

HYBRID FINANCIAL SERVICES

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

27TH

**A
N
N
U
A
L

R
E
P
O
R
T**

**2
0
1
3
-
2
0
1
4**

HYBRID **FINANCIAL** **SERVICES**

BOARD OF DIRECTORS

SHRI.JAYESH R.TALPADE	<i>Director</i>
SHRI.N.R.DIVATE	<i>Wholetime Director</i>
SHRI.K.CHANDRAMOULI	<i>Wholetime Director and Company Secretary</i>
SHRI. TANVEER SHAIKH	<i>Director</i>
SHRI. L. JAYARAMAN	<i>Director (Nominee of Debenture Trustee)</i>

MANAGEMENT TEAM

SHRI.N.R.DIVATE	<i>Wholetime Director</i>
SHRI. K. CHANDRAMOULI	<i>Wholetime Director and Company Secretary</i>

AUDITORS

S. RAMANAND AIYAR & CO
Chartered Accountants
Mumbai

REGISTERED OFFICE

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

REGISTRARS & SHARE TRANSFER

AGENTS

BIGSHARE SERVICES PRIVATE LIMITED
E-2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka,
Andheri (East), Mumbai – 400 072.

MAXIMUS **SECURITIES**

BOARD OF DIRECTORS

SHRI. N.R. DIVATE	<i>Director</i>
SHRI. JAYESH R. TALPADE	<i>Director</i>
SMT. MEGHA J. VAZKAR	<i>Wholetime Director</i>
SHRI. K. SURYANARAYANAN	<i>Wholetime Director</i>

AUDITORS

S. RAMANAND AIYAR & CO
Chartered Accountants
Mumbai

REGISTERED OFFICE

First Floor, Sterling Centre,
Opp. Divine Child High School,
Andheri-Kurla Road, Andheri (East),
Mumbai – 400 093.

Annual Report 2013-2014

NOTICE

Notice is hereby given that the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Members of HYBRID FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED) will be held at All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093 on Friday, 18th July 2014 at 11 am to transact the following BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Statement of Profit and Loss, Cash Flow Statement of the Company for the year ended 31st March, 2014 and the Balance Sheet as at that date and the Reports of Directors and the Auditors thereon.
2. To reappoint Mr. Jayesh Ramesh Talpade as Director who retires at the ensuing Annual General Meeting, eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K.CHANDRAMOULI
Wholetime Director

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER.
- b) The proxy form duly completed and signed by the shareholder should be deposited at the registered office of the company atleast 48 hours before the commencement of the meeting.
- c) The E-voting required as per the provisions of New Companies Act, 2013 is not possible for this 27th Annual General Meeting as the Company's ISIN remains suspended and the new ISIN subsequent to Name Change and Reduction of Capital, is not yet allotted.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 14th July 2014 to Friday, 18th July 2014 (both days inclusive).
- e) Members are requested to notify any change in their address to the Company's Registrars & Share Transfer Agents, M/s. Big Share Services Pvt. Ltd., E-2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072, quoting their folio nos. immediately, so as to ensure that all communications / reports reach the Members promptly.
- f) Shareholders seeking any information with regard to the Accounts of the Company are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

Registered Office:

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

Date: 22nd May 2014

ANNEXURE TO THE NOTICE

NOTES ON DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT ENTERED INTO WITH STOCK EXCHANGES.

PROFILE OF DIRECTOR BEING RE-APPOINTED

Name	:	Mr.Jayesh Ramesh Talpade
Age	:	58 Years
Qualifications	:	BE. MMS.
Experience	:	Over Twenty Four Years in the field of Management Consulting

Mr.Jayesh Ramesh Talpade holds 30,600 Equity Shares in the Company. He is a Director in Maximus Securities Limited.

Registered Office:

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

Date: 22nd May 2014

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K. CHANDRAMOULI
Wholetime Director

DIRECTORS REPORT

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

Your Directors present the Twenty Seventh Annual Report with the Audited Statement of Accounts of the Company for the year ended 31st March 2014.

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 31.03.2014 (Rs. in lacs)	Year Ended 31.03.2013 (Rs. in lacs)
Gross Income	151.90	158.86
Gross Profit / (Loss) before depreciation and Income tax	1.14	(46.80)
Depreciation	0.82	1.17
Provision for Tax	Nil	Nil
Net Profit / (Loss) After Tax	0.32	(47.97)
Add: Amount brought forward from previous year	(1071.56)	(1023.59)
Balance carried forward	(1071.24)	(1071..56)

2. OPERATIONS

The Financial Year 2013-2014 has ended with the company earning a profit of Rs. 0.32 lacs after Tax. The Company's operations are still muted due to the uncertainties of business environment and the outcome of the Tax Litigations. The Company does not anticipate any significant revenue growth from operations in the coming years till the tax issues are resolved.

3. OUTLOOK

The company is undertaking new Non - NBFC activities and accordingly entered into agreements with Bharti Airtel Limited to solicit new business clientele for them. These operations have yielded a gross revenue of Rs.13.09 lacs during the financial year ended 31st March 2014. Further these operations also involve heavy regulatory requirements and are not very remunerative. The Company is exploring the possibility of commencing the activity of Employee Back Ground Verification and Checking and has initiated actions accordingly.

4. DIVIDEND

No dividend has been recommended by the Board on Equity Shares and Redeemable Preference Shares in view of the inadequacy of profits.

5. LISTING OF SHARES

The Company has made an application to BSE for removal of suspension and relisting of the shares under the new name in 30th August 2011. The matter is being pursued. Though the Company is filing its returns to NSE as a measure of abundant caution as it is not proposing to list its share in the said Exchange as members have already approved the shares to be de-listed from the said Exchange in the year 2003 itself.

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

6. PENALTIES AND OTHER LITIGATIONS DURING THE YEAR

SAST Regulations

SEBI has levied a penalty of Rs. 8 Lacs arising out of violations of the provisions of Regulation 8(3) of SAST Regulations. The Company has filed an appeal against this penalty with the Securities Appellate Tribunal.

Provident Fund Matter

Provident Fund Department after conducting an enquiry Under Section 7A proceedings have made a demand of Rs. 21,06,154/- on the Company based on a recalculation of dues on a Contractor for the period 2004-2011. The Company has appealed against the same and obtained a stay from Employee Provident Fund Appellate Tribunal.

Labour Commissioner Delhi

The Directors of the Company have also received a notice from the Labour Commissioner, Delhi, regarding the Non-Reinstatement of an employee dismissed in the year 1995-1996 and for non implementation of the award of 1999. The concerned employee never resumed his duties pursuant to the award in 1999 till 2005, when the Company had an office at New Delhi. The matter is being appropriately dealt with.

Tax Matters

The Company's Income Tax Appeal in the Appellate Tribunal is expected to be concluded during the Financial Year 2014-2015.

7. MAXIMUS SECURITIES LIMITED [Formerly known as MAFATLAL SECURITIES LIMITED (MSL) – SUBSIDIARY COMPANY]

The Subsidiary Company has earned a net profit of Rs. 43.22 lacs for the financial year ended 31st March, 2014. The Subsidiary Company is exploring various options to fare better in the current financial year. Statement pursuant to Section 212 of the Companies Act, 1956 in respect of Maximus Securities Limited are separately given in this Report.

8. 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

9. DIRECTORATE

Mr.Jayesh Ramesh Talpade is retiring at the ensuing Twenty Seventh Annual General Meeting and eligible, offers himself for re-appointment.

10. 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.

11. PARTICULARS OF EMPLOYEES

There are no employees who are covered under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975.

Annual Report 2013-2014

12 DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- i. in the preparation of the annual accounts, 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. that the Directors have prepared the Annual Accounts on a going concern basis.

13 CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion Analysis, and Corporate Governance Report are made a part of the Annual Report.

14 AUDITORS

The Company's Auditors M/s. Ramanand Aiyar & Company, Chartered Accountants retire at the ensuing Annual General Meeting. They being eligible have given their consent to act as Auditors of the Company if reappointed. Members are requested to consider their reappointment as Auditors of the Company for the current year and fix their remuneration.

15 ACKNOWLEDGEMENTS

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

FOR AND ON BEHALF OF THE BOARD

K.CHANDRAMOULI
Wholetime Director

Place: Mumbai
Date : 22nd May 2014

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.151.90 Lacs which includes Rs.49.09 Lacs towards operational income and Rs.102.81 Lacs as other income (which includes write-backs) and the company earned a profit of Rs.0.32 Lacs.

BUSINESS ANALYSIS OUTLOOK

The company has been exploring the possibility of alternate activities on the hope of improved market conditions in future in the fee based segment. In addition, the company would also activate its stock broking subsidiary. The Company is yet to identify any new areas of activity in view of the uncertainty of the tax claims.

RISK AND CONCERNS

The company faces the following challenges and risks:

- a) Results of the outstanding tax disputes.
- b) Contingent risks which the company is not currently facing but may be exposed too.

Your company's management has been continuously evaluating the risk and concerns and have been taking proactive action in its mitigation. Given the fact that there are substantial numbers of risks, which are cumulatively impinging the company's operations, any road to future development would be fraught with a fair degree of uncertainty.

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 2014 has 2 employees on its payroll. The relationship were 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.

CORPORATE GOVERNANCE REPORT

THE DETAILED REPORT ON CORPORATE GOVERNANCE AS REQUIRED IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT IS GIVEN BELOW:

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 Raghunath Divate and Mr. K Chandramouli., two Independent Directors Mr. Jayesh R.Talpade and Mr. Tanveer Shaikh and one Nominee Director Mr. L. Jayaraman, representing Bank of India, Debenture Trustees. **
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 2013-2014 and the last Annual General Meeting is as follows:

Director	Board Meetings Attended	Last Annual General Meeting Attended (Held on 19.07.2013)
Mr. N.R. Divate	4	Yes
Mr. K. Chandramouli	4	Yes
Mr. Jayesh Talpade	4	Yes
Mr.Tanveer Shaikh	3	Yes
Mr. L. Jayaraman **	Nil	No

** Though we understand Mr. L. Jayaraman has retired from the services of Bank of India, no official intimation has been received by us regarding his substitution.

(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	Not Independent, Executive	7	-	-	-
Mr. N.R. Divate	Not Independent, Executive	4	-	-	-
Mr. Jayesh Talpade	Independent, Non-Executive	1	-	-	-
Mr.Tanveer Shaikh	Independent, Non-Executive	1	-	-	-
Mr. L. Jayaraman	Independent, Nominee Director	-	-	-	-

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

Four Board Meetings were held during the year 2013-2014. The dates on which meetings were held were as follows:
14th May 2013, 19th July 2013, 25th October 2013 and 21st January 2014.

(e) Remuneration of Directors:

The company does not pay any remuneration to the Independent Directors.
During the year, the company paid Rs.24,54,885/- to Mr.K. Chandramouli and Rs.26,36,000/- to Mr.N.R.Divate, Whole Time Directors of the Company towards remuneration and the same has been approved by the members.

(f) Directors Share Holding:

(i).Mr.K.Chandramouli is holding 93,78,057 Equity Shares, 16,79,100 1% Cumulative Redeemable Preference Shares, (ii). Mr.N.R.Divate is holding 93,83,995 Equity Shares, 16,79,100 1% Cumulative Redeemable Preference Shares and (iii). Mr.Jayesh Talpade is holding 30,600 Equity Shares in the Company.

3. AUDIT COMMITTEE

The company has reconstituted the Audit Committee in accordance with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. The terms of reference of the Audit Committee, are in conformity with those mentioned in Clause 49 of the Listing Agreement. The Committee reviews the Accounting Policies, Accounts, Audit & Control and various reports placed before it by the Internal Auditors of the Company. The members of the reconstituted Audit Committee are as under on 31.03.2014:

Mr. Jayesh Talpade ... Chairman
Mr. K. Chandramouli ... Wholetime Director
Mr. N.R.Divate ... Wholetime Director
Mr. Tanveer Shaikh ... Director
Mr. L. Jayaraman ... Nominee Director

Annual Report 2013-2014

The details of the Audit Committee Meetings and attendance of its members are given below:

Four meetings were held during the year 2013-2014. (14th May 2013, 19th July 2013, 25th October 2013, and 21st January 2014). The attendance for the said meetings is as follows:

Name of the Members	Category	Attendance Particulars
Mr. Jayesh R. Talpade	Chairman	4
Mr.N.R.Divate	Wholetime Director	4
Mr.K.Chandramouli	Wholetime Director	4
Mr. Tanveer Shaikh	Independent Director	3
Mr. L Jayaraman	Nominee Director	Nil

Mr.Binod C.Maharana, Partner of M/S. S.Ramanand Aiyar & Co., Chartered Accountants, Statutory Auditors, attended the Audit Committee Meeting held on 14th May 2013 as Special Invitee.

