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HYBRID FINANCIAL SERVICES

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

BOARD OF DIRECTORS

| | |
|---------------------------|--|
| SHRI. N.R.DIVATE | Whole Time Director |
| SHRI. K.CHANDRAMOULI | Whole Time Director and Company Secretary |
| SHRI. MAHESH S. MAKHIJANI | Director |
| SHRI. NILAY SHARMA | Director |
| SHRI. SAMEER S. PIMPALE | Director |
| SMT. MEGHA J. VAZKAR | Director |

CHIEF FINANCIAL OFFICER

SHRI. VINAY RAMAKANT KULKARNI

MANAGEMENT TEAM

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

AUDITORS

BDMV & CO
Chartered Accountants
Mumbai

REGISTERED OFFICE

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

WEBSITE

www.hybridfinance.co.in

CORPORATE IDENTIFICATION NUMBER (CIN)

L99999MH1986PLC041277

REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED
Office No. S6-2, 6th Floor,
Pinnacle Business Park, Next to Ahura Centre,
Mahakali Caves Road, Andheri (East),
Mumbai - 400 093.

NOTICE

Notice is hereby given that the THIRTY FIFTH ANNUAL GENERAL MEETING of the Members of **HYBRID FINANCIAL SERVICES LIMITED** (FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED) will be held on Friday, 26th August, 2022 at 11 am using Video Conferencing (VC) / Other Audio Visual Means (OVAM) to transact the following BUSINESS:

ORDINARY BUSINESS:

- To consider and adopt the Audited Statement of Profit and Loss, Cash Flow Statement of the Company for the year ended 31st March, 2022 and the Balance Sheet as at that date and the Reports of Directors and the Auditors thereon.
- To declare Dividend @ 1% on Preference Share for the Financial Year 2021-2022 as per terms of issue.
- To appoint Auditors and fix their remuneration and in this regard, pass the following resolution as an **Ordinary Resolution**:
“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or re-enactments thereof, for the time being in force) M/S. BDMV & Co, Chartered Accountants, having Firm Registrations No: 101256W be and are hereby appointed as Statutory Auditors of the Company for a further term of 2 (Two) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 37th Annual General Meeting to be held in the year 2024 at such remuneration as shall be fixed by the Board of Director of the Company.”

SPECIAL BUSINESS:

- Appointment of Mr. Nandakishore R. Divate as Whole Time Director**
To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment / modifications thereof) and subject to such other necessary approval(s), consent(s), or permission(s), as may be required, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Nandakishore R. Divate (DIN: 00304616) as a Whole Time Director of the Company for a period of 3 years with effect from August 01, 2022, on terms and conditions set out in the explanatory statement annexed hereto.

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

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

NOTES:

- The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 (“Act”) setting out material fact concerning the business under Item No. 4 of the Notice, is annexed hereto.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 22nd August, 2022 to Friday, 26th August, 2022 (both days inclusive). Members are requested to notify any change in their address, e-mail id and mobile no. etc to the Company’s Registrars & Share Transfer Agents, M/s. Big Share Services Pvt. Ltd., Office No. S6-2, 6th Floor, Pinnacle Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai- 400093 quoting their folio nos. immediately, to investor@bigshareonline.com with a copy to investor@hybridfinance.co.in
- Shareholders seeking any information with regard to the Accounts of the Company are requested to email to the Company’s email id investor@hybridfinance.co.in at an early date so as to enable the Management to keep the information ready. Members may also note that the Notice of the 35th Annual General Meeting and the Annual Report for 2021–2022 will also be available on the Company’s website www.hybridfinance.co.in for download.

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

- As you are aware, in view of the situation arising due to COVID-19 global pandemic, the General Meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 2/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular no. 2/2022 dated May 05, 2022 and by SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 all other relevant circulars issued by the MCA and SEBI in this regard. The forthcoming AGM will thus be held through Video Conferencing (VC) or Other Audio Visual Means (OVAM). Hence, Members can attend and participate in the ensuing AGM through VC/OVAM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and May 05, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OVAM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OVAM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OVAM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM held through VC/ OVAM hence the **Proxy Form, Attendance Slip and Route Map** are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OVAM and cast their votes through e-voting.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.hybridfinance.co.in. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM i.e. www.evotingindia.com).
- The AGM has been convened through VC/OVAM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020.
- Pursuant to the Circular No. 2/2022 dated 5th May 2022 read with Ministry’s General Circular No. 20/2020, dated 5th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2022, or become due in the year 2022, to conduct their AGMs on or before 31st December 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

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

- The voting period begins at 9.00 am on Tuesday, 23rd August, 2022 and ends at 5.00 pm on Thursday, 25th August, 2022. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th August, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter (i.e at 5.00 pm on 25th August, 2022).
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

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

| | |
|---|--|
| | <p>Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

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

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

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

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

1. The shareholders should log on to the e-voting website www.evotingindia.com.
2. Click on "Shareholders" module.
3. Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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6. If you are a first-time user follow the steps given below:

| For Shareholders holding shares in Demat Form other than individual and Physical Form | |
|--|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. * If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for HYBRID FINANCIAL SERVICES LIMITED on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians – Remote Voting**
- (A) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- (B) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- (C) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- (D) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- (E) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@hybridfinance.co.in (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

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

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

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

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

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

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

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

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

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

Date: 30th May 2022

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K.CHANDRAMOULI
Whole Time Director and
Company Secretary

Explanatory Statement

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

Item No.4

Appointment of Mr. Nandakishore R. Divate as Whole Time Director

Mr. Nandakishore R. Divate is presently working as Whole Time Director of the Company. His terms of appointment have been varied based on the resolution passed by the shareholders on September 8, 2021 and his present term is expiring on July 31, 2022.

