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HYBRID FINANCIAL SERVICES

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

BOARD OF DIRECTORS

SHRI.JAYESH R.TALPADE	Director
SHRI.N.R.DIVATE	Wholetime Director
SHRI.K.CHANDRAMOULI	Wholetime Director and Company Secretary
SHRI. TANVEER SHAIKH	Director
SMT. MEGHA J. VAZKAR	Director
SHRI. L. JAYARAMAN (Nominee of Debenture Trustee - Ceased to be Director with effect from 23rd July 2015)	Director

CHIEF FINANCIAL OFFICER

SHRI. VINAY RAMAKANT KULKARNI
(with effect from 19th October 2015)

MANAGEMENT TEAM

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

AUDITORS

S.RAMANAND AIYAR & CO
Chartered Accountants
Mumbai

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

WEBSITE

www.hybridfinance.co.in

CORPORATE IDENTIFICATION NUMBER (CIN)

L99999MH1986PLC041277

NOTICE

Notice is hereby given that the TWENTY NINTH ANNUAL GENERAL MEETING of the Members of HYBRID FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED) will be held at Vishal Hall, Hotel Highway Inn, Sir M. V. Road, (Andheri-Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 069 on Friday, 29th July 2016 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, 2016 and the Balance Sheet as at that date and the Reports of Directors and the Auditors thereon.
2. To declare Dividend @ 1% on Preference Share for the year.
3. **SPECIAL BUSINESS**

RE-APPOINTMENT OF WHOLE TIME DIRECTOR

To consider and if thought fit, to pass with or without modification/s the following resolution as Special Resolution:-

“RESOLVED THAT in accordance with the provision of Section 196,197,198 and 200 read with Schedule V (as amended from time to time) and other applicable provisions if any, of the Companies Act, 2013, the consent of the company be and is hereby accorded to the reappointment of Mr. N. R. Divate as Whole-time Director of the company for a period of 5 years commencing from 1st August 2016 till 31st July 2021 on the terms and conditions as set out in the draft agreement to be executed with Mr. N. R. Divate (including the remuneration to be paid in the event of loss or in adequate profit in any financial year during the aforesaid period) submitted to this meeting and initialled by the Chairman for identification with liberty to the Board of Directors to alter, vary and modify the terms of the said reappointment / remuneration including salary, commission, allowances and perquisites in such a manner a may be agreed to between the Board of Directors and Mr. N. R. Divate within and in accordance and subject to the limits prescribed in Schedule V to the Companies Act, 2013 or any amendment or statutory modification thereto.

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K.CHANDRAMOULI
Wholetime Director and
Company Secretary

Registered Office:

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

Date: 24th May 2016

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) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 25th July 2016 to Friday, 29th July 2016 (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. Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report for 2015-2016 will also be available on the Company's website www.hybridfinance.co.in for download.

g) E Voting Procedure

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

In case of members receiving e-mail:

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker) in the PAN field. * In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. * Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the HYBRID FINANCIAL SERVICES LIMITED on which you choose to vote.

- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- * Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - * They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - * After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - * The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - * They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (xviii) please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (xix) The voting period begins at 9.00 am on Tuesday 26th July 2016 and ends at 5.00 pm on Thursday 28th July 2016. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd July 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter (i.e. at 5.00 pm on 28th July 2016).
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxi) The Company has appointed Mr. Vijay S. Tiwari, Practicing Company Secretary (Certificate of Practice No. 12220) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- (xxii) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward his report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorized by the Chairman for this purpose.
- (xxiii) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.hybridfinance.co.in and on the website of CDSL within three working days after declaration and shall also be communicated to the Stock Exchanges accordingly.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

In respect of Item No. 3:

The Remuneration Committee in its meeting held on 24th May 2016 have recommended for extension of the tenure of Shri.N.R.Divatte as Wholetime Director for further period of Five Years from 1st August 2016 to 31st July 2021 with substantial powers of management subject to approval of the Members at the ensuing Annual General Meeting on the following terms within the provisions stipulated under Schedule V of the The Companies Act, 2013.

The Material terms of his remuneration are as under:

- * Salary of Rs. 1,25,000/- (One Lakh Twenty Five Thousand only) per month
- * House Rent Allowance Rs.25,000/- (Rupees Twenty five Thousand only) per month
- * He shall be entitled for free use of Company's maintained car for official and limited personal purposes as per the policies of the Company.
- * The salary and perquisites as mentioned above shall be exclusive of all retirement benefits viz. contribution to provident fund, superannuation fund and gratuity.
- * He will further be eligible for all benefits as are applicable to the senior employees of the Company.

Other information as required under the act is as follows:

I. GENERAL INFORMATION

- * Nature of Industry : The Company is a Service Industry.
- * Financial Performance : The financial performance of the company has been mainly to restructure its balance sheet and debt and there have been significant improvement in the same after the sanction of the 'Scheme of Compromise and Arrangement' under section 391 and 394 of the Companies Act, 1956.

II. INFORMATION ABOUT THE APPOINTEE

- * Background : Management Graduate with substantial experience in the industry.
- * Last Remuneration : Rs. 23.04 Lacs, appointed as per the terms of appointment approved by the members in the 24th Annual General Meeting held on 8th July, 2011.
- * Job Profile and suitability : He has been with the company since 1993 and has adequate managerial capacity in terms of qualifications and experience and also oversees the operations of the Subsidiary, Maximus Securities Limited (Previously known as Mafatlal Securities Limited).
- * Remuneration proposed : Salary of Rs. 1.50 lacs per month with perquisites as given in the explanatory statement. The remuneration proposed is reasonable taking the fact that the ailing company needs the services to make it viable.
- * Other Benefits : He will also be eligible for membership in a Club upto an Eligible Admission Fee of Rs. 3 Lakhs and other monthly outgoing related to the same.
- * Other Disclosures : Shri N.R.Divatte is interested in the above resolution. He has no relationship with any Directors of the Company.

III. OTHER INFORMATION

The company is in the threshold of reviving its operations consequent upon its debt settlement under the Scheme of Compromise and Arrangement sanctioned by the Hon'ble Bombay High Court. In the aforesaid process, there would be a significant role that would be assigned and hence the progress of the company would be substantially improved.

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K. CHANDRAMOULI
Wholetime Director and
Company Secretary

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

Date: 24th May 2016

DIRECTORS' REPORT

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

Your Directors present the Twenty Ninth Annual Report with the Audited Statement of Accounts of the Company for the year ended 31st March 2016.

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 31.03.2016 (Rs. in Lacs)	Year Ended 31.03.2015 (Rs. in Lacs)
Gross Income	220.29	247.10
Gross Profit before Depreciation, Exceptional Item and Income Tax	71.52	86.38
Depreciation	0.43	2.69
Exceptional Item	Nil	1.40
Provision for Tax	Nil	Nil
Net Profit After Tax	71.09	82.29
Add: Amount brought forward from previous year	(1036.86)	(1071.24)
Proposed Dividend on Preference Shares including Dividend Distribution Tax Transferred to Capital Redemption Reserve Account for	3.61	12.09
Redemption of Preference Shares	60.00	35.82
Balance carried forward	(1029.38)	(1036.86)

2. OPERATIONS

The Financial Year 2015-2016 has ended with the company earning a profit of Rs. 71.09 Lacs after Tax mainly on account of Write Backs and Tax Refunds. The Company's operations are still muted due to the uncertainties of business environment. The Company does not anticipate any significant revenue growth from operations in the coming years.

3. OUTLOOK

The company is trying to undertake new Non - NBFC activities. Other operations have yielded an income of Rs.60.00 Lacs and Rs.30.00 Lacs as Rent. Company's business is confined to attending to past issues from its earlier operations.

4. DIVIDEND

The Board of Directors have recommended a Dividend of 1% on Preference Shares amounting to Rs.3.61 Lacs inclusive of Dividend Distribution Tax. However, no dividend is recommended on Equity Shares to conserve resources and inadequate profit.

The Board of Directors have also approved Redemption of Preference Shares of Rs.60.00 Lacs. After redemption of these shares, the balance Preference Shares shall be redeemed in 4 yearly installments of Rs. 60 Lacs each subject to availability of Profits.

5. EXTRACT OF ANNUAL RETURN

Extract of Annual Return in the prescribed Form MGT-9 is given as Annexure to this Director's Report

6. BOARD MEETINGS

The details of the Board Meetings held during the Financial Year 2015-2016 have been furnished under clause I 2(d) of the Corporate Governance Report forming a part of this Annual Report.

7. OTHER COMMITTEES

The Company has constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee (Constituted on 22nd October 2014)

The details regarding composition of the above Committees and the meetings held during the Financial Year 2015-2016 are given in the Corporate Governance Report forming a part of this Annual Report.

8. BOARDEVALUATION

The evaluation of the Company's Performance and that of Whole Time Directors was done by the by the Independent Directors. The Independent Directors have not communicated anything adverse. They have however desired that the issue of removal of suspension of Trading of Shares in the BSE to be attended and resolved.

9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of Related Parties and the Transaction with them are disclosed as required by Accounting Standard - 18 issued by The Institute of Chartered Accountants of India under Note No. 21 III) 10 forming part of this Annual Report.

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

10. TRANSFER TO RESERVES

The Company has transferred an amount of Rs. 60.00 Lacs to Capital Redemption Reserve Account on account of redemption of 6,00,000 1% Redeemable Cumulative Preference Shares of Rs.10/- each

11. LISTING OF SHARES

The Company has made an application to BSE for removal of suspension and Trading and Listing of the shares under the new name on 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 and accordingly de-listed from the said year.

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

12. PENALTIES AND OTHER LITIGATIONS**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 in year 2013-2014 based on a recalculation of dues on a Contractor for the period 2004-2011. The Company has contested and appealed against the same and obtained a stay from Employee Provident Fund Appellate Tribunal.

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

The Subsidiary Company has earned a net profit of Rs. 31.38 Lacs for the financial year ended 31st March, 2016. The Subsidiary Company is exploring various options to fare better in the current financial year.

14. 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

15. DIRECTORATE

The present tenure of Mr.N.R.Divave as Whole-time Director will end on 31st July 2016. The Remuneration Committee has already recommended the reappointment of Mr.N.R.Divave as Whole-time Director for a period of Five Years commencing from 1st August 2016. So Members are hereby requested to consider and approve his reappointment on the terms as per the resolution placed in the Annual General Meeting. Mr.N.R.Divave is interested in the said resolution. The Board of Directors also strongly recommend the same.

16. 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.

17. E-VOTING

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

18. PARTICULARS OF EMPLOYEES

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

19. WEBSITE OF THE COMPANY

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

20. WHISTLE BLOWER MECHANISM

The Company has a Whistle Blower Policy in place for vigil mechanism. The said policy has been implemented keeping in view of the amendments in the Companies Act, 2013 and Clause 49 of the Listing Agreement.

21. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

22. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, 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.

23. CORPORATE GOVERNANCE

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

24. SECRETARIAL AUDITOR

The Board of Directors have appointed Mr. Vijay S.Tiwari, a practising Company Secretary, as Secretarial Auditor for the Financial Year 2015-2016.