4. REMUNERATION COMMITTEE

The company has constituted a Remuneration Committee on 27th April 2005 and following are the members in the reconstituted committee as on 31.03.2014:

Mr. Jayesh Talpade	...	Chairman
Mr. K. Chandramouli	...	Wholetime Director
Mr. N.R. Divate	...	Wholetime Director
Mr. Tanveer Shaikh	...	Director

One Remuneration Committee Meeting was held on 14th May 2013 during the year 2013-2014.

5. SHARE/DEBENTURE TRANSFER-CUM-INVESTOR'S GRIEVANCE COMMITTEE

The company has a Share/Debenture Transfer-cum-Investor's Grievance Committee, consisting of the following members as on 31.03.2014:

Mr. K. Chandramouli	...	Chairman
Mr. N.R. Divate	...	Wholetime Director
Mr. Jayesh Talpade	...	Director
Mr. Tanveer Shaikh	...	Director

The Committee oversees and approves transfer/transmission of equity shares and debentures. 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: 01.04.2013 to 31.03.2014

Number of Equity Shareholders / Debenture holders / } : 5

Preference Shareholders complaints pending as on 01.04.2013 }

Number of complaints received during the year : 229

Number of complaints solved during the year : 229

Number of complaints pending as on 31.03.2014 : 5

Four meetings were held during the year 2013-2014. (14th May 2013, 19th July 2013, 25th October 2013, and 21st January 2014).

The attendance for the said meetings is as follows:

Name of the Director	Category	Attendance Particulars
Mr.K.Chandarmouli	Chairman	4
Mr. N.R.Divate	Wholetime Director	4
Mr.Jayesh Talpade	Director	4
Mr. Tanveer Shaikh	Director	3

6. DIRECTORS

Mr.Jayesh Talpade, Director of the company is retiring by rotation at the ensuing 27th Annual General Meeting, eligible and offers himself for reappointment. Brief particulars of the director is as under :

Name of the Director	Mr. Jayesh R. Talpade
Date of Birth/Age	16th October 1956 / 58 Years
Date of Original Appointment	9th September 2008
Expertise in specific functional areas	Over Twenty Four Years in the field of Management Consulting
No. of Companies in which the person holds the directorship	Two

7. GENERAL BODY MEETINGS

Venue and time where the last three Annual General Meetings were held are given below:

Date	Venue	Time
8th July, 2011	Indian Women Scientists Association, Plot No. 20, Sector 10-A, Opp. Balaji Temple, Near Sainath High School, Vashi, Navi Mumbai 400 703.	11.00 A.M
13th July, 2012	All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093.	11.00 A.M
19th July, 2013	All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093.	11.00 A.M

8. SUBSIDIARY COMPANY:

The company has appointed Mr. Jayesh Talpade in compliance with Clause 49 (III) (Subsidiary Company) of the Listing Agreement as a director of the holding company in the board of the subsidiary company with effect from 22nd January 2009. 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 upto Rs. 60 lacs per annum plus taxes as per the terms mutually agreed and codified through an agreement entered in this respect. During the financial year ended 31st March 2014 the Company has charged Rs. 36 Lacs against the same. 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.

9. DISCLOSURES

a) The details of related party transactions are given in Point No. 10 of the notes on Financial Statements.

b) The company's shares were suspended from trading by National Stock Exchange of India Limited (NSE) since September 2001 and Bombay Stock Exchange 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 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 Company has not made payment of Listing Fee to Bombay Stock Exchange Limited (BSE) or any other Exchanges for the year 2013-2014.

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

The company has not paid the listing fees to Bombay Stock Exchange Limited (BSE) for the year 2012-2013, The National Stock Exchange of India Limited (NSE), Ahmedabad Stock Exchange Limited (ASE) from the financial years 2000-01 to 2012-13 and Delhi Stock Exchange Association Limited (DSE) from the financial years 2001-02 to 2012-13 after the members' approval to delist the company's shares from these exchanges. Pending Listing of Shares by BSE, the application for De-listing from other Exchanges could not be pursued.

c) SEBI has levied a penalty of Rs. 8 Lacs arising out of violations of the provisions of Regulation 8(3) of SAST Regulations, vide their Adjudication Order dated 25th March, 2014. The Company has filed appeal against this penalty with the Securities Appellate Tribunal on 23rd April 2014.

10. WHOLETIME DIRECTORS CERTIFICATION:

The Wholetime Director and Wholetime Director & Company Secretary of the company have certified to the Board that :

a) They have reviewed the Financial Statements as on 31st March 2014 and the Cash Flow Statement for the year ended 31st March 2014 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 except the fact that certain interest non-provisions and treatment of remission of liabilities, difference in books of accounts and third party transactions have been dealt differently than as they need to be considered based on the actual unfolding of events.

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.

Annual Report 2013-2014

11. 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 Free Press Journal
 - Websites where displayed : www.hybridfinance.co.in
 - Whether it also displays official news releases and presentations made to institutional investors/analysis : No
- c) Whether Management Discussions and Analysis is a part of the Annual Report : Yes

12. GENERAL SHAREHOLDER INFORMATION

- 12.1 **Annual General Meeting** : Friday 18th July 2014 at 11 A.M. at All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093.
Date, Time & Venue
- 12.2 **Financial Calendar (2014-2015) (tentative) :**
Quarterly Results:
Quarter Ending June 30, 2014 : Third week of July 2014
Quarter Ending September 31, 2014 : Last week of October 2014
Quarter Ending December 31, 2014 : Last week of January 2015
Quarter Ending March 31, 2015 : Last week of May 2015
- 12.3 **Book Closure date(s)** : Monday, 14th July 2014 to Friday, 18th July 2014 (both days inclusive)
- 12.4 **Dividend payment date(s)** : Not applicable
- 12.5 **Listing of Equity** : Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.
The company's shares were also listed in the National Stock Exchange of India Ltd, Ahmedabad Stock Exchange Ltd, and Delhi Stock Exchange Association Ltd. The members have approved delisting from these Exchanges.
The company has paid the listing fees to Bombay Stock Exchange Limited (BSE) under protest for the financial years from 2004-2005 to 2007-2008 on 17th May 2007, listing fees for 2008-2009 and 2009-2010 on 18th February 2010, listing fee for 2010-2011 on 26th April 2010 and listing fee for the year 2011-2012 on 20th June 2011
- 12.6 **Stock Code**
Physical Segment – BSE : 500262
Demat Segment - BSE : INE965B01014
- 12.7 **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 Bombay Stock Exchange Limited (BSE) with effect from December 2002 and accordingly no market price data is available.
- 12.8 **Registrar & Transfer Agents** : M/s. Big Share Services Private Ltd. E-2, Ansa Industrial Estate, Saki Vihar Road Saki Naka, Andheri (East), Mumbai - 400 072
Tel: 28470652 / 40430200 Fax: 28475207
- 12.9 **Share & Transfer Agents (for Electronic Transfers)** : M/s. Big Share Services Private Ltd. E-2, Ansa Industrial Estate Saki Vihar Road, Saki Naka Andheri (East), Mumbai – 400 072
Tel: 28470652 / 40430200 Fax: 28475207

12.10 (a) Distribution of Shareholding as on 31st March, 2014

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto – 5000	52,000	99.60	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	22	0.04	5,59,412	1.90
30001-40000	9	0.02	3,17,246	1.08
40001-50000	3	0.01	1,38,900	0.47
50001-100000	8	0.02	5,63,250	1.91
100001 and above	7	0.01	1,96,44,427	66.74
GRAND TOTAL	52,210	100.00	2,94,36,275	100.00

(b) Category of Shareholding as on 31st March, 2014

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

- 12.11 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 2014
Members can hold shares in electronic forms and trade the same in Depository System. However, they may hold the same in physical form also.
- 12.12 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity. : Nil
- 12.13 Registered Office and Address for Correspondence : No.35, A-Wing, Raj Industrial Complex Premises Co-operative Society Limited, Military Road, Marol, Andheri (East), Mumbai-400 059

II. NON-MANDATORY REQUIREMENTS

- 1 Office of the Chairman of the Board and re-imburement of expenses by the Company**
The same is not applicable as the Chairman of the Company is a Wholetime Director
- 2. Remuneration Committee**
The Company has a remuneration Committee in place. For details regarding composition and scope of the Remuneration Committee, please refer to Item No. 4 above under the head "Mandatory Requirements"
- 3. Shareholders' Rights – Furnishing of Quarterly Results**
The Company's Quarterly Results are published in the newspapers and also posted on its own website (www.hybridfinance.co.in). Hence Quarterly Results are not sent to the shareholders. However, the Company furnishes the Quarterly Results on receipt of requests from the shareholders.
- 4. Audit Qualifications**
The Company, at present, does not have any audit qualification pertaining to the financial results.
- 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 at present does not have any Whistle Blower Policy

Annual Report 2013-2014

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

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

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

For the purpose of this declaration, Senior Management Team means the employee in the cadre of Wholetime Directors on 31st March 2014

K.CHANDRAMOULI

Wholetime Director and
Company Secretary

Place: Mumbai

Date: 22nd May 2014

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT (S)

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 2014 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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, subject to the following:

The company has not laid down procedures to inform the board members about risk management and minimization requirements.

We certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

FOR S. RAMANAND AIYAR & CO

Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA

Partner
Membership No. 056373

Place: Mumbai

Date: 22nd May 2014

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED) which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act 1956 ("The Act") (except to the extent of disclosure required to be made under AS-15 with regard to Group Gratuity Scheme and Leave Encashment) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As Required By The Companies (Auditor's Report) Order, 2003 ("The Order") Issued By The Central Government Of India In Terms Of Sub-Section (4A) Of Section 227 Of The Act, We give In the annexure a statement on The matters specified in paragraphs 4 and 5 of the order.
2. As required by Section 227 (3) of the Companies Act, 1956, we report that:
 - a) We have obtained all the information and explanations *subject to Item Nos 5 and 7 of Note No. 20 III) regarding non receipt of confirmation of certain balances* which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 22nd May 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date of HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED)]

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) During the year, the fixed assets have been physically verified by the management in accordance with the programme of verification.
- c) The company has not disposed off substantial part of its assets during the year
- 2) As explained to us, the repossessed stocks on hire was written off during the earlier year hence there is no inventory as at the year end.
- 3) The company has neither granted nor taken any loans secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and Sale of Services. We have not observed any continuing failure to correct major weaknesses in such internal controls. There are no transactions of purchase of inventory and sale of goods.
- 5) In our opinion and according to the information and explanations given to us, there are transactions pursuant to contracts/arrangements

- 8) b) According to the information and explanations given to us, details of disputed sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited as on 31st March, 2014 on account of any dispute are given below:

referred to in section 301 of the Companies Act, 1956 which required to be entered in to the register maintained under section 301 have been so entered. However, considering the nature of services and in the absence of comparative quotations we are unable to express our opinion on reasonableness of the price.

- 6) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit during the year. In respect of matured deposits accepted as Non-Banking Finance Company had been deposited in to escrow account as directed by Reserve Bank of India. No return of fixed deposit had been filed with Reserve Bank of India. The company has now amended its object clause of Memorandum of Association and is no longer a non-banking finance company.
- 7) The company has an internal audit system, carried out by a firm of Chartered Accountants. In our opinion, the same is commensurate with the size of the Company and the nature of its business.

- 8) a) In respect of statutory dues;

The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax and cess were in arrears, as at 31st March 2014 for a period of more than six months from the date they became payable.

