK

The company is trying to undertake new Non - NBFC activities and these activities earned a net income of Rs.1.46 Lakhs during the year. Other operations have yielded an income of Rs.84.00 Lakhs and Rs.24.00 Lakhs as Rent. Company's business is confined to attending to past issues from its earlier operations and provide support to the subsidiary's operations. The business outlook of the subsidiary is showing continued optimism.

### 4. LITIGATIONS

During the year under review there has been no progress in respect of the Litigations filed by or against the Company. The Company however lost the case in respect of payment of Listing Fees in the Securities Appellate Tribunal (SAT), and the Exchanges & NSDL freezing the Shares of Promoters and Promoters Group.

### 5. DIVIDEND

The Board of Directors have recommended a Dividend of 1% on Preference Shares amounting to Rs.2.10 Lakhs as per the terms of the instrument subject to approval of members in the ensuing Annual General Meeting. However, no dividend is recommended on Equity Shares to conserve resources and on account of inadequate profit.

### 6. ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2021 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, can be accessed on the Company's website under Financials FY 2020-21 Tab at [www.hybridfinance.co.in](http://www.hybridfinance.co.in)

### 7. BOARD MEETINGS

The details of the Board Meetings held during the Financial Year 2020-2021 have been furnished under clause 12(d) of the Corporate Governance Report forming a part of this Annual Report.

### 8. OTHER COMMITTEES

The Company has constituted the following Committees sequel to the completion of their tenure by the existing Independent Directors and Induction of new Independent Directors.

#### 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 Company has reconstituted the Audit Committee with effect from 25th September 2020. The members of the Reconstituted Audit Committee are as under as on 31st March 2021:

Name of Member	Status	Nature of Directorship
Mr. Mahesh S. Makhijani	Chairman	Independent Director
Mr. Nilay S. Sharma	Member	Independent Director
Mr. N. R. Divate	Member	Whole Time Director

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

#### b) Nomination and Remuneration Committee:

The Company has reconstituted Nomination and Remuneration Committee with effect from 25th September, 2020. Nomination and Remuneration Committee constituted in accordance with Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the reconstituted Nomination and Remuneration committee are as under as on 31st March 2021:

Name of Member	Status	Nature of Directorship
Mr. Nilay S. Sharma	Chairman	Independent Director
Mr. Sameer S. Pimpale	Member	Independent Director
Mrs. Megha J. Vazkar	Member	Women Director

#### c) Stakeholders Relationship Committee:

The Company has reconstituted Stakeholders Relationship Committee with effect from 25th September 2020 and following are the members in the reconstituted committee as on 31st March 2021:

Name of Member	Status	Nature of Directorship
Mr. Sameer S. Pimpale	Chairman	Independent Director
Mr. Nilay S. Sharma	Member	Independent Director
Mr. N. R. Divate	Member	Whole Time Director
Mr. K. Chandramouli	Member	Whole Time Director

#### d) Risk Management Committee:

The company has reconstituted the Risk Management Committee with effect from 25th September 2020 and

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following are the members in the reconstituted committee as on 31st March 2021:

Name of Member	Status	Nature of Directorship
Mr. Sameer S. Pimpale	Chairman	Independent Director
Mr. K. Chandramouli	Chairman	Whole Time Director
Mr. N. R. Divate	Member	Whole Time Director

The details regarding the meetings held during the Financial Year 2020-2021 are given in the Corporate Governance Report forming a part of this Annual Report.

### 9. 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.

### 10. BOARD EVALUATION

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

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

### 11. 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. 2.20.9 forming part of this Annual Report.

In the opinion of Board 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.

### 12. 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.

### 13. TRANSFER TO RESERVES

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

### 14. LISTING OF SHARES

The company's efforts to get the suspension revoked with the Exchanges have not been successful as both the Exchanges are adamant in their approach and harping on documentation which were not insisted at the time of SAT Appeal. However, The National Stock Exchange of India Limited (NSE) has in a change of approach been assisting the Company in completing the Listing of Shares allotted from 2000, which were causing the matter from proceeding further. We expect that during the current Financial year, the impasse will be broken atleast as regards NSE.

During the year the Company has made payment of Rs. 60,92,134/-, reflected under Exceptional Item in the Statement of Profit and Loss, towards Outstanding Listing Fees to NSE along with Interest and Taxes and Outstanding Listing Fees to BSE to the extent of unprovided Listing Fees together

with Interest and Taxes. These payments have been made under protest as the Company is of the view that no amounts are dues as no services have been provided by the Exchanges. The Company shall proceed further in the matter as per Legal Advice and the developments in the matter of revocation of suspension and trading of shares.

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

As regards the Depositories (NSDL & CDSL) subsequent to the approval of NSE for listing of all Capital issued till Capital Reduction, we have submitted our application with the Depositories for carrying out necessary Corporate Action till Reduction of Capital. If this gets completed, we expect that the shareholders would be able to complete their Demat of shares of Hybrid Financial Services Limited.

### 15. MAXIMUS SECURITIES LIMITED (MSL) – SUBSIDIARY COMPANY

The Subsidiary Company has earned a net profit of Rs. 20.92 Lakhs for the financial year ended 31st March, 2021. The Subsidiary Company is exploring various options to improve its earnings in the current financial year.

### 16. 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

### 17. CONTINGENCY PROVISIONS

The company during this year has reversed the Contingency Provision amounting to Rs. 40 Lakhs in lieu of the payment of Listing Fees under protest to BSE and NSE till the year 2020-2021.

### 18. DIRECTORATE

The present tenure of Mr. K. Chandramouli as Whole Time Director will end on September 30, 2021. The Nomination and Remuneration Committee has already recommended the reappointment of Mr. K. Chandramouli as Whole Time Director for a period of Three years commencing from 1st October, 2021. Members are hereby requested to consider and approve his reappointment on the terms as per Special resolution placed in the Annual General Meeting. Mr. K. Chandramouli is interested in the said resolution. The Board of Directors also recommend the same, based on the recommendation of Nomination and Remuneration Committee.

### 19. 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.

### 20. 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.

### 21. 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.

**22. WEBSITE OF THE COMPANY**

The Company maintains a website [www.hybridfinance.co.in](http://www.hybridfinance.co.in) where detailed information of the Company is provided.

**23. 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.

**24. SEXUAL HARASSEMENT**

Your Company and its Subsidiary have Zero Tolerance towards Sexual Harassment and there were no complaints of any Sexual Harassment during the year under review.

**25. 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.

**26. 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, 2021, 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.

**27. 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.

**28. 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><b>Emphasis of Matter</b></p> <p>We draw attention to Note 2.20.13 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 2021 other than Two Whole Time Directors and Chief Financial Officer (on deputation). However, during the year, the Company has provided Gratuity with for the two Whole Time Directors as per the Gratuity Act, 1972</i></p>

**29. SECRETARIAL AUDITOR**

The Board of Directors have appointed Mr. Vijay S. Tiwari, a practising Company Secretary, as Secretarial Auditor for the Financial Year 2020-2021.

**30. IMPACT OF COVID**

**The business of the Company was adversely affected during the months of April 2020 and May 2020, but with the relaxations provided and the continued buoyancy in the Stock Markets, the business of the Subsidiary improved and overall, there was not much impact on the Company's Operations during this year. The company however continues to monitor the situation in view of the uncertain environment on the Covid-19 virus front.**

**31. AGM BY VIDEO CONFERENCE (VC) / OTHER AUDIO VISUAL MEANS (OVAM)**

**In view of the advice given by SEBI and MCA vide their notification the dispatch of printed copies of the Accounts and Annual Report is not being done. Members have to send their email id to the Registrar and update their records. Copies of Annual Accounts, Notice etc will be available in the Exchange Portals and Company's Website [www.hybridfinance.co.in](http://www.hybridfinance.co.in)**

**32. CORPORATE SOCIAL RESPONSIBILITY**

The said provisions are not applicable to the Company.

**33. 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**  
Whole Time Director and  
Company Secretary

Place: Mumbai  
Date: 31st May 2021

**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.160.77 Lakhs which includes Rs.85.46 Lakhs towards operational income and Rs.75.31 Lakhs as other income (which includes write-backs and Tax Refunds) and the company earned a pre-tax profit of Rs.18.77 Lakhs.

**BUSINESS ANALYSIS OUTLOOK**

The outlook in respect of Future Operations continues to be murky on account of the uncertain environment due to preponderance of Covid – 19 and the disruptions caused due to Lockdown imposed by the Government to arrest its spread. It is expected that the virulence of the Pandemic will abate after the successful completion of the vaccination programme.

In the meantime, the business outlook continues to be guarded and uncertain.

The business of the Subsidiary is showing signs of uptick due to continued buoyancy in the stock market and the unexpected improved performance of the Corporates despite the Covid Pandemic

Both the Global Outlook and the Domestic Outlook continue to exhibit continued optimism. The Company is continuously scanning the environment for opportunities besides keeping a hawkish eye on the ground to avert any unforeseen mishap. Appropriate Risk Management Initiatives are continuously practiced.

**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 2021 has two employees (Two Wholetime Directors) in 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	Whole Time Director	112.20
		Mr. N. R . Divate	Whole Time Director	100
2.	Percentage of increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manger if any, in the financial year	<b>Director / Key Managerial Personnel</b>	<b>Title</b>	<b>% Increase / Decrease in remuneration</b>
		Mr. K. Chandramouli	Whole Time Director	(17.61%)
		Mr. N. R. Divate	Whole Time Director	(18.83%)
	Mr. Vinay Kulkarni	Chief Financial Officer	(19.87%)	
3.	Percentage of increase in the median remuneration of employees in the financial year	(18.83%)		
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 2021**

*[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 2021 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 2021 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'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.***

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### 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. There is change took place in the composition of the Board of Directors during the period under review as per details given below:

**Mr. Sameer Suresh Pimpale, Mr. Mahesh S. Makhijani and Mr. Nilay S. Sharma have been appointed as Directors with effect from 25th September, 2020. Mr. Sameer Suresh Pimpale is elected as Chairman of the Board of Directors.**

**Mr. Jayesh R. Talpade and Mr. Tanveer Shaikh ceased to be Directors of the Board with effect from 25th September, 2020 as their tenure ended on that date.**

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

UDIN No: A033084C000372931

Place: Mumbai

Date: 31st May 2021

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### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
**The Members of**  
**Hybrid Financial Services Limited**  
35, A-Wing, Raj Industrial Complex Premises  
Co-operative Society Ltd, Military Road, Marol,  
Andheri (East), Mumbai – 400059  
Maharashtra

CIN: L99999MH1986PLC041277

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Hybrid Financial Services Limited** having CIN: **L99999MH1986PLC041277** and having registered office at 35, A-Wing, Raj Industrial Complex Premises Co-operative Society Ltd, Military Road, Marol, Andheri (East), Mumbai – 400059, Maharashtra, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year Ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Vijay S. Tiwari & Associates**  
Company Secretaries in Practice

**Vijay Tiwari**  
Proprietor

C.P. No. – 12220

M.No. 33084

UDIN No: A033084C000372005

Place: Mumbai

Date: 31st May, 2021

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## 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 2021 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 Whole Time Directors Mr. Nandakishore R. Divate and Mr. K Chandramouli, Three Independent Directors Mr. Nilay S. Sharma, Mr. Mahesh S. Makhijani and Mr. Sameer S. Pimpale who have been appointed on 25th September, 2020. Mr. Jayesh Talpade and Mr. Tanveer Shaikh ceased to be Independent Directors on the same day due to completion of their tenure. The Company also has 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 2020-2021 and the last Annual General Meeting is as follows:

Director	Board Meetings Attended	Last Annual General Meeting Attended (Held on 25th September 2020)
Mr. N.R. Divate	4	Yes
Mr. K. Chandramouli	4	Yes
Mr. Nilay S. Sharma *	2	No
Mr. Mahesh S. Makhijani *	2	No
Mr. Sameer S. Pimpale *	2	No
Mrs. Megha J. Vazkar	4	Yes
Mr. Jayesh Talpade **	2	Yes
Mr. Tanveer Shaikh **	2	Yes

\* Mr. Sameer Suresh Pimpale, Mr. Mahesh S. Makhijani and Mr. Nilay S. Sharma have been appointed as Directors with effect from 25th September, 2020.