25. ACKNOWLEDGEMENTS

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

FOR AND ON BEHALF OF THE BOARD

K. CHANDRAMOULI
Whole Time Director and
Company Secretary

Place : Mumbai
Date : 24th May 2016

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.220.29 Lacs which includes Rs.60.90 Lacs towards operational income and Rs.159.39 Lacs as other income (which includes write-backs and Tax Refunds) and the company earned a pre-tax profit of Rs.71.09 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 has initiated broking activities towards Fixed Deposit mobilisation.

RISK AND CONCERNS

The company faces the challenge of Contingent Risks which the company is not currently facing but may be exposed too. The Company's Appeal against Income Tax Demand has gone in favour of the Company during the previous year and is not facing any contingent risk on this account.

The Business environment has still not improved and gives the strained financial position the Company continuous to focus only on Fee Based Activities. Also due to tougher regulatory conditions the Company is not contemplating any immediate business plans.

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 2016 has 3 employees on its payroll. The relationship was cordial.

CAUTIONARY STATEMENTS

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

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2016 of **Hybrid Financial Services Limited**
[Pursuant to Section 92(3) of the Companies Act, 2013

And

[Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN: Foreign Company Registration Number/GLN Registration Date [DDMMYY]	L99999MH1986PLC041277 - 20.10.1986
ii) Category of the Company [Pl. tick]	Public Limited Company
iii) Sub Category of the Company [Please tick whichever are applicable]	Limited by shares <input checked="" type="checkbox"/>
iv) Whether shares listed on recognized Stock Exchange(s) If yes, details of stock exchanges where shares are listed	Yes Bombay Stock Exchange Ltd. (BSE) * * Under Suspension
vi) NAME AND REGISTERED OFFICE ADDRESS OF COMPANY: Company Name Address Town / City State Pin Code: Country Name Address for correspondence, if different from address of registered office:	HYBRID FINANCIAL SERVICES LIMITED 35, A-Wing, Raj Industrial Complex Premises Co-operative Society Limited, Military Road, Marol, Andheri (East). Mumbai Maharashtra 400093 India Same as above
vii) Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given.	Bigshare Services Private Limited., E-2/3, Ansa Industrial Estate, Sakhivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Financial Consultancy Services	99715910	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]

Sl. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	APPLICABLE SECTION
1	Maximus Securities Limited	U67120MH1994PLC076758	Subsidiary Company	Section 2 (87)
2	Garron Shares and Stock Brokers Pvt.Ltd.	U67120MH1995PTC094962	Associate Company	Section 2 (6)
3	Garron Trading Company Private Limited	U51900MH1999PTC119424	Associate Company	Section 2 (6)
4	Hybrid Services and Trading Limited	U65921MH1995PLC091766	Associate Company	Section 2 (6)
5	Hybrid Systems Limited	U51900MH1993PTC072677	Associate Company	Section 2 (6)
6	Sunanda Capital Services Limited	U74999MH1994PLC084183	Associate Company	Section 2 (6)
7	Sushmita Engineering and Trading Limited	U29110MH1979PLC020979	Associate Company	Section 2 (6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoter's									
(1)	Indian									
a)	Individual/ HUF	17352714	1409338	18762052	63.74	17352714	1409338	18762052	63.74	Nil
b)	Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c)	State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d)	Bodies Corp.	Nil	Nil	Nil	100	Nil	Nil	Nil	100	Nil
e)	Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total shareholding of Promoter (A)	17352714	1409338	18762052	63.74	17352714	1409338	18762052	63.74	Nil
B	Public Shareholding									
1.	Institutions									
a)	Mutual Funds	Nil	19800	19800	0.07	Nil	19800	19800	0.07	Nil
b)	Banks / FI	242025	375	242400	0.82	242025	375	242400	0.82	Nil
c)	Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d)	State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e)	Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f)	Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g)	FII's	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h)	Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i)	Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-total (B)(1):-	242025	20175	262200	0.89	242025	20175	262200	0.89	Nil
2.	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	347042	74250	421292	1.43	347042	74250	421292	1.43	Nil
ii)	Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	3633222	4225399	7858621	26.70	3633222	4225399	7858621	26.70	Nil
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1269798	839625	2109423	7.16	1269798	839625	2109423	7.16	Nil
c)	Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Non Resident Indians	4612	18075	22687	0.08	4612	18075	22687	0.08	Nil
	Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Sub-total (B)(2):-	5254674	5157349	10412023	35.37	5254674	5157349	10412023	35.37	Nil
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	5496699	5177524	10674223	36.26	5496699	5177524	10674223	36.26	Nil
C.	Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Grand Total (A+B+C)	22849413	6586862	29436275	100	22849413	6586862	29436275	100	Nil

ii) Shareholding of Promoter Directors, Key Managerial Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Nandakishore Raghunath Divate	9383995	31.88	Nil	9383995	31.88	Nil	Nil
2	Chandramouli Krishnamurthy	9378057	31.86	Nil	9378057	31.86	Nil	Nil
	Total	18762052	63.74	Nil	18762052	63.74	Nil	Nil

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iii) Change in Promoters' Shareholding (please specify, if there is no change)

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	18762052	63.74	18762052	63.74
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
At the end of the year	18762052	63.74	18762052	63.74

iv) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Mr.Virshi Nensi Toprani	353925	1.20	353925	1.20
Mr.Hemal Vallabhdas Thakkar	208125	0.71	208125	0.71
Mr.Jitendra J.Mehta	120000	0.41	120000	0.41
Ms.Jyoti Jitendra Mehta	84000	0.29	84000	0.29
Mr.Jitendra Jagannath Mehta	79500	0.27	79500	0.27
Sinanda Services and Trading Ltd.	75000	0.25	75000	0.25
Ms.Asha R.Mehta	72750	0.25	72750	0.25
Mr.Nishit Hemant Mehta	72000	0.24	72000	0.24
Mr.Harshad N.Mehta	60000	0.20	60000	0.20
Ms.Amisha Deven Mehta	60000	0.20	60000	0.20
Mrs. Ila V.Bhuta	60000	0.20	60000	0.20
Total	1245300	4.22	1245300	4.22
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
At the end of the year Total	1245300	4.22	1245300	4.22

V) Shareholding of Directors and Key Managerial Personnel other than Promoters

Shareholding of each Director	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year				
Mr. Jayesh R. Talpade - Independent Director	30600	0.10	30600	0.10
Mr. Vinay Kulkarni - Chief Financial Officer	5	-	5	-
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
At the end of the year	30605	0.10	30605	0.10

VI) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,40,121	-	-	17,40,121
ii) Interest due but not paid	Nil	-	-	Nil
iii) Interest accrued but not due	Nil	-	-	Nil
Total (i+ii+iii)	17,40,121	-	-	17,40,121
Change in Indebtedness during the financial year				
* Addition	Nil	-	-	Nil
* Reduction	17,40,121	-	-	17,40,121
Net Change	17,40,121	-	-	17,40,121
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	-	-	Nil
ii) Interest due but not paid	Nil	-	-	Nil
iii) Interest accrued but not due	Nil	-	-	Nil
Total (i+ii+iii)	Nil	-	-	Nil

VII). REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SI.No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr.Nandkishore Raghunath Divate (WTD)	Mr. Chandramouli Krishnamurthy (WTD)	
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,00,000	15,00,000	30,00,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	3,00,000	5,49,539	8,49,539
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify...	Nil	Nil	Nil
5	Others, please specify (Retirement Benefits)	5,03,719	5,03,719	10,07,438
	Total (A)	23,03,719	25,53,258	48,56,977
	Ceiling as per the Act	42,00,000	42,00,000	84,00,000
		Plus Retirement Benefits	Plus Retirement Benefits	Plus Retirement Benefits

B. Remuneration to other directors

SI.No	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors					
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN

MD/MANAGER/WTD

SI.No	Particulars of Remuneration	CEO	Key Managerial Personnel		Total
			CS	CFO **	
				Mr.Vinay Kulkarni	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	28,000	28,000
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	1,24,950	1,24,950
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	1,52,950	1,52,950

** Mr.Vinay Kulkarni has been appointed as Chief Financial Officer with effect from 19th October 2015. So his salary is for part of the year.

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2016

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

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

Based on my verification of the **Hybrid Financial Services Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Hybrid Financial Services Limited** ("the Company") for the financial year ended on 31st March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made hereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made hereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The list of other laws applicable to the Company is annexed herewith.

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

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

It is observed that the Company's shares were suspended from trading by National Stock Exchanges 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.

It is also observed the Company has not made payment of Listing Fees to Bombay Stock Exchange Limited (BSE) for the Financial Year 2012-13, 2013-14, 2014-15 and 2015-16.

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

I Further report that the Company's ISIN remains suspended as new ISIN subsequent to Name Change and Reduction of Capital is not yet allotted. Consequently, the Corporate Action for Reduction of share Capital is pending with the Depositories.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Vijay S. Tiwari & Associates
Company Secretaries in Practice

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

Place: Mumbai
Date: 24th May, 2016

CORPORATE GOVERNANCE REPORT

In accordance with the Listing Agreements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) with the Stock Exchanges the report containing the details of Corporate Governance as at 31st March 2016 is as follows:

I. MANDATORY REQUIREMENTS

1. CORPORATE GOVERNANCE PHILOSOPHY

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

2. BOARD OF DIRECTORS

(a) Composition and Category of Directors

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

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

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

(b) Attendance of each Director at the Board of Director's Meetings held during 2015-2016 and the last Annual General Meeting is as follows:

Director	Board Meetings Attended	Last Annual General Meeting Attended (Held on 23.07.2015)
Mr. N.R. Divate	4	Yes
Mr. K. Chandramouli	4	Yes
Mr. Jayesh Talpade	4	Yes
Mr.Tanveer Shaikh	4	Yes
Mrs.Megha J.Vazkar	4	Yes
Mr. L. Jayaraman**	Nil	No

** Mr. L. Jayaraman, nominee of Bank of India, is ceased to be Director with effect from 23rd July 2015 due to withdrawal of his nomination by the Bank.

(c) Mr.Vinay Ramakant Kulkarni has been appointed as Chief Financial Officer of the company with effect from 19th October 2015 as required under section 203 (1) of the Companies Act, 2013.

(d) 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	6	-	-	-
Mr. N.R. Divate	Not Independent, Executive	3	-	-	-
Mr. Jayesh Talpade	Independent, Non-Executive	1	-	-	-
Mr.Tanveer Shaikh	Independent, Non-Executive	1	-	-	-
Mrs.Megha J.Vazkar	Woman Director, Non-Executive	4	-	-	-

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

Four Board Meetings were held during the year 2015-2016. The dates on which meetings were held were as follows:

19th May 2015, 23rd July 2015, 19th October 2015 and 20th January 2016.

(f) Remuneration of Directors:

The company does not pay any remuneration to the Independent Directors. During the year, the company paid Rs.25,53,258/- to Mr.K. Chandramouli, Rs.23,03,719/- to Mr.N.R.Divate, Whole Time Directors of the Company towards remuneration and the same has been approved by the members. The Company also paid a remuneration of Rs.1,52,950/- for part of the year to Mr.Vinay Kulkarni, Chief Financial Officer.