Name of statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh Commercial Tax Act, 1974	Sales Tax	48,780/-	1995-1996	Deputy Commissioner of Commercial Taxes
Madhya Pradesh Commercial Tax Act, 1974.	Sales Tax	25,491/-	1996-1997	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994.	Sales Tax	2,654/-	1994-1995	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994.	Sales Tax	143,788/-	1995-1996	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994.	Sales Tax	82,415/-	1996-1997	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994.	Sales Tax	44,851/-	1999-2000	Deputy Commissioner of Commercial Taxes
Income Tax Act, 1961.	Income Tax	5,90,12,621/-	1994-95 to 1998-99	Income Tax Appellate Tribunal
Foreign Exchange Management Act.	Import Duty	5,60,00,000/-	1994-1995 1995-1996 1996-1997	Appellate Tribunal of Foreign Exchange
SEBI	Penalty for Non Compliance of SAST Regulations	8,00,000/-	2013-2014	Under appeal before Securities Appellate Tribunal, Mumbai.
Sub-Regional Office, Employees' Provident Fund, Vashi	Demand Under Section 7A proceedings	21,06,154/-	2013-2014	The Company has appealed against the order and obtained a stay from Employee Provident Fund Appellate Tribunal.

- 9) *The accumulated losses of the company have exceeded fifty percent of its net worth as at the end of the year. The Company has incurred cash losses during the financial year covered by our audit. The company had incurred cash losses in the immediately preceding financial year also. We are unable to determine the impact of qualifications, which are not quantifiable, on the accumulated losses and the cash losses, if any.*
- 10) *According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks and debenture holders as per the Scheme of Compromise and Arrangements dated 13th July 2007 or has agreed with the Banks / Financial Institutions.*
- 11) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 12) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The Company has held the aforesaid investments in its own name.
- 13) According to the information and explanation given to us the company has not given guarantees during the year for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003, are not applicable.
- 14) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the Company has not availed any term loans from Banks or financial institutions during the year.
- 15) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, there were no funds raised on short term basis that have, prima facie, been used during the year for long term investment.
- 16) According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003, are not applicable.
- 17) According to the information and explanations given to us and the records examined by us, securities have been created in respect of the debentures issued.
- 18) The Company has not raised monies by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003, are not applicable.
- 19) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- Other clauses of the order are not applicable to the company for the year.

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 22nd May 2014

Annual Report 2013-2014

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2014	AS AT 31.03.2013
		Rs. in 000s	Rs. in 000s	Rs. in 000s
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds:				
(a) Share Capital	1	180,763		180,763
(b) Reserves and Surplus	2	(102,799)		(102,831)
			77,964	77,932
(2) Non-Current Liabilities:				
(a) Long Term Liabilities	3	2,248		2,504
(b) Long Term Provisions	4	34,989		34,429
			37,237	36,933
(3) Current Liabilities:				
(a) Short Term Borrowings	5	205		746
(b) Other Current Liabilities	6	10,718		8,826
			10,923	9,572
TOTAL			126,124	124,437
II. ASSETS				
(1) Non Current Assets:				
(a) Fixed Assets	7			
(i) Tangible Assets		738		794
(ii) Intangible Assets		-		-
		738		794
(b) Non Current Investments	8	100,180		100,180
(c) Long Term Loans and Advances	9	8,655		7,643
(d) Other Non Current Assets	10	5,977		5,977
			115,550	114,594
(2) Current Assets:				
(a) Trade Receivables	11	862		840
(b) Cash and Cash Equivalents	12	7,718		7,744
(c) Short Term Loans and Advances	13	1,933		1,254
(d) Other Current Assets	14	61		5
			10,574	9,843
TOTAL			126,124	124,437

Significant Accounting Policies and Notes on Financial Statements 20

As per our attached report of even date

For and on the behalf of board of Directors

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

N. R. DIVATE
Wholetime Director

JAYESH R. TALPADE
Director

BINOD C. MAHARANA

Partner
M. No. 056373

K. CHANDRAMOULI
Wholetime Director and
Company Secretary

TANVEER SHAIKH
Director

Mumbai, Dated : 22nd May 2014

Mumbai, Dated : 22nd May 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	NOTE NO.	CURRENT YEAR Rs. in 000s	CURRENT YEAR Rs. in 000s	PREVIOUS YEAR Rs. in 000s
INCOME				
Revenue from operations :				
Service Charges				
[Tax deducted at source Rs.5,18,566/- (Previous Year Rs.7,40,898/-)]		<u>4,909</u>		6,857
Other Income	15		<u>10,281</u>	9,029
Total Revenue			<u>15,190</u>	<u>15,886</u>
EXPENDITURE				
Employee Benefit Expenses	16		<u>6,490</u>	7,315
Financial Costs	17		<u>108</u>	224
Depreciation and Amortisation Expenses	7		<u>82</u>	117
Other Administrative Expenses	18		<u>8,478</u>	13,027
Total Expenses			<u>15,158</u>	<u>20,683</u>
Profit / (Loss) before Tax			<u>32</u>	(4,797)
Provision for Tax			<u>-</u>	-
Profit / (Loss) after Tax			<u>32</u>	<u>(4,797)</u>
Balance carried to the Balance Sheet			<u>32</u>	<u>(4,797)</u>
Earning per equity share:				
(1) Basic			-	(0.16)
(2) Diluted			-	(0.16)
Significant Accounting Policies and Notes on Financial Statements	20			

As per our attached report of even date

For and on the behalf of board of Directors

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

N. R. DIVATE
Wholetime Director

JAYESH R. TALPADE
Director

BINOD C. MAHARANA

Partner
M. No. 056373

K. CHANDRAMOULI
Wholetime Director and
Company Secretary

TANVEER SHAIKH
Director

Mumbai, Dated : 22nd May 2014

Mumbai, Dated : 22nd May 2014

Annual Report 2013-2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-2014 Rs. in 000s	2012-2013 Rs. in 000s
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Interest and Tax	140	(4,573)
Less : Interest	<u>108</u>	<u>224</u>
Profit / (Loss) before Tax	32	(4,797)
Adjustment for :		
Sundry Credit Balances Written Back	(257)	(21)
Provision for Doubtful Debts Written Back	(5,768)	(4,561)
Depreciation	82	117
Loss on Scrapped Assets	-	29
Interest / Dividend on Investments	(514)	(775)
Provisions for Leave Encashment	<u>560</u>	<u>275</u>
Operating Profit / (Loss) before Working Capital Changes	(5,897)	(4,936)
Changes in Working Capital	(5,865)	(9,733)
Adjustments for (increase) / decrease in operating assets		
Trade Receivables	(22)	160
Long Term Loans and Advances	(75)	800
Short Term Loans and Advances	5,089	4,879
Adjustments for increase / (decrease) in operating liabilities		
Long Term Liabilities	-	(658)
Other Current Liabilities	<u>2,243</u>	<u>2,760</u>
Cash Generated From / (Used in) Operations	7,235	7,941
Direct Taxes - (Paid) / Received	(937)	(41)
Net Cash From / (Used in) Operating Activities	(A) 433	(1,833)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(26)	(20)
Interest/Dividend Received	<u>458</u>	<u>840</u>
Net Cash From Investing Activities	(B) 432	820
C. Cash Flow from Financing Activities		
Short Term Borrowings	(541)	746
Redemption of Preference Shares	(350)	(60)
Dividend Paid on Preference Shares	-	(472)
Net Cash (Used In) /From Financing Activities	(C) (891)	214
Net (Decrease) / Increase in Cash and Cash Equivalents	(A+B+C) (26)	(799)
Cash and Cash Equivalents as at the commencement of the year	7,744	8,543
Cash and Cash Equivalents as at the end of the year	7,718	7,744
Net (Decrease) / Increase as Disclosed above (See Notes attached)	(26)	(799)

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-2014 Rs. in 000s	2012-2013 Rs. in 000s
1 Cash and cash equivalents include :		
Cash on hand	4	4
Bank Balances	<u>7,714</u>	<u>7,740</u>
TOTAL	7,718	7,744

2 All figures in brackets are outflows.

3 Previous years figures have been regrouped wherever necessary to confirm to this year's classification.

As per our attached report of even date

For and on the behalf of board of Directors

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

N. R. DIVATE
Wholetime Director

JAYESH R. TALPADE
Director

BINOD C. MAHARANA
Partner
M. No. 056373

K. CHANDRAMOULI
Wholetime Director and
Company Secretary

TANVEER SHAIKH
Director

Mumbai, Dated : 22nd May 2014

Mumbai, Dated : 22nd May 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at		Reconciliation of Shares		
	31.03.2014	31.03.2013	ISSUED , SUBSCRIBED & PAID UP CAPITAL	Current Year	Previous Year
	Rs. in 000s	Rs. in 000s			
Note No. 1					
Share Capital					
1	AUTHORISED CAPITAL		Equity Shares		
	7,00,00,000 Equity shares of Rs.5/- each	350,000	350,000	29,436,275	28,036,275
	3,00,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each	300,000	300,000		
		650,000	650,000		
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL		Preference Shares		
	2,94,36,275 Equity Shares of Rs.5/- each fully paid	147,181	147,181	3,358,200	4,058,200
	33,58,200, 1% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid	33,582	33,582		
	TOTAL	180,763	180,763	3,358,200	3,358,200

Details of Shareholders Holding more than 5 % of the Share Capital

Equity Shares:

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% 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

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

Preference Shares:

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Nandakishore R. Divate - Promoter	1,679,100	50.00	1,679,100	50.00
Mr. K.Chandramouli - Promoter	1,679,100	50.00	1,679,100	50.00

Particulars	As at		Particulars	As at	
	31.03.2014	31.03.2013		31.03.2014	31.03.2013
	Rs. in 000s	Rs. in 000s		Rs. in 000s	Rs. in 000s
Note No. 2					
Reserves and Surplus					
1	Capital Redemption Reserve Account	4,325	4,325		
	TOTAL (A)	4,325	4,325		
2	Surplus / (Deficit) as per Statement of Profit & Loss:				
	Opening Balance	(107,156)	(102,359)		
	Add: Profit / (Loss) for the year	32	(4,797)		
	TOTAL (B)	(107,124)	(107,156)		
	TOTAL (A + B)	(102,799)	(102,831)		
Note No. 3					
Long Term Liabilities					
1	Secured				
	Debentures				
	Deep Discount Non-Convertible Debentures of T Series Liability reduced as per Scheme of Compromise net of payments made till 31st March 2014 [Refer Note No. 20 III] 4]	122	122		
Note No. 4					
Long Term Provisions					
1	Provision for employee benefits:				
	Leave Encashment	4,968	4,408		
	Provision For Taxation	21	21		
	Provision for Contingencies [Refer Note. 20 III] 1]	30,000	30,000		
	TOTAL	34,989	34,429		