Based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Nandakishore R. Divate is proposed to be appointed as a Whole Time Director of the Company for the further period of 3 years with effect from August 01, 2022 subject to the approval of the members.

Duties:

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

- i. **Salary:** Rs. 2,00,000/- (in the scale of Rs. 1,50,000 - 3,00,000) with an annual rise of Rs.15,000/- per month every year during the term of appointment with authority to the Nomination and Remuneration Committee / Board of Directors to determine the amount of salary payable and the amount of increment payable every year effective from 1st October 2021, subject to a maximum of Rs. 3 Lakhs during the term of appointment.

Perquisites:

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

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

Other Information as required under the Act is as follows:

I. GENERAL INFORMATION

- **Nature of Industry** : The Company is engaged in providing Services (Service Industry).
- **Financial Performance** : The financial performance of the company has been mainly to restructure its balance sheet

and debt and there has been significant improvement in the same after the sanction of the 'Scheme of Compromise and Arrangement' under section 391 and 394 of the Companies Act, 1956. The Company is in the lookout for new activities to improve its operations. The Company's wholly owned subsidiary Maximus Securities Limited is performing satisfactorily.

II. INFORMATION ABOUT THE APPOINTEE

- **Background** : Management Graduate with substantial experience in the Industry.
- **Last Remuneration** : Rs. 25.95 Lakhs, appointed as per the terms of appointment approved by the members in the Annual General Meeting held on 8th September, 2021.
- **Job Profile and suitability** : He has been with the company since 1993 and has adequate managerial capacity in terms of qualifications and experience and also oversees the operations of the Subsidiary, Maximus Securities Limited (Previously known as Mafatlal Securities Limited)
- **Remuneration proposed** : Salary up to Rs. 2,00,000 (in the scale of Rs. 1,50,000 - 3,00,000) per month with perquisites as given in the explanatory statement. The remuneration proposed is reasonable taking the fact that the ailing company needs the services to make it viable.
- **Other Disclosures** : He has no relationship with any directors of the company.

III. OTHER INFORMATION

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

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

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

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

Date: 30th May 2022

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K.CHANDRAMOULI
Whole Time Director and
Company Secretary

ANNEXURE TO THE NOTICE

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

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

| Name of the Director | Mr. Nandakishore R. Divate |
|---|---|
| Date of Birth | May 04, 1957 |
| Date of First Appointment | September 09, 2008 |
| Expertise in specific functional area | He is an Engineering and Management Graduate with substantial experience in the industry. He has been with the company since 1993 and has adequate managerial capacity in terms of qualifications and experience. |
| Directorships held in other body corporate as on 31st March 2022 | 1) Hybrid Systems Limited 2) Maximus Securities Limited |
| Membership / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March 2022 | Nil |
| Number of equity shares held in the Company as on 31st March 2022 | 93,83,995 |
| Relationship with other Directors and Key Managerial Personnel | None |

DIRECTORS' REPORT

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

Your Directors present the Thirty Fifth Annual Report with the Audited Statement of Accounts of the Company for the year ended 31st March 2022.

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 31.03.2022 (Rs. in Lakhs) | Year Ended 31.03.2021 (Rs. in Lakhs) |
|---|--|--|
| Gross Income | 218.40 | 160.77 |
| Gross Profit before Depreciation, Exceptional Item and Income Tax | 101.44 | 79.77 |
| Depreciation | 1.03 | 0.08 |
| Exceptional Items | Nil | 60.92 |
| Provision for Tax | Nil | Nil |
| Net Profit After Tax | 100.41 | 18.77 |
| Other Comprehensive Income | 0.36 | 1.66 |
| Add: Amount brought forward from previous year | (1,270.08) | (1,330.51) |
| Provision for Contingencies | Nil | Nil |
| Provision for Contingencies Reversed | Nil | 40.00 |
| Balance carried forward | (1,169.31) | (1,270.08) |

2. OPERATIONS

The Financial Year 2021-2022 has ended with the company earning a profit of Rs.100.41 Lakhs after Tax. The Company's operations are still on very low scale due to the uncertainties of business environment and inadequate liquidity. The Company does not anticipate any significant revenue growth from operations in the coming years, till the resolution of many pending issues. The Company is focussing on developing the activities of its Broking Subsidiary, as the Stock Markets are showing optimistic outlook. The Company shall however focus on developing new activities commensurate with its capabilities.

3. OUTLOOK

The company is trying to undertake new Non - NBFC activities and these activities earned a net income of Rs.0.85 Lakhs during the year. Other operations have yielded an income of Rs.124.00 Lakhs and Rs.30.00 Lakhs as Rent. Company's business is confined to attending to past issues from its earlier operations and provide support to the subsidiary's operations. The business outlook of the subsidiary is showing continued optimism.

4. LITIGATIONS

The Company did not meet with success in respect of litigations continued in the matter of appeal against SAT Order and another appeal in the matter of recovery of Security Deposit in the Supreme Court of India. The Company is however exploring alternate remedies.