(g) Directors Share Holding:

Mr.K.Chandramouli is holding 93,78,057 Equity Shares, 12,00,000 1% Cumulative Redeemable Preference Shares, (ii). Mr.N.R.Divate is holding 93,83,995 Equity Shares, 12,00,000 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. The Committee functions as per the provision of the Companies Act and Listing Regulations. The Committee reviews the Accounting Policies, Account, Audit and 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 31.03.2016:

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

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

Four meetings were held during the year 2015-2016. (19th May 2015, 23rd July 2015, 19th October 2015, and 20th January 2016). 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	4

Mr.Binod C.Maharana, Partner of M/S. S.Ramanand Aiyar & Co., Chartered Accountants, Statutory Auditors, attended the Audit Committee Meeting held on 19th May 2015 as Special Invitee.

4. NOMINATION AND REMUNERATION COMMITTEE

The company has constituted a Nomination and Remuneration Committee on 27th April 2005 and following are the members in the reconstituted committee as on 31.03.2016:

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

One meeting of Nomination and Remuneration Committee was held on 19th May 2015 during the year 2015-2016 and all the above four member of the committee have attended the meeting.

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5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The company has a Stakeholder Relationship Committee, consisting of the following members as on 31.03.2016:

Mr. Jayesh Talpade	...	Chairman
Mr. K. Chandramouli	...	Wholetime Director
Mr. N.R. Divate	...	Wholetime Director
Mr. Tanveer Shaikh	...	Independent 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: 01.04.2015 to 31.03.2016

Number of Equity Shareholders / Debenture holders / Preference Shareholders complaints pending as on 01.04.2015	} : 6
Number of complaints received during the year	: 65
Number of complaints solved during the year	: 69
Number of complaints pending as on 31.03.2016	: 2

Four meetings were held during the year 2015-2016. (19th May 2015, 23rd July 2015, 19th October 2015 and 20th January 2016). The attendance for the said meetings is as follows:

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

6. RISK MANAGEMENT COMMITTEE

The company has constituted a Risk Management Committee on 22nd October 2014 and following are the members in the reconstituted committee as on 31.03.2016:

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

One meeting of Risk Management Committee was held on 19th May 2015 during the year 2015-2016 and all the above three member of the committee have attended the meeting.

7. DIRECTORS

None of the Independent / Non-Executive Directors are retiring this year as they have already been re-appointed for three years in the last Annual General Meeting held on 23rd July 2015.

8. GENERAL BODY MEETINGS

Date	Venue	Time
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.
18th July, 2014	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.
23rd July, 2015	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.

9. 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 2016 the Company has charged Rs. 60 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.

10. DISCLOSURES

- The details of related party transactions are given in Point No. 10 of Note No. 21, the notes on Financial Statements.
- 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 2015-2016.

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 also not paid the charges of NSDL and CDSL.

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

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

11. WHOLETIME DIRECTORS CERTIFICATION:

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

- They have reviewed the Financial Statements as on 31st March 2016 and the Cash Flow Statement for the year ended 31st March 2016 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.

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

- b) There are to the best of their knowledge and belief, no transactions that have been entered into by the company during the year which are fraudulent or illegal or violative of the Company's code of conduct
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company, pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which they are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d) i). There has not been any significant change in internal control over financial reporting during the year under reference;
ii). There has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and
iii). They are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

12. MEANS OF COMMUNICATION

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

13. GENERAL SHAREHOLDER INFORMATION

13.1 Annual General Meeting

Date, Time & Venue : Friday, 29th July 2016 at 11 A.M. at Vishal Hall, Hotel Highway Inn, Sir M.V. Road, (Andheri-Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 069.

13.2 Financial Calendar (2016-2017) (tentative)

Quarterly Results:

Quarter Ending June 30, 2016	Last week of July 2016
Quarter Ending September 30, 2016	Last week of October 2016
Quarter Ending December 31, 2016	Last week of January 2017
Quarter Ending March 31, 2017	Last week of May 2017

13.3 Book Closure date(s) : Monday, 25th July 2016 to Friday, 29th July 2016 (both days inclusive).

13.4 Dividend payment date(s) : Not applicable

13.5 Listing of Equity shares/debentures on Stock Exchanges : Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

The company's shares were originally 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 in the Annual General Meeting held on 29th December 2003.

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

13.6 Stock Code

Physical Segment – BSE : 500262
Demat Segment - BSE : INE965B01014

13.7 Market Price Data:

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

13.8 Registrar & Transfer Agents

: M/s. Big Share Services Private Ltd.
E-2, Ansa Industrial Estate, Saki Vihar Road
Saki Naka, Andheri (East), Mumbai - 400 072
Tel: 28470652 / 40430200 Fax: 28475207

13.9 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

13.10(a) Distribution of Shareholding as on 31st March, 2016

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

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(b) Category of Shareholding as on 31st March, 2016

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

13.11 Dematerialization of shares

The Company has arrangements with NSDL and CDSL for Demat Facility.

77.62% of the total equity shares are held in dematerialized form with NSDL and CDSL as at 31st March 2016

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

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

: NIL

13.13 Registered Office and Address for Correspondence

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

II. NON-MANDATORY REQUIREMENTS

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

The same is not applicable as the Chairman of the Company is a Wholtime 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 has implemented Whistle Blower Policy

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

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

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

For the purpose of this declaration, Senior Management Team means the employee in the cadre of Wholtime Directors on 31st March 2016

K.CHANDRAMOULI
Wholtime Director and
Company Secretary

Place: Mumbai
Date: 24th May 2016

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

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

We have examined the compliance of conditions of Corporate Governance by **Hybrid Financial Services Limited (Formerly known as Mafatlal Finance Company Limited)** for the year ended on 31st March 2016, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations")

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 24th May 2016

INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HYBRID FINANCIAL SERVICES LIMITED** (formerly known as MAFATLAL FINANCE COMPANY LIMITED) ("The Company") which comprise the Balance Sheet as at March 31, 2016, 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 Standalone Financial Statements

The Company's Board of Directors are responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.

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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act (*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, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Companies Act, 2013, we report that:
 - a) we have sought and obtained all the information and explanations *subject to Item Nos 5 and 7 of Note No. 21 III) regarding writing off of Bank Balances amounting to Rs.10,69,480/- and non receipt of confirmation of certain bank balances* and debtors balances which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Balance Sheet, 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 aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013 and
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. Company has disclosed the impact of pending litigations on its financial position in its financial Statements-Refer Note No. 21 III) 1 to the financial statement.
 2. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 3. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 24th May 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[The annexure referred to in our Independent Auditors' Report of even date to the members of the Company on the standalone financial statements for the year ended 31 March 2016, in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED)]

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

According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and any other material statutory dues in arrears, as at March 31, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, detail of statutory dues which has not been deposited as on 31st March, 2016 on account of dispute is given below:

Name of Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Sub-Regional Office, Employees' Provident Fund, Vashi	Demand Under Section 7A proceedings	21,06,154/-	2013-2014	The Company has appealed against the order and obtained a stay from Employee Provident Fund Appellate Tribunal.

- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 24th May 2016

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of **Hybrid Financial Services Limited** (formerly known as Mafatlal Finance Company Limited) ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 24th May 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No	As at 31.03.2016 Rs. In 000s	As at 31.03.2016 Rs. In 000s	As at 31.03.2015 Rs. In 000s
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds:				
(a) Share Capital	1	171,181		177,181
(b) Reserves and Surplus	2	(89,031)		(95,779)
			82,150	81,402
(2) Non-Current Liabilities:				
(a) Long Term Liabilities	3	2,126		2,248
(b) Long Term Provisions	4	32,551		34,291
			34,677	36,539
(3) Current Liabilities:				
(a) Short Term Borrowings	5	-		1,740
(b) Other Current Liabilities	6	16,091		13,533
(c) Short Term Provisions	7	361		1,209
			16,452	16,482
Total			133,279	134,423
II. ASSETS				
(1) Non Current Assets:				
(a) Fixed Assets	8			
Tangible Assets		426		469
		426		469
(b) Non Current Investments	9	100,180		100,180
(c) Long Term Loans and Advances	10	4,680		9,464
(d) Other Non Current Assets	11	5,977		5,977
			111,263	116,090
(2) Current Assets:				
(a) Trade Receivables	12	-		227
(b) Cash and Cash Equivalents	13	17,430		13,708
(c) Short Term Loans and Advances	14	4,323		4,187
(d) Other Current Assets	15	263		211
			22,016	18,333
Total			133,279	134,423
Significant Accounting Policies and Notes on Financial Statements				
	21			

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 : 24th May 2016

For and on behalf of Board of Directors

N. R. DIVATE

Wholtime Director

K. CHANDRAMOULIWholtime Director
and Company Secretary**VINAY KULKARNI**

Chief Financial Officer

Mumbai, Dated : 24th May 2016

JAYESH R. TALPADE

Director

TANVEER SHAIKH

Director

MEGHA J. VAZKAR

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

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.1,74,892/- (Previous Year Rs.6,98,480/-)]		6,090		7,109
Other Income	16		15,939	17,601
Total Revenue			22,029	24,710
EXPENDITURE				
Employee Benefit Expenses	17		5,020	5,541
Financial Costs	18		531	208
Depreciation and Amortisation Expenses	8		43	269
Other Administrative Expenses	19		8,373	10,323
Bad Debts Written Off	20		953	-
Total Expenses			14,920	16,341
Profit before Tax and Exceptional Item			7,109	8,369
Exceptional Item [Refer Note No. 21 III) 13]			-	140
Profit before Tax and after Exceptional Item			7,109	8,229
Provision for Tax			-	-
Profit after Tax			7,109	8,369
Balance carried to the Balance Sheet			7,109	8,229
Earning per Equity Share:				
(1) Basic			0.23	0.24
(2) Diluted Without Exceptional Item			0.23	0.24
Significant Accounting Policies and Notes on Financial Statements	21			

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 : 24th May 2016

For and on behalf of Board of Directors

N. R. DIVATE
Wholetime Director

JAYESH R. TALPADE
Director

K. CHANDRAMOULI
Wholetime Director
and Company Secretary

TANVEER SHAIKH
Director

VINAY KULKARNI
Chief Financial Officer

MEGHA J. VAZKAR
Director

Mumbai, Dated : 24th May 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-2016 Rs. in 000s	2014-2015 Rs. in 000s
A. Cash Flow from Operating Activities		
Net Profit Before Tax	7,109	8,229
Adjustment for :		
Sundry Credit Balances Written Back	-	(839)
Provision for Doubtful Debts Written Back	(3,528)	(3,275)
Provision for Contingencies Reversed	(2,000)	-
Depreciation	43	269
Interest / Dividend on Investments	(1,107)	(750)
Provisions for Leave Encashment	260	260
Financial Costs	531	208
Provisions and Write Offs	953	-
Operating Profit before Working Capital Changes	(4,848)	(4,127)
Changes in Working Capital	2,261	4,102
Adjustments for (increase) / decrease in operating assets		
Trade Receivables	68	635
Long Term Loans and Advances	1,138	270
Short Term Loans and Advances	2,598	1,021
Adjustments for increase / (decrease) in operating liabilities		
Long Term Provisions	-	(120)
Long Term Liabilities	(122)	-
Other Current Liabilities	150	(666)
Cash Generated From Operations	3,832	1,140
Direct Taxes - Received / (Paid)	3,646	(1,079)
Net Cash From Operating Activities (A)	9,739	4,163
B. Cash Flow from Investing Activities		
Interest/Dividend Received	1,055	600
Net Cash From Investing Activities (B)	1,055	600
C. Cash Flow from Financing Activities		
Short Term Borrowings	(1,740)	1,535
Financial Costs	(531)	(208)
Redemption of Preference Shares	(3,592)	(100)
Dividend Paid on Preference Shares	(1,007)	-
Dividend Distribution Tax on above	(202)	-
Net Cash (Used In) / From Financing Activities (C)	(7,072)	1,227
Net Increase in Cash and Cash Equivalents (A+B+C)	3,722	5,990
Cash and Cash Equivalents as at the commencement of the year	13,708	7,718
Cash and Cash Equivalents as at the end of the year	17,430	13,708
Net Increase as Disclosed above	3,722	5,990
(See Notes attached)		

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-2016 Rs. in 000s	2014-2015 Rs. in 000s
1 Cash and cash equivalents include :		
Cash on hand	1	1
Bank Balances	17,429	13,707
Total	17,430	13,708
2 All figures in brackets are outflows.		
3 Previous years figures have been regrouped wherever necessary to confirm to this year's classification.		