Annual Report 2013-2014

Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s	Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s					
Note No. 5										
Short Term Borrowings										
1 Bank Overdraft			3 Unclaimed Debentures and Interest Warrants	44	44					
(Secured against pledge of Fixed Deposits)	205	746	4 Related Parties for Services Provided	5,852	3,867					
TOTAL	205	746	5 Other Payables :							
			a Auditor's Remuneration	90	101					
Note No. 6			b Tax Deducted at Source	204	311					
Other Current Liabilities			c Service Tax Payable	141	30					
1 Unclaimed Preference Shares	3,710	4,060	d Profession Tax	1	1					
2 Unclaimed Dividend on Preference Shares	29	29	e Outstanding Expenses Payable	308	99					
			f Others	339	284					
Note No. 7			TOTAL	10,718	8,826					
Fixed Assets										
					Rs. in 000s					
	Gross Block				Depreciation / Amortisation				Net Block	
Particulars	As at 01.04.2013	Additions during the year	Deletions / Adjustments during the year	As at 31.03.2014	As at 01.04.2013	For the year	Deletions / Adjustments during the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
Building	521	-	-	521	151	9	-	160	361	370
Computers	372	26	-	398	176	59	-	235	163	196
Furnitures and Fixtures	35	-	-	35	7	2	-	9	26	28
Office Equipments	243	-	-	243	43	12	-	55	188	200
SUB TOTAL (A)	1,171	26	-	1,197	377	82	-	459	738	794
Intangible Assets										
Computer Software	100	-	-	100	100	-	-	100	-	-
SUB TOTAL (B)	100	-	-	100	100	-	-	100	-	-
Total [A + B] (Current Year)	1,271	26	-	1,297	477	82	-	559	738	794
(Previous Year)	1,336	20	85	1,271	416	117	56	477	794	
Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s	Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s			
Note No.8 Non Current Investments				D OTHERS						
A IN FULLY PAID EQUITY SHARES				(a) 333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Ltd.	10		10			
OF SUBSIDIARY COMPANIES				(b) 1000 shares of Rs.10 each in Saraswat Co-operative Bank Ltd	10		10			
1,00,00,000 Shares of Rs.10 each in Maximus Securities Ltd.	100,000		100,000	TOTAL		20	20			
		100,000	100,000			100,180	100,180			
B IN FULLY PAID EQUITY SHARES - UNQUOTED				Note No. 9						
I WITH ASSOCIATED COMPANIES				Long Term Loans and Advances						
24500 shares of Rs.10 each in Hybrid Systems Ltd.	245		245	1 Advance Interest Tax (Net of Provision of Rs.6,11,742/-)		1,138	1,138			
	245		245	2 Advance payment of Income Tax and Tax Deducted at Source [Net of Provisions Rs.6,11,240/- (As at 31.03.2013 Rs.6,11,240/-)]		6,779	5,842			
Less: Provision for Diminution in Value	245		245							
				3 Deposit with others						
II WITH OTHERS				(i) Considered Good	738		663			
16000 shares of Rs.10 each in Amitabh Bachan Corporation Ltd.	1,280		1,280	(ii) Considered Doubtful	8,000		8,000			
300000 shares of Rs.10 each in Leisure Hotel Ltd.	3,000		3,000	Less: Provision for doubtful deposit	8,000		8,000			
	4,280		4,280			738	663			
Less: Provision for Diminution in Value	4,120		4,120	TOTAL		8,655	7,643			
		160	160							
C IN FULLY PAID PREFERENCE SHARES										
52255 shares of Rs.10 each in Pasupati Fabrics Ltd	523		523							
Less: Provision for Diminution in Value	523		523							

Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s	Particulars	Current Year Rs. in 000s	Previous Year Rs. in 000s
Note No. 10				Note No. 15		
Other Non Current Assets				Other Income		
1 Assets acquired in satisfaction of claims [Refer Note No. 20 III) 6]		5,977	5,977	1 Interest Income		
TOTAL		5,977	5,977	a Interest on Deposits with Banks (Gross)	514	759
				{ Tax Deducted at source Rs. 51,429/- (Previous Year Rs. 58,971/-) }		
Note No. 11				b Interest on Income Tax Refund	-	105
Trade Receivables				2 Dividend Income from Long Term Investments	-	16
1 Outstanding for more than six months				3 Other non-operating income		
a) Secured, Considered Good	-		-	a Rent Received	3,000	2,400
b) Unsecured, Considered Good	-		-	{ Tax Deducted at source Rs.3,29,664/- (Previous Year Rs. 2,69,664/-) }		
c) Doubtful	22,416		84,144	b Credit Balances no longer payable written back	256	21
		22,416	84,144	c Provision for Doubtful Debts/Advances written Back	5,768	4,561
2 Others				d Service Tax input credit of earlier year	22	13
a) Secured, Considered Good	-		-	e Others	721	1,154
b) Unsecured, Considered Good	862		840	TOTAL	10,281	9,029
c) Doubtful	-		-			
		862	840	Note No. 16		
		23,278	84,984	Employee Benefit Expenses		
Less: Provision for Doubtful Trade Receivables		22,416	84,144	1 Salaries & Other Allowances	4,337	4,437
TOTAL		862	840	2 Contribution to Superannuation Fund	1,008	927
Note No. 12				3 Leave Encashment	560	275
Cash and Cash Equivalents				4 Reimbursement of Salaries	585	1,676
1 Cash-in-Hand				TOTAL	6,490	7,315
Cash Balance	4		4	Note No. 17		
		4	4	Financial Cost		
2 Balances With Banks				1 Interest on Fixed Deposit	-	147
a Earmarked Balances for Refund Warrants of Fixed Deposits and Debentures	146		146	2 Bank Charges and Commission	33	65
b In Current Accounts	2,168		2,138	3 Interest on Bank Overdraft	49	12
		2,314	2,284	4 Other Interest Paid	26	-
c Bank Deposits				TOTAL	108	224
(i) Fixed Deposits for Bank Overdraft	1,900		1,900	Note No. 18		
(ii) Fixed Deposits for Bank Guarantees	3,500		3,556	Other Administrative Expenses		
		5,400	5,456	1 Advertisement & Business promotion expenses	57	64
Note: There are no Bank Deposits which carries a maturity period beyond 12 Months as on 31st March 2014				2 Audit Fees and Other Services	148	167
TOTAL		7,718	7,744	3 Conveyance Expenses	160	232
Note No. 13				4 Custodial and Corporate Action Fees	242	90
Short Term Loans and Advances				5 Electricity Expenses	8	24
1 Loans and Advances to related parties				6 Insurance	-	2
a Loans to Subsidiary Company - Unsecured Considered Good			829	7 Listing Fees	80	25
b Other Related Parties - Unsecured				8 Motor Car Expenses	161	278
(i) Considered Good	1		1	9 Postage and Courier Expenses	217	342
(ii) Considered Doubtful	12,748		32,857	10 Printing and Stationery	352	355
	12,749		32,857	11 Professional Fees & Service Charges	4,539	5,058
Less: Provision for doubtful advances	12,748		32,857	12 Rates and Taxes	25	65
		1	1	13 Rent and Office Premises Compensation	153	276
2 Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good		1,932	424	14 Repairs and Office Maintenance	132	201
TOTAL		1,933	1,254	15 Shared Service Expenses	974	3,760
Note No. 14				16 Telephone Expenses	226	1,049
Other Current Assets				17 Travelling Expenses	37	33
1 Interest Accrued on Bank Deposits		61	5	18 Loss on Scrapped Assets	-	29
TOTAL		61	5	19 Miscellaneous Expenses	967	977
				TOTAL	8,478	13,027
Note No. 19				Provision and Write Offs		
				1 Bad Debts Written Off	76,068	-
				Less: Adjusted against provisions	76,068	-
				TOTAL	-	-

Annual Report 2013-2014

Note No. 20 SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

I) CORPORATE INFORMATION

The Company's main business activities are Management Consulting, providing Debt Recovery Advise, Consultancy in Financial, 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 has no branches.

II). SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation:

i) The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (India GAAP) under the historical cost convention on accrual basis. The Company has prepared the financial statements to comply with all material respects with accounting standards notified under the Companies (Accounting Standards) Rules 2006, (as amended) and relevant provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13th Sept 2013, issued by the Ministry of Corporate Affairs, in respect of the Section 133 of the Companies Act 2013.

ii) The accounting policies adopted in preparation of financial statements are in consistent with those of previous year.

b. Estimates:

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

c. Fixed Assets:

All the Fixed Assets have been stated at cost of acquisition.

d. Intangible Assets:

Intangible assets are stated at cost of acquisition less accumulated amortization.

e. 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. Depreciation:

Depreciation on Fixed Assets is provided on straight-line method in accordance with Section 205(2)(b) of the Companies Act, 1956 as per rates specified in Schedule XIV to the Companies Act, 1956.

Capital expenditure on leased premises is depreciated on straight-line method as per the rates specified in Schedule XIV or over the lease period whichever is higher.

AMORTISATION

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

g. Impairment of Assets:

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

h. Investments

Long-term investments are stated at cost of acquisition. Provision is made for diminution in value, other than temporary, in the carrying amount of such investments.

Current investments are shown at lower of cost and fair market value (repurchase price in case of Mutual Fund Units).

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 recognised when there is reasonable certainty of its ultimate realisation/ collection.

(i) Profit on Sale of Investments

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

(ii) Other Income:

Other Income is accounted on accrual basis.

k. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are not recognised and are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

l. Retirement Benefits

The Company has dissolved the Provident Fund Trust and is in the process of closure of the same as there are no employees left other than the two Wholetime Directors. The Company's Superannuation Fund and Gratuity Fund are administered through Life Insurance Corporation of India and are recognised by the Income Tax Department. Company's contribution to Superannuation Fund for the year is charged against revenue. The Company has not contributed to Gratuity Fund for the Wholetime Directors, as the Company is of the opinion that the same is not applicable.

m. Leave Encashment

Leave Encashment is accounted on the basis of actual leave balance as at the year end.

n. 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.

III) NOTES TO ACCOUNTS:

1 Contingent Liabilities:

Sl.No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)	Current Status
1	Disputed Income Tax Demands	5,90,12,621/-	5,90,12,621/-	Under Appeal before Tribunal
2	Interest Tax	21,07,307/-	21,07,307/-	Under Appeal by Income Tax Department in High Court
3	Labour Court, Civil Court, and Consumer Forums	29,16,205/-	29,16,205/-	Under Appeal before the Respective Authorities
4	Foreign Exchange Management Act	5,60,00,000/-	5,60,00,000/-	Under Appeal before the Appellate Tribunal for Foreign Exchange, New Delhi. The Company has however provided Rs.3,00,00,000/- as Contingent Provision out of abundant precaution.
5	Disputed Sales Tax Demands	3,47,979/-	3,47,979/-	Under Appeal before the respective authorities
6	Penalty for Non Compliance of SAST Regulations	8,00,000/-	Nil	Under appeal before Securities Appellate Tribunal, Mumbai.
7	Sub-Regional Office, Employees' Provident Fund, Vashi	21,06,154/-	Nil	The Company has appealed against the order and obtained a stay from Employee Provident Fund Appellate Tribunal.
8	Guarantee given	35,00,000/-	35,00,000/-	Guarantee given to Metropolitan Magistrate Court against appeal by "Charuhasa Finance and Investments Private Limited"

2. Payment to Auditors (inclusive of service tax where applicable)

	Current Year Rs. in 000s	Previous Year Rs. in 000s
Statutory Audit Fee	75	75
Tax Audit Fees	25	25
Limited Review and Other Certification Work	45	49
Out of Pocket Expenses	3	6
Service Tax	6	18
Total	154	173

3. Debentures

Bank of India has filed a case against the company with the Hon'ble Bombay High court for Rs. 166,34,72,817/- in the capacity of trustee for certain series of Debentures which is in appeal and the Company does not expect any liability in this matter. The Residual Assets are under charge to the trustees in terms of trust deed.

4. Scheme of Compromise and Arrangements

The Company has since made all the payments due as per the sanctioned scheme except the T Series Debenture Holders who have not yet surrendered their Debenture Certificates and Security Depositors who have not yet claimed.

5. Non Confirmations and Reconciliations of Banks

In respect of Current Accounts with banks amounting to Rs. 22,24,100/- (net) [Previous Year Rs.22,24,100/- (net)] which includes book debit balance of Rs. 24,00,938/- and book credit balance of Rs. 1,76,838/-, statements of account were not being received; including from 2000-2001 in some cases.

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/-. Though the company is in possession of the property, completion of documentation is pending.

7. Most of the company's debtors are fully provided / written off and have been suit filed or not traceable. In the past the Company had circulated confirmation letters to debtors/advances. As most of these companies' latest addresses are not available, the Company has not sent any confirmation letters this year. The Company has not circularised confirmations for Sundry Creditor Balances.

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. The Company is in possession of 3,00,000 shares of Sunanda Capital Services Limited. Pending for transfer of these shares in the name of the Company, the same is not taken as investments in the books.