5. DIVIDEND

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

6. ANNUAL RETURN

The Annual Return of the Company as on 31st March, 2022 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, can be accessed on the Company's website under Financials FY 2021-22 Tab at www.hybridfinance.co.in

7. BOARD MEETINGS

The details of the Board Meetings held during the Financial Year 2021-2022 have been furnished under clause I 2(d) of the Corporate Governance Report forming a part of this Annual Report.

8. OTHER COMMITTEES

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

a) Audit Committee:

The Audit Committee of the Company is Constituted in line with the provisions of section 177 of the Companies Act, 2013 read with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Company has reconstituted the Audit Committee with effect from 25th September 2020. The members of the Reconstituted Audit Committee are as under as on 31st March 2022:

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

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

b) Nomination and Remuneration Committee:

The Company has reconstituted Nomination and Remuneration Committee with effect from 25th September, 2020. Nomination and Remuneration Committee constituted in accordance with Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the reconstituted Nomination and Remuneration committee are as under as on 31st March 2022:

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

c) Stakeholders Relationship Committee:

The Company has reconstituted Stakeholders Relationship Committee with effect from 25th September 2020 and following are the members in the reconstituted committee as on 31st March 2022:

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

d) Risk Management Committee:

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

following are the members in the reconstituted committee as on 31st March 2022:

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

The details regarding the meetings held during the Financial Year 2021-2022 are given in the Corporate Governance Report forming a part of this Annual Report.

9. COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

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

10. BOARD EVALUATION

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

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

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of Related Parties and the Transaction with them are disclosed as required by Ind AS - 24 issued by The Institute of Chartered Accountants of India under Note No. 2.19. 9 forming part of this Annual Report.

During the year the Company has charged an additional sum of Rs. 40 Lakhs (Rupees Forty Lakh Only) for the enhanced level of Professional Services provided to the Wholly Owned Subsidiary Company Maximus Securities Limited. This is due to substantial time of the executives of the Holding Company had to be directed to the Wholly Owned Subsidiary, during the Covid-19 lockdown period as the Stock Market was not closed during the said period and work from home requirements were to be implemented. So based on the manhours spent and other relevant parameters, an additional bill of Rs. 40 Lakhs is raised on the Subsidiary is required. However, as the accounts of the Wholly Owned Subsidiary is consolidated, the same revenue is neutralized on a consolidated basis.

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

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

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

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

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

13. TRANSFER TO RESERVES

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

14. LISTING OF SHARES

The Company has cleared all the outstanding dues claimed by BSE / NSE / NSDL / CDSL under protest as these were creating stumbling block in the matter of trading in the shares of the Company and the minority shareholders.

The Company has filed its application for Revocation of Suspension with BSE and NSE and awaiting final outcome of the same.

15. MAXIMUS SECURITIES LIMITED (MSL) – SUBSIDIARY COMPANY

The Subsidiary Company has earned a net profit of Rs. 68.92 Lakhs for the financial year ended 31st March, 2022. The Subsidiary Company is exploring various options to improve its earnings in the current financial year.

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

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

Foreign Exchange Earnings: Nil

Foreign Exchange Outgoings: Nil

17. CONTINGENCY PROVISIONS

The company has provided a Contingency Provision of Rs. 845.35 Lakhs up to 31st March 2022.

18. DIRECTORATE

The present tenure of Mr. Nandakishore R. Divate as Whole Time Director will end on July 31, 2022. The Nomination and Remuneration Committee has already recommended the reappointment of Mr. Nandakishore R. Divate as Whole Time Director for a period of three years commencing from 1st August, 2022. Members are hereby requested to consider and approve his reappointment on the terms as per Special resolution placed in the Annual General Meeting. Mr. Nandakishore R. Divate is interested in the said resolution. The Board of Directors also recommend the same.

19. DEPOSITORIES

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

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

20. E-VOTING

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

21. PARTICULARS OF EMPLOYEES

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

22. WEBSITE OF THE COMPANY

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

23. WHISTLE BLOWER MECHANISM

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

24. SEXUAL HARASSMENT

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

25. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

26. DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

- i. in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the Annual Accounts on a going concern basis.

27. CORPORATE GOVERNANCE

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

28. AUDIT REOPORTS

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

| Opinion / Observations of the Statutory Auditors | Response of the Management |
|---|--|
| <p>Emphasis of Matter We draw attention to Note 2.19.13 of the standalone financial statements, which states that the Company has made provision towards gratuity on the basis of Gratuity Act instead of Ind AS 19 as prescribed by ICAI. "Employee Benefit". Our opinion is not modified in respect of this matter</p> | <p><i>Disclosure Required under Ind AS-19 of The Institute of Chartered Accounts of India with regard to Employee Benefit are not given as the Company has no employees as on 31st March 2022 other than Two Whole Time Directors and Chief Financial Officer (on deputation). However, during the year, the Company has provided Gratuity for the two Whole Time Directors as per the Gratuity Act,1972</i></p> |

29. SECRETARIAL AUDITOR

The Board of Directors have appointed Mr. Vijay S. Tiwari, a practising Company Secretary, as Secretarial Auditor for the Financial Year 2021-2022.

30. IMPACT OF COVID

With the relaxations in respect of COVID-19 Regulations, the Company has commenced lifting of Work From Home and regular operations have started during the end of financial year. However, the Company continuous to monitor the situation and has continued its vigil on the matter.