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

BINOD C. MAHARANA
Partner
M.No. 056373

Mumbai, Dated : 24th May 2016

For and on behalf of Board of Directors

N. R. DIVATE
Wholtime Director

JAYESH R. TALPADE
Director

K. CHANDRAMOULI
Wholtime Director
and Company Secretary

TANVEER SHAIKH
Director

VINAY KULKARNI
Chief Financial Officer

MEGHA J. VAZKAR
Director

Mumbai, Dated : 24th May 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2016 Rs. In 000s	As at 31.03.2015 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>
24,00,000 (Previous Year 30,00,000), 1% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid	24,000	30,000
Total	<u><u>171,181</u></u>	<u><u>177,181</u></u>

Reconciliation of Shares

<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>	Current Year	Previous Year
Equity Shares		
Number of Equity Shares at the beginning of the year	29,436,275	29,436,275
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	3,000,000	3,358,200
Less: Redemption	600,000	358,200
Number of Preference Shares at the end of the year	<u>2,400,000</u>	<u>3,000,000</u>

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

Equity Shares:

Name of Shareholder	As at 31st March 2016		As at 31st March 2015	
	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 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Nandakishore R. Divate - Promoter	1,200,000	50.00	1,500,000	50.00
Mr. K.Chandramouli - Promoter	1,200,000	50.00	1,500,000	50.00

Particulars	As at 31.03.2016 Rs. In 000s	As at 31.03.2015 Rs. In 000s
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Note No. 2 Reserves and Surplus

1 Capital Redemption Reserve Account	7,907	4,325
Add:		
Capital Redemption Reserve Account for Redemption of 6,00,000 (Previous Year 3,58,200) 1% Redeemable Cumulative Preference Shares of Rs. 10/- each	6,000	3,582
Total (A)	<u>13,907</u>	<u>7,907</u>
2 Surplus / (Deficit) as per Statement of Profit & Loss:		
Opening Balance	(103,686)	(107,124)
Add: Profit for the year	7,109	8,229
	<u>(96,577)</u>	<u>(98,895)</u>
Less:		
Proposed Dividend on Preference Shares	300	1,007
Dividend Distribution Tax on Proposed Dividend on Preference Shares	61	202
Capital Redemption Reserve Account for Redemption of 6,00,000 (Previous Year 3,58,200) 1% Redeemable Cumulative Preference Shares of Rs. 10/- each	6,000	3,582
Total (B)	<u>(102,938)</u>	<u>(103,686)</u>
Total (A + B)	<u><u>(89,031)</u></u>	<u><u>(95,779)</u></u>

Particulars	As at 31.03.2016 Rs. In 000s	As at 31.03.2015 Rs. In 000s
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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 2016 [Refer Note No. 21 III] 3]	-	122
2 Unsecured		
a Security Deposits from lessees and others etc. [Refer Note No. 21 III] 4]	126	126
b Rent Deposit Received	2,000	2,000
Total	<u>2,126</u>	<u>2,248</u>

Note No. 4 Long Term Provisions

1 Provision for employee benefits: Leave Encashment	4,530	4,270
2 Provision For Taxation	21	21
3 Provision for Contingencies [Refer Note. 21 III] 1]	28,000	30,000
Total	<u>32,551</u>	<u>34,291</u>

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Particulars	As at 31.03.2016 Rs. In 000s	As at 31.03.2015 Rs. In 000s
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Note No. 5 Short Term Borrowings

1 Bank Overdraft (Secured against pledge of Fixed Deposits)	-	1,740
Total	-	1,740

Note No. 6 Other Current Liabilities

1 Redeemable Preference Shares Payable	9,600	7,192
2 Unclaimed Dividend on Preference Shares	29	29
3 Unclaimed Debentures and Interest Warrants	-	34
4 Related Parties for Services Provided	5,220	5,342
5 <u>Other Payables</u>		
a Auditor's Remuneration	90	90
b Tax Deducted at Source	128	210

Particulars	As at 31.03.2016 Rs. In 000s	As at 31.03.2015 Rs. In 000s
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Note No. 6 Other Current Liabilities (Contd.)

c Profession Tax	-	1
d Outstanding Expenses Payable	779	465
e Others	245	170
Total	16,091	13,533

Note No. 7 Short Term Provisions

1 For Proposed Dividend on Preference Shares	300	1,007
2 For Dividend Distribution Tax on Proposed Dividend on Preference Shares	61	202
Total	361	1,209

Note No. 8 Fixed Assets

Rs. in 000s

Sr. No	Particulars	Gross Block			Depreciation / Amortisation				Net Block	
		As at 01.04.2015	Additions during the year	Deletions/ Adjustments during the year	As at 31.03.2016	As at 01.04.2015	For the year	Deletions/ Adjustments during the year	As at 31.03.2016	As at 31.03.2015
I	Tangible Assets									
1	Building	521	-	-	521	168	8	-	176	345
2	Computers	329	-	-	329	259	26	-	285	44
3	Furniture and Fixtures	35	-	-	35	13	4	-	17	18
4	Office Equipment	181	-	-	181	157	5	-	162	19
	Total (Current Year)	1,066	-	-	1,066	597	43	-	640	426
	(Previous Year)	1,297	-	231	1,066	559	269	231	597	469

Particulars	As at 31.03.2016 Rs. in 000s	As at 31.03.2016 Rs. in 000s	As at 31.03.2015 Rs. in 000s
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Note No. 9 Non Current Investments

A IN FULLY PAID EQUITY SHARES OF SUBSIDIARY COMPANIES

1,00,00,000 Shares of Rs.10 each in Maximus Securities Limited	100,000		100,000
		100,000	100,000

B IN FULLY PAID EQUITY SHARES - UNQUOTED

I WITH ASSOCIATE COMPANIES

24,500 shares of Rs.10 each in Hybrid Systems Limited	245		245
	245		245
<u>Less:</u> Provision for Diminution in Value	245		245

II WITH OTHERS

16,000 shares of Rs.10 each in Amitabh Bachan Corporation Ltd.	1,280		1,280
3,00,000 shares of Rs.10 each in Leisure Hotel Ltd.	3,000		3,000
	4,280		4,280
<u>Less:</u> Provision for Diminution in Value	4,120		4,120
		160	160

Particulars	As at 31.03.2016 Rs. in 000s	As at 31.03.2016 Rs. in 000s	As at 31.03.2015 Rs. in 000s
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C IN FULLY PAID PREFERENCE SHARES

52,255 shares of Rs.10 each in Pasupati Fabrics Ltd.	523		523
<u>Less:</u> Provision for Diminution in Value	523		523

D OTHERS

(a) 333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Ltd.	10		10
(b) 1,000 shares of Rs.10 each in Saraswat Co-operative Bank Ltd.	10		10
		20	20
TOTAL		100,180	100,180

Note No. 10 Long Term Loans and Advances

1 Advance Interest Tax (Net of Provision of Rs.6,11,742/-)		-	1,138
2 Advance payment of Income Tax and Tax Deducted at Source [Net of Provisions Rs.Nil (As at 31.03.2015 Rs.Nil)]		4,212	7,858

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

Particulars	As at 31.03.2016 Rs. in 000s	As at 31.03.2016 Rs. in 000s	As at 31.03.2015 Rs. in 000s
3 Deposit with others			
(i) Considered Good	468		468
(ii) Considered Doubtful	8,000		8,000
	<u>8,468</u>		<u>8,468</u>
Less: Provision for Doubtful Deposit	<u>8,000</u>		<u>8,000</u>
		468	468
Total		<u>4,680</u>	<u>9,464</u>
Note No.11 Other Non Current Assets			
1 Assets acquired in satisfaction of claims [Refer Note No. 21 III) 6]		5,977	5,977
Total		<u>5,977</u>	<u>5,977</u>
Note No.12 Trade Receivables			
1 Outstanding for more than six months			
a) Secured, Considered Good	-		-
b) Unsecured, Considered Good	-		92
c) Doubtful	-		-
			<u>92</u>
2 Others			
a) Secured, Considered Good	-		-
b) Unsecured, Considered Good	-		135
c) Doubtful	-		-
			<u>135</u>
Total		<u>-</u>	<u>227</u>
Note No.13 Cash and Cash Equivalents			
1 Cash-in-Hand			
Cash Balance	1		1
	<u>1</u>		<u>1</u>
2 Balances With Banks			
a Earmarked Balances for Refund Warrants of Fixed Deposits and Debentures	-		146
b In Current Accounts	926		1,807
		926	1,953
c Bank Deposits			
(i) Fixed Deposits for Bank Overdraft	8,402		7,900
(ii) Fixed Deposits Others	8,101		3,854
		16,503	11,754
Note: There are no Bank Deposits which carries a maturity period beyond 12 Months as on 31st March 2016			
Total		<u>17,430</u>	<u>13,708</u>
Note No.14 Short Term Loans and Advances			
1 Loans and Advances to related parties			
a Loans to Subsidiary Company - Unsecured Considered Good		1,509	1,601
b Other Related Parties - Unsecured			
(i) Considered Good	1		1
(ii) Considered Doubtful	5,945		9,473
	<u>5,946</u>		<u>9,474</u>
Less: Provision for Doubtful Advances	<u>5,945</u>		<u>9,473</u>
		1	1
2 Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good		2,813	2,585
Total		<u>4,323</u>	<u>4,187</u>
Note No.15 Other Current Assets			
1 Interest Accrued on Bank Deposits		263	211
Total		<u>263</u>	<u>211</u>