10. As required by Accounting Standard - 18 issued by The Institute of Chartered Accountants of India, Related Party Disclosures are as follows:

A. Subsidiary Company

Maximus Securities Limited
(Formerly known as Mafatlal Securities Limited)

B. Associate Companies

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

C. Key Management Personnel

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

Transactions with Related Parties:

Particulars	Subsidiary Company		Associate Companies		Key Management Personnel	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Outstanding Receivables	Nil	8,28,701	1,27,49,388	3,28,57,851	-	-
(b) Provision made as on date for doubtful debts	Nil	Nil	1,27,48,388	3,28,56,851	-	-
(c) Rent Deposit taken	20,00,000	20,00,000	-	-	-	-
(d) Outstanding Payable	-	-	58,51,571	38,67,722	-	-
(e) Investment in Subsidiary	10,00,00,000	10,00,00,000	-	-	-	-
(f) Rental Income	30,00,000	24,00,000	-	-	-	-
(g) Rent Paid	-	-	1,08,000	1,08,000	-	-
(h) Service Charges charged to them	36,00,000	30,00,000	-	-	-	-
(i) Service Charges charged by them	Nil	Nil	51,58,505	91,89,240	-	-
(j) Other Expenses Charged to them	Nil	Nil	Nil	Nil	-	-
(k) Other Expenses Charged by them	1,816	1,357	3,16,685	16,38,526	-	-
(l) Brokerage Paid	Nil	Nil	-	-	-	-
(m) Managerial Remuneration	-	-	-	-	50,90,885	53,91,000

11. The Company has complied with AS-22 "Accounting for taxes on Income", 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.

Annual Report 2013-2014

12. The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs. 1,53,000/- (Previous Year Rs. 2,75,500/-) was paid during the year has been debited to Statement of Profit and Loss. The future minimum lease payment is as under:

Particulars	2013-2014 Rs.	2012-2013 Rs.
Not later than 1 year	1,20,000	1,08,000
Later than 1 year and Not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil
Total	1,20,000	1,08,000

13. Earning per Share:

Particulars	Current Year (Rs. in 000s)	Previous Year. (Rs. in 000s)
I) Basic Earning per share		
Profit / (Loss) for the year as per Statement of Profit & Loss	32	(47.97)
Less: Preference dividend	-	-
	32	(47.97)
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,35,275	2,94,35,275
Basic Earning per Share. (Rupees)	-	(0.16)
II) Diluted Earning per share		
Profit / (Loss) for the year as per Statement of Profit & Loss	32	(47.97)
Less: Preference dividend	-	-
Add: Interest forgone on account of Potential Equity shares	-	-
	32	(47.97)
Weighted average number of Equity Shares of Rs. 5 outstanding during the year	2,94,35,275	2,94,35,275
Add: Shares issuable under Loan Contract upon default of payment of principal and interest	-	-
Total Weighted average number of Equity Shares.	2,94,35,275	2,94,35,275
Diluted Earning per Share. (Rupees)	-	(0.16)
Nominal value of shares (Rupees)	5.00	5.00

14. Disclosure pursuant to Clause 32 and 41 of the Listing Agreement

Rs. in Lacs

Loans and Advances	Amount outstanding as at 31.03.2014	Maximum Amount outstanding during the year
(A) To Subsidiary Maximus Securities Limited (Formerly known as Mafatlal Securities Limited)	Nil	8.29
(B) To Associates Hybrid Systems Ltd. Mafatlal Trustee Company Ltd. Sunanda Capital Services Ltd. Sushmita Engineering & Trading Ltd.	55.93 Credit Nil Nil Nil	55.93 Credit Nil 0.13 Nil
(C) To Firms / Companies in which directors are interested other than (A) and (B) above. Garron Shares and Stock Brokers Private Limited Hybrid Services and Trading Limited (Formerly known as Sunanda Services and Trading Limited)	0.01 127.48	0.01 328.44
(D) Where there is : (a) No repayment schedule (b) Repayment beyond seven years (representing housing loans to staff) (c) Interest below the rate as specified in Section 372A of the Companies Act	127.48 - 127.48	328.44 - 328.44

Investments by the loanee in the equity shares of Parent Company and Subsidiary Company – Nil

15. Comparative financial information (i.e. the amounts and other disclosures for the previous year presented above as corresponding figures), is included as an integral part of the current year's Financial Statements, and is to be read in relation to the amounts and other disclosures relating to the current year. Figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary to correspond to figures of the current year.
16. Figures have been rounded off to the nearest rupee and expressed in thousands.

Signatures to Notes 1 to 20

As per our attached report of even date

For and on Behalf of the board of director

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

N. R. DIVATE
Wholtime Director

JAYESH R. TALPADE
Director

BINOD C. MAHARANA
Partner
M. No. 056373

K. CHANDRAMOULI
Wholtime Director and
Company Secretary

TANVEER SHAIKH
Director

Mumbai, Dated : 22nd May 2014

Mumbai, Dated : 22nd May 2014

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING
TO SUBSIDIARY COMPANY**

	NAME OF THE SUBSIDIARY	MAXIMUS SECURITIES LIMITED (FORMERLY KNOWN AS MAFATLAL SECURITIES LIMITED)
1.	The Financial Year of the Subsidiary Company ended on	March 31, 2014
2.	a) No. of Equity Shares held by Hybrid Financial Services Limited (Formerly known as Mafatlal Finance Company Limited) and its nominees in the subsidiary as on 31st March, 2014	1,00,00,000 Equity Shares of Rs. 10 each fully paid-up
	b) Extent of interest of Hybrid Financial Services Limited	100%
3.	Net aggregate amount of profits of the subsidiary so far as it concerns the members of Hybrid Financial Services Limited and is not dealt within the Company's Accounts :	
	(a) Profit for the year ended on 31st March, 2014 of the subsidiary	Rs. 43,21,893
	(b) Profits for the previous financial years of the subsidiary since it became subsidiary of Hybrid Financial Services Limited	Rs. 5,03,90,911
4.	Net aggregate amount of Profits / (Losses) of the subsidiary so far as dealt with or provision is made for those losses in the accounts of Hybrid Financial Services Limited	
	a) For the subsidiary's Financial Year ended on 31st March, 2014.	Not Applicable
	b) For its previous year's since it became the subsidiary of Hybrid Financial Services Limited	Not Applicable

N. R. DIVATE
Wholetime Director

JAYESH R.TALPADE
Director

K. CHANDRAMOULI
Wholetime Director
and Company Secretary

TANVEER SHAIKH
Director

Mumbai, Dated : 22nd May 2014

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED) which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013, issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We report that the consolidated financial statements have been prepared by the Hybrid Financial Services Limited's management in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" and Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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:

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 227 (3) of the Companies Act, 1956, we report that:

- We have obtained all the information and explanations *subject to Item Nos 4 and 6 of Note No. 24 III) regarding non receipt of confirmation of certain balances* which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 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;
- The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- In our opinion, the Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 issued by Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act 2013.
- On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- Financial Statements in respect of the associates have not been audited. The carrying value of the current investments in associate is amounting to Rs. 2,45,000/- which has been fully provided for. Hence the financial statement of associates have not been considered in the consolidated financial statements. This had also caused to us to qualify our audit opinion on the consolidated financial statements for the previous year.*
- Attention is invited to the following points:**
 - Note No. 24 III) 11 regarding non appointment of Company Secretary by Subsidiary Company.
 - Regarding compliance of the requirement of Section 269 read with Schedule XIII of the Companies Act, 1956 as per the legal advice sought by the Subsidiary Company, we are unable to express an opinion whether the constitution of Remuneration Committee meets the criteria specified in Schedule XIII of the Companies Act, 1956 though as per the legal advice the same is in order.
 - The effect of the items mentioned in paragraph g) (i) and (ii) above, could not be determined.

FOR S. RAMANAND AIYAR & CO

Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 22nd May 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	AS AT 31.03.2014 Rs. in 000s	AS AT 31.03.2014 Rs. in 000s	AS AT 31.03.2013 Rs. in 000s
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds:				
(a) Share Capital	1	180,763		180,763
(b) Reserves and Surplus	2	(48,085)		(52,439)
			132,678	128,324
(2) Non-Current Liabilities:				
(a) Long Term Liabilities	3	15,763		18,467
(b) Long Term Provisions	4	36,825		35,986
(c) Deferred Tax Liabilities (net)	5	156		-
			52,744	54,453
(3) Current Liabilities:				
(a) Short Term borrowings	6	1,013		4,295
(b) Trade Payables	7	5,537		5,224
(c) Other Current Liabilities	8	12,196		10,847
			18,746	20,366
TOTAL			204,168	203,143
II. ASSETS				
(1) Non Current Assets:				
(a) Fixed assets	9			
(i) Tangible Assets		13,396		14,267
(ii) Intangible Assets		420		241
		13,816		14,508
(b) Non Current Investments	10	41,857		48,810
(c) Deferred Tax Assets (net)	5	-		21
(d) Long Term Loans and Advances	11	26,623		27,097
(e) Other Non Current Assets	12	5,977		5,977
			88,273	96,413
(2) Current Assets:				
(a) Inventories - Stock in Trade	13	1		101
(b) Trade Receivables	14	3,651		5,679
(c) Cash and Cash Equivalents	15	107,624		96,101
(d) Short Term Loans and Advances	16	1,196		1,598
(e) Other Current Assets	17	3,423		3,251
			115,895	106,730
TOTAL			204,168	203,143

Significant Accounting Policies and Notes on Financial Statements 24

As per our attached report of even date

For and on the behalf of Board of Directors

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

N. R. DIVATE
Wholtime Director

JAYESH R. TALPADE
Director

BINOD C. MAHARANA
Partner
M. No. 056373

K. CHANDRAMOULI
Wholtime Director and
Company Secretary

TANVEER SHAIKH
Director

Mumbai, Dated : 22nd May 2014

Mumbai, Dated : 22nd May 2014

Annual Report 2013-2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014				
PARTICULARS	NOTE NO.	CURRENT YEAR Rs. in 000s	CURRENT YEAR Rs. in 000s	PREVIOUS YEAR Rs. in 000s
INCOME				
Service Charges				
[Tax deducted at source Rs. 5,18,566/- (Previous Year Rs.4,03,818/-)]		1,309		3,857
Brokerage Income		15,421		13,942
Income from Depository Services		2,012		2,026
Financial Products Marketing Fees		757		764
			19,499	20,589
Changes in inventories of Stock-in-Trade - Equity Shares	19		21	-
Other Income	18		19,393	17,147
Total Revenue			38,913	37,736
EXPENDITURE				
Changes in inventories of Stock-in-Trade - Equity Shares	19		-	2
Employee Benefit Expenses	20		14,246	14,573
Financial Costs	21		325	569
Depreciation and Amortisation Expenses	9		1,194	1,264
Other Administrative Expenses	22		17,319	22,128
Provisions and Write-Offs	23		269	691
Total Expenses			33,353	39,227
Profit / (Loss) before Tax			5,560	(1,491)
Provision for Tax				
(1) Current tax		1,580		630
(2) Deferred tax		178		207
			1,758	837
Profit / (Loss) after Tax			3,802	(2,328)
Add:				
MAT Credit Entitlement Availed		523		-
Excess provision for Income Tax of Earlier Years Written Back		29		-
			552	-
Balance carried to the Balance Sheet			4,354	(2,328)
Earning per equity share:				
(1) Basic			0.15	(0.08)
(2) Diluted			0.15	(0.08)
Significant Accounting Policies and Notes on Financial Statements	24			
As per our attached report of even date		For and on the behalf of board of Directors		
For S. RAMANAND AIYAR & CO Chartered Accountants Firm Registration No.: 000990N		N. R. DIVATE Wholtime Director	JAYESH R. TALPADE Director	
BINOD C. MAHARANA Partner M. No. 056373		K. CHANDRAMOULI Wholtime Director and Company Secretary	TANVEER SHAIKH Director	
Mumbai, Dated : 22nd May 2014		Mumbai, Dated : 22nd May 2014		