\*\* Mr. Jayesh R. Talpade and Mr. Tanveer Shaikh ceased to be Directors of the Board Committee with effect from 25th September, 2020.

##### (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. Nilay S. Sharma	Independent, Non-Executive	2	-	-	-
Mr. Mahesh S. Makhijani	Independent, Non-Executive	1	-	-	-
Mr. Sameer S. Pimpale	Independent, Non-Executive	1	-	1	1
Mrs. Megha J. Vazkar	Woman Director Non-Executive	4	-	2	-
Mr. Jayesh Talpade	Independent, Non-Executive	1	-	1	1
Mr. Tanveer Shaikh	Independent, Non-Executive	1	-	-	-

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

Four Board Meetings were held during the year 2020-2021. The dates on which meetings were held were as follows:

25th June, 2020, 4th August 2020, 10th November 2020 and 2nd February 2021.

##### (e) Remuneration of Directors:

The company does not pay any remuneration to the Independent Directors. During the year, the company paid Rs.20,84,131/- to Mr. K. Chandramouli and Rs.18,58,221/- to Mr. N. R. Divate, Whole Time Directors of the Company towards remuneration and the same has been approved by the members. The Company also paid a remuneration of Rs.3,70,280/- 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, Mr. N. R. Divate is holding 93,83,995 Equity Shares, 10,50,000 1% Cumulative Redeemable Preference Shares. Mr Sameer Pimpale is holding 5 Equity Shares and Mr Nilay Sharma is holding 2,250 Equity Shares in the Company.

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### 3 AUDIT COMMITTEE:

The Company has reconstituted Audit Committee with effect from 25th September, 2020. The Audit committee is constituted in accordance with 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 of Two Independent – Non-Executive Directors and one Executive Director. The Audit Committee met four times in 2020-2021 i.e. on 25th June, 2020, 4th August 2020, 10th November 2020 and 2nd February 2021. The composition of the committee during 2020-2021 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	2
Mr. Tanveer Shaikh*	Member and Independent Director	2
Mr. Mahesh S. Makhijani**	Chairman and Independent Director	2
Mr. Nilay S. Sharma **	Member and Independent Director	2
Mr. N. R. Divate	Member and Whole Time Director	4

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

\* Mr. Jayesh R. Talpade and Mr. Tanveer Shaikh ceased to be members of the Audit Committee with effect from 25th September, 2020

\*\* Mr. Mahesh S. Makhijani and Mr. Nilay S. Sharma have been appointed as Chairman and Member respectively of the reconstituted Audit Committee with effect from 25th September, 2020

### 4. NOMINATION AND REMUNERATION COMMITTEE:

The Company has reconstituted Nomination and Remuneration Committee with effect from 25th September, 2020. Nomination and Remuneration Committee constituted in accordance with Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Tanveer Shaikh and Mr. Jayesh Talpade ceased to become the members of Nomination and Remuneration committee on 25th September, 2020. The members of the reconstituted Nomination and Remuneration committee are as under on 31.03.2021

Mr. Nilay S. Sharma	... Chairman and Independent Director
Mr. Sameer S. Pimpale	... Member and Independent Director
Mrs. Megha J. Vazkar	... Member and Non Executive Women Director

The Nomination and Remuneration Committee met Two times in 2020-2021 on 25th June, 2020 and 4th August, 2020 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	2
Mr. Jayesh Talpade	Member and Independent Director	2
Mrs. Megha Vazkar	Member and Non-Executive Women Director	2

### 5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Company has reconstituted Stakeholder Relationship Committee with effect from 25th September, 2020. Mr. Jayesh Talpade, Mr. Tanveer Shaikh, and Mrs. Megha J. Vazkar ceased to become the members of Stakeholder Relationship Committee with effect from 25th September, 2020 and the committee stands reconstituted. The members of the reconstituted Stakeholder Relationship Committee are as under on 31.03.2021.

Mr. Sameer S. Pimpale	... Chairman and Independent Director
Mr. K. Chandramouli	... Member and Whole Time Director
Mr. N.R. Divate	... Member and Whole Time Director
Mr. Nilay S. Sharma	... Member and Independent 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: 01.04.2020 to 31.03.2021

Number of Equity Shareholders / Debenture holders}	: Nil
Preference Shareholders complaints pending as on 01.04.2020}	
Number of complaints received during the year	: 1
Number of complaints solved during the year	: 1
Number of complaints pending as on 31.03.2021	: Nil

Four meetings were held during the year 2020-2021. (25th June, 2020, 4th August 2020, 10th November 2020 and 2nd February 2021). The attendance for the said meetings is as follows:

Name of the Director	Category	Attendance Particulars
Mr. Jayesh Talpade	Chairman and Independent Director	2
Mr. K. Chandramouli	Member and Whole Time Director	4
Mr. N.R. Divate	Member and Whole Time Director	4
Mr. Tanveer Shaikh	Member and Independent Director	2
Mrs. Megha J. Vazkar	Member and Non Executive Women Director	2
Mr. Sameer S. Pimpale	Chairman and Independent Director	2
Mr. Nilay S. Sharma	Member and Independent Director	2

**6. RISK MANAGEMENT COMMITTEE:**

The Company has reconstituted Risk Management Committee with effect from 25th September, 2020. Mr. Tanveer Shaikh ceased to become the member of Risk Management Committee on 25th September, 2020. The members of the reconstituted Risk Management Committee are as under on 31.03.2021.

Mr. K. Chandramouli	... Chairman and Whole Time Director
Mr. N.R. Divate	... Member and Whole Time Director
Mr. Sameer S. Pimpale	... Member and Independent Director

One meeting of Risk Management Committee was held on 25th June 2020 during the year 2020-2021. The attendance for the said meetings is as follows:

Name of the Director	Category	Attendance Particulars
Mr. Tanveer Shaikh	Chairman and Independent Director	1
Mr. K. Chandramouli	Chairman and Whole Time Director	1
Mr. N.R. Divate	Member and Whole Time Director	1
Mr. Sameer S. Pimpale	Member and Independent Director	-

**7. DIRECTORS:**

The Tenure of both the Independent Directors Mr. Jayesh R. Talpade and Mr. Tanveer Abdul Karim Shaikh had come to an end on 25th September, 2020. The Board appreciates their services during these turbulent times and their contribution to the management of the Company. Mr. Sameer S. Pimpale, Mr. Nilay S. Sharma and Mr. Mahesh S. Makhijani has been appointed as Independent Directors on the same day. Mr Sameer S. Pimpale has been nominated as the Chairman by the Board.

**8. GENERAL BODY MEETINGS :**

Date	Venue	Time
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
26th July, 2019	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
25th September, 2020	The Annual General Meeting was conducted through Video Conferencing (VC) / Other Audio Visual Means (OVAM).	11.00 A.M

**9. SUBSIDIARY COMPANY :**

The company has appointed Mr. Sameer S. Pimpale as a Director in place of Mr. Jayesh R. Talpade of the holding company in the board of the subsidiary company with effect from 10th November 2020 in compliance with the Listing Regulations. 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. 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.

In the year under reference the Company has received Rs. 84 Lakhs as the fee for Professional Services rendered to the subsidiary.

**10. DISCLOSURES :**

- The details of related party transactions are given in Point No. 9 of Note No. 2.20, the notes on Standalone 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 alleged 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.

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 made payment of Listing Fee along with Interest and Taxes to BSE Limited under protest from the year 2012-2013 to the year 2020-2021 and also made payment of Listing Fess along with Interest and Taxes to The National Stock Exchange of India Limited (NSE) under protest for the financial years from 2002-2003 to 2020-2021 on 26th October 2020. However the Company contends that there was gross deficiency of service by the Exchanges. All these payments were made under protest.

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 as no services can be rendered by them until they effect the Corporate Action pursuant to Reduction of Capital.

Based on the communication received from The National Stock Exchange of India Limited (NSE) in 2016 and the pleading in the SAT Appeal, the need to get the listing in NSE was necessitated although the Shareholders had approved the delisting from NSE in 2003. This resulted in a demand of Listing Fees from NSE for prior years. The Company has not admitted or accepted the same. Meanwhile the Company is carrying out requirements as required by NSE for completing the process of removing the differences between Listed Capital and Paid-up Capital.

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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 WHOLE TIME DIRECTORS CERTIFICATION:

The Whole Time Directors of the company have certified to the Board that:

- a) They have reviewed the Financial Statements as on 31st March 2021 and the Cash Flow Statement for the year ended 31st March 2021 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](http://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 : Wednesday, 8th September, 2021 at 11 A.M. by Video Conferencing (VC) / Other Audio Visual Means (OVAM). Members are requested to note the procedure for participating in the VC / OVAM as given in the Notice to AGM.

#### 13.2 Financial Calendar (2021-2022) (tentative) :

##### Quarterly Results:

Quarter Ending June 30, 2021	Last week of July 2021
Quarter Ending September 30, 2021	Last week of October 2021
Quarter Ending December 31, 2021	Last week of January 2022
Quarter Ending March 31, 2022	Last week of May 2022

13.3 Book Closure date(s) : Thursday, 2nd September, 2021 to Wednesday, 8th September, 2021 (both days inclusive)

13.4 Dividend payment date(s) : Not applicable

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

**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 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. The Company has also made payment of Listing Fee along with Interest and Taxes to BSE Limited under protest from the year 2012-2013 to the year 2020-2021 on 26th October 2020.

The company has also paid the listing fees to The National Stock Exchange of India Limited (NSE) under protest for the financial years from 2002-2003 to 2020-2021 on 26th October 2020.

**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, 2021**

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
<b>GRAND TOTAL</b>	<b>52,231</b>	<b>100.00</b>	<b>2,94,36,275</b>	<b>100.00</b>

**(b) Category of Shareholding as on 31st March, 2021**

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	2,255	0.01
5.	Non-Resident Individuals	22,687	0.08
6.	General Public	99,65,789	33.85
	<b>TOTAL</b>	<b>2,94,36,275</b>	<b>100.00</b>

**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 2021.

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 and 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**

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### 13.13 Fees to Statutory Auditors during the year und review

Particulars	Amount in Rs.
As Statutory Auditor	60,000
Limited Review and Other Certification work	36,000
Out of Pocket Expenses	2,650
<b>Total</b>	<b>98,650</b>

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

**13.15 Address for Correspondence** : First Floor, Sterling Centre, Opp. Holy Divine High School, Andheri-Kurla Road, Chakala, Andheri (East), Mumbai – 400093.

## II. NON-MANDTAORY REQUIREMENTS

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

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

### 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](http://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. It is also submitted to the Stock Exchanges BSE and NSE.

### 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

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## 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 Whole Time Directors on 31st March 2021.