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

In view of the advice given by SEBI and MCA vide their notification the dispatch of printed copies of the Accounts and Annual Report is not being done. Members have to send their email id to the Registrar and update their records. Copies of Annual Accounts, Notice etc will be available in the Exchange Portals and Company's Website www.hybridfinance.co.in. Shareholders can access the same for further details.

32. CORPORATE SOCIAL RESPONSIBILITY

The said provisions are not applicable to the Company.

33. ACKNOWLEDGEMENTS

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

FOR AND ON BEHALF OF THE BOARD

K. CHANDRAMOULI
Whole Time Director and
Company Secretary

Place: Mumbai
Date: 30th May 2022

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.218.40 Lakhs which includes Rs.124.85 Lakhs towards operational income and Rs.93.55 Lakhs as other income (which includes write-backs and Tax Refunds) and the company earned a pre-tax profit of Rs.100.41 Lakhs.

BUSINESS ANALYSIS OUTLOOK

With the relaxations in respect of COVID-19 Regulations, the Company has commenced lifting of Work from Home and regular operations have started during the end of financial year. However, the Company continues to monitor the situation and has continued its vigil on the matter.

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

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

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

RISK AND CONCERNS

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

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

INTERNAL CONTROL AND THEIR ADEQUACY

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

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

INDUSTRIAL RELATIONS

The Company as on 31st March 2022 has two employees (Two Wholtime Directors) in its payroll. The relationship was cordial.

CAUTIONARY STATEMENTS

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

ANNEXURE – PARTICULARS OF EMPLOYEES

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

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

| Sr. No. | Disclosure Requirement | Disclosure Details | | |
|---------|--|---|-------------------------|--|
| | | Director | Title | Ratio |
| 1. | Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year. | Mr. K. Chandramouli | Whole Time Director | 109.94 |
| | | Mr. N. R. Divate | Whole Time Director | 100 |
| 2. | Percentage of increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager if any, in the financial year | Director / Key Managerial Personnel | Title | % Increase / Decrease in remuneration |
| | | Mr. K. Chandramouli | Whole Time Director | 36.88% |
| | | Mr. N. R. Divate | Whole Time Director | 39.63% |
| | | Mr. Vinay Kulkarni * | Chief Financial Officer | 52.68% |
| 3. | Percentage of increase / (Decrease) in the median remuneration of employees in the financial year | 39.63% | | |
| 4. | Number of permanent employees on the rolls of the Company at the end of the year | 3 (2 Directors + 1 CFO) | | |
| 5. | Average percentile increases already made in the salaries of employees other than the Managerial Personnel in the last financial year and its comparison with percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. | Not Applicable | | |
| 6. | Affirmations that the remuneration is as per the Remuneration Policy | It is affirmed that the remuneration paid is as per the Remuneration policy of the Company and also in compliance with the relevant statutory provisions. | | |

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

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period covering the Financial Year Ended on 31st March 2022 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:

We 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 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made hereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made hereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
- (iv) The Prevention of Money Laundering Act, 2002
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made hereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Company has not identified any other laws which are presently applicable to it .

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

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

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

- **The Company's shares were suspended from trading by The National Stock Exchange of India Limited (NSE) since September 2001 and BSE Limited (BSE) since December 2002 on account of failure of the Company to redress the Complaints of investors relating to redemption of public issue of non- convertible debentures.**
- **The Company has submitted the Uniform Listing Agreement with BSE and NSE.**
- **9,337 Equity Shares are held by promoters in physical mode out of total promoters holding of 1,87,62,051 Equity Shares. This is due to Non activation of ISIN.**

- **The Company's ISIN remains suspended as new ISIN subsequent to Name Change, Reduction of Capital and Preferential issue is kept in abeyance. Also no services are offered by the Depositories NSDL / CDSL to the Company's shareholders towards Demat Operations due to the suspended ISIN and non-payment of dues.**

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

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

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

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

For Vijay S. Tiwari & Associates
Company Secretaries in Practice

Vijay Tiwari
Proprietor
C.P. No. – 12220
M.No. 33084
UDIN No: A033084D000424090

Place: Mumbai

Date: 30th May 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

CIN: L99999MH1986PLC041277

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year Ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of Appointment in the Company |
|---------|-------------------------------|----------|------------------------------------|
| 1. | Chandramouli Krishnamurthy | 00036297 | 9th September 2008 |
| 2. | Nandakishore Raghunath Divate | 00304616 | 9th September 2008 |
| 3. | Megha Jatendra Vazkar | 00179162 | 22nd October 2014 |
| 4. | Nilay Shivnarayan Sharma | 00231299 | 25th September 2020 |
| 5. | Mahesh Salamatrai Makhijani | 00322226 | 25th September 2020 |
| 6. | Sameer Suresh Pimpale | 08813127 | 25th September 2020 |

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

For Vijay S. Tiwari & Associates
Company Secretaries in Practice

Vijay Tiwari
Proprietor
C.P. No. – 12220
M.No. 33084
UDIN No: A033084D000424741

Place: Mumbai

Date: 30th May, 2022

35TH ANNUAL REPORT 2021-2022

CORPORATE GOVERNANCE REPORT

In accordance with the Listing Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) the report containing the details of Corporate Governance as at 31st March 2022 is as follows:

I. MANDATORY REQUIREMENTS

1. CORPORATE GOVERNANCE PHILOSOPHY

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

2. BOARD OF DIRECTORS

(a) Composition and Category of Directors

The Company has two Whole Time Directors Mr. Nandakishore R. Divate and Mr. K Chandramouli, Three Independent Directors Mr. Nilay S. Sharma, Mr. Mahesh S. Makhijani and Mr. Sameer S. Pimpale who have been appointed w.e.f. 25th September, 2020. The Company also has one Woman Director Mrs. Megha J. Vazkar.