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-2014 Rs. in 000s	2012-2013 Rs. in 000s
A. Cash Flow from Operating Activities		
Net Profit / (Loss) before Interest and Tax	5,885	(922)
Less : Interest	325	569
Profit / (Loss) before Tax	5,560	(1,491)
Adjustment for :		
Sundry Credit Balances Written Back	(269)	(931)
Provision for Doubtful Debts Written Back	(5,768)	(4,561)
Depreciation	1,194	1,264
Loss on Sale of Investments	1,967	277
Loss on Sale of Fixed assets	-	67
Loss on Scrapped Assets	-	29
Interest / Dividend on Investments	(8,821)	(8,960)
Provision for Gratuity	49	-
Provisions for Leave Encashment	595	323
Provisions & Write offs	269	691
Operating Profit / (Loss) before Working Capital Changes	(10,784)	(11,801)
Changes in Working Capital	(5,224)	(13,292)
Adjustments for (increase) / decrease in operating assets		
Inventories - Stock in Trade	100	(34)
Trade Receivables	1,759	(1,690)
Long Term Loans and Advances	1,429	805
Short Term Loans and Advances	6,170	5,172
Adjustments for increase / (decrease) in operating liabilities		
Trade Payables	313	(3,815)
Long Term Provisions	(5)	(9)
Long Term Liabilities	(2,448)	(1,104)
Other Current Liabilities	1,699	3,175
Cash Generated From / (Used in) Operations	9,017	2,500
Direct Taxes - (Paid) / Received	(1,770)	(826)
Net Cash From / (Used in) Operating Activities	(A) 2,023	(11,618)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(502)	(440)
Sale of Fixed Assets	-	4
Purchase of Investments	(641)	(959)
Sale of Investments	5,626	1,148
Interest/Dividend Received	8,649	7,269
Net Cash From Investing Activities	(B) 13,132	7,022
C. Cash Flow from Financing Activities		
Short Term Borrowings	(3,282)	485
Redemption of Preference Shares	(350)	(60)
Dividend Paid on Preference Shares	-	(472)
Net Cash (Used In)/ From Financing Activities	(C) (3,632)	(47)
Net Increase / (Decrease) in Cash and Cash Equivalents	(A+B+C) 11,523	(4,643)
Cash and Cash Equivalents as at the commencement of the year	96,101	100,744
Cash and Cash Equivalents as at the end of the year	107,624	96,101
Net Increase / (Decrease) as Disclosed above	11,523	(4,643)
(See Notes attached)		

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-2014 Rs. in 000s	2012-2013 Rs. in 000s
1 Cash and cash equivalents include :		
Cash on hand	12	25
Bank Balances	107,612	96,076
TOTAL	107,624	96,101

2 Bank Balances include Fixed Deposit Pledged with Banks and Exchanges of Subsidiary Company amounting to Rs. 76,600 ('000) [Previous Year Rs. 56,800 ('000)]

3 All figures in brackets are outflows.

4 Previous years figures have been regrouped wherever necessary to confirm to this year's classification.

As per our attached report of even date

For and on the behalf of board of Directors

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

N. R. DIVATE
Wholtime Director

JAYESH R. TALPADE
Director

BINOD C. MAHARANA
Partner
M. No. 056373

K. CHANDRAMOULI
Wholtime Director and
Company Secretary

TANVEER SHAIKH
Director

Mumbai, Dated : 22nd May 2014

Mumbai, Dated : 22nd May 2014

Annual Report 2013-2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at		Reconciliation of Shares ISSUED, SUBSCRIBED & PAID UP CAPITAL	Current Year	Previous Year
	31.03.2014 Rs. in 000s	31.03.2013 Rs. in 000s			
Note No. 1					
Share Capital					
1 AUTHORISED CAPITAL					
7,00,00,000 Equity shares of Rs.5/- each	350,000	350,000			
3,00,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each	300,000	300,000			
	<u>650,000</u>	<u>650,000</u>			
2 ISSUED, SUBSCRIBED & PAID UP CAPITAL					
2,94,36,275 Equity Shares of Rs.5/- each fully paid	147,181	147,181			
	<u>147,181</u>	<u>147,181</u>			
33,58,200, 1% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid	33,582	33,582			
TOTAL	<u>180,763</u>	<u>180,763</u>			
Reconciliation of Shares					
Equity Shares					
Number of Equity Shares at the beginning of the year			29,436,275	28,036,275	
Add:					
Preferential Allotment of Equity Shares to Promoters			-	1,400,000	
Number of Equity Shares at the end of the year			<u>29,436,275</u>	<u>29,436,275</u>	
Preference Shares					
Number of Preference Shares at the beginning of the year			3,358,200	4,058,200	
Less:					
Preferential Allotment			-	700,000	
Number of Preference Shares at the end of the year			<u>3,358,200</u>	<u>3,358,200</u>	

Details of Shareholders Holding more than 5 % of the Share Capital

Equity Shares:

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% 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

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

Preference Shares:

Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Nandakishore R. Divate - Promoter	1,679,100	50.00	1,679,100	50.00
Mr. K.Chandramouli - Promoter	1,679,100	50.00	1,679,100	50.00

Particulars	As at		Particulars	As at	
	31.03.2014 Rs. in 000s	31.03.2013 Rs. in 000s		31.03.2014 Rs. in 000s	31.03.2013 Rs. in 000s
Note No. 2					
Reserves and Surplus					
1 Capital Redemption Reserve Account	4,325	4,325	2 Security Deposits from lessees and others etc. [Refer Note No. 24 III] 3]	126	126
TOTAL (A)	<u>4,325</u>	<u>4,325</u>	3 Client Deposits towards Margin	5,315	5,304
2 Surplus / (Deficit) as per Statement of Profit & Loss:			4 Others	10,200	12,915
Opening Balance	(56,764)	(54,436)	TOTAL	<u>15,763</u>	<u>18,467</u>
Add: Profit / (Loss) for the year after Taxes	4,354	(2,328)	Note No. 4		
TOTAL (B)	<u>(52,410)</u>	<u>(56,764)</u>	Long Term Provisions		
TOTAL (A + B)	<u>(48,085)</u>	<u>(52,439)</u>	1 Provision for employee benefits:		
Note No. 3					
Long Term Liabilities					
1 Debentures:			Gratuity	180	140
Deep Discount Non-Convertible Debentures of T Series Liability reduced as per Scheme of Compromise net of payments made till 31st March 2014 [Refer Note No. 24 III] 3]	122	122	Leave Encashment	5,741	5,155
				<u>5,921</u>	<u>5,295</u>
			2 Provision For Taxation [(Net of Advance Tax Rs.54,04,958/-)]	904	691
			(As at 31.03.2013 Rs. 52,37,925/-)]		
			3 Provision for Contingencies [Refer Note. 24 III] 1]	30,000	30,000
			TOTAL	<u>36,825</u>	<u>35,986</u>

Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s
-------------	------------------------------------	------------------------------------

Note No.5

Deferred Tax Liabilities/(Assets) (Net)

1 Deferred Tax Assets

Timing Difference on account of Provision for Gratuity, Leave Encashment and Doubtful Debts.	(21)	(268)
----------------------------------------------------------------------------------------------	------	-------

2 Deferred Tax Liabilities

Timing Difference on account of Accumulated Depreciation of Fixed Assets	177	247
--------------------------------------------------------------------------	-----	-----

Net Deferred Tax [Asset] / Liability	156	(21)
---------------------------------------------	------------	-------------

Note:

The above is for the Subsidiary Company. Deferred Tax in case of Parent Company has not been recognised on the grounds of prudence.

Note No.6

Short Term Borrowings

Bank Overdraft		
(Secured against pledge of Fixed Deposits)	1,013	4,295
TOTAL	1,013	4,295

Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s
-------------	------------------------------------	------------------------------------

Note No.7

Trade Payables

1 Trade Creditors/Payables:

Sundry Creditors - Other than Small Scale Industries [Refer Note No. 24 III) 7]	5,537	5,224
TOTAL	5,537	5,224

Note No.8

Other Current Liabilities

1 Unclaimed Preference Shares	3,710	4,060
2 Unclaimed Dividend on Preference Shares	29	29
3 Unclaimed Debentures and Interest Warrants	44	44
4 Client Deposits towards Margin - Future and Options	156	819
5 Related Parties for Services Provided	5,852	3,867
6 Other Payables		
a Auditor's Remuneration	247	278
b Tax Deducted at Source	438	461
c Profession Tax	3	2
d Salary Payable	-	233
e Service Tax	141	175
f Rent Deposit Received	155	155
g Outstanding Expenses Payable	1,070	430
h Others	351	294
TOTAL	12,196	10,847

Note No. 9

Fixed Assets

Rs. in 000s

Particulars	Gross Block			Depreciation / Amortisation				Net Block		
	As at 01.04.2013	Additions during the year	Deletions / Adjustments during the year	As at 31.03.2014	As at 01.04.2013	For the year	Deletions / Adjustments during the year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
Tangible Assets										
Building	10,292	-	-	10,292	469	168	-	637	9,655	9,823
Computers	2,954	28	-	2,982	2,420	190	-	2,610	372	534
Furnitures and Fixtures	985	2	152	835	355	54	152	257	578	630
Motor Vehicles	3,711	-	-	3,711	1,390	353	-	1,743	1,968	2,321
Office Equipments	3,118	15	-	3,133	2,159	151	-	2,310	823	959
SUB TOTAL (A)	21,060	45	152	20,953	6,793	916	152	7,557	13,396	14,267
Intangible Assets										
Computer Software	1,836	457	-	2,293	1,595	278	-	1,873	420	241
SUB TOTAL (B)	1,836	457	-	2,293	1,595	278	-	1,873	420	241
Total [A + B] (Current Year)	22,896	502	152	23,246	8,388	1,194	152	9,430	13,816	14,508
(Previous Year)	22,622	440	166	22,896	7,190	1,264	66	8,388	14,508	

Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s
-------------	------------------------------------	------------------------------------	------------------------------------

Note No. 10

Non Current Investments

I IN FULLY PAID UP EQUITY SHARES (QUOTED)

1 2500 (Including Bonus of 1500 Shares received during the year) Rs.2 each In Astral Poly Technik Ltd	358	358
2 10000 Shares of Rs.2 each In Bharat Heavy Electricals Ltd	4,645	4,645
3 Nil (Previous Year 1000) Shares of Rs.1 each in CRISIL Ltd	-	819

Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s
-------------	------------------------------------	------------------------------------	------------------------------------

4 15000 Shares of Rs.2 each in EIH Ltd.	1,467	1,467
5 20000 (Previous - Year Nil) Shares of Rs.2 each in Emco Ltd	554	-
6 1000 Shares of Rs.5 each in Engineers India Ltd.	302	302
7 41177 Shares of Rs. 2 each in Gammon Infrastructure Projects Ltd	1,072	1,072
8 Nil (Previous Year 500) Shares of Rs.5 each in Havels India Ltd	-	294