Particulars	Current Year Rs. in 000s	Previous Year Rs. in 000s
Note No. 16 Other Income		
1 Interest Income		
a Interest on Deposits with Banks (Gross)	1,107	734
{Tax Deducted at source Rs.77,938/- (Previous Year Rs. 73,409/-) }		
b Interest on Income Tax Refund	2,604	-
2 Dividend Income from Long Term Investments	-	16
3 Other non-operating income		
a Rent Received	3,000	3,000
{ Tax Deducted at source Rs.1,25,000/- (Previous Year Rs. 3,00,000/-) }		
b Credit Balances no longer payable written back	-	839
c Provision for Doubtful Debts/Advances written Back	3,528	3,275
d Provision for Contingencies Reversed Back	2,000	-
e Others	3,700	9,737
Total	<u>15,939</u>	<u>17,601</u>
Note No.17 Employee Benefit Expenses		
1 Salaries & Other Allowances	3,600	3,902
2 Contribution to Superannuation Fund	1,007	972
3 Leave Encashment	260	260
4 Reimbursement of Salaries	153	407
Total	<u>5,020</u>	<u>5,541</u>
Note No. 18 Financial Cost		
1 Bank Charges and Commission	307	33
2 Interest on Bank Overdraft	214	125
3 Other Interest Paid	10	50
Total	<u>531</u>	<u>208</u>
Note No. 19 Other Administrative Expenses		
1 Advertisement & Business Promotion Expenses	821	56
2 Audit Fees and Other Services	154	148
3 Conveyance Expenses	51	137
4 Custodial and Corporate Action Fees	142	142
5 Debenture Trusteeship Fees	250	-
6 Insurance	20	7
7 Listing Fees	300	40
8 Motor Car Expenses	236	183
9 Postage and Courier Expenses	207	230
10 Printing and Stationery	347	342
11 Professional Fees & Service Charges	4,545	5,796
12 Rates and Taxes	126	15
13 Rent and Office Premises Compensation	144	183
14 Repairs and Office Maintenance	43	58
15 Shared Service Expenses	106	124
16 SEBI Penalty Charges	-	800
17 Telephone Expenses	110	73
18 Travelling Expenses	21	31
19 Miscellaneous Expenses	750	1,958
Total	<u>8,373</u>	<u>10,323</u>
Note No. 20 Provisions and Write Offs		
1 Bad Debts Written Off	953	22,416
Less: Adjusted against provisions	-	22,416
Total	<u>953</u>	<u>-</u>

Note No. 21

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:

The financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian 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 specified under section 133 of the Companies Act, 2013 read with Rule 7 the Companies (Accounting Standards) Rules 2014.

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 life of assets specified in Part C of Schedule II to the Companies Act, 2013 as per details given below:

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

AMORTISATION

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

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 except Dividend Income which is accounted on cash 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 and Chief Financial Officer. 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 and Chief Financial Officer, 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	Interest Tax	21,07,307/-	21,07,307/-	Under Appeal by Income Tax Department in High Court
2	Labour Court, Civil Court and Consumer Forums	22,37,000/-	22,37,000/-	Under Appeal before the Respective Authorities
3	Foreign Exchange Management Act	5,60,00,000/-	5,60,00,000/-	Under Appeal before the Appellate Tribunal for Foreign Exchange, New Delhi. The Company has now provided Rs.2,80,00,000/- out of abundant caution being 50% of the net liability as Contingency Provision.
4	Sub-Regional Office, Employees' Provident Fund, Vashi	21,06,154/-	21,06,154/-	The Company has appealed against the order and obtained a stay from Employee Provident Fund Appellate Tribunal.
5	Listing Fees payable to The Nation Stock Exchange of India Limited (NSE)	24,42,468/-	Nil	The Company has contested the same and does not consider it as a liability.

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

2. Payment to Auditors

	Current Year Rs. in 000s	Previous Year Rs. in 000s
Statutory Audit Fee	75	75
Tax Audit Fees	25	25
Limited Review and Other Certification Work	51	45
Out of Pocket Expenses	3	3
Total	154	148

3. Debentures

Based on the Consent Terms with Bank of India, the suit filed by them was disposed by the Hon'ble Bombay High Court subject to depositing the outstanding debenture dues in the Court. Accordingly, the Company had deposited Rs.1,66,000/- (including the liability on T Series Debentures, not claimed, amounting to Rs.1,21,605/- which were under the Scheme of Compromise) with the Prothonotary and Senior Master, Hon'ble Bombay High Court. The suit has accordingly been disposed of by the Court.

4. Scheme of Compromise and Arrangements

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

5. Non Confirmations and Reconciliations of Banks

In respect of Current Accounts with banks amounting to Rs. 6,67,612/- (net) [Previous Year Rs.19,09,589/- (net)] which includes book debit balance of Rs. 8,37,243/- and book credit balance of Rs. 1,69,631/-, statements of account were not being received; including from 2000-2001 in some cases. During the year the Company has expensed out the Bank Balance amounting to Rs.10,69,480/- which are not confirmed for a long time.

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
Mr. K.Chandramouli

Transactions with Related Parties:

Particulars	Subsidiary Company		Associate Companies		Key Management Personnel	
	2015-16 Rs.	2014-15 Rs.	2015-16 Rs.	2014-15 Rs.	2015-16 Rs.	2014-15 Rs.
(a) Outstanding Receivables	15,08,913	16,00,630	59,46,388	94,74,388	-	-
(b) Provision made as on date for doubtful debts	Nil	Nil	59,45,388	94,73,388	-	-
(c) Rent Deposit taken	20,00,000	20,00,000	-	-	-	-
(d) Outstanding Payable	-	-	52,20,173	53,42,740	-	-
(e) Investment in Subsidiary	10,00,00,000	10,00,00,000	-	-	-	-
(f) Rental Income	30,00,000	30,00,000	-	-	-	-
(g) Rent Paid	-	-	1,44,000	1,08,000	-	-
(h) Service Charges charged to them	60,00,000	60,00,000	-	-	-	-
(i) Service Charges charged by them	Nil	Nil	37,75,433	46,61,046	-	-
(j) Other Expenses Charged to them	16,91,270	16,01,550	Nil	Nil	-	-
(k) Other Expenses Charged by them	1,367	2,288	Nil	12,872	-	-
(l) Brokerage Paid	Nil	Nil	-	-	-	-
(m) Managerial Remuneration	-	-	-	-	48,56,977	48,38,637

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.

12. The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs. 1,44,000/- (Previous Year Rs. 1,83,000/-) was paid during the year has been debited to Statement of Profit and Loss. The future minimum lease payment is as under:

	2015-2016 Rs.	2014-2015 Rs.
Not later than 1 year	1,44,000	1,44,000
Later than 1 year and Not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil
Total	1,44,000	1,44,000

13. Exceptional Item under Previous Year represents an amount of Rs.1,40,038/- paid towards Satisfaction of an Award to Ex-Employee by Labour Court.

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14. Earning Per Share:

	Current Year (Rs. In 000s)	Previous Year (Rs. in 000s)
I) Basic Earning Per Share		
Profit for the year as per Statement of Profit & Loss	71,09	82,29
<u>Less:</u> Preference dividend	3,61	12,09
	67,48	70,20
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)	0.23	0.24
II) Diluted Earning Per Share		
Profit for the year as per Statement of Profit & Loss	71,09	82,29
<u>Less:</u> Preference dividend	3,61	12,09
<u>Add:</u> Interest forgone on account of Potential Equity shares	-	-
	67,48	70,20
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,35,275	2,94,35,275
<u>Add:</u> 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 Without Exceptional Item (Rupees)	0.23	0.24
Nominal Value of Shares (Rupees)	5.00	5.00

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 21

As per our attached Report of even date:

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Mumbai, Dated: 24th May 2016

For and on behalf of the Board of Directors

N. R. DIVATE
Wholetime Director

K. CHANDRAMOULI
Wholetime Director
and Company Secretary

VINAY KULKARNI
Chief Financial Officer

Mumbai: Dated: 24th May 2016

JAYESH R. TALPADE
Director

TANVEER SHAIKH
Director

MEGHA J. VAZKAR
Director

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,
The Members,
HYBRID FINANCIAL SERVICES LTD (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) (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

Without qualifying our opinion, we draw attention to the following matters in the Notes to the financial statements:

Note No. 25 III) 11 regarding non appointment of Company Secretary.

Our opinion is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Companies Act, 2013, we report that:

- a) We have sought and obtained all the information and explanations *subject to Item Nos 4 and 6 of Note No. 25 III) regarding writing off of Bank Balances amounting to Rs.10,69,480/- and non receipt of confirmation of certain bank balances and debtors balances* which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statement.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. Company has disclosed the impact of pending litigations on its financial position in its financial statement Refer note No. 25 III) 1 to the financial statement.
 2. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 3. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 24th May 2016

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of **Hybrid Financial Services Limited** (formerly known as Mafatlal Finance Company Limited) (hereafter referred to as "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 24th May 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No	As at 31.03.2016 Rs. in 000s	As at 31.03.2016 Rs. in 000s	As at 31.03.2015 Rs. in 000s
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds:				
(a) Share Capital	1	171,181		177,181
(b) Reserves and Surplus	2	(23,794)		(33,680)
			147,387	143,501
(2) Non-Current Liabilities:				
(a) Long Term Liabilities	3	10,594		13,225
(b) Long Term Provisions	4	33,371		35,149
(c) Deferred Tax Liabilities (Net)	5	625		247
			44,590	48,621
(3) Current Liabilities:				
(a) Short Term borrowings	6	4,655		7,332
(b) Trade Payables	7	5,268		3,884
(c) Other Current Liabilities	8	17,522		16,230
(d) Short Term Provisions	9	361		1,209
			27,806	28,655
Total			219,783	220,777
II. ASSETS				
(1) Non Current Assets:				
(a) Fixed assets	10			
(i) Tangible Assets		13,698		15,899
(ii) Intangible Assets		9		161
		13,707		16,060
(b) Non Current Investments	11	55,443		54,749
(c) Long Term Loans and Advances	12	20,014		25,519
(d) Other Non Current Assets	13	5,977		5,977
			95,141	102,305
(2) Current Assets:				
(a) Inventories - Stock in Trade	14	5		6
(b) Trade Receivables	15	3,236		3,478
(c) Cash and Cash Equivalents	16	114,076		108,707
(d) Short Term Loans and Advances	17	1,834		1,182
(e) Other Current Assets	18	5,491		5,099
			124,642	118,472
Total			219,783	220,777
Significant Accounting Policies and Notes on Financial Statements	25			

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 : 24th May 2016

For and on behalf of Board of Directors

N. R. DIVATE
Wholetime Director

JAYESH R. TALPADE
Director

K. CHANDRAMOULI
Wholetime Director
and Company Secretary

TANVEER SHAIKH
Director

VINAY KULKARNI
Chief Financial Officer

MEGHA J. VAZKAR
Director

Mumbai, Dated : 24th May 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No	Current Year Rs. in 000s	Current Year Rs. in 000s	Previous Year Rs. in 000s
INCOME				
Service Charges		90		1,109
Brokerage Income		16,943		22,335
Income from Depository Services		1,664		2,068
Financial Products Marketing Fees		421		698
			19,118	26,210
Other Income	19		24,419	26,461
Total Revenue			43,537	52,671
EXPENDITURE				
Loss from Trading in Securities	20		11	16
Employee Benefit Expenses	21		13,340	15,335
Financial Costs	22		1,050	413
Depreciation and Amortisation Expenses	10		1,162	2,143
Other Administrative Expenses	23		15,535	17,418
Provisions and Write-Offs	24		953	-
Total Expenses			32,051	35,325
Profit before Tax and Exceptional Item			11,486	17,346
Exceptional Item [Refer Note No. 25 III] 16]			-	140
Profit before Tax and after Exceptional Item			11,486	17,206
Provision for Tax				
(1) Current Tax		877		2,655
(2) MAT Credit Entitlement (Net) [Refer Note No. 25 III] 10]		(51)		(977)
(3) Income Tax Short / (Excess) Provided in the Earlier Years (Net)		35		(177)
(4) Deferred Tax		378		91
			1,239	1,592
Balance carried to the Balance Sheet			10,247	15,614
Earning per Equity Share:				
(1) Basic			0.34	0.49
(2) Diluted Without Exceptional Item			0.34	0.49