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

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

(b) Attendance of each Director at the Board of Director's Meetings held during 2021-2022 and the last Annual General Meeting is as follows:

| Director | Board Meetings Attended | Last Annual General Meeting Attended (Held on 8th September 2021) |
|---------------------------|-------------------------|--|
| Mr. N.R. Divate | 4 | Yes |
| Mr. K. Chandramouli | 4 | Yes |
| Mr. Nilay S. Sharma * | 4 | Yes |
| Mr. Mahesh S. Makhijani * | 4 | Yes |
| Mr. Sameer S. Pimpale * | 4 | Yes |
| Mrs. Megha J. Vazkar | 4 | Yes |

*Mr. Nilay Sharma, Mr. Mahesh Makhijani and Mr. Sameer Pimpale attended the AGM through Video Conference (VC). They also attended the Board Meetings held during the Financial year 2021-2022 through Video Conference (VC). However, Mr. Nilay S. Sharma attended the Board Meeting held on 31st May 2021 physically.

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

| Name of the Director | Category | Directorships held in other Companies | | Committee Memberships held in other Companies | |
|-------------------------|------------------------------|---------------------------------------|-------------|---|-------------|
| | | As Director | As Chairman | As Member | As Chairman |
| Mr. K. Chandramouli | Non Independent, Executive | 5 | - | - | - |
| Mr. N.R. Divate | Non Independent, Executive | 2 | - | 1 | 1 |
| Mr. Nilay S. Sharma | Independent, Non-Executive | 2 | - | - | - |
| Mr. Mahesh S. Makhijani | Independent, Non-Executive | 1 | - | - | - |
| Mr. Sameer S. Pimpale | Independent, Non-Executive | 2 | - | 1 | 1 |
| Mrs. Megha J. Vazkar | Woman Director Non-Executive | 4 | - | 2 | - |

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

Four Board Meetings were held during the year 2021-2022. The dates on which meetings were held were as follows:

31st May 2021, 29th July 2021, 28th October 2021 and 28th January 2022.

(e) Remuneration of Directors:

The company does not pay any remuneration to the Independent Directors. During the year, the company paid Rs. 28,52,718/- to Mr. K. Chandramouli and Rs.25,94,688/- 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.5,65,344/- for the year to Mr. Vinay Kulkarni, Chief Financial Officer.

(f) Directors Share Holding:

Mr. K. Chandramouli is holding 93,78,056 Equity Shares, 10,50,000 1% Cumulative Redeemable Preference Shares, Mr. N. R. Divate is holding 93,83,995 Equity Shares, 10,50,000 1% Cumulative Redeemable Preference Shares. Mr Sameer Pimpale is holding 5 Equity Shares and Mr Nilay Sharma is holding 2,250 Equity Shares in the Company.

3 AUDIT COMMITTEE:

The Audit committee is constituted in accordance with provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee comprises of Two Independent – Non-Executive Directors and one Executive Director. The Audit Committee met four times in 2021-2022 i.e., on 31st May 2021, 29th July 2021, 28th October 2021 and 28th January 2022. The composition of the committee during 2021-2022 and the details of meeting attended by the Directors are as under:

| Name of the Members | Category | Attendance Particulars |
|--------------------------|-----------------------------------|------------------------|
| Mr. Mahesh S. Makhijani* | Chairman and Independent Director | 4 |
| Mr. Nilay S. Sharma* | Member and Independent Director | 4 |
| Mr. N. R. Divate | Member and Whole Time Director | 4 |

*Attended through Video Conference (VC). However, Mr. Nilay S. Sharma attended the Audit Committee Meeting held on 31st May 2021 physically.

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

4. NOMINATION AND REMUNERATION COMMITTEE:

Nomination and Remuneration Committee constituted in accordance with Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Nomination and Remuneration committee are as under on 31.03.2022:

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

The Nomination and Remuneration Committee met Once in 2021-2022 on 31st May 2021 and the details of meeting attended by the Directors are as under:

| Name of the Member | Category | Attendance Particulars |
|---------------------|---|------------------------|
| Mr. Nilay Sharma* | Chairman and Independent Director | 1 |
| Mr. Sameer Pimpale* | Member and Independent Director | 1 |
| Mrs. Megha Vazkar | Member and Non-Executive Women Director | 1 |

*Attended through Video Conference (VC). However, Mr. Nilay S. Sharma attended the Nomination and Remuneration Committee Meeting held on 31st May 2021 physically.

Mr. N.R. Divate is an Ex-officio Secretary of the Nomination and Remuneration Committee.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Stakeholders Relationship Committee constituted in accordance with Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The members of the Stakeholder Relationship Committee are as under on 31.03.2022.