**K. CHANDRAMOULI**  
Whole Time Director and  
Company Secretary

Place: Mumbai  
Date: 31st May 2021

**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 2021, 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 BDMV & Co.**  
Chartered Accountants,  
Firm Registration No: 101256W

**VISHAL KELKAR**  
Partner  
Membership No. 154128  
UDIN: 21154128AAAACR6002

Mumbai, Dated 31st May 2021

## 34TH ANNUAL REPORT 2020-2021

### INDEPENDENT AUDITORS' REPORT

To,

The Members,

HYBRID FINANCIAL SERVICES LTD (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 2021, 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 31st March, 2021, and profit including other comprehensive income, the statement of 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 2.20 (2) to the Financial Results regarding impact and uncertainties arising from COVID 19 pandemic
- \* Note 2.20 (13) 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	<b>Disputed Tax and other liabilities.</b> The company has received demand from income tax department. 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. Refer Notes 2.20 (1) to the Standalone Financial Statements	<b>Principal Audit Procedures</b> 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 to evaluate whether any change was required to management's position on these uncertainties.
2	<b>Immovable properties acquired in satisfaction</b> 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.	<b>Principal Audit Procedures</b> We have been informed by the Management that the documents related to the property is expected to be completed in the Current Financial year 2021-2022. and the same will be capitalised on completion of the same

#### 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- \* Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- \* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- \* Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- \* Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **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.

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

- a) We have sought and obtained all the information and explanations.
- 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, the Standalone Statement of Changes in Equity 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, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 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 2.20 (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 BDMV & Co.**  
Chartered Accountants,  
Firm Registration No: 101256W

**VISHAL KELKAR**  
Partner  
Membership No. 154128  
UDIN:21154128AAAACP6011

Mumbai, Dated 31st May 2021

## 34TH ANNUAL REPORT 2020-2021

### 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 31st March 2021, 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, 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, service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues in arrears, as at 31st March, 2021 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, 2021 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 given 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 BDMV & Co.**  
Chartered Accountants,  
Firm Registration No: 101256W

**VISHAL KELKAR**  
Partner  
Membership No. 154128  
UDIN:21154128AAAACP6011

Mumbai, Dated 31st May 2021

## **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 2021 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 2021, 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 BDMV & Co.**  
Chartered Accountants,  
Firm Registration No: 101256W

**VISHAL KELKAR**  
Partner  
Membership No. 154128  
UDIN:21154128AAAACP6011

Mumbai, Dated 31st May 2021

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Standalone Balance Sheet as at 31st March 2021

Particulars	Note	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>A ASSETS</b>			
<b>1 Non- Current Assets</b>			
(a) Property Plant and Equipment	2.01	315	323
(b) <b>Financial Assets</b>			
(i) Non Current Investments	2.02	100,367	100,201
(c) Other Non Current Assets	2.03	7,139	7,668
<b>Total Non Current Assets</b>		<b>107,821</b>	<b>108,192</b>
<b>2 Current Assets</b>			
(a) <b>Financial Assets</b>			
(i) Cash and Bank Balances	2.04	30,119	32,069
(ii) Other Current Financial Assets	2.05	537	594
(b) <b>Other Current Assets</b>	2.06	4,181	2,660
<b>Total Current Assets</b>		<b>34,837</b>	<b>35,323</b>
<b>TOTAL ASSETS</b>		<b>142,658</b>	<b>143,515</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	2.07	147,181	147,181
(b) Other Equity	2.08	(127,008)	(133,051)
<b>Total Equity</b>		<b>20,173</b>	<b>14,130</b>
<b>2 Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Borrowings	2.09	21,000	21,000
(b) Provisions	2.10	92,096	95,663
(c) Other Non Current Financial Liabilities	2.11	2,038	2,164
<b>Total Non Current Liabilities</b>		<b>115,134</b>	<b>118,827</b>
<b>Current Liabilities</b>			
(a) <b>Financial Liabilities</b>			
(i). Borrowings	2.12	41	-
(ii). Other Current Financial Liabilities	2.13	7,100	10,348
(b) <b>Provisions</b>	2.14	210	210
<b>Total Current Liabilities</b>		<b>7,351</b>	<b>10,558</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>142,658</b>	<b>143,515</b>

Significant Accounting Policies 1  
Notes forming part of the financial statements 2

As per our report of even date  
**For BDMV & Co**  
Chartered Accountants  
Firm Registration No.: 101256W

For and on behalf of the Board

**N. R. DIVATE**  
Whole Time Director  
DIN - 00304616

**SAMEER S. PIMPALE**  
Chairman  
DIN - 08813127

**K.CHANDRAMOULI**  
Whole Time Director  
and Company Secretary  
DIN - 00036297

**VISHAL KELKAR**  
Partner  
M.No. 154128

**MAHESH S. MAKHIJANI**  
Director  
DIN - 00322226

**MEGHA J.VAZKAR**  
Director  
DIN - 00179162

**NILAY SHARMA**  
Director  
DIN - 00231299

**VINAY KULKARNI**  
Chief Financial Officer

Mumbai, Dated: 31st May 2021

Mumbai, Dated: 31st May 2021

**Statement of Standalone Profit and Loss for the Year Ended 31st March 2021**

Particulars	Note	Year Ended 31st March 2021 Rs. in 000s	Year Ended 31st March 2020 Rs. in 000s
<b>INCOME</b>			
(a) Revenue from operations			
Service Charges		8,546	7,308
		8,546	7,308
(b) Other Income	2.15	7,531	5,866
<b>1 Total Income</b>		<b>16,077</b>	<b>13,174</b>
<b>EXPENSES:</b>			
(a) Employee Benefit Expenses	2.16	4,520	5,491
(b) Depreciation and Amortisation Expenses	2.01	8	11
(c) Finance Cost	2.17	747	236
(d) Other Expenses	2.18	2,833	3,829
(e) Provisions and Write Off	2.19	-	160
<b>2 Total Expenses</b>		<b>8,108</b>	<b>9,727</b>
<b>3 Profit before Exceptional Items and Tax</b>		<b>7,969</b>	<b>3,447</b>
<b>4 Exceptional items (Refer Note No. 2.20.7)</b>		<b>6,092</b>	<b>-</b>
<b>5 Profit before Tax from Continuing Operations</b>		<b>1,877</b>	<b>3,447</b>
<b>6 Income Tax Expense:</b>		<b>-</b>	<b>-</b>
<b>7 Profit for the year</b>		<b>1,877</b>	<b>3,447</b>
<b>8 Other Comprehensive Income</b>			
- Remeasurement of Gains / (Losses) on Non Current Investments		166	(86)
<b>9 Total Comprehensive Income for the year</b>		<b>2,043</b>	<b>3,361</b>
<b>10 Earning Per Share (Equity Share of Rs. 5/- Each)</b>			
<b>Basic and Diluted (without considering OCI)</b>		<b>0.06</b>	<b>0.12</b>

Significant Accounting Policies

1

Notes forming part of the financial statements

2

As per our report of even date

**For BDMV & Co**

Chartered Accountants

Firm Registration No.: 101256W

**VISHAL KELKAR**

Partner

M.No. 154128

**For and on behalf of the Board**

**N. R. DIVATE**

Whole Time Director

DIN - 00304616

**SAMEER S. PIMPALE**

Chairman

DIN - 08813127

**K.CHANDRAMOULI**

Whole Time Director

and Company Secretary

DIN - 00036297

**MAHESH S. MAKHIJANI**

Director

DIN - 00322226

**MEGHA J.VAZKAR**

Director

DIN - 00179162

**NILAY SHARMA**

Director

DIN - 00231299

**VINAY KULKARNI**

Chief Financial Officer

Mumbai, Dated: 31st May 2021

Mumbai, Dated: 31st May 2021

34TH ANNUAL REPORT 2020-2021

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

		2020-2021 Rs. in 000s	2019-2020 Rs. in 000s
<b>A. Cash Flow from Operating Activities</b>			
Net Profit Before Tax		1,877	3,447
<b>Adjustment for :</b>			
Provision for Doubtful Debts Written Back	-		(116)
Depreciation	8		11
Excess Provision / Credit Balances Written Back	(24)		-
Interest / Dividend on Investments	(1,777)		(1,985)
Provisions for Gratuity	173		173
Provisions for Leave Encashment	260		260
Provisions and Write Off	-		160
Financial Cost	747		236
		<u>(613)</u>	<u>(1,261)</u>
<b>Operating Profit before Working Capital Changes</b>		<b>1,264</b>	<b>2,186</b>
<b>Changes in Working Capital</b>			
<b>Adjustments for (Increase) / Decrease in operating assets</b>			
Other Non Current Assets	55		-
Other Current Assets	(1,521)		1,115
<b>Adjustments for Increase / (Decrease) in operating liabilities</b>			
Other Non Current Financial Liabilities	(126)		38
Other Current Financial Liabilities	366		(1,340)
		<u>(1,226)</u>	<u>(187)</u>
<b>Cash Used In Operations</b>		<b>474</b>	<b>(45)</b>
Direct Taxes Received / (Paid) (Net)			
<b>Net Cash From Operating Activities</b>	<b>(A)</b>	<u><u>512</u></u>	<u><u>1,954</u></u>
<b>B. Cash Flow from Investing Activities</b>			
Interest/Dividend Received		1,834	2,100
<b>Net Cash From Investing Activities</b>	<b>(B)</b>	<u><u>1,834</u></u>	<u><u>2,100</u></u>
<b>C. Cash Flow from Financing Activities</b>			
Short Term Borrowings		41	(95)
Financial Costs		(537)	(26)
Redemption of Preference Shares		(3,590)	-
Dividend Paid on Preference Shares		(210)	(210)
Dividend Distribution Tax on above		-	(43)
<b>Net Cash Used In Financing Activities</b>	<b>(C)</b>	<u><u>(4,296)</u></u>	<u><u>(374)</u></u>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>(A+B+C)</b>	<u><u>(1,950)</u></u>	<u><u>3,680</u></u>
<b>Cash and Cash Equivalents as at the commencement of the year</b>		<b>32,069</b>	<b>28,389</b>
<b>Cash and Cash Equivalents as at the end of the year</b>		<u><u>30,119</u></u>	<u><u>32,069</u></u>
<b>Net Increase as Disclosed above</b>		<u><u>(1,950)</u></u>	<u><u>3,680</u></u>

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

	As at 31.03.2021 Rs. in 000s	As at 31.03.2020 Rs. in 000s1
1. Cash and cash equivalents include :		
Cash on hand	1	1
Bank Balances	30,118	32,068
<b>Total</b>	<u><u>30,119</u></u>	<u><u>32,069</u></u>
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 report of even date  
For BDMV & Co  
Chartered Accountants  
Firm Registration No.: 101256W

For and on behalf of the Board

VISHAL KELKAR  
Partner  
M.No. 154128

N. R. DIVATE  
Whole Time Director  
DIN - 00304616

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DIN - 00179162

NILAY SHARMA  
Director  
DIN - 00231299

VINAY KULKARNI  
Chief Financial Officer

Mumbai, Dated: 31st May 2021

Mumbai, Dated: 31st May 2021

**Standalone Statement of Changes in Equity for the year ended 31.03.2021**

**a Equity Share Capital**

Particulars	No. of Shares	Rs. in 000s
<b>Balance as at 01.04.2019</b>	<b>29,436,275</b>	<b>147,181</b>
Add: Shares issued during the year	-	-
<b>Balance as at 31.03.2020</b>	<b>29,436,275</b>	<b>147,181</b>
Add: Shares issued during the period	-	-
<b>Balance as at 31.03.2021</b>	<b>29,436,275</b>	<b>147,181</b>

**b Other Equity**

Rs. in 000s

Particulars	Other Equity			Total
	Retained Earnings	Capital Redemption Reserve Account	Other Comprehensive Income	
<b>Balance as at 1st April 2019</b>	<b>(143,425)</b>	<b>16,907</b>	<b>79</b>	<b>(126,439)</b>
<b>Addition During the year:</b>				
Transfer to retained earnings	3,447	-	-	3,447
Provision for Contingencies	(9,973)	-	-	(9,973)
Equity instruments through other comprehensive income	-	-	(86)	(86)
<b>Balance as at 31st March 2020</b>	<b>(149,951)</b>	<b>16,907</b>	<b>(7)</b>	<b>(133,051)</b>
<b>Addition During the year:</b>				
Transfer to retained earnings	1,877	-	-	1,877
Provision for Contingencies Reversed	4,000	-	-	4,000
Equity instruments through other comprehensive income	-	-	166	166
<b>Balance as at 31st March 2021</b>	<b>(144,074)</b>	<b>16,907</b>	<b>159</b>	<b>(127,008)</b>

As per our report of even date  
**For BDMV & Co**  
Chartered Accountants  
Firm Registration No.: 101256W

**VISHAL KELKAR**  
Partner  
M.No. 154128

Mumbai, Dated: 31st May 2021

**For and on behalf of the Board**

**N. R. DIVATE**  
Whole Time Director  
DIN - 00304616

**SAMEER S. PIMPALE**  
Chairman  
DIN - 08813127

**K.CHANDRAMOULI**  
Whole Time Director  
and Company Secretary  
DIN - 00036297

**MAHESH S. MAKHIJANI**  
Director  
DIN - 00322226

**MEGHA J.VAZKAR**  
Director  
DIN - 00179162

**NILAY SHARMA**  
Director  
DIN - 00231299

**VINAY KULKARNI**  
Chief Financial Officer

Mumbai, Dated: 31st May 2021

**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 Whole Time 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 Whole Time Directors.