Annual Report 2013-2014

Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s	Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s
9 1000 Shares of Rs.10 each in Hindusthan Composites Ltd	470		470	V OTHERS			
10 20000 (Previous Year 10000) Shares of Rs.10 each in Indiabulls Power Ltd	412		326	1 333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Ltd.	10		10
11 Nil (Previous Year 22000) Shares of Rs.2 each in Jaiprakash Associates Ltd.	-		3,424	2 1000 shares of Rs.10 each in Saraswat Co-operative Bank Ltd	10		10
12 3200 Shares of Rs.1 each in Jindal Steel & Power Ltd	2,004		2,004			20	20
13 3750 (Including Bonus of 1250 Shares received during the year) Shares of Rs.2 each in Larsen & Toubro Ltd	3,784		3,784	TOTAL		41,857	48,810
14 Nil (Previous Year 2010) Shares of Rs.10 each in Reliance Industries Ltd	-		2,110	NOTES :		Cost	Market
15 1000 Shares of Rs. 2 each in Siemens Ltd	935		935	Aggregate of Quoted Investments		Rs. in 000s	Value
16 1000 Shares of Rs.1 each in Sterling Biotech Ltd.	108		108	Previous Year		34,764	35,294
17 16800 Shares of Rs.2 each in Sesa Sterlite Ltd	4,872		4,872	Aggregate of Un-Quoted Investments		41,717	36,504
18 20000 Shares of Rs.10 each in Supreme Infrastructure India Ltd	4,748		4,748	Previous Year		7,093	
19 Nil (Previous Year 1000) Shares of Rs. 2 each in Symphony Ltd	-		307	Total		41,857	
20 20000 Shares of Rs.10 each in Viceroy Hotels Ltd	725		725	Previous Year		48,810	
21 65000 (Previous Year 70000) Shares of Rs.10 each in Whirlpool of India Ltd	8,308		8,947	Note No.11			
		34,764	41,717	Long Term Loans and Advances			
II IN FULLY PAID EQUITY SHARES - UNQUOTED WITH ASSOCIATED COMPANIES				1 Advance Interest Tax (Net of Provision of Rs.6,11,742/-)		1,138	1,138
24500 shares of Rs.10 each in Hybrid Systems Ltd	245		245	2 Advance payment of Income Tax and Tax Deducted at Source [Net of Provisions Rs.92,53,379/- (As at 31.03.2013 Rs.92,80,062/-)]		13,469	12,514
Less: Provision for Diminution in Value	245		245	3 Deposits with Stock Exchanges and Others			
				(i) Considered Good	12,016		13,445
				(ii) Considered Doubtful	8,000		8,000
				Less : Provision for doubtful deposit	20,016		21,445
						8,000	8,000
						12,016	13,445
III IN FULLY PAID EQUITY SHARES - UNQUOTED WITH OTHERS				TOTAL		26,623	27,097
1 16000 shares of Rs.10 each in Amitabh Bachan Corporation Ltd.	1,280		1,280	Note No.12			
2 11,401 Shares of Rs. 1 each in Bombay Stock Exchange Ltd.	2,283		2,283	Other Non Current Assets			
3 300000 shares of Rs.10 each in Leisure Hotel Ltd.	3,000		3,000	1 Assets acquired in satisfaction of claims [Refer Note No. 24 III] 5]		5,977	5,977
4 3,08,167 shares of Rs. 10 each in Phthalocyanines & Chemicals (India) Ltd.	4,630		4,630	TOTAL		5,977	5,977
	11,193		11,193	Note No.13			
Less: Provision for Diminution in Value	4,120		4,120	Inventories - Stock in Trade			
		7,073	7,073	1 Stock-in-trade IN FULLY PAID UP EQUITY SHARES (QUOTED) (At Cost or Net Realisable Value whichever is lower)			
IV IN FULLY PAID PREFERENCE SHARES				1 40 Shares of Rs.10 each in Agri-Tech India Ltd	1		1
52255 shares of Rs.10 each in Pasupati Fabrics Ltd	523		523	2 Nil (Previous Year 20) Shares of Rs.2 each in Britannia Industries Ltd	-		9
Less: Provision for Diminution in Value	523		523	3 Nil (Previous Year 30) Shares of Rs.5 each in Biocon Ltd	-		10

Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s	Particulars	As at 31.03.2014 Rs. in 000s	As at 31.03.2014 Rs. in 000s	As at 31.03.2013 Rs. in 000s
4 Nil (Previous Year 15) Shares of Rs.5 each in Havells India Ltd	-		9	Note No.15			
5 Nil (Previous Year 85) Shares of Rs.1 each in Hindalco Industries Ltd	-		10	Cash and Cash Equivalents			
6 44 Shares of Rs. 10 each in Nath Bio-Genes (India) Ltd	1		1	1 Cash-in-Hand			
7 116 Shares of Rs.10 each in Nath Seeds Ltd	2		2	Cash Balance	12		25
8 10 Shares of Rs.10 each in NEPC Agro Foods Ltd	1		1			12	25
9 45 Shares of Rs.10 each in Oswal Agro Mills Ltd	1		1	2 Balances With Banks			
10 Nil (previous Year 190) Shares of Rs.2 each in Punj Lloyd Ltd	-		10	a Earmarked Balances for Refund Warrants of Fixed Deposits and Debentures	146		146
11 Nil (Previous Year 10) Shares of Rs.10 each in Reliance Industries Ltd	-		8	b In Current Accounts	9,478		8,874
12 200 Shares of Rs.10 each in Roofit Industries Ltd	34		34	c Bank Deposits with more than 12 months Maturity [Refer Note No. 24 III] 8]	92,588		71,600
13 Nil (Previous Year 55) Shares of Rs.1 each in Sesa Sterlite Ltd	-		9	d Other Bank Deposits [Refer Note No. 24 III] 8]	5,400		15,456
14 15 Shares of Rs. 10 each in S & S Power Switchgear Ltd	1		1			107,612	96,076
15 Nil (Previous Year 95) Shares of Rs.1 each in Tata Power Ltd	-		9	TOTAL		107,624	96,101
16 Nil (Previous Year 25) Shares of Rs.10 each in Tata Steel Ltd	-		10	Note No.16			
17 Nil (Previous Year 6) Shares of Rs.1 each in Tata Consultancy Services Ltd	-		8	Short Term Loans and Advances			
18 Nil (Previous Year 10) Shares of Rs.10 each in Tech Mahindra Ltd	-		9	1 Loan to Staff - Unsecured, Considered Good		-	117
		41	142	2 Loans to Related Parties - Unsecured			
Less: Fall in Market Value		40	41	(i) Considered Good	1		1
TOTAL		1	101	(ii) Considered Doubtful	12,748		32,857
Note No.14					12,749		32,858
Trade Receivables				Less: Provision for doubtful advances	12,748		32,857
1 Outstanding for more than six months						1	1
a) Secured, Considered Good	-		-	3 Prepaid Expenses (Unsecured, Considered Good)		614	704
b) Unsecured, Considered Good	1,639		1,846	4 Advances recoverable in cash or in kind or for value to be recieved- Unsecured Considered Good		581	776
c) Doubtful	22,643		84,371				
		24,282	86,217	TOTAL		1,196	1,598
2 Others				Note No.17			
a) Secured, Considered Good	-		-	Other Current Assets			
b) Unsecured, Considered Good	2,012		3,833	1 Interest Accrued on Bank Deposits		3,423	3,251
c) Doubtful	-	2,012	3,833				
		26,294	90,050	TOTAL		3,423	3,251
Less: Provision for Doubtful Trade Receivables		22,643	84,371				
TOTAL		3,651	5,679				

Annual Report 2013-2014

Particulars	Current Year Rs. in 000s	Previous Year Rs. in 000s	Particulars	Current Year Rs. in 000s	Previous Year Rs. in 000s
Note No. 18			Note No. 22		
Other Income			Other Administrative Expenses		
1 Interest Income			1 Advertisement & Business promotion expenses	57	665
a Interest on Deposits with Banks (Gross) {Tax Deducted at Source Rs. 8,50,192/- (Previous Year Rs. 8,43,592/-)}	8,505	8,595	2 Audit Fees and Other Services	359	393
b Interest Others	227	354	3 Clearing House Expenses	154	178
2 Dividend Income			4 Compliance Expenses	175	950
a Long Term Investments	316	365	5 Computer Maintenance	145	224
b Current Investments	1	1	6 Custodial and Corporate Action Fee	242	90
3 Other non-operating income			7 Electricity Expenses	221	213
a Rent Received	595	505	8 Expenses on Depository Services	219	234
b Credit Balances no longer payable written back	269	931	9 Insurance	330	341
c Provision for Doubtful Debts/ Advances written Back	5,768	4,561	10 Listing Fees	80	25
d Service Tax input credit of earlier year	60	57	11 Membership and Subscription	157	139
e Others	3,652	1,778	12 Motor Car Expenses	546	714
TOTAL	19,393	17,147	13 Mx-Sx Stock Exchange Admission / Processing Fee	-	1,010
Note No. 19			14 Postage and Courier Expenses	363	487
Change in Inventories of Stock-In- Trade of Equity shares			15 Printing and Stationery	568	572
INCOME / (LOSS) FROM TRADING IN SECURITIES			16 Professional Fees & Service Charges	4,721	5,269
1 Sales	4,583	2,739	17 Rates and Taxes	25	67
Less: Cost of Sales			18 Rent and Office premises compensation	294	446
2 Opening Stock at Cost	101	67	19 Repairs and Office Maintenance	271	445
3 Add: Purchases	4,462	2,775	20 SEBI Registration and Turnover Fees	128	134
	4,563	2,842	21 Service Tax	665	577
4 Less: Closing Stock	1	101	22 Shared Service Expenses	1,682	4,438
5 Sub-Total	4,562	2,741	23 Stamp Duty Charges	495	402
Income / (Loss)	21	(2)	24 Telephone Expenses	855	1,796
Note No. 20			25 Transaction Charges	131	173
Employee Benefit Expenses			26 Travelling & Conveyance Expenses	706	739
1 Salaries & Other Allowances	7,975	7,799	27 Loss on Sale of Long Term Investments (Net)	1,967	277
2 Contribution to Superannuation Fund	1,139	1,057	28 Loss on Sale of Assets	-	67
3 Gratuity	49	-	29 Loss on Scrapped Assets	-	29
4 Leave Encashment	595	324	30 Miscellaneous Expenses	1,763	1,034
5 Staff Welfare Expenses	308	243	TOTAL	17,319	22,128
6 Reimbursement of Salaries	4,180	5,150			
TOTAL	14,246	14,573	Note No. 23		
Note No. 21			Provisions and Write Offs		
Financial Cost			1 Bad Debts Written Off	76,337	691
1 Interest on Fixed Deposit	-	147	Less: Adjusted against provisions	76,068	-
2 Bank Charges and Commission	59	89	TOTAL	269	691
3 Interest on Bank Overdraft	238	332			
4 Other Interest Paid	28	1			
TOTAL	325	569			

**Note No. 24
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED
FINANCIAL STATEMENTS**

I) CORPORATE INFORMATION

The Parent Company's main business activities are Management Consulting, providing Debt Recovery Advise, Consultancy in Financial, 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 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 having Branches at Vadodara and Pune.

II). SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation:

i) The consolidated financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (India GAAP) under the historical cost convention on accrual basis. The Company has prepared the consolidated financial statements to comply with all material respects with accounting standards notified under the Companies (Accounting Standards) Rules 2006, (as amended) and relevant provisions of the Companies Act, 1956 read with General Circular 15/2013 dated 13 Sept 2013, issued by the Ministry of Corporate Affairs, in respect of the Section 133 of the Companies Act 2013.

ii) The accounting policies adopted in preparation of consolidated financial statements are in consistent with those of previous year.

b. Estimates:

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialised.

c. Principles of Consolidation:

The consolidated financial statements relate to Hybrid Financial Services Limited (the Company), and it's wholly owned Subsidiary and Associates 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.

Investments in associate companies, where the company has significant influence by virtue of holding 20% or more of the voting power, has been consolidated as per AS-23 Accounting for Investment in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

The carrying cost of the investment in associates is adjusted for post acquisition change in the net assets of the associates. The consolidated statement of profit and loss reflects the share of the results of operations of the associates.

The difference between the cost of acquisition and the share of equity of the subsidiary/ associates, on acquisition is treated as goodwill/capital reserve as the case may be.

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. Fixed Assets:

All the Fixed Assets have been stated at cost of acquisition

e. Intangible Assets:

Intangible assets are stated at cost of acquisition less accumulated amortization.

f. 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. Depreciation:

Depreciation on Fixed Assets is provided on straight-line method in accordance with Section 205(2)(b) of the Companies Act, 1956 as per rates specified in Schedule XIV to the Companies Act, 1956.

Capital expenditure on leased premises is depreciated on straight-line method as per the rates specified in Schedule XIV or over the lease period whichever is higher.

Individual assets acquired for less than five thousand rupees are fully depreciated in the year of acquisition.

In case of the subsidiary company, expenses towards renovations of enduring benefit to the interiors of the office premises not owned by the company are apportioned over the period of the agreement with the owners.

h. Amortisation

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

i. Impairment of Assets:

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable amount.

j. Investments

Long-term investments are stated at cost of acquisition. Provision is made in diminution in value, other than temporary, in the carrying amount of such investments.

Current investments are shown at lower of cost and fair market value (repurchase price in case of Mutual Fund Units).

k. Stock-in-trade

Stock-in-trade of shares is valued at average cost or net realisable value whichever is lower.

l. 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.

m. Revenue Recognition

Revenue is recognised when there is reasonable certainty of its ultimate realisation/ collection.