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

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

Complaint Status: From 01.04.2021 to 31.03.2022

Number of Equity Shareholders / Debenture holders} : Nil
Preference Shareholders complaints pending as on 01.04.2021}

Number of complaints received during the year : 11

Number of complaints solved during the year : 11

Number of complaints pending as on 31.03.2022 : Nil

Four meetings were held during the year 2021-2022. (31st May 2021, 29th July 2021, 28th October 2021 and 28th January 2022). The attendance for the said meetings is as follows:

| Name of the Director | Category | Attendance Particulars |
|------------------------|-----------------------------------|------------------------|
| Mr. K. Chandarmouli | Member and Whole Time Director | 4 |
| Mr. N.R.Divate | Member and Whole Time Director | 4 |
| Mr. Sameer S. Pimpale* | Chairman and Independent Director | 4 |
| Mr. Nilay S. Sharma* | Member and Independent Director | 4 |

*Attended through Video Conference (VC). However, Mr. Nilay S. Sharma attended the Stakeholders Relationship Committee Meeting held on 31st May 2021 physically.

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6. RISK MANAGEMENT COMMITTEE:

The members of the Risk Management Committee are as under on 31.03.2022.

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

Risk Management Committee met twice in 2021-2022 on 31st May 2021 and on 29th July 2021.

The attendance for the said meetings is as follows:

| Name of the Director | Category | Attendance Particulars |
|------------------------|----------------------------------|------------------------|
| Mr. K. Chandramouli | Chairman and Whole Time Director | 2 |
| Mr. N.R. Divate | Member and Whole Time Director | 2 |
| Mr. Sameer S. Pimpale* | Member and Independent Director | 2 |

*Attended through Video Conference (VC)

7. DIRECTORS:

There was no Change in the Board of Directors during the Financial year 2021-2022.

8. GENERAL BODY MEETINGS:

| Date | Venue | Time |
|----------------------|--|-----------|
| 26th July, 2019 | Vishal Hall, Hotel Highway Inn, Sir M.V.Road, (Andheri- Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 093. | 11.00 A.M |
| 25th September, 2020 | The Annual General Meeting was conducted through Video Conferencing (VC) / Other Audio Visual Means (OAVM). | 11.00 A.M |
| 8th September, 2021 | The Annual General Meeting was conducted through Video Conferencing (VC) / Other Audio Visual Means (OAVM). | 11.00 A.M |

9. SUBSIDIARY COMPANY:

The audit committee of the listed holding company reviewed the financial statement of the unlisted subsidiary company and also other matters connected thereto.

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

During the year the Company has charged an additional sum of Rs. 40 Lakhs (Rupees Forty Lakh Only) for the enhanced level of Professional Services provided to the Subsidiary Company Maximus Securities Limited. This is due to substantial time of the executives of the Holding Company had to be directed to the Wholly Owned Subsidiary, during the Covid - 19 lockdown period as the Stock Market was not closed during the said period and work from home requirements were to be implemented. So based on the manhours spent and other relevant parameters, an additional bill of Rs. 40 Lakhs is raised on the Subsidiary is required.

The amount of charges to be levied on the subsidiary is reviewed by the Holding Company on the basis of extent of services provided and the business enhancement of the subsidiary. The charges were structurally adjusted during initial period of Covid-19 when the business of the subsidiary shrunk significantly. Also, the revision charges are discussed in the Audit Committee before the same is approved by the Board.

For the information of members, the subsidiary is a wholly owned subsidiary (100% Holding) and its accounts are consolidated with the Parent Company

In the year under reference the Company has received Rs. 124 Lakhs as the fee for Professional Services rendered to the subsidiary.

10. DISCLOSURES:

- The details of related party transactions are given in Point No. 9 of Note No. 2.19, the notes on Standalone Financial Statements.
- The company's shares were suspended from trading by The National Stock Exchange of India Limited (NSE) since September 2001 and BSE Limited since December 2002 on account of alleged failure of the company to redress the complaints of investors relating to redemption of public issue of non-convertible debentures.

The Company has made under protest all the pending Listing Fees / Custodial Fees with Interest there on and other over dues of BSE, NSE, NSDL and CDSL. The Company is pursuing the Revocation of Suspension in Trading of its shares and has filed its application to BSE and NSE for the same.

In the meantime, the Company shall proceed further in the matter of past Listing Fees an interest there on as per the Legal Advice and Commercial Prudence.

NSE has approved Listing of 14,00,000 Equity Shares issued in 2012 on Preferential basis with effect from 26th August, 2021.

BSE has approved Listing of 14,00,000 Equity Shares issued in 2012 on Preferential basis with effect from 21st March, 2022.

NSDL has carried out corporate Action of 14,00,000 Equity Shares issued in 2012 on preferential basis on 17th March 2022.

CDSL has carried out corporate Action of 14,00,000 Equity Shares issued in 2012 on preferential basis on 23rd March 2022.

However, the Company's new ISIN allotted is still kept in abeyance due to pending of Revocation of Suspension both by BSE and NSE

Based on the communication received from The National Stock Exchange of India Limited (NSE) in 2016 and the pleading in the SAT Appeal, the need to get the listing in NSE was necessitated although the Shareholders had approved the delisting from NSE in 2003. This resulted in a demand of Listing Fees from NSE for prior years. The Company has not admitted or accepted the same and made the payment under protest.

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

The Company is presently awaiting the final decision of the Stock Exchange in the matter of Revocation of Suspension.