**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 Standalone Financial Statements

#### 2.01 Property, Plant and Equipment

Rs. in 000s

Particulars	Building	Furnitures & Fixtures	Computer Equipments	Office Equipments	Total
<b>Gross Carrying as at 1st April, 2019</b>	<b>521</b>	<b>35</b>	<b>25</b>	<b>118</b>	<b>699</b>
Addition during the year	-	-	-	-	-
Disposals during the year	-	-	-	-	-
<b>As at 31st March 2020</b>	<b>521</b>	<b>35</b>	<b>25</b>	<b>118</b>	<b>699</b>
Addition during the year	-	-	-	-	-
Disposals during the year	-	-	-	-	-
<b>As at 31st March 2021</b>	<b>521</b>	<b>35</b>	<b>25</b>	<b>118</b>	<b>699</b>
<b>Depreciation and Impairment</b>					
<b>As at 1st April 2019</b>	<b>200</b>	<b>29</b>	<b>24</b>	<b>112</b>	<b>365</b>
Depreciation charge for the year	8	3	-	-	11
Deletions during the year	-	-	-	-	-
<b>As at 31st March 2020</b>	<b>208</b>	<b>32</b>	<b>24</b>	<b>112</b>	<b>376</b>
Depreciation charge for the year	8	-	-	-	8
Deletions during the year	-	-	-	-	-
<b>As at 31st March 2021</b>	<b>216</b>	<b>32</b>	<b>24</b>	<b>112</b>	<b>384</b>
<b>Net Book Value</b>					
<b>As at 31st March 2021</b>	<b>305</b>	<b>3</b>	<b>1</b>	<b>6</b>	<b>315</b>
As at 31st March 2020	313	3	1	6	323

#### 2.02 Financial Assets

Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>Non Current Investments</b>		
<b>IN FULLY PAID EQUITY SHARES OF SUBSIDIARY COMPANIES</b>		
1,00,00,000 Shares of Rs.10 each in Maximus Securities Limited	100,000	100,000
<b>SUB TOTAL (A)</b>	<b>100,000</b>	<b>100,000</b>
<b>IN FULLY PAID EQUITY SHARES - QUOTED</b>		
112 Shares of Rs.2 each in Larsen & Toubro Limited	159	90
28 Shares of Rs.10 each in Ultratech Cement Limited	188	91
<b>SUB TOTAL (B)</b>	<b>347</b>	<b>181</b>
<b>IN FULLY PAID EQUITY SHARES - UNQUOTED</b>		
<b>WITH ASSOCIATE COMPANIES</b>		
24,500 shares of Rs.10 each in Hybrid Systems Limited	245	245
Less: Provision for Diminution in Value	245	245
<b>SUB TOTAL (C)</b>	<b>-</b>	<b>-</b>
<b>WITH OTHERS</b>		
16,000 shares of Rs.10 each in AB Corp Limited	1,280	1,280
3,00,000 shares of Rs.10 each in Leisure Hotel Limited	3,000	3,000
Less: Provision for Diminution in Value	4,280	4,280
<b>SUB TOTAL (D)</b>	<b>-</b>	<b>-</b>
<b>IN FULLY PAID PREFERENCE SHARES</b>		
52,255 shares of Rs.10 each in Pasupati Fabrics Limited	523	523
Less: Provision for Diminution in Value	523	523
<b>SUB TOTAL (E)</b>	<b>-</b>	<b>-</b>
<b>OTHERS</b>		
333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Limited	10	10
1,000 shares of Rs.10 each in Saraswat Co-operative Bank Limited	10	10
<b>SUB TOTAL (F)</b>	<b>20</b>	<b>20</b>
<b>TOTAL [A + B + C + D + E + F]</b>	<b>100,367</b>	<b>100,201</b>

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

Particulars	As at	As at
	31st March 2021	31st March 2020
	Rs. in 000s	Rs. in 000s
<b>2.03 Other Non Current Assets</b>		
Advance payment of Income Tax and Tax Deducted at Source	751	1,225
<b>Sub Total (A)</b>	<b>751</b>	<b>1,225</b>
Deposit with others		
(i) Considered Good	411	466
(ii) Considered Doubtful	8,000	8,000
	<b>8,411</b>	<b>8,466</b>
Less : Provision for Doubtful Deposit	<b>8,000</b>	<b>8,000</b>
<b>Sub Total (B)</b>	<b>411</b>	<b>466</b>
Assets acquired in satisfaction of claims [Refer Note No. 2.20.6]	5,977	5,977
<b>Sub Total (C)</b>	<b>5,977</b>	<b>5,977</b>
<b>Total (A) + (B) + (C)</b>	<b>7,139</b>	<b>7,668</b>
<b>2.04 Cash and Bank Balances</b>		
<b>Cash-in-Hand</b>		
Cash Balance	1	1
<b>Sub Total (A)</b>	<b>1</b>	<b>1</b>
<b>Balances With Banks</b>		
Balances With Banks in Current Accounts [Refer Note No. 2.20.4]	1,513	7,194
	<b>1,513</b>	<b>7,194</b>
Bank Deposits		
Fixed Deposits for Bank Overdraft	8,879	8,477
Fixed Deposits Others	19,726	16,397
<b>Sub Total (B)</b>	<b>30,118</b>	<b>32,068</b>
Note: There are no Bank Deposits which carries a maturity period beyond 12 Months as on 31st March 2021		
<b>Total (A) + (B)</b>	<b>30,119</b>	<b>32,069</b>
<b>2.05 Other Current Financial Assets</b>		
Interest Accrued on Bank Deposits	537	594
<b>Total</b>	<b>537</b>	<b>594</b>
<b>2.06 Other Current Assets</b>		
<u>Loans and Advances to related parties</u>		
Loans to Subsidiary Company - Unsecured Considered Good	452	1,402
<u>Other Related Parties - Unsecured</u>		
(i) Considered Good	-	1
(ii) Considered Doubtful	-	-
	-	1
Less : Provision for Doubtful Advances	-	-
	-	1
Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good	3,729	1,257
<b>Total</b>	<b>4,181</b>	<b>2,660</b>

Particulars	Year Ended	Year Ended
	31st March 2021	31st March 2020
	Rs. in 000s	Rs. in 000s
<b>2.07 Equity Share Capital</b>		
<b>AUTHORISED CAPITAL</b>		
7,00,00,000 Equity shares of Rs.5/- each	350,000	350,000
	<b>350,000</b>	<b>350,000</b>
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
2,94,36,275 Equity Shares of Rs.5/- each fully paid	147,181	147,181
<b>Total</b>	<b>147,181</b>	<b>147,181</b>

**Movements in Share Capital**  
**Equity shares**

Particulars	As at 31st March 2021		As at 31st March 2020	
	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	-	-	-	-
<b>Number of shares at the end of the year</b>	<b>29,436,275</b>	<b>147,181</b>	<b>29,436,275</b>	<b>147,181</b>

**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 2021		As at 31st March 2020	
	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
<b>Total</b>	<b>18,762,052</b>	<b>63.74</b>	<b>18,762,052</b>	<b>63.74</b>

**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.

## 34TH ANNUAL REPORT 2020-2021

Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>2.08 Other Equity</b>		
Capital Redemption Reserve Account	16,907	16,907
<b>Total (A)</b>	<b>16,907</b>	<b>16,907</b>
<u>Surplus / (Deficit) as per Statement of Profit &amp; Loss:</u>		
Opening Balance	(149,951)	(143,425)
Add: Profit for the year	1,877	3,447
	<b>(148,074)</b>	<b>(139,978)</b>
Less: Provision for Contingencies (Refer Note No. 2.20.1)	-	9,973
Add: Provision for Contingencies Reversed (Refer Note No. 2.20.1)	4,000	-
<b>Total (B)</b>	<b>(144,074)</b>	<b>(149,951)</b>
<u>Other Comprehensive Income</u>		
As per Last Balance Sheet	(7)	79
Movement in OCI (Net) during the year	166	(86)
<b>Total (C)</b>	<b>159</b>	<b>(7)</b>
<b>Total (A) + (B) + (C)</b>	<b>(127,008)</b>	<b>(133,051)</b>

### 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
<b>Total</b>	<b>21,000</b>	<b>21,000</b>

### 2.10 Provisions

#### Provision for Employee Benefits :

Gratuity	1,731	1,558
Leave Encashment	5,830	5,570
Provision for Contingencies [Refer Note.2.20.1]	84,535	88,535
<b>Total</b>	<b>92,096</b>	<b>95,663</b>

### 2.11 Other Non Current Financial Liabilities

#### Unsecured

Security Deposits from lessees and others etc.	-	126
Rent Deposit Received	2,038	2,038
<b>Total</b>	<b>2,038</b>	<b>2,164</b>

Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>2.12 Borrowings</b>		
<b>Loans repayable on demand</b>		
<u>Secured</u>		
From Banks - Overdraft (Secured against Pledge of Fixed Deposits)	41	-
<b>Total</b>	<b>41</b>	<b>-</b>

### 2.13 Other Current Financial Liabilities

Redeemable Preference Shares Payable (Refer Note No. 2.20.5)	-	3,590
Related Parties	5,978	4,564

#### Statutory Dues Payable:

Tax Deducted at Source	85	62
Profession Tax	1	2
Goods and Service Tax	-	3

#### Other Payables:

Auditor's Remuneration	55	90
Outstanding Expenses Payable	963	1,904
Others	18	33
<b>Total</b>	<b>7,100</b>	<b>10,348</b>

### 2.14 Provisions

#### Short Term Provisiosn :

For Proposed Dividend on Preference Shares	210	210
<b>Total</b>	<b>210</b>	<b>210</b>

### 2.15 Other Income

Particulars	Year Ended 31st March 2021 Rs. in 000s	Year Ended 31st March 2020 Rs. in 000s
<b>Interest Income</b>		
Interest on Deposits with Banks	1,774	1,982
Interest on Income Tax Refund	45	47
Dividend Income from Long Term Investments	3	3
<b>Other non-operating income</b>		
Rent Received	2,628	2,438
Credit Balances Written Back	1	-
Excess Provision Written Back	23	-
Bad Debts Written Off in Earlier Years Recovered	1,795	84
Provision for Doubtful Debts/Advances written Back	-	116
Others	1,262	1,196
<b>Total</b>	<b>7,531</b>	<b>5,866</b>