Significant Accounting Policies and Notes on Financial Statements

25

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

For and on behalf of Board of Directors

N. R. DIVATE

Wholetime Director

JAYESH R. TALPADE

Director

K. CHANDRAMOULIWholetime Director
and Company Secretary**TANVEER SHAIKH**

Director

VINAY KULKARNI

Chief Financial Officer

MEGHA J.VAZKAR

Director

Mumbai, Dated : 24th May 2016

Mumbai, Dated : 24th May 2016

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-2016 Rs. in 000s	2014-2015 Rs. in 000s
A. Cash Flow from Operating Activities		
Net Profit before Tax	11,486	17,206
Adjustment for:		
Sundry Credit Balances Written Back	(2,511)	(3,552)
Provision for Doubtful Debts Written Back	(3,528)	(3,275)
Provision for Contingencies Reversed	(2,000)	
Depreciation	1,162	2,143
Loss on Sale of Investments	-	23
(Profit) / Loss on Sale of Fixed assets	428	(18)
Interest / Dividend on Investments	(10,082)	(9,761)
Provision for Gratuity	49	49
Provisions for Leave Encashment	313	303
Provisions & Write offs	953	-
Financial Costs	1,050	413
	(14,166)	(13,675)
Operating (Loss) / Profit before Working Capital Changes	(2,680)	3,531
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets		
Inventories - Stock in Trade	1	(5)
Trade Receivables	83	173
Long Term Loans and Advances	1,185	(735)
Short Term Loans and Advances	2,082	3,289
Adjustments for increase / (decrease) in operating liabilities		
Trade Payables	1,384	(1,599)
Long Term Provisions	-	(346)
Long Term Liabilities	(120)	127
Other Current Liabilities	(1,116)	408
	3,499	1,312
Cash Generated From Operations	3,499	(367)
Direct Taxes - Received / (Paid)	3,319	-
Net Cash From Operating Activities	(A) 4,138	4,476
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(62)	(4,387)
Sale of Fixed Assets	825	18
Purchase of Investments	(694)	(13,664)
Sale of Investments	-	749
Interest/Dividend Received	9,690	8,085
	9,759	(9,199)
Net Cash From / (Used In) Investing Activities	(B) 9,759	(9,199)
C. Cash Flow from Financing Activities		
Short Term Borrowings	(2,677)	6,319
Financial Costs	(1,050)	(413)
Redemption of Preference Shares	(3,592)	(100)
Dividend Paid on Preference Shares	(1,007)	-
Dividend Distribution Tax on above	(202)	-
	(8,528)	5,806
Net Cash (Used In) / From Financing Activities	(C) (8,528)	5,806
Net Increase in Cash and Cash Equivalents	(A+B+C) 5,369	1,083
Cash and Cash Equivalents as at the commencement of the year	108,707	107,624
Cash and Cash Equivalents as at the end of the year	114,076	108,707
Net Increase as Disclosed above	5,369	1,083
(See Notes attached)		

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-2016 Rs. in 000s	2014-2015 Rs. in 000s
1 Cash and cash equivalents include :		
Cash on hand	5	14
Bank Balances	114,071	108,693
Total	114,076	108,707

- 2 Bank Balances include Fixed Deposit Pledged with Banks and Exchanges of Subsidiary Company amounting to Rs. 77,905 ('000) [Previous Year Rs. 76,600 ('000)]
3 All figures in brackets are outflows.
4 Previous years figures have been regrouped wherever necessary to confirm to this year's classification.

As per our attached report of even date

For S. RAMANAND AIYAR & Co

Chartered Accountants

Firm Registration No.: 000990N

BINOD C. MAHARANA

Partner

M.No. 056373

For and on behalf of Board of Directors

N. R. DIVATE

Wholtime Director

JAYESH R. TALPADE

Director

K. CHANDRAMOULI

Wholtime Director
and Company Secretary

TANVEER SHAIKH

Director

VINAY KULKARNI

Chief Financial Officer

MEGHA J. VAZKAR

Director

Mumbai, Dated: 24th May 2016

Mumbai, Dated: 24th May 2016

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at	As at
	31.03.2016	31.03.2015
	Rs. in 000s	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>
24,00,000 (Previous Year 30,00,000), 1% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid	24,000	30,000
Total	<u><u>171,181</u></u>	<u><u>177,181</u></u>

Reconciliation of Shares

ISSUED, SUBSCRIBED & PAID UP CAPITAL

	Current Year	Previous Year
Equity Shares		
Number of Equity Shares at the beginning of the year	29,436,275	29,436,275
Number of Equity Shares at the end of the year	<u><u>29,436,275</u></u>	<u><u>29,436,275</u></u>
Preference Shares		
Number of Preference Shares at the beginning of the year	3,000,000	3,358,200
<u>Less:</u>		
Redemption	600,000	358,200
Number of Preference Shares at the end of the year	<u><u>2,400,000</u></u>	<u><u>3,000,000</u></u>

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

Equity Shares:

Name of Shareholder	As at 31st March 2016		As at 31st March 2015	
	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 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Nandakishore R. Divate - Promoter	1,200,000	50.00	1,500,000	50.00
Mr. K.Chandramouli - Promoter	1,200,000	50.00	1,500,000	50.00

Particulars	As at	As at
	31.03.2016	31.03.2015
	Rs. in 000s	Rs. in 000s

Note No. 2 Reserves and Surplus

1 Capital Redemption Reserve Account	7,907	4,325
<u>Add:</u>		
Capital Redemption Reserve Account for Redemption of 6,00,000 (Previous Year 3,58,200) 1% Redeemable Cumulative Preference Shares of Rs. 10/- each	6,000	3,582
Total (A)	<u><u>13,907</u></u>	<u><u>7,907</u></u>
2 <u>Surplus / (Deficit) as per Statement of Profit & Loss:</u>		
Opening Balance	(41,587)	(52,410)
<u>Add:</u> Profit for the year after Taxes	10,247	15,614
	<u>(31,340)</u>	<u>(36,796)</u>
<u>Less:</u>		
Proposed Dividend on Preference Shares	300	1,007
Dividend Distribution Tax on Proposed Dividend on Preference Shares	61	202
Capital Redemption Reserve Account for Redemption of 6,00,000 (Previous Year 3,58,200) 1% Redeemable Cumulative Preference Shares of Rs. 10/- each	6,000	3,582
Total (B)	<u><u>(37,701)</u></u>	<u><u>(41,587)</u></u>
Total (A + B)	<u><u>(23,794)</u></u>	<u><u>(33,680)</u></u>

Particulars	As at	As at
	31.03.2016	31.03.2015
	Rs. in 000s	Rs. in 000s

Note No. 3 Long Term Liabilities

1 <u>Debentures:</u>		
Deep Discount Non-Convertible Debentures of T Series Liability reduced as per Scheme of Compromise net of payments made till 31st March 2016 [Refer Note No. 25 III] 2]	-	122
2 Security Deposits from lessees and others etc. [Refer Note No. 25 III] 3]	126	126
3 Client Deposits towards Margin	5,445	5,442
4 Others	5,023	7,535
Total	<u><u>10,594</u></u>	<u><u>13,225</u></u>

Note No. 4 Long Term Provisions

1 <u>Provision for employee benefits:</u>		
Gratuity	267	218
Leave Encashment	5,045	4,732
	<u>5,312</u>	<u>4,950</u>
2 Provision For Taxation (Net of Advance Tax Rs.56,55,520/)	59	199
(As at 31.03.2015 Rs. 81,32,605/-)		
3 Provision for Contingencies [Refer Note. 25 III] 1]	28,000	30,000
Total	<u><u>33,371</u></u>	<u><u>35,149</u></u>

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

Particulars	As at	As at
	31.03.2016	31.03.2015
	Rs. in 000s	Rs. in 000s

Note No.5 Deferred Tax Liabilities / (Assets) (Net)

Deferred Tax Liabilities			
a	Timing Difference on account of Provision for Gratuity, Leave Encashment and Doubtful Debts.	31	63
b	Timing Difference on account of Accumulated Depreciation of Fixed Assets	594	184
Deferred Tax Liabilities / (Assets) (Net)		625	247

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

1	Bank Overdraft (Secured against pledge of Fixed Deposits)	4,655	7,332
Total		4,655	7,332

Note No. 7 Trade Payables

1	Trade Creditors/Payables: Sundry Creditors - Other than Small Scale Industries [Refer Note No. 25 III] 7]	5,268	3,884
Total		5,268	3,884

Particulars	As at	As at
	31.03.2016	31.03.2015
	Rs. in 000s	Rs. in 000s

Note No. 8 Other Current Liabilities

1	Redeemable Preference Shares Payable	9,600	7,192
2	Unclaimed Dividend on Preference Shares	29	29
3	Unclaimed Debentures and Interest Warrants	-	34
4	Client Deposits towards Margin - Future and Options	195	170
5	Related Parties for Services Provided	5,220	6,570
6	Other Payables		
a	Auditor's Remuneration	247	247
b	Tax Deducted at Source	211	599
c	Profession Tax	1	2
d	Service Tax	7	-
e	Swachh Bharat Cess	1	-
f	Rent Deposit Received	306	156
g	Client Dividend Payable	277	218
h	Outstanding Expenses Payable	1,171	831
i	Others	257	182
Total		17,522	16,230

Note No. 9 Short Term Provisions

1	For Proposed Dividend on Preference Shares	300	1,007
2	For Dividend Distribution Tax on Proposed Dividend on Preference Shares	61	202
Total		361	1,209

Note No. 10 Fixed Assets

Rs. in 000s

Sr. No	Particulars	Gross Block				Depreciation / Amortisation				Net Block	
		As at 01.04.2015	Additions during the year	Deletions/ Adjustments during the year	As at 31.03.2016	As at 01.04.2015	Additions during the year	Deletions/ Adjustments during the year	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
I Tangible Assets											
1	Building	10,292	-	-	10,292	799	163	-	962	9,330	9,493
2	Computers	1,509	28	-	1,537	1,307	61	-	1,368	169	202
3	Furnitures and Fixtures	825	-	-	825	377	92	-	469	356	448
4	Motor Vehicles	7,844	-	2,215	5,629	2,135	670	963	1,842	3,787	5,709
5	Office Equipments	435	27	6	456	388	17	5	400	56	47
SUB TOTAL (A)		20,905	55	2,221	18,739	5,006	1,003	968	5,041	13,698	15,899
II Intangible Assets											
	Computer Software	1,797	7	-	1,804	1,636	159	-	1,795	9	161
SUB TOTAL (B)		1,797	7	-	1,804	1,636	159	-	1,795	9	161
Total [A + B] (Current Year)		22,702	62	2,221	20,543	6,642	1,162	968	6,836	13,707	16,060
(Previous Year)		23,246	4,387	4,931	22,702	9,430	2,143	4,931	6,642	16,060	