11 WHOLE TIME DIRECTORS CERTIFICATION:

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

- a) They have reviewed the Financial Statements as on 31st March 2022 and the Cash Flow Statement for the year ended 31st March 2022 and that to the best of their knowledge and belief:
 - * These statements do not contain any material untrue statement or omit any material fact or contain statement that might be misleading.
 - * These statements in their opinion present true and fair view of the company's affairs and are in compliance with the existing accounting standards applicable laws and regulations.
- b) There are to the best of their knowledge and belief, no transactions that have been entered into by the company during the year which are fraudulent or illegal or violative of the Company's code of conduct
- c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company, pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which they are aware, have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i). There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii). There has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and
 - iii). They are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

12 MEANS OF COMMUNICATION

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

13. GENERAL SHAREHOLDER INFORMATION

13.1 Annual General Meeting

Date, Time & Venue : Friday, 26th August, 2022 at 11-00 A.M. by Video Conferencing (VC) / Other Audio Visual Means (OVAM). Members are requested to note the procedure for participating in the VC / OVAM as given in the Notice to AGM.

13.2 Financial Calendar (2022-2023) (tentative) :

Quarterly Results:

| | |
|-----------------------------------|---------------------------|
| Quarter Ending June 30, 2022 | Last week of July 2022 |
| Quarter Ending September 30, 2022 | Last week of October 2022 |
| Quarter Ending December 31, 2022 | Last week of January 2023 |
| Quarter Ending March 31, 2023 | Last week of May 2023 |

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- 13.3 Book Closure date(s)** : From Monday, 22nd August 2022, to Friday, 26th August, 2022 (both days inclusive)
- 13.4 Dividend payment date(s)** : Not applicable
- 13.5 Listing of Equity shares/debentures on Stock Exchanges** : BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

The company's shares were originally listed in The National Stock Exchange of India Ltd (NSE), Ahmedabad Stock Exchange Ltd, and Delhi Stock Exchange Association Ltd. The members have approved delisting from these Exchanges in the Annual General Meeting held on 29th December 2003.

The company has paid under protest all the pending Listing Fees with interest there on and other overdues of BSE and NSE
- 13.6 Stock Code** : 500262
Physical Segment – BSE : INE965B01022. This new ISIN kept in abeyance remains due to pending of Revocation of Suspension both by BSE and NSE
Demat Segment - BSE
- 13.7 Market Price Data** : The trading of the company's shares has been suspended in the National Stock Exchange of India Limited (NSE) with effect from September 2001 as well as in the BSE Limited (BSE) with effect from December 2002 and accordingly no market price data is available.
- 13.8 Registrar & Transfer Agents** : M/s. Big Share Services Private Ltd.
Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093
Tel No: 022- 62638200, Fax: 022- 62638299
- 13.9 Share & Transfer agents (for Electronic Transfers)** : M/s. Big Share Services Private Ltd.
Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400 093
Tel No: 022- 62638200, Fax: 022- 62638299

13.10 (a) Distribution of Shareholding as on 31st March, 2022

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

(b) Category of Shareholding as on 31st March, 2022

| Sr. No. | Category | Shareholding | Percentage |
|---------|---|--------------------|---------------|
| 1. | Promoters and Promoters Group | 1,88,44,578 | 64.02 |
| 2. | Financial Institutions, Nationalised Banks and Mutual Funds | 2,62,200 | 0.89 |
| 3. | Bodies Corporate | 3,46,292 | 1.18 |
| 4. | Directors and their Relatives | 2,255 | 0.01 |
| 5. | Non-Resident Individuals | 22,687 | 0.07 |
| 6. | General Public | 99,58,263 | 33.83 |
| | TOTAL | 2,94,36,275 | 100.00 |

13.11 Dematerialization of shares

The Company has arrangements with NSDL and CDSL for Demat Facility. 82.37% of the total equity shares are held in dematerialized form with NSDL and CDSL as at 31st March 2022.

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 new ISIN allotted kept in abeyance due to pending revocation of suspension by BSE and NSE

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

13.13 Fees to Statutory Auditors during the year und review

| Particulars | Amount in Rs. |
|---|-------------------|
| As Statutory Auditor | 60,000/- |
| Limited Review and Other Certification work | 50,500/- |
| Out of Pocket Expenses | 1,100/- |
| Total | 1,11,600/- |

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

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

II. NON-MANDTAORY REQUIREMENTS

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

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

2. Remuneration Committee

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

3. Shareholders' Rights – Furnishing of Quarterly Results

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

4. Audit Qualifications

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

5. Mechanism for Evaluating Non-Executive Board Members

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

6. Whistle Blower Policy

The Company has implemented Whistle Blower Policy

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

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

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

For the purpose of this declaration, Senior Management Team means the employee in the cadre of Whole Time Directors on 31st March 2022.