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

Particulars	Year Ended	Year Ended
	31st March	31st March
	2021	2020
	Rs. in 000s	Rs. in 000s
<b>2.16 Employee Benefit Expenses</b>		
Salaries & Other Allowances	2,722	3,600
Contribution to Superannuation Fund	995	978
Gratuity	173	173
Leave Encashment	260	260
Staff Welfare Expenses	-	18
Reimbursement of Salaries	370	462
<b>Total</b>	<b>4,520</b>	<b>5,491</b>
<b>2.17 Finance Cost</b>		
Bank Charges and Commission (Refer Note No. 2.20.4)	523	4
Interest on Bank Overdraft	14	22
Dividend on Redeemable Preference Shares	210	210
<b>Total</b>	<b>747</b>	<b>236</b>

Particulars	Year Ended	Year Ended
	31st March	31st March
	2021	2020
	Rs. in 000s	Rs. in 000s
<b>2.18 Other Expenses</b>		
Advertisement and Business Promotion Expenses	1,047	985
Audit Fees and Other Services	99	149
Conveyance Expenses	21	42
Insurance	8	5
Motor Car Expenses	208	170
Postage and Courier Expenses	27	245
Printing and Stationery	53	480
Professional Fees & Service Charges	502	805
Rates and Taxes	2	3
Rent and Office Premises Compensation	144	144
Office Maintenance Expenses	83	28
Shared Service Expenses	56	105
Telephone Expenses	31	39
Travelling Expenses	5	22
Miscellaneous Expenses	547	607
<b>Total</b>	<b>2,833</b>	<b>3,829</b>
<b>2.19 Provisions and Write off</b>		
Provision for Diminution in Value of Unquoted Investments	-	160
<b>Total</b>	<b>-</b>	<b>160</b>

## 2.20 NOTES ON FINANCIAL STATEMENTS

### 1. Contingent Liabilities:

Sl. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Interest Tax	21,07,307/-	21,07,307/-
2	Labour Court, Civil Court and Consumer Forums	29,51,064/-	29,51,064/-
3	Foreign Exchange Management Act	5,60,00,000/-	5,60,00,000/-
4	Sub-Regional Office, Employees' Provident Fund, Vashi	21,06,154/-	21,06,154/-
5	Listing Fees payable to The Nation Stock Exchange of India Limited (NSE), BSE Limited and Custodial Fees payable to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) all including past dues.	23,55,209/-	63,55,209/-
6	BSE Limited	30,00,000/-	30,00,000/-
7	Disputed Income Tax Demands	8,14,51,511/-	8,14,51,511/-

The Company has provided during the previous 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 had already provided 50% of the Net Liability as contingency Provision in the earlier years in case Sl. No. 3.

During the year the Company has reversed the Contingency Provision of Rs. 40,00,000/- out of Sl.No.5 due to settlement of Outstanding Listing Fees along with Interest to NSE and Outstanding Listing Fees along with Interest to BSE to the extent not provided. These payments were paid under protest.

Presently all the above matters are under litigation with various authorities and hence based on the final outcome or management perception appropriate accounting entries will be passed fastening the liability or its reversal.

### 2. Impact of Covid 19

The business of the Company was adversely affected during the months of April 2020 and May 2020, but with the relaxations provided and the continued buoyancy in the Stock Markets, the business of the Subsidiary improved and overall, there was not much impact on the Company's Operations during this year. The company however continues to monitor the situation in view of the uncertain environment on this Covid-19 virus front.

### 3. Payment to Auditors

	Current Year Rs. in 000s	Previous Year Rs. in 000s
As Statutory Auditor	60	75
Tax Audit fees	-	25
Limited Review and Other Certification work	36	45
Out of Pocket Expenses	4	4
<b>Total</b>	<b>99</b>	<b>149</b>

### 4. Bank Balances amounting Rs.5,12,594/- which were appears to be non recoverable were expensed out as Bank Charges during the year

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5. During the year the Company settled the outstanding unpaid Preference Shares of Rs. 35,90,000/- payable to a Related Party by settlement of Recovery of Bad Debts which were written off in the earlier years.
6. During the year 2004-2005 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs.59,76,429/-. The company is in possession of the property. Documentation process of the same is expected to be completed in the Financial Year 2021-2022 and the same will be capitalised on completion of the same.
7. Exceptional Item of Rs. 60,92,134/- refers to payment of Outstanding Listing Fees to NSE along with Interest and Taxes and Outstanding Listing Fees to BSE to the extent of unprovided Listing Fees together with Interest and Taxes. These payments have been made under protest as the Company is of the view that no amounts are dues as no services have been provided by the Exchanges. The Company shall proceed further in the matter as per Legal Advice. Further the Company's efforts towards Revocation of Suspension of trading in the Company's Shares has not made much progress.
8. 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.
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  
Hybrid Services 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	
	2020-21 Rs.	2019-20 Rs.	2020-21 Rs.	2019-20 Rs.	2020-21 Rs.	2019-20 Rs.
(a) Outstanding Receivables	4,52,094	14,02,870	-	400	-	-
(b) Provision made as on date for doubtful debts	Nil	Nil	-	-	-	-
(c) Rent Deposit taken	20,00,000	20,00,000	-	-	-	-
(d) Outstanding Payable	-	-	59,78,433	45,63,837	-	-
(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	84,00,000	72,00,000	-	-	-	-
(i) Service Charges charged by them	Nil	Nil	4,25,822	5,31,438	-	-
(j) Other Expenses Charged to them	12,61,099	11,96,364	Nil	Nil	-	-
(k) Other Expenses Charged by them	1,416	1,307	Nil	Nil	-	-
(l) Managerial Remuneration	-	-	-	-	39,42,352	48,18,686

10. 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.
11. 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:

	2020-2021 Rs.	2019-2020 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
<b>Total</b>	<b>1,44,000</b>	<b>1,44,000</b>

#### 12. Earning Per Share:

	Current Year (Rs. In 000s)	Previous Year (Rs. in 000s)
I) <b>Basic Earning Per Share</b>		
Profit for the year as per Statement of Profit & Loss (Excluding OCI)	18,77	34,47
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,36,275	2,94,36,275
<b>Basic Earning Per Share (Rupees)</b>	<b>0.06</b>	<b>0.12</b>
II) <b>Diluted Earning Per Share</b>		
Profit for the year as per Statement of Profit & Loss (Excluding OCI)	18,77	34,47
Add: Interest forgone on account of Potential Equity shares	-	-
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	18,77	34,47
Add: Shares issuable under Loan Contract upon default of payment of principal and interest	2,94,36,275	2,94,36,275
Total Weighted average number of Equity Shares.	2,94,36,275	2,94,36,275
<b>Diluted Earning Per Share</b>	<b>0.06</b>	<b>0.12</b>
<b>Nominal Value of Shares (Rupees)</b>	<b>5.00</b>	<b>5.00</b>

13. 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.
14. 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.

**15. 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 2021 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
<b>As at 31st March 2021</b>				
Borrowings	-	41	21000	21041
Other Payables	-	7100	-	7100
<b>As at 31st March 2020</b>				
Borrowings	-	-	21000	21000
Other Payables	-	10348	-	10348

16. 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 BDMV & Co**  
Chartered Accountants  
Firm Registration No.: 101256W

**VISHAL KELKAR**  
Partner  
M.No. 154128

Mumbai, Dated: 31st May 2021

**For and on behalf of the Board**

**N. R. DIVATE**  
Whole Time Director  
DIN - 00304616

**MAHESH S. MAKHIJANI**  
Director  
DIN - 00322226

**VINAY KULKARNI**  
Chief Financial Officer

Mumbai, Dated: 31st May 2021

**SAMEER S. PIMPALE**  
Chairman  
DIN - 08813127

**MEGHA J. VAZKAR**  
Director  
DIN - 00179162

**K.CHANDRAMOULI**  
Whole Time Director  
and Company Secretary  
DIN - 00036297

**NILAY SHARMA**  
Director  
DIN - 00231299

**INDEPENDENT AUDITORS' REPORT**

To,  
The Members,  
HYBRID FINANCIAL SERVICES LTD (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 2021, 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 31st March, 2021, and the consolidated profit including other comprehensive income and the statement of 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 2.23 (2) to the Consolidated Financial Statements regarding impact and uncertainties arising from COVID 19 pandemic
- Note 2.23 (17) 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><b>Disputed Tax and other liabilities.</b></p> <p>The company has received demand from income tax department. 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 2.23 (1) to the Consolidated Financial Statements</p>	<p><b>Principal Audit Procedures</b></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.</p> <p>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 to evaluate whether any change was required to management's position on these uncertainties.</p>
2	<p><b>Immovable properties acquired in satisfaction</b></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><b>Principal Audit Procedures</b></p> <p>We have been informed by the Management that the documents related to the property is expected to be completed in the Financial Year 2021-2022 and the same will be capitalised on completion 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Statements, including the disclosures, and whether the Annual Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **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 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, the consolidated statement of changes in equity 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, 2021 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2021 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 consolidated financial position in its consolidated financial statements Refer Note 2.23 (1) to the consolidated 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 BDMV & Co.**

Chartered Accountants,  
Firm Registration No: 101256W

**VISHAL KELKAR**  
Partner

Membership No. 154128  
UDIN: 21154128AAAACQ5559

Mumbai, Dated 31st May 2021

### ANNEXURE A 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 31st March, 2021, 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 companies, 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 companies, 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 31st March, 2021, 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 BDMV & Co.**  
Chartered Accountants,  
Firm Registration No: 101256W

**VISHAL KELKAR**  
Partner  
Membership No. 154128  
UDIN: 21154128AAAACQ5559

Mumbai, Dated 31st May 2021

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

**Consolidated Balance Sheet as at 31st March 2021**

Particulars	Note	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>A ASSETS</b>			
<b>1 Non- Current Assets</b>			
(a) Property Plant and Equipment	2.01	10,106	10,847
(b) Other Intangible Assets	2.01	52	118
(c) Financial Assets			
(i) Non Current Investments	2.02	205,450	146,313
(d) Other Non Current Assets	2.03	28,342	25,871
<b>Total Non Current Assets</b>		<u>243,950</u>	<u>183,149</u>
<b>2 Current Assets</b>			
(a) <b>Finacial Assets</b>			
(i) Trade Receivables	2.05	1,450	2,642
(ii) Cash and Bank Balances	2.06	147,124	145,464
(iii) Other Current Financial Assets	2.07	6,529	4,893
(b) <b>Other Current Assets</b>	2.08	1,657	1,766
<b>Total Current Assets</b>		<u>156,760</u>	<u>154,765</u>
<b>TOTAL ASSETS</b>		<u>400,710</u>	<u>337,914</u>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share capital	2.09	147,181	147,181
(b) Other Equity	2.10	95,089	30,285
<b>Total Equity</b>		<u>242,270</u>	<u>177,466</u>
<b>2 Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Borrowings	2.11	21,000	21,000
(b) Provisions	2.12	113,155	110,481
(c) Defferred Tax Liability (net)	2.04	1,058	1,038
(d) Other Non Current Financial Liabilities	2.13	3,248	3,544
<b>Total Non Current Liabilities</b>		<u>138,461</u>	<u>136,063</u>
<b>3 Current Liabilities</b>			
(a) <b>Financial Liabilities</b>			
(i) Borrowings	2.14	41	1,720
(ii) Trade Payables	2.15	9,083	8,034
(iii) Other Current Financial Liabilities	2.16	10,645	14,421
(b) <b>Provisions</b>	2.17	210	210
<b>Total Current Liabilities</b>		<u>19,979</u>	<u>24,385</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>400,710</u>	<u>337,914</u>

**Significant Accounting Policies**  
**Notes forming part of the financial statements**

1  
2

As per our report of even date  
**For BDMV & Co**  
Chartered Accountants  
Firm Registration No.: 101256W