Particulars	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs. in 000s	Rs. in 000s	Rs. in 000s

Note No.11 Non Current Investments

I IN FULLY PAID UP EQUITY SHARES (QUOTED)			
1	6000 Shares of Rs.1 each In Astral Poly Technik Limited	697	697
2	1250 Shares of Rs.2 each In ALSTOM TD India Limited	519	519
3	15000 Shares of Rs.1 each In Ashok Leyland Limited	733	733
4	10000 Shares of Rs.2 each In Bharat Heavy Electricals Limited	4,645	4,645
5	410 Shares of Rs.5 each In CERA Sanitaryware Limited	681	681
6	300 (Previous Year Nil) Shares of Rs.10 each in Credit Analysis and Research Limited	455	-
7	15000 Shares of Rs.2 each in EIH Limited	1,467	1,467
8	100000 Shares of Rs.2 each in Emco Limited	3,548	3,548

Particulars	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs. in 000s	Rs. in 000s	Rs. in 000s

9	41177 Shares of Rs. 2 each in Gammon Infrastructure Projects Limited	1,072	1,072
10	15000 Shares of Rs.1 each in GEOJIT BNP Paribas Financial Services Limited	579	579
11	30000 Shares of Rs.2 each in Indiabulls Ventures Limited	762	762
12	10000 Shares of Rs.2 each in Jaiprakash Associates Limited	590	590
13	3200 Shares of Rs.1 each in Jindal Steel & Power Limited	2,004	2,004
14	30000 Shares of Rs.1 each in JM Financial Limited	1,049	1,049
15	100 (Previous Year Nil) Shares of Rs.5 each in Kotak Mahindra Bank Limited	65	-
16	3750 Shares of Rs.2 each in Larsen & Toubro Limited	3,784	3,784

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Particulars	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs. in 000s	Rs. in 000s	Rs. in 000s
17 5000 (Previous Year 3000) Shares of Rs.10 each in Microsec Financial Services Limited	275		101
18 50000 Shares of Rs.10 each in Rattan India Power Limited	802		802
19 1000 Shares of Rs. 2 each in Siemens Limited	935		935
20 1000 Shares of Rs.1 each in Sterling Biotech Limited	108		108
21 20000 Shares of Rs.10 each in Supreme Infrastructure India Limited	4,748		4,748
22 16800 Shares of Rs.2 each in Vedanta Limited	4,872		4,872
23 20000 Shares of Rs.10 each in Viceroy Hotels Limited	725		725
24 3000 Shares of Rs.1 each in Voltas Limited	737		737
25 65000 Shares of Rs.10 each in Whirlpool of India Limited	8,308		8,308
		44,160	43,466
II IN FULLY PAID EQUITY SHARES - UNQUOTED WITH ASSOCIATE COMPANIES			
24500 shares of Rs.10 each in Hybrid Systems Limited	245		245
	245		245
Less: Provision for Diminution in Value	245		245
III IN FULLY PAID EQUITY SHARES - UNQUOTED WITH OTHERS			
1 16000 shares of Rs.10 each in Amitabh Bachan Corporation Limited	1,280		1,280
2 11,401 Shares of Rs. 1 each in Bombay Stock Exchange Limited	2,283		2,283
3 300000 shares of Rs.10 each in Leisure Hotel Limited	3,000		3,000
4 3,08,167 shares of Rs. 10 each in Phthalocyanines & Chemicals (India) Limited	4,630		4,630
	11,193		11,193
Less: Provision for Diminution in Value	4,120		4,120
		7,073	7,073
IV IN FULLY PAID PREFERENCE SHARES			
52255 shares of Rs.10 each in Pasupati Fabrics Limited	523		523
Less: Provision for Diminution in Value	523		523
V IN FULLY PAID UP GOVERNMENT BONDS (QUOTED)			
1 8.10% 300 Bonds in Indian Railway Finance Corporation Limited	327		327
2 8.20% 400 Bonds in National Highways Authority of India	431		431
3 8.20% 500 Bonds in Power Finance Corporation Limited	530		530
4 8.30% 600 Bonds in National Highways Authority of India	673		673
5 8.76% 800 Bonds in Housing and Urban Development Corporation Limited	912		912
6 8.20% to 8.35% 500 Bonds in Housing and Urban Development Corporation Limited	571		571
7 8.00% to 8.15 % 700 Bonds in Indian Railway Finance Corporation Limited	746		746
		4,190	4,190
VI OTHERS			
1 333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Limited	10		10
2 1000 shares of Rs.10 each in Saraswat Co-operative Bank Limited	10		10
		20	20
TOTAL	55,443		54,749
NOTES:			
	Cost	Market Value	
	Rs. in 000s	Rs. in 000s	
Aggregate of Quoted Investments	48,350	74,632	
Previous Year	43,466	86,155	
Aggregate of Un-Quoted Investments	7,093		
Previous Year	7,093		
Total	55,443		
Previous Year	50,559		

Particulars	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs. in 000s	Rs. in 000s	Rs. in 000s
Note No.12 Long Term Loans and Advances			
1 Advance Interest Tax (Net of Provision of Rs.6,11,742/-)		-	1,138
2 Advance payment of Income Tax and Tax Deducted at Source [Net of Provisions Rs.55,95,317/- (As at 31.03.2015 Rs.20,28,317/-)]		7,310	11,630
3 <u>Deposits with Stock Exchanges and Others</u>			
(i) Considered Good	12,704		12,751
(ii) Considered Doubtful	8,000		8,000
	20,704		20,751
Less: Provision for doubtful deposit	8,000		8,000
		12,704	12,751
Total		20,014	25,519
Note No.13 Other Non Current Assets			
1 Assets acquired in satisfaction of claims [Refer Note No. 25 III] 5]		5,977	5,977
Total		5,977	5,977
Note No.14 Inventories - Stock in Trade			
I Stock- in- trade <u>IN FULLY PAID UP EQUITY SHARES (QUOTED)</u> (At Cost or Net Realisable Value whichever is lower)			
1 40 Shares of Rs.10 each in Agri-Tech India Limited	1		1
2 44 Shares of Rs. 10 each in Nath Bio-Genes (India) Limited	1		1
3 116 Shares of Rs.10 each in Nath Seeds Limited	2		2
4 10 Shares of Rs.10 each in NEPC Agro Foods Limited	1		1
5 45 Shares of Rs.10 each in Oswal Agro Mills Limited	1		1
6 200 Shares of Rs.10 each in Roofit Industries Limited	33		33
7 15 Shares of Rs. 10 each in S & S Power Switchgear Limited	1		1
		40	40
Less: Fall in Market Value		35	34
Total		5	6
Note No.15 Trade Receivables			
1 <u>Outstanding for more than six months</u>			
a) Secured, Considered Good	-		-
b) Unsecured, Considered Good	1,735		1,765
c) Doubtful	227		227
		1,962	1,992
2 <u>Others</u>			
a) Secured, Considered Good	-		-
b) Unsecured, Considered Good	1,501		1,713
c) Doubtful	-		-
		1,501	1,713
Less: Provision for Doubtful Trade Receivables		3,463	3,705
		227	227
Total		3,236	3,478

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

Particulars	As at	As at	As at
	31.03.2016	31.03.2016	31.03.2015
	Rs. in 000s	Rs. in 000s	Rs. in 000s
Note No.16 Cash and Cash Equivalents			
1 Cash-in-Hand			
Cash Balance	5		14
		5	14
2 Balances With Banks			
a Earmarked Balances for Refund Warrants of Fixed Deposits and Debentures	-		146
b In Current Accounts	7,475		8,005
c Bank Deposits with more than 12 months Maturity [Refer Note No. 25 III) 8]	90,093		88,788
d Other Bank Deposits	16,503		11,754
		114,071	108,693
Total		114,076	108,707

Note No.17 Short Term Loans and Advances			
1 Loans to Related Parties - Unsecured			
(i) Considered Good	1		1
(ii) Considered Doubtful	5,945		9,473
	5,946		9,474
Less : Provision for doubtful advances	5,945		9,473
		1	1
2 Prepaid Expenses (Unsecured, Considered Good)		1,023	429
3 Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good		810	752
Total		1,834	1,182

Note No.18 Other Current Assets			
1 Interest Accrued on Bank Deposits		5,491	5,099
Total		5,491	5,099

Particulars	Current	Previous
	Year	Year
	Rs. in 000s	Rs. in 000s
Note No. 19 Other Income		
1 Interest Income		
a Interest on Deposits with Banks (Gross) {Tax Deducted at Source Rs. 9,23,628/- (Previous Year Rs. 9,37,787/-) }	9,564	9,378
b Interest on Government Bonds	313	41
c Interest on Income Tax Refund	2,735	399
d Interest Others	508	468
2 Dividend Income		
a Long Term Investments	518	383
b Current Investments	1	1
3 Other non-operating income		
a Rent Received	725	675
b Profit on Sale of Assets	-	18
c Credit Balances no longer payable written back	2,511	3,552
d Bad Debts recovered Re-credited	-	15
e Provision for Doubtful Debts/Advances written Back	3,528	3,275
f Provision for Contingencies Reversed Back	2,000	-
g Others	2,016	8,256
Total	24,419	26,461

Particulars	Current	Previous
	Year	Year
	Rs. in 000s	Rs. in 000s
Note No. 20 Income / (Loss) from Trading in Securities		
1 Sales	1,704	6,090
2 Less : Cost of Sales		
Opening Stock at Cost	6	1
Add : Purchases	1,714	6,111
	1,720	6,112
Less : Closing Stock	5	6
Sub-Total	1,715	6,106
Income / (Loss)	(11)	(16)
Note No. 21 Employee Benefit Expenses		
1 Salaries & Other Allowances	6,779	8,480
2 Contribution to Superannuation Fund	1,123	1,097
3 Gratuity	49	49
4 Leave Encashment	313	303
5 Staff Welfare Expenses	358	401
6 Reimbursement of Salaries	4,718	5,005
Total	13,340	15,335

Note No. 22 Financial Cost		
1 Bank Charges and Commission	330	46
2 Interest on Bank Overdraft	710	296
3 Other Interest Paid	10	71
Total	1,050	413

Note No. 23 Other Administrative Expenses		
1 Advertisement & Business Promotion Expenses	880	310
2 Audit Fees and Other Services	361	355
3 Clearing House Expenses	145	137
4 Compliance Expenses	-	325
5 Computer Maintenance	198	146
6 Custodial and Corporate Action Fee	142	142
7 Debenture Trusteeship Fees	250	-
8 Electricity Expenses	319	262
9 Expenses on Depository Services	276	290
10 Insurance	363	342
11 Listing Fees	300	40
12 Membership and Subscription	162	159
13 Motor Car Expenses	590	532
14 Postage and Courier Expenses	341	431
15 Printing and Stationery	595	576
16 Professional Fees & Service Charges	5,237	5,995
17 Rates and Taxes	126	15
18 Rent and Office Premises Compensation	276	328
19 Repairs and Office Maintenance	224	544
20 SEBI Penalty Charges	-	800
21 SEBI Registration and Turnover Fees	290	142
22 Shared Service Expenses	948	1,081
23 Stamp Duty Charges	598	549
24 Telephone Expenses	749	745
25 Transaction Charges	176	139
26 Travelling & Conveyance Expenses	683	857
27 Loss on Sale of Long Term Investments (Net)	-	23
28 Loss on Sale of Assets (Net)	428	-
29 Miscellaneous Expenses	878	2,153
Total	15,535	17,418

Note No. 24 Provisions and Write Offs		
1 Bad Debts Written Off	953	22,416
Less : Adjusted against provisions	-	22,416
Total	953	-

Note No. 25

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:

The consolidated financial statements of the Company have been prepared and presented in accordance with the generally accepted accounting principles in India (Indian 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 specified under section 133 of the Companies Act, 2013 read with Rule 7 the Companies (Accounting Standards) Rules 2014.