(i) Profit on Sale of Investments

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

(ii) Brokerage Income

In case of the subsidiary company, brokerage income is recognized on transactions on which "Settlements" are completed during the year except in the case of "Spot" transaction where it is recognized on the date of transaction.

iii) Other Income:

Other Income is accounted on accrual basis.

n. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate of the amount of the obligation can be made. Contingent Liabilities are not recognised and are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Annual Report 2013-2014

o. 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 Wholetime Directors. The Company's Superannuation Fund and Gratuity Fund are administered through Life Insurance Corporation of India and are recognised by the Income Tax Department. Company's contribution to Superannuation Fund for the year is charged against revenue. The Company has not contributed to Gratuity Fund for the Wholetime Directors, as the Company is of the opinion that the same is not applicable. .

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.

III). NOTES TO ACCOUNTS:

1 Contingent Liabilities:				
Sl.No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)	Current Status
1	Disputed Income Tax Demands	5,90,12,621/-	5,90,12,621/-	Under Appeal before Tribunal
2	Interest Tax	21,07,307/-	21,07,307/-	Under Appeal by Income Tax Department in High Court
3	Labour Court, Civil Court and Consumer Forums	29,16,205/-	29,16,205/-	Under Appeal before the Respective Authorities
4	Foreign Exchange Management Act	5,60,00,000/-	5,60,00,000/-	Under Appeal before the Appellate Tribunal for Foreign Exchange, New Delhi. The Company has however provided Rs.3,00,00,000/- as Contingent Provision out of abundant precaution.
5	Disputed Sales Tax Demands	3,47,979/-	3,47,979/-	Under Appeal before the respective authorities
6	Penalty for Non Compliance of SAST Regulations	8,00,000/-	Nil	Under appeal before Securities Appellate Tribunal, Mumbai.
7	Sub-Regional Office, Employees' Provident Fund, Vashi	21,06,154/-	Nil	The Company has appealed against the order and obtained a stay from Employee Provident Fund Appellate Tribunal.
8	Guarantee given	35,00,000/-	35,00,000/-	Guarantee given to Metropolitan Magistrate Court against appeal by "Charuhasa Finance and Investments Private Limited"

Contingent Liability – Subsidiary Company

During the year the Subsidiary Company has decided to write back Rs. 25,11,556/- out of Rs.1,25,57,780/- lying unclaimed since long under Long Term Liabilities. The Company is contingently liable for this amount of write back of Rs.25,11,256/- (Previous Year Nil) accounted as income during the year. The Company has also decided to write back similar amount in the next four years although remaining contingently liable.

2. Debentures

Bank of India has filed a case against the company with the Hon'ble Bombay High court for Rs. 166,34,72,817/- in the capacity of trustee for certain series of Debentures which is in appeal and the Company does not expect any liability in this matter. The Residual Assets are under charge to the trustees in terms of trust deed.

3. Scheme of Compromise and Arrangements

The Company has since made all the payments due as per the sanctioned scheme except the T Series Debenture Holders who have not yet surrendered their Debenture Certificates and Security Depositors who have not yet claimed.

4. Non Confirmations and Reconciliations of Banks

In respect of Current Accounts with banks amounting to Rs. 22,24,100/- (net) [Previous Year Rs.22,24,100/- (net)] which includes

p. Leave Encashment

Leave Encashment is accounted on the basis of actual leave balance as at the year end.

q. 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

book debit balance of Rs. 24,00,938/- and book credit balance of Rs. 1,76,838/-, statements of account were not being received; including from 2000-2001 in some cases.

- During the year 2004-05 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs. 59,76,429/- Though the company is in possession of the property, completion of documentation is pending.
- Most of the company's debtors are fully provided / written off and have been suit filed or not traceable. In the past the Company had circulated confirmation letters to debtors/advances. As most of these companies latest addresses are not available, the Company has not sent any confirmation letters this year. The Company has not circularised confirmations for Sundry Creditor Balances.
- 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.
- Fixed Deposit with Bank of Rs.7,66,00,000/- (Previous year Rs.5,68,00,00/-) is pledged by subsidiary company for overdraft facility, base capital and guarantees given to National Securities Clearing Corporation Ltd. / Bombay Stock Exchange Limited.

9. The Subsidiary Company is holding some securities not claimed by the clients of Rs. 40,51,957/- (Previous Year Rs.19,82,757/-) in the company's beneficiary depository account. The reconciliation of this beneficiary account is complete till 31.03.2014 and the company has sent letters as well as further reminders to all the identified clients for their confirmations prior to effecting transfer of these securities to their account.
10. During the year the Subsidiary Company has availed an amount of Rs.5,23,088/- (Previous Year Rs.Nil) towards MAT Credit Entitlement and the balance MAT Credit Entitlement of Rs.10,86,587/- is being
11. The Subsidiary Company has not appointed a Company Secretary as required under Section 383A of the Companies Act, 1956.
12. The subsidiary company has been legally advised that the provision of Section 297 of the Companies Act, 1956 are not applicable for the broking and depository business
13. As required by Accounting Standard - 18 issued by The Institute of Chartered Accountants of India, Related Party Disclosures are as follows:
- A. Associate Companies
Garron Shares and Stock Brokers Private Limited
Garron Trading Company Private Limited
Hybrid Systems Limited
Hybrid Services and Trading Limited
(Formerly known as Sunanda Service and Trading Limited)
Sunanda Capital Services Limited
Sushmita Engineering and Trading Limited
- B. Key Management Personnel
Mr. N R Divate
Mr. K.Chandramouli
Mrs. Megha J.Vazkar and
Mr. K.Suryanarayanan

C. Transactions with Related Parties:

	Particulars	Associate Companies		Key Management Personnel	
		2013-14	2012-13	2013-14	2012-13
		Rs.	Rs.	Rs.	Rs.
(a)	Outstanding Receivables	1,27,53,872	3,28,57,851	-	-
(b)	Provision made as on date for doubtful debts	1,27,52,872	3,28,56,851	-	-
(c)	Outstanding Payable	58,51,571	51,23,505	-	-
(d)	Rent Paid	1,08,000	1,08,000	-	-
(e)	Service Charges charged by them	94,67,816	1,41,34,730	-	-
(f)	Other Expenses Charged by them	3,16,685	16,38,526	-	-
(g)	Managerial Remuneration	-	-	66,08,252	68,77,390

14. Consolidated Segment Information for the year ended 31st March 2014

Rs. in 000s

Particulars	Financial Services		Broking / Income from Capital Market Operations		Consolidated Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
REVENUE						
External	1,51,90	1,58,86	3,07,61	2,72,51	4,59,51	4,31,37
Inter Segment Revenue	(70,36)	(54,00)	(2)	(1)	(70,38)	(54,01)
Net Revenue	81,54	1,04,86	3,07,59	2,72,50	3,89,13	3,77,36
RESULTS						
Segment Results	(70,02)	(1,01,96)	1,25,62	87,05	55,60	(14,91)
Income Tax					(12,06)	(8,37)
Net Profit/(Loss) after Tax					43,54	(23,28)
Other Information						
Segment Assets	1,78,29	1,77,66	17,28,70	17,28,42	19,06,99	19,06,08
Unallocated Assets					1,34,69	1,25,35
TOTAL ASSETS					20,41,68	20,31,43
Segment Liabilities	12,41,03	12,24,16	7,90,05	8,00,36	20,31,08	20,24,52
Unallocated Liabilities					10,60	6,91
TOTAL LIABILITIES					20,41,68	20,31,43
Capital Expenditure	26	Nil	4,76	4,20	5,02	4,20
Depreciation	82	1,17	11,12	11,47	11,94	12,64
Other Non Cash Expenditure	Nil	Nil	2,69	6,91	2,69	6,91

Annual Report 2013-2014

15 Listing of Subsidiary and Associates:

A) Subsidiary Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2014	As at 31.03.2013
Maximus Securities Limited (Formerly known as Mafatlal Securities Limited) [Incorporated in India]	100%	100%
B) Associates Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2014	As at 31.03.2013
Mafatlal Trustee Company Limited	29%	29%
Sunanda Capital Services Limited	45%	45%
Sushmita Engineering Trading Limited	30%	30%
Hybrid Systems Limited	49%	49%

17. Earning per Share:

Particulars	Current Year (Rs. in 000s)	Previous Year. (Rs. in 000s)
I) Basic Earning per share		
Profit / (Loss) for the year as per Statement of Profit & Loss	43,54	(23,28)
Less: Preference dividend	-	-
	43,54	(23,28)
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,35,275	2,94,35,275
Basic Earning per Share. (Rupees)	0.15	(0.08)
II) Diluted Earning per share		
Profit / (Loss) for the year as per Statement of Profit & Loss	43,54	(23,28)
Less: Preference dividend	-	-
Add: Interest forgone on account of Potential Equity shares	-	-
	43,54	(23,28)
Weighted average number of Equity Shares of Rs. 5 outstanding during the year	2,94,35,275	2,94,35,275
Add: Shares issuable under Loan Contract upon default of payment of principal and interest	-	-
Total Weighted average number of Equity Shares.	2,94,35,275	2,94,35,275
Diluted Earning per Share. (Rupees)	0.15	(0.08)
Nominal value of shares (Rupees)	5.00	5.00

16. The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs. 2,93,800/- (Previous Year Rs. 4,45,900/-) has been debited to Consolidated Statement of Profit and Loss. The future minimum lease payment is as under:

	2013-2014 Rs.	2012-2013 Rs.
Not later than 1 year	3,01,625	2,36,100
Later than 1 year and Not later than 5 years	1,43,019	1,42,000
Later than 5 years	Nil	48,000
Total	4,44,644	4,26,100

18. Comparative consolidated 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 Consolidated 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. Figures have been rounded off to the nearest rupee and expressed in thousands.

As per our attached report of even date

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

BINOD C. MAHARANA
Partner
M. No. 056373

Mumbai, Dated : 22nd May 2014

Signatures to Notes 1 to 24
For and on the behalf of Board of Directors

N. R. DIVATE
Wholtime Director

K. CHANDRAMOULI
Wholtime Director and
Company Secretary

JAYESH R. TALPADE
Director

TANVEER SHAIKH
Director

Mumbai, Dated : 22nd May 2014

HYBRID FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)
Regd. Office : 35, A-Wing, Raj Industrial Complex Premises Co-operative Society Limited,
 Military Road, Marol, Andheri (East), Mumbai-400 059

FORM OF PROXY

I / We
 of
 being member(s) of the above mentioned Company, hereby appoint
 of
 or failing him
 of

as my / our Proxy to vote for me / us on my / our behalf at the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Company to be held at 11.00 a.m. on Friday, 18th July 2014 at All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093 and at any adjournment thereof.

Signed at (place) this day of 2014.

Membership Folio No. :

No. of Shares held :

**Affix 1
Ruppee
Revenue
Stamp**

Important :

- a. Revenue Stamp of One Rupee is to be affixed on this form.
- b. The Form should be signed across the stamp as per specimen signature registered with Company and deposited at the Registered Office of the Company not less than **FORTY-EIGHT HOURS** before the time fixed for holding the Meeting.
- c. A Proxy need not be a Member.

HYBRID FINANCIAL SERVICES LIMITED
(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)
Regd. Office : 35, A-Wing, Raj Industrial Complex Premises Co-operative Society Limited,
 Military Road, Marol, Andheri (East), Mumbai-400 059

ATTENDANCE SLIP

Name of the attending Member (in Block Letters)	Membership Folio Number
Name of Proxy (in Block Letter) (To be filled in if the Proxy attends instead of the Member)	Number of Shares held

To be handed over at the entrance of the Meeting Hall.

I hereby record my presence at the **TWENTY SEVENTH ANNUAL GENERAL MEETING** of the Company to be held at 11.00 a.m. on Friday, 18th July 2014 at All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093 and at any adjournment thereof.

Member's / Proxy's Signature
 (to be signed at the time of handing over the slip)

BOOK-POST

If undelivered, please return :

BIGSHARE SERVICES PRIVATE LTD.
Unit : Hybrid Financial Services Ltd.
E-2, Ansa, Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.