**For and on behalf of the Board**

**VISHAL KELKAR**  
Partner  
M.No. 154128

**N. R. DIVATE**  
Whole Time Director  
DIN - 00304616

**SAMEER S. PIMPALE**  
Chairman  
DIN - 08813127

**K.CHANDRAMOULI**  
Whole Time Director  
and Company Secretary  
DIN - 00036297

**MAHESH S. MAKHIJANI**  
Director  
DIN - 00322226

**MEGHA J.VAZKAR**  
Director  
DIN - 00179162

**NILAY SHARMA**  
Director  
DIN - 00231299

**VINAY KULKARNI**  
Chief Financial Officer

Mumbai, Dated: 31st May 2021

Mumbai, Dated: 31st May 2021

## 34TH ANNUAL REPORT 2020-2021

### Consolidated Statement of Profit and Loss for the Year Ended 31st March 2021

Particulars	Note	Year Ended 31st March 2021 Rs. in 000s	Year Ended 31st March 2020 Rs. in 000s
<b>INCOME</b>			
(a) <b>Revenue from operations</b>			
Service Charges		146	108
Brokerage Income		21,926	17,479
Income from Depository Services		1,223	1,378
Financial Products Marketing Fees		277	371
		<u>23,572</u>	<u>19,336</u>
(b) Other income	2.18	12,608	13,809
<b>1 Total Income</b>		<u><u>36,180</u></u>	<u><u>33,145</u></u>
<b>EXPENSES:</b>			
(a) Employee Benefit Expenses	2.19	10,357	13,600
(b) Depreciation and Amortisation Expenses	2.01	935	1,106
(c) Finance Cost	2.20	822	332
(d) Other Expenses	2.21	13,084	11,531
(e) Provisions and Write Off	2.22	-	160
		<u>25,198</u>	<u>26,729</u>
<b>2 Total Expenses</b>		<u>25,198</u>	<u>26,729</u>
<b>3 Profit before Exceptional Items and Tax</b>		<u>10,982</u>	<u>6,416</u>
<b>4 Exceptional items (Refer Note No. 2.23.8)</b>		6,092	-
<b>5 Profit before Tax from Continuing Operations</b>		<u>4,890</u>	<u>6,416</u>
<b>6 Income Tax Expense:</b>			
(a) Current Tax		1,592	345
(b) MAT Credit Entitlement (Net) (Refer Note No.2.23.11)		(691)	-
(c) Deferred Tax		20	26
		<u>921</u>	<u>371</u>
<b>7 Profit for the year</b>		<u>3,969</u>	<u>6,045</u>
<b>8 Other Comprehensive Income (OCI)</b>			
- Remeasurement of Gains / (Losses) on Non Current Investments		62,732	(3,600)
<b>9 Total Comprehensive Income for the year</b>		<u>66,701</u>	<u>2,445</u>
<b>10 Earning Per Share (Equity Share of Rs. 5/- Each)</b>			
Basic and Diluted (without considering OCI)		0.13	0.21

Significant Accounting Policies

1

Notes forming part of the financial statements

2

As per our report of even date

For and on behalf of the Board

**For BDMV & Co**

Chartered Accountants

Firm Registration No.: 101256W

**N. R. DIVATE**  
Whole Time Director  
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**VINAY KULKARNI**  
Chief Financial Officer

Mumbai, Dated: 31st May 2021

Mumbai, Dated: 31st May 2021

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

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021**

	2020-2021 Rs. in 000s	2019-2020 Rs. in 000s
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax	4,890	6,416
<b>Adjustment for :</b>		
Excess Provision / Credit Balances Written Back	(74)	(4)
Provision for Doubtful Debts Written Back	-	(116)
Depreciation	935	1,106
Loss / (Profit) on Sale of Investments	3,465	(1,967)
Interest / Dividend on Investments	(9,427)	(10,522)
Provision for Gratuity	216	215
Provisions for Leave Encashment	311	318
Provisions & Write offs	-	160
Financial Cost	822	332
	(3,752)	(10,478)
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>1,138</b>	<b>(4,062)</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (Increase) / Decrease in operating assets</b>		
Trade Receivables	1,192	(427)
Other Non Current Assets	(2,945)	(2,994)
Other Current Assets	109	260
<b>Adjustments for Increase / (Decrease) in operating liabilities</b>		
Trade Payables	1,057	4,550
Other Non Current Financial Liabilities	(296)	28
Other Current Financial Liabilities	(126)	(710)
Long Term Provision	(4)	-
	(1,013)	707
<b>Cash (Used In) / Generated From Operations</b>	<b>(167)</b>	<b>(818)</b>
Direct Taxes Paid (Net)		
<b>Net Cash Used In Operating Activities</b>	<b>(A) (42)</b>	<b>(4,173)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(128)	(250)
Purchase of Investments	(3,447)	(1,397)
Sale of Investments	3,577	4,098
Interest/Dividend Received	7,791	7,933
	7,793	10,384
<b>Net Cash From Investing Activities</b>	<b>(B) 7,793</b>	<b>10,384</b>
<b>C. Cash Flow from Financing Activities</b>		
Short Term Borrowings	(1,679)	1,625
Financial Costs	(612)	(122)
Redemption of Preference Shares	(3,590)	-
Dividend Paid on Preference Shares	(210)	(210)
Dividend Distribution Tax on above	-	(43)
	(6,091)	1,250
<b>Net Cash (Used In) / From Financing Activities</b>	<b>(C) (6,091)</b>	<b>1,250</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(A+B+C) 1,660</b>	<b>7,461</b>
<b>Cash and Cash Equivalents as at the commencement of the year</b>	<b>145,464</b>	<b>138,003</b>
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>147,124</b>	<b>145,464</b>
<b>Net Increase as disclosed above</b>	<b>1,660</b>	<b>7,461</b>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

	As at 31.03.2021 Rs. in 000s	As at 31.03.2020 Rs. in 000s
1 Cash and cash equivalents include :		
Cash on hand	27	27
Bank Balances	147,097	145,437
<b>Total</b>	<b>147,124</b>	<b>145,464</b>
2 Bank Balances include Fixed Deposit Pledged with Banks and Exchanges of Subsidiary Company amounting to Rs. 69,303 ('000) [Previous Year Rs. 69,000 ('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 report of even date  
**For BDMV & Co**  
Chartered Accountants  
Firm Registration No.: 101256W

**For and on behalf of the Board**

**VISHAL KELKAR**  
Partner  
M.No. 154128

**N. R. DIVATE**  
Whole Time Director  
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DIN - 00231299

**VINAY KULKARNI**  
Chief Financial Officer

Mumbai, Dated: 31st May 2021

Mumbai, Dated: 31st May 2021

## Consolidated Statement of Changes in Equity for the year ended 31.03.2021

## a Equity Share Capital

Particulars	No. of Shares	Rs. in 000s
Balance as at 01.04.2019	29,436,275	147,181
Add: Shares issued during the year	-	-
Balance as at 31.03.2020	29,436,275	147,181
Add: Shares issued during the year	-	-
Balance as at 31.03.2021	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 2019	(58,447)	16,907	78,928	37,388
<b>Addition During the year:</b>				
Transfer to retained earnings	6,045	-	-	6,045
Provision for Contingencies	(9,973)	-	-	(9,973)
Provision for Market Fluctuations in Investments Reversed	-	-	425	425
Equity instruments through other comprehensive income	-	-	(3,600)	(3,600)
Balance as at 31 March 2020	(62,375)	16,907	75,753	30,285
<b>Addition During the year:</b>				
Transfer to retained earnings	3,969	-	-	3,969
Provision for Contingencies Reversed	4,000	-	-	4,000
Provision for Market Fluctuations in Investments	-	-	(5,897)	(5,897)
Equity instruments through other comprehensive income	-	-	62,732	62,732
Balance as at 31st March 2021	(54,406)	16,907	132,588	95,089

As per our report of even date  
**For BDMV & Co**  
Chartered Accountants  
Firm Registration No.: 101256W

For and on behalf of the Board

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Chief Financial Officer

Mumbai, Dated: 31st May 2021

Mumbai, Dated: 31st May 2021

**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 Whole Time 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 Whole Time Directors.

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 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 FVOCI 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 FVOCI 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 FVOCI, 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.

**HYBRID FINANCIAL SERVICES LIMITED**  
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**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

**2.01 Property, Plant and Equipment**

Rs. in 000s

Particulars	Property, Plant and Equipment					Total	Other Intangible assets Computer Software
	Building	Vehicles	Furnitures & Fixtures	Computer Equipments	Office Equipments		
<b>Gross Carrying as at 1st April, 2019</b>	<b>10,292</b>	<b>4,621</b>	<b>844</b>	<b>1,819</b>	<b>469</b>	<b>18,045</b>	<b>2,500</b>
Additions during the year	-	-	-	110	19	129	121
Disposals during the year	-	-	-	-	-	-	-
<b>As at 31st March 2020</b>	<b>10,292</b>	<b>4,621</b>	<b>844</b>	<b>1,929</b>	<b>488</b>	<b>18,174</b>	<b>2,621</b>
Additions during the year	-	-	-	98	11	109	19
Disposals during the year	-	-	-	-	-	-	-
<b>As at 31st March 2021</b>	<b>10,292</b>	<b>4,621</b>	<b>844</b>	<b>2,027</b>	<b>499</b>	<b>18,283</b>	<b>2,640</b>
<b>Depreciation and Impairment</b>							
<b>As at 1st April 2019</b>	<b>1,448</b>	<b>2,520</b>	<b>794</b>	<b>1,315</b>	<b>353</b>	<b>6,430</b>	<b>2,294</b>
Depreciation charge for the year	162	494	6	183	52	897	209
Deletions during the year	-	-	-	-	-	-	-
<b>As at 31st March 2020</b>	<b>1,610</b>	<b>3,014</b>	<b>800</b>	<b>1,498</b>	<b>405</b>	<b>7,327</b>	<b>2,503</b>
Depreciation charge for the year	162	491	-	167	30	850	85
Deletions during the year	-	-	-	-	-	-	-
<b>As at 31st March 2021</b>	<b>1,772</b>	<b>3,505</b>	<b>800</b>	<b>1,665</b>	<b>435</b>	<b>8,177</b>	<b>2,588</b>
<b>Net book value</b>							
<b>As at 31st March 2021</b>	<b>8,520</b>	<b>1,116</b>	<b>44</b>	<b>362</b>	<b>64</b>	<b>10,106</b>	<b>52</b>
<b>As at 31st March 2020</b>	<b>8,682</b>	<b>1,607</b>	<b>44</b>	<b>431</b>	<b>83</b>	<b>10,847</b>	<b>118</b>