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 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 life of assets specified in Part C of Schedule II to the Companies Act, 2013 as per details given below:

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

In case of subsidiary company 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). Income from Operations

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

(ii). Profits on Sale of Investments

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

(iii). Other Income

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

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.

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 and Chief Financial Officer. 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 and Chief Financial Officer, 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.

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.

III). NOTES TO ACCOUNTS:

1 Contingent Liabilities:

Sl. No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)	Current Status
1	Interest Tax	21,07,307/-	21,07,307/-	Under Appeal by Income Tax Department in High Court
2	Labour Court, Civil Court and Consumer Forums	22,37,000/-	22,37,000/-	Under Appeal before the Respective Authorities
3	Foreign Exchange Management Act	5,60,00,000/-	5,60,00,000/-	Under Appeal before the Appellate Tribunal for Foreign Exchange, New Delhi. The Company has now provided Rs.2,80,00,000/- out of abundant caution being 50% of the net liability as Contingency Provision.
4	Sub-Regional Office, Employees' Provident Fund, Vashi	21,06,154/-	21,06,154/-	The Company has appealed against the order and obtained a stay from Employee Provident Fund Appellate Tribunal.
5	Listing Fees payable to The Nation Stock Exchange of India Limited (NSE)	24,42,468/-	Nil	The Company has contested the same and does not consider it as a liability.

Contingent Liability – Subsidiary Company

During the year 2013-2014 the Subsidiary Company had decided to write back Rs.1,25,57,780/- lying unclaimed since long under Long Term Liabilities in five years in equal instalment of Rs.25,11,256/- each year. The Company is contingently liable for the total write back of Rs.75,33,768/- (including that of Rs.50,22,512/- written back in the previous years) till 31st March 2016. The Company has also decided to write back similar amount in the next two years although remaining contingently liable.

2. **Debentures**

Based on the Consent Terms with Bank of India, the suit filed by them was disposed by the Hon'ble Bombay High Court subject to depositing the outstanding debenture dues in the Court. Accordingly, the Company had deposited Rs.1,66,000/- (including the liability on T Series Debentures, not claimed, amounting to Rs.1,21,605/- which were under the Scheme of Compromise) with the Prothonotary and Senior Master, Hon'ble Bombay High Court. The suit has accordingly been disposed of by the Court.

3. **Scheme of Compromise and Arrangements**

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

4. **Non Confirmations and Reconciliations of Banks**

In respect of Current Accounts with banks amounting to Rs. 6,67,612/- (net) [Previous Year Rs.19,09,589/- (net)] which includes book debit balance of Rs. 8,37,243/- and book credit balance of Rs. 1,69,631/-, statements of account were not being received; including from 2000-2001 in some cases. During the year the Company has expensed out the Bank Balance amounting to Rs.10,69,480/- which are not confirmed for a long time.

5. 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.

6. 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.

C. **Transactions with Related Parties:**

Particulars	Associate Companies		Key Management Personnel	
	2015-16 Rs.	2014-15 Rs.	2015-16 Rs.	2014-15 Rs.
(a) Outstanding Receivables	59,46,388	94,74,388	-	-
(b) Provision made as on date for doubtful debts	59,45,388	94,73,388	-	-
(c) Outstanding Payable	52,20,173	65,70,538	-	-
(d) Rent Paid	1,44,000	1,08,000	-	-
(e) Service Charges charged by them	90,25,595	1,11,65,511	-	-
(f) Other Expenses Charged by them	-	3,59,942	-	-
(g) Managerial Remuneration	-	-	64,10,057	65,06,304

7. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

8. Fixed Deposit with Bank of Rs.7,79,04,973/- (Previous year Rs.7,66,00,00/-) 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 having market value of Rs. 57,99,746/- (Previous Year Rs.61,00,233/-) in the company's beneficiary depository account. The reconciliation of this beneficiary account is complete till 31st March 2016 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.51,040/- (Net) [Previous Year Rs.9,77,088/-] towards MAT Credit Entitlement and the balance MAT Credit Entitlement of Rs.58,328/- is being carried forward for future availment.

11. The Subsidiary Company is in the process of appointing a Company Secretary as required under Section 203 of the Companies Act, 2013.

12. 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

13. **Consolidated Segment Information for the year ended 31st March 2016**

Rs. in 000s

Particulars	Financial Services		Broking / Income from Capital Market Operations		Consolidated Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
REVENUE						
External	2,20,29	2,47,10	3,22,00	3,85,65	5,42,29	6,32,75
Inter Segment Revenue	(1,06,91)	(1,06,02)	(1)	(2)	(1,06,92)	(1,06,04)
Net Revenue	1,13,38	1,41,08	3,22,19	3,85,63	4,35,37	5,26,71
RESULTS						
Segment Results	(35,81)	(23,71)	1,50,67	1,95,77	1,14,86	1,72,06
Income Tax					(12,39)	(15,92)
Net Profit/(Loss) after Tax					1,02,47	1,56,14
Other Information						
Segment Assets	2,51,58	2,28,04	18,73,15	18,63,43	21,24,73	20,91,47
Unallocated Assets					73,10	1,16,30
TOTAL ASSETS					21,97,83	22,07,77

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Consolidated Segment Information for the year ended 31st March 2016 (Contd.)

Rs. in 000s

Segment Liabilities	13,12,58	13,24,02	8,78,41	8,79,29	21,90,99	22,03,31
Unallocated Liabilities					6,84	4,46
TOTAL LIABILITIES					21,97,83	22,07,77
Capital Expenditure	Nil	Nil	62	43,87	62	43,87
Depreciation	43	2,69	11,19	18,74	11,62	21,43
Other Non Cash Expenditure.	953	Nil	Nil	Nil	953	Nil

14 Listing of Subsidiary and Associates:

A). Subsidiary Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2016	As at 31.03.2015
Maximus Securities Limited (Formerly known as Mafatral Securities Limited) [Incorporated in India]	100%	100%
B). Associates Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2016	As at 31.03.2015
Sunanda Capital Services Limited	45 %	45 %
Sushmita Engineering Trading Limited	30 %	30 %
Hybrid Systems Limited	49 %	49 %

- 15 The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs.2,76,000/- (Previous Year Rs. 3,28,000/-) has been debited to Consolidated Statement of Profit and Loss. The future minimum lease payment is as under:

	2015-2016 Rs.	2014-2015 Rs.
Not later than 1 year	32,43,500	32,28,000
Later than 1 year and Not later than 5 years	1,20,96,000	1,20,30,000
Later than 5 years	Nil	Nil
Total	1,53,39,500	1,52,58,000

16. Exceptional Item under Previous Year represents an amount of Rs.1,40,038/- paid towards Satisfaction of an Award to Ex-Employee by Labour Court.

17 Earning Per Share:

	Current Year (Rs. in 000s)	Previous Year (Rs. in 000s)
I) Basic Earning per share		
Profit for the year as per Consolidated Statement of Profit & Loss	102,47	156,14
Less: Preference dividend	3,61	12,09
	98,86	144,05
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)	0.34	0.49
II) Diluted Earning per share		
Profit for the year as per Consolidated Statement of Profit & Loss	102,47	156,14
Less: Preference dividend	3,61	12,09
Add: Interest forgone on account of Potential Equity shares	-	-
	98,86	144,05
Weighted average number of Equity Shares of Rs.5 each 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 Without Exceptional Item (Rupees)	0.34	0.49
Nominal value of shares (Rupees)	5.00	5.00

- 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.

Signatures to Notes 1 to 25

As per our attached Report of even date:

FOR S.RAMANAND AIYAR & CO

Chartered Accountants
Firm Registration No.000990N

BINOD C. MAHARANA

Partner
Membership No. 056373

For and on behalf of the Board of Directors

N. R. DIVATE
Wholetime Director

JAYESH R.TALPADE
Director

K. CHANDRAMOULI
Wholetime Director
and Company Secretary

TANVEER SHAIKH
Director

VINAY KULKARNI
Chief Financial Officer

MEGHA J.VAZKAR
Director

Mumbai, Dated: 24th May 2016

Mumbai, Dated: 24th May 2016

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2011 and Rule 19 (3) of the Companies
(Management and Administration) Rules, 2014]

HYBRID FINANCIAL SERVICES LIMITED

(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

CIN: L99999MH1986PLC041277

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

29th Annual General Meeting dated 29th July 2016

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

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

Name: _____ Email: _____

Address: _____

_____ Signature: _____

Or failing him / her

Name: _____ Email: _____

Address: _____

_____ Signature: _____

Or failing him / her

Name: _____ Email: _____

Address: _____

_____ Signature: _____

(contd...)

as my / our proxy to attend and vote (on a poll) for me /us and my/our behalf at the 29th Annual General Meeting of the Company, to be held on Friday, 29th July 2016 at 11.00 a.m. at Vishal Hall, Hotel Highway Inn, Sir M.V. Road, (Andheri-Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 069 and at any adjournment there of in respect of such resolutions as are indicated below:

Resolution No	Resolution	For	Against	Abstain
Ordinary Business				
1	Adoption of Audited Statement of Profit and Loss, Cash Flow Statement of the Company for the year ended 31st March, 2016 and the Balance Sheet as at that date and the Reports of Directors and the Auditors thereon.			
2	Approval of Dividend @ 1% on Preference Shares for the year			
Special Business				
3	Re-appointment of Mr.N.R.Divate as Whole Time Director for a period of Five Years with effect from 1st August 2016 till 31st July 2021.			

Signed this _____ day of _____ 2016

Signature of the member(s)

Signature of the proxy holder(s)

Affix Revenue Stamp of not less than Rs.1
--

.....Please tear here.....

Attendance Slip

HYBRID FINANCIAL SERVICES LIMITED

(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

CIN : L99999MH1986PLC041277

Regd. Office : 35, A-Wing, Raj Industrial Complex Premises Co-operative Society Limited, Military Road,

Marol, Andheri (East), Mumbai-400 059 Tel No. 29207802 Email Id : office@hybridfinance.co.in

Website: www.hybridfinance.co.in

29th Annual General Meeting dated 29th July 2016

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

Number of shares held

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

I hereby record my presence at the 29th Annual General Meeting of the Company at the, on Friday 29th July 2016 at 11.00 a.m. at Vishal Hall, Hotel Highway Inn, Sir M.V. Road, (Andheri-Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 069

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

.....
Signature of the member / proxy

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

If undelivered, please return :

BIGSHARE SERVICES PRIVATE LTD.

Unit : HYBRID FINANCIAL SERVICES LIMITED

E-2, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka,

Andheri (East), Mumbai-400 072.