**2.02 Non Current Investments**

Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>IN FULLY PAID EQUITY SHARES - QUOTED</b>		
10 Shares of Rs.1 each in Asian Paints Limited	25	17
9666 (Including Bonus received during the year 2416) (Previous Year 8250) Shares of Rs. 1 each in Astral Limited	15,627	7,627
15000 Shares of Rs.1 each In Ashok Leyland Limited	1,702	646
4516 Shares of Rs. 2 each in BSE Limited	2,579	1,340
500 Shares of Rs.5 each In CERA Sanitaryware Limited	1,952	1,154
18000 Shares of Rs.2 each In Cholamandalam Investment Finance Company Limited	10,058	2,753
2000 (Previous Year 1000 plus Bonus received during the year 1000) Shares of Rs.1 each in Elgi Equipments Limited	380	112
100 Shares of Rs.1 each in Exide Industries Limited	18	13
1250 Shares of Rs.2 each In GE T&D India Limited	146	91
2000 Shares of Rs.2 each In Graphite India Limited	1,024	254
621 (Previous year Nil) Shares of Rs. 2 each in GMM Pfaudler Limited	2,674	-
100 (Previous year Nil) Shares of Rs. 2 each in HCL Technologies Limited	98	-
800 Shares of Rs.1 each In HDFC Bank Limited	1,195	690
500 Shares of Rs.5 each In Heritage Foods Limited	147	106
2 (Previous year Nil) Shares of Rs. 10 each in Honeywel Automation India Limited	95	-
1000 Shares of Rs.5 each in Indostar Capital Finance Limited	312	250
800 Shares of Rs.10 each In IFB Industries Limited	886	212
Nil (Previous Year 3200) Shares of Rs.1 each in Jindal Steel & Power Limited	-	263
400 Shares of Rs.10 each in Kaira Can Company Limited	420	199
100 Shares of Rs.5 each in Kotak Mahindra Bank Limited	175	130
5962 Shares of Rs.2 each in Larsen & Toubro Limited	8,456	4,810
30 Shares of Rs.10 each in Page Industries Limited	910	508
1000 Shares of Rs.2 each in Punjab National Bank	37	32
3500 Shares of Rs.10 each in Sanathnagar Enterprises Limited	37	25
5000 Shares of Rs.10 each in Sastasundar Ventures Limited	583	312
1000 Shares of Rs.1 each in State Bank of India	364	197
1000 Shares of Rs.1 each in Sterling Biotech Limited	1	1
500 Shares of Rs.1 each in Sundaram Fastners Limited	401	146
15000 Shares of Rs.10 each in Supreme Infrastructure India Limited	210	171
585 (Previous Year 520) Shares of Rs.1 each In Tasty Bite Eatables Limited	8,419	4,680
1000 Shares of Rs.1 each In Titan Company Limited	1,557	933
1000 Shares of Rs.1 each In TVS Motor Limited	585	297
48 Shares of Rs.10 each in Ultratech Cement Limited	323	156
Nil (Previous Year 16800) Shares of Rs.2 each in Vedanta Limited	-	1,088
15000 Shares of Rs.10 each in Viceroy Hotels Limited	32	13
3800 Shares of Rs.1 each in Voltas Limited	3,807	1,820
58800 Shares of Rs.10 each in Whirlpool of India Limited	131,115	106,287
<b>SUB TOTAL (A)</b>	<b>196,350</b>	<b>137,333</b>

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Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>IN FULLY PAID EQUITY SHARES - UNQUOTED</b>		
<b>WITH ASSOCIATE COMPANIES</b>		
24500 shares of Rs.10 each in Hybrid Systems Limited	245	245
	<u>245</u>	<u>245</u>
Less: Provision for Diminution in Value	245	245
<b>SUB TOTAL (B)</b>	-	-
<b>WITH OTHERS</b>		
16000 shares of Rs.10 each in AB Corp Limited	1,280	1,280
300000 shares of Rs.10 each in Leisure Hotel Limited	3,000	3,000
308167 shares of Rs. 10 each in Phthalo Colours & Chemicals (India) Limited	4,630	4,630
	<u>8,910</u>	<u>8,910</u>
Less: Provision for Diminution in Value	4,280	4,280
<b>SUB TOTAL (C)</b>	4,630	4,630
<b>IN FULLY PAID PREFERENCE SHARES</b>		
52255 shares of Rs.10 each in Pasupati Fabrics Limited	523	523
Less: Provision for Diminution in Value	523	523
<b>SUB TOTAL (D)</b>	-	-
<b>IN FULLY PAID UP GOVERNMENT BONDS (QUOTED)</b>		
8.10 % 300 Bonds in Indian Railway Finance Corporation Limited	367	356
8.20% 400 Bonds in National Highways Authority of India	429	431
8.20% 500 Bonds in Power Finance Corporation Limited	535	540
8.30% 600 Bonds in National Highways Authority of India	738	719
8.76% 800 Bonds in Housing and Urban Development Corporation Limited	1,034	964
8.20% to 8.35% 500 Bonds in Housing and Urban Development Corporation Limited	600	564
8.00% to 8.15 % 700 Bonds in Indian Railway Finance Corporation Limited	747	756
	<u>4,450</u>	<u>4,330</u>
<b>SUB TOTAL (E)</b>	4,450	4,330
<b>OTHERS</b>		
333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Limited	10	10
1000 shares of Rs.10 each in Saraswat Co-operative Bank Limited	10	10
<b>SUB TOTAL (F)</b>	20	20
<b>TOTAL [A + B + C + D + E + F]</b>	<u>205,450</u>	<u>146,313</u>

Previous Year figures in terms of quantity indicated within brackets represents the stock position as on 31st March 2020

Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>2.03 Other Non current Assets</b>		
Advance payment of Income Tax and Tax Deducted at Source	4,429	4,903
<b>Sub Total (A)</b>	<u>4,429</u>	<u>4,903</u>
Deposit with others		
(i) Considered Good	17,936	14,991
(ii) Considered Doubtful	8,000	8,000
	<u>25,936</u>	<u>22,991</u>
Less : Provision for Doubtful Deposit	8,000	8,000
<b>Sub Total (B)</b>	<u>17,936</u>	<u>14,991</u>
Assets acquired in satisfaction of claims [Refer Note No. 2.23.7]	5,977	5,977
<b>Sub Total (C)</b>	<u>5,977</u>	<u>5,977</u>
<b>Total (A) + (B) + (C)</b>	<u>28,342</u>	<u>25,871</u>

Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>2.04 Deferred tax Assets / Liabilities (Net)</b>		
<b>Deferred Tax Liabilities</b>		
Timing Difference on account of Provision for Gratuity, Leave Encashment and Doubtful Debts.	52	74
Timing Difference on account of Accumulated Depreciation of Fixed Assets	1,006	964
<b>Total</b>	<u>1,058</u>	<u>1,038</u>
<b>2.05 Trade receivables</b>		
<b>Unsecured, Considered Good :</b>		
Trade Receivables	1,450	2,642
<b>Total</b>	<u>1,450</u>	<u>2,642</u>

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Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>2.06 Cash and bank balances</b>		
<b>Cash-in-Hand</b>		
Cash Balance	27	27
<b>Sub Total (A)</b>	<b>27</b>	<b>27</b>
<b>Balances With Banks</b>		
In Current Accounts [Refer Note No.2.23.5]	16,001	18,375
	<b>16,001</b>	<b>18,375</b>
<b>Bank Deposits</b>		
Bank Deposits with more than 12 months Maturity [Refer Note No.2.23.10]	30,000	72,188
Other Bank Deposits [Refer Note No.2.23.10]	101,096	54,874
<b>Sub Total (B)</b>	<b>147,097</b>	<b>145,437</b>
<b>Total (A) + (B)</b>	<b>147,124</b>	<b>145,464</b>
<b>2.07 Other Current Financial Assets</b>		
Interest Accrued on Bank Deposits	6,529	4,893
<b>Sub Total (A)</b>	<b>6,529</b>	<b>4,893</b>
<b>Inventories - Stock in Trade:</b>		
<b>IN FULLY PAID UP EQUITY SHARES (QUOTED)</b> (At Cost or Net Realisable Value whichever is lower)		
10 Shares of Rs.10 each in NEPC Agro Foods Limited	1	1
200 Shares of Rs.10 each in Roofit Industries Limited	33	33
15 Shares of Rs. 10 each in S & S Power Switchgear Limited	1	1
	<b>35</b>	<b>35</b>
Less: Fall in Market Value	35	35
<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A) + (B)</b>	<b>6,529</b>	<b>4,893</b>
<b>2.08 Other Current Assets</b>		
<b>Loans to Related Parties - Unsecured</b>		
(i) Considered Good	-	-
(ii) Considered Doubtful	-	1
	<b>-</b>	<b>1</b>
Less : Provision for Doubtful Advances	-	-
	<b>-</b>	<b>1</b>
Prepaid Expenses (Unsecured, Considered Good)	964	662
Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good	693	1,103
<b>Total</b>	<b>1,657</b>	<b>1,766</b>

Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>2.09 Equity Share Capital</b>		
<b>AUTHORISED CAPITAL</b>		
7,00,00,000 Equity shares of Rs.5/- each	350,000	350,000
	<b>350,000</b>	<b>350,000</b>
<b>ISSUED , SUBSCRIBED &amp; PAID UP CAPITAL</b>		
2,94,36,275 Equity Shares of Rs.5/- each fully paid	147,181	147,181
<b>Total</b>	<b>147,181</b>	<b>147,181</b>

**Movements in Share Capital**

**Equity shares**

Particulars	As at 31st March 2021		As at 31st March 2020	
	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	-	-	-	-
<b>Number of shares at the end of the year</b>	<b>29,436,275</b>	<b>147,181</b>	<b>29,436,275</b>	<b>147,181</b>

**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 2021		As at 31st March 2020	
	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
<b>Total</b>	<b>18,762,052</b>	<b>63.74</b>	<b>18,762,052</b>	<b>63.74</b>

**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 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s	Particulars	As at 31st March 2021 Rs. in 000s	As at 31st March 2020 Rs. in 000s
<b>2.10 Other Equity</b>			<b>2.15 Trade payables</b>		
Capital Redemption Reserve Account	16,907	16,907	Total Outstanding of		
<b>Total (A)</b>	<b>16,907</b>	16,907	- Micro, Small and Medium Enterprises (MSME) (Refer Note No.2.23.9)	-	-
<u>Surplus / (Deficit) as per Statement of Profit &amp; Loss:</u>			- Other than MSME	9,083	8,034
Opening Balance	(62,375)	(58,447)	<b>Total</b>	<b>9,083</b>	8,034
Add: Profit for the year	3,969	6,045			
	(58,406)	(52,402)	<b>2.16 Other Current Financial Liabilities</b>		
Less:			Redeemable Preference Shares Payable (Refer Note No. 2.23.6)	-	3,590
Provision for Contingencies (Refer Note No. 2.23.1)	-	9,973	Client Deposits towards Margin - Future and Options	-	260
Add: Provision for Contingencies Reversed (Refer Note No. 2.23.1)	4,000	-	Related Parties for Services Provided	5,981	4,568
<b>Total (B)</b>	<b>(54,406)</b>	(62,375)	<b>Statutory Dues Payables:</b>		
<u>Other Comprehensive Income</u>			Tax Deducted at Source	297	216
As per Last Balance Sheet	75,753	78,928	Profession Tax	2	3
Movement in OCI (Net) during the year	62,732	(3,600)	Goods and Service Tax	78	3
Less: Provision for Market Fluctuations in Investments (Refer Note No.2.23.3)	5,897	-	<b>Other Payables:</b>		
Add: Reversal of Provision for Market Fluctuations in Investments (Refer Note No.2.23.3)	-	425	Auditor's Remuneration	166	247
<b>Total (C)</b>	<b>132,588</b>	75,753	Client Dividend Payable	290	267
<b>Total (A) + (B) + (C)</b>	<b>95,089</b>	30,285	Rent Deposit Received	300	300
			Outstanding Expenses Payable	1,391	2,739
			Others	2,140	2,228
			<b>Total</b>	<b>10,645</b>	14,421
<b>2.11 Borrowings</b>					
21,00,000 1% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid	21,000	21,000	<b>2.17 Provisions</b>		
<b>Total</b>	<b>21,000</b>	21,000	<b>Short Term Provisioasn :</b>		
			For Proposed Dividend on Preference Shares	210	210
			<b>Total</b>	<b>210</b>	210
<b>2.12 Provisions</b>					
<u>Provision for Employee Benefits :</u>			<b>Particulars</b>	<b>Year Ended 31st March 2021 Rs. in 000s</b>	<b>Year Ended 31st March 2020 Rs. in 000s</b>
Gratuity	2,108	1,897			
Leave Encashment	6,172	5,866	<b>2.18 Other Income</b>		
	8,280	7,763	<b>Interest Income</b>		
Provision For Taxation	295	35	Interest on Deposits with Banks (Gross)	8,860	9,590
Provision for Contingencies [Refer Note. 2.23.1]	84,535	88,535	Interest on Government Bonds	313	272
Provision for Market Fluctuations in Investments (Refer Note No. 2.23.3)	20,045	14,148	Interest on Income Tax Refund	45	47
<b>Total</b>	<b>113,155</b>	110,481	Interest Others	100	131
			<b>Dividend Income</b>		
<b>2.13 Other Non Current Financial Liabilities</b>			Long Term Investments	567	932
<u>Unsecured</u>			<b>Other non-operating income</b>		
Client Deposits towards Margin	3,210	3,380	Rent Received	852	662
Security Deposits from lessees and others etc.	-	126	Profit on Sale of Investments (Net)	-	1,967
Rent Deposit Received	38	38	Credit Balances no longer payable written back	9	1
<b>Total</b>	<b>3,248</b>	3,544	Excess Provision no longer required written back	65	3
			Bad Debts Written Off in Earlier Years Recovered	1,795	84
<b>2.14 Borrowings</b>			Provision for Doubtful Debts/Advances written Back	-	116
<b>Loans repayable on demand</b>			Others	2	4
Secured			<b>Total</b>	<b>12,608</b>	13,809
From Banks - Overdraft (Secured against Pledge of Fixed Deposits)	41	1,720			
<b>Total</b>	<b>41</b>	1,720			

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Particulars	Year Ended	Year Ended
	31st March 2021 Rs. in 000s	31st March 2020 Rs. in 000s
<b>2.19 Employee Benefit Expenses</b>		
Salaries & Other Allowances	5,223	7,309
Contribution to Superannuation Fund	1,075	1,073
Gratuity	216	216
Leave Encashment	312	320
Staff Welfare Expenses	134	363
Reimbursement of Salaries	3,397	4,319
<b>Total</b>	<b>10,357</b>	<b>13,600</b>
<b>2.20 Finance Cost</b>		
Bank Charges and Commission (Refer Note No. 2.23.5)	534	24
Interest on Bank Overdraft	75	97
Interest - Others	3	1
Dividend on Redeemable Preference	210	210
<b>Total</b>	<b>822</b>	<b>332</b>

Particulars	Year Ended	Year Ended
	31st March 2021 Rs. in 000s	31st March 2020 Rs. in 000s
<b>2.21 Other Expenses</b>		
Advertisement & Business		
Promotion Expenses	1,079	1,004
Audit Fees and Other Services	224	350
Clearing House Expenses	330	397
Computer Maintenance Expenses	326	175
Electricity Expenses	205	245
Expenses on Depository Services	211	312
Insurance	443	448
Membership and Subscription	225	207
Motor Car Expenses	361	369
Postage and Courier Expenses	44	304
Printing and Stationery	175	664
Professional Fees & Service Charges	857	1,486
Rates and Taxes	2	16
Rent and Office Premises Compensation	144	144
Office Maintenance Expenses	297	214
SEBI Registration and Turnover Fees	248	253
Shared Service Expenses	551	1,533
Stamp Duty Charges	876	1,046
Telephone Expenses	604	466
Transaction Charges	511	386
Travelling & Conveyance Expenses	1,232	846
Loss on Sale of Investments (Net)	3,465	-
Loss from Trading in Shares	31	6
Miscellaneous Expenses	643	660
<b>Total</b>	<b>13,084</b>	<b>11,531</b>
<b>2.22 Provisions and Write off</b>		
Provision for Diminution in Value of Unquoted Investments	-	160
<b>Total</b>	<b>-</b>	<b>160</b>

## 2.23 NOTES ON FINANCIAL STATEMENTS

### 1. Contingent Liabilities:

Sl. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)
1	Interest Tax	21,07,307/-	21,07,307/-
2	Labour Court, Civil Court and Consumer Forums	29,51,064/-	29,51,064/-
3	Foreign Exchange Management Act	5,60,00,000/-	5,60,00,000/-
4	Sub-Regional Office, Employees' Provident Fund, Vashi	21,06,154/-	21,06,154/-
5	Listing Fees payable to The Nation Stock Exchange of India Limited (NSE), BSE Limited and Custodial Fees payable to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) all including past dues.	23,55,209/-	63,55,209/-
6	BSE Limited	30,00,000/-	30,00,000/-
7	Disputed Income Tax Demands	8,14,51,511/-	8,14,51,511/-

The Company has provided during the previous 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 had already provided 50% of the Net Liability as contingency Provision in the earlier years in case Sl. No. 3.

During the year the Company has reversed the Contingency Provision of Rs. 40,00,000/- out of Sl.No.5 due to settlement of Outstanding Listing Fees along with Interest to NSE and Outstanding Listing Fees along with Interest to BSE to the extent not provided. These payments were paid under protest.

Presently all the above matters are under litigation with various authorities and hence based on the final outcome or management perception appropriate accounting entries will be passed fastening the liability or its reversal.

### 2. Impact of Covid 19

The business of the Company was adversely affected during the months of April 2020 and May 2020, but with the relaxations provided and the continued buoyancy in the Stock Markets, the business of the Subsidiary improved and overall, there was not much impact on the Company's Operations during this year. The company however continues to monitor the situation in view of the uncertain environment on this Covid-19 virus front.

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3. During the earlier year the Subsidiary Company had made a Provision @ 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 was made. During the year the Company has made further provision of Rs. 58,97,100/- as against the reversal of Rs.4,24,700/- in the previous year. The provision created so far as on 31st March 2021 is Rs. 2,00,45,400/- as against Rs. 1,41,48,300/- as on 31st March 2020.

### 4. Payment to Auditors

	Current Year Rs. in 000s	Previous Year Rs. in 000s
Statutory Audit Fee	180	210
Tax Audit Fees	-	65
Limited Review and Other Certification Work	38	65
Out of Pocket Expenses	6	10
<b>Total</b>	<b>224</b>	<b>348</b>

5. Bank Balances amounting Rs.5,12,594/- which were appears to be non recoverable were expensed out as Bank Charges during the year
6. During the year the Company settled the outstanding unpaid Preference Shares of Rs. 35,90,000/- payable to a Related Party by settlement of Recovery of Bad Debts which were written off in the earlier years.
7. During the year 2004-2005 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs.59,76,429/-. The company is in possession of the property. Documentation process of the same is expected to be completed in the Financial Year 2021-2022 and the same will be capitalised on completion of the same.
8. Exceptional Item of Rs. 60,92,134/- refers to payment of Outstanding Listing Fees to NSE along with Interest and Taxes and Outstanding Listing Fees to BSE to the extent of unprovided Listing Fees together with Interest and Taxes. These payments have been made under protest as the Company is of the view that no amounts are dues as no services have been provided by the Exchanges. The Company shall proceed further in the matter as per Legal Advice. Further the Company's efforts towards Revocation of Suspension of trading in the Company's Shares has not made much progress.
9. 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.
10. Fixed Deposit with Bank of Rs.6,93,02,992/- (Previous year Rs.6,90,00,000/-) is pledged by subsidiary company for overdraft facility, base capital and guarantees given to National Securities Clearing Corporation Ltd. / BSE Limited.
11. During the year the Subsidiary Company has availed an amount of Rs.6,90,879/- (Net) [Previous Year Nil] towards MAT Credit Entitlement in full from the available balance.
12. 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 Private 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	
	2020-21 Rs.	2019-20 Rs.	2020-21 Rs.	2019-20 Rs.
(a) Outstanding Receivables	Nil	400	-	-
(b) Provision made as on date for doubtful debts	Nil	Nil	-	-
(c) Outstanding Payable	59,81,473	45,66,877	-	-
(d) Rent Paid	1,44,000	1,44,000	-	-
(e) Service Charges charged by them	39,28,747	60,65,470	-	-
(f) Other Expenses Charged by them	Nil	Nil	-	-
(g) Managerial Remuneration	-	-	52,04,060	64,80,836

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

13. Consolidated Segment Information for the year ended 31st March 2021

Rs. in 000s

Particulars	Financial Services		Broking / Income from Capital Market Operations		Consolidated Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>REVENUE</b>						
External	1,60,77	1,31,74	3,21,65	3,07,68	4,82,42	4,39,42
Inter Segment Revenue	(1,20,61)	(1,07,96)	(1)	(1)	(1,20,62)	(1,07,97)
Net Revenue	40,16	23,78	3,21,64	3,07,67	3,61,80	3,31,45
<b>RESULTS</b>						
Segment Results	(1,01,83)	(73,48)	1,50,73	1,37,64	48,90	64,16
Income Tax					(9,21)	(3,71)
<b>Net Profit after Tax</b>					39,69	60,45
<b>Other Information</b>						
Segment Assets	3,82,32	4,01,20	35,80,49	29,28,91	39,62,81	33,30,11
Unallocated Assets					44,29	49,03
<b>TOTAL SSETS</b>					40,07,10	33,79,14
Segment Liabilities	14,06,58	14,15,15	25,86,99	19,53,26	39,93,57	33,68,41
Unallocated Liabilities					13,53	10,73
<b>TOTAL LIABILITIES</b>					40,07,10	33,79,14
Capital Expenditure	Nil	Nil	128	250	128	250
Depreciation	8	11	9,27	10,95	9,35	11,06
Other Non Cash Expenditure.	Nil	Nil	Nil	Nil	Nil	Nil

14. Listing of Subsidiary and Associates:

A). Subsidiary

Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2021	As at 31.03.2020
Maximus Securities Limited [Incorporated in India]	100%	100%

B). Associates

Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2021	As at 31.03.2020
Sunanda Capital Services Limited	45 %	45 %

15. 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:

	2020-2021 Rs.	2019-2020 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
<b>Total</b>	1,44,000	1,44,000

16. Earning Per Share:

	Current Year (Rs. In 000s)	Previous Year (Rs. in 000s)
<b>I) Basic Earning Per Share</b>		
Profit for the year as per Statement of Profit & Loss (Excluding OCI)	39,68	60,45
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,36,275	2,94,36,275
<b>Basic Earning Per Share (Rupees)</b>	0.13	0.21
<b>II) Diluted Earning Per Share</b>		
Profit for the year as per Statement of Profit & Loss (Excluding OCI)	39,68	60,45
Add: Interest forgone on account of Potential Equity shares	-	-
	39,68	60,45
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
<b>Diluted Earning Per Share</b>	0.13	0.21
<b>Nominal Value of Shares (Rupees)</b>	5.00	5.00

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17. 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.
18. 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.

### 19. 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 2021 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
<b>As at 31st March 2021</b>				
Borrowings	-	41	21000	21041
Trade Payables	-	9083	-	9083
Other Payables	-	10645	-	10645
<b>As at 31st March 2020</b>				
Borrowings	-	1720	21000	22720
Trade Payables	-	8034	-	8034
Other Payables	-	14421	-	14421

20. 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 BDMV & Co**  
Chartered Accountants  
Firm Registration No.: 101256W

**For and on behalf of the Board**

**N. R. DIVATE**  
Whole Time Director  
DIN - 00304616

**SAMEER S. PIMPALE**  
Chairman  
DIN - 08813127

**K.CHANDRAMOULI**  
Whole Time Director  
and Company Secretary  
DIN - 00036297

**VISHAL KELKAR**  
Partner  
M.No. 154128

**MAHESH S. MAKHIJANI**  
Director  
DIN - 00322226

**MEGHA J.VAZKAR**  
Director  
DIN - 00179162

**NILAY SHARMA**  
Director  
DIN - 00231299

**VINAY KULKARNI**  
Chief Financial Officer

Mumbai, Dated: 31st May 2021

Mumbai, Dated: 31st May 2021