K. CHANDRAMOULI
Whole Time Director and
Company Secretary

Place: Mumbai
Date: 30th May 2022

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 2022, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations")

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

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

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

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

VISHAL KELKAR
Partner
Membership No. 154128
UDIN: 22154128AJVXQM3195

Mumbai, Dated 30th May 2022

INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED)** ("The Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and profit including comprehensive income, the statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to:

- Note 2.19 (13) of the Standalone Financial Statements, which states that the Company has made provision towards gratuity on the basis of Gratuity Act instead of Ind AS 19 as prescribed by ICAI. "Employee Benefit.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

| Sr No | Key Audit Matters | Auditor's Response |
|-------|---|--|
| 1 | <p>Disputed Tax and other liabilities.</p> <p>The company has received demand from income tax department. The Company has material uncertain tax positions including matters under dispute, demand from FEMA and other different regulators like civil court, labour court, consumer forums etc. which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 2.19 (1) to the Standalone Financial Statements</p> | <p>Principal Audit Procedures</p> <p>We have Obtained details of completed tax assessments and correspondences from different regulators made by the company during the year. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and other demand from various regulators and the possible outcome of those disputes.</p> <p>Our internal experts and company's legal consultant also considered legal precedence and other rulings in evaluating management's position on these uncertain liabilities. Additionally, we considered the effect of new information in respect of uncertain tax positions and other matters to evaluate whether any change was required to management's position on these uncertainties.</p> |

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

The Company's Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the standalone financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

Management's and Board of Directors Responsibility for the Standalone Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the Management and Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Management's and Board of Directors' use of the going concern basis of accounting in preparation of financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including other comprehensive income), the standalone statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2022 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) 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:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements Refer Note 2.19 .1 to the Standalone Financial Statements
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

VISHAL KELKAR
Partner
Membership No. 154128
UDIN: 22154128AJJVTE9117

Mumbai, Dated 30th May 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

[The annexure referred to in our Independent Auditors' Report of even date to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2022, 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 (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
- b According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment 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 Property, Plant and Equipment 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.
- d According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- e According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii a The Company is a service company. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
b According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets at any point of time during the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- iii According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not made any investment, provided guarantee or security or granted any loans secured or unsecured to companies, firms, Limited Liability partnership or other parties during the year. Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- 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 or amounts which are deemed to be 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, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues applicable to it with the appropriate authorities.
According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues in arrears, as at 31st March, 2022 for a period of more than six months from the date they became payable.
- b According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax, Service Tax, Good and Service Tax and Value Added Tax which have not been deposited by the Company on account of disputes except given below.

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

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- viii According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix
- a According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.
 - b According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 - c In our opinion and according to the information and explanations given to us by the management, the company has not availed any term loans during the year.
 - d According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
 - e According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, as defined in the Act. Therefore, clause 3(ix) (e.) is not Applicable.
 - f According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- x
- a The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
 - b According to the information and explanations given to us and on the basis of 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. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi
- a Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
 - b According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c As per information and explanation given by the management, there were no whistle blower complaints received by the Company during the year.
- xii According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 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 Ind AS standalone financial statements as required by the applicable accounting standards.
- xiv
- a Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - b We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- xvi
- a The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
 - c The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - d According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.
- xvii The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx In our opinion and according to the information and explanations given to us, section 135 of the Company's Act 2013 is not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

VISHAL KELAKR
Partner
Membership No. 154128
UDIN: 22154128AJVVTE9117

Mumbai, Dated 30th May 2022

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")

Opinion

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 2022 in conjunction with our audit of Ind AS standalone Financial Statements of the Company for the year ended on that date.

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 2022, 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 Standalone Financial Reporting issued by the Institute of Chartered Accountants of India. (the "Guidance Note").

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.

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

VISHAL KELAKR
Partner
Membership No. 154128
UDIN: 22154128AJVVTE9117

Mumbai, Dated 30th May 2022

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Standalone Balance Sheet as at 31st March 2022

| Particulars | Note | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|--|------|---|---|
| A ASSETS | | | |
| 1 Non- Current Assets | | | |
| (a). Property Plant and Equipment and Intangible Assets: | | | |
| (i). Property Plant and Equipment | 2.01 | 6,189 | 315 |
| (b) Financial Assets | | | |
| (i) Non Current Investments | 2.02 | 100,403 | 100,367 |
| (c) Other Non Current Assets | 2.03 | 1,923 | 7,139 |
| Total Non Current Assets | | 108,515 | 107,821 |
| 2 Current Assets | | | |
| (a) Financial Assets | | | |
| (i) Cash and Bank Balances | 2.04 | 32,979 | 30,119 |
| (ii) Other Current Financial Assets | 2.05 | 543 | 537 |
| (b) Other Current Assets | 2.06 | 8,911 | 4,181 |
| Total Current Assets | | 42,433 | 34,837 |
| TOTAL ASSETS | | 150,948 | 142,658 |
| B EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| (a) Share Capital | 2.07 | 147,181 | 147,181 |
| (b) Other Equity | 2.08 | (116,931) | (127,008) |
| Total Equity | | 30,250 | 20,173 |
| 2 Liabilities | | | |
| Non Current Liabilities | | | |
| (a) Borrowings | 2.09 | 21,000 | 21,000 |
| (b) Provisions | 2.10 | 92,529 | 92,096 |
| (c) Other Non Current Financial Liabilities | 2.11 | 2,038 | 2,038 |
| Total Non Current Liabilities | | 115,567 | 115,134 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i). Borrowings | 2.12 | - | 41 |
| (ii). Other Current Financial Liabilities | 2.13 | 4,921 | 7,100 |
| (b) Provisions | 2.14 | 210 | 210 |
| Total Current Liabilities | | 5,131 | 7,351 |
| TOTAL EQUITY AND LIABILITIES | | 150,948 | 142,658 |

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

As per our report of even date

For BDMV & Co

Chartered Accountants

Firm Registration No.: 101256W

For and on behalf of the Board
N. R. DIVATE
 Whole Time Director
 DIN - 00304616

SAMEER S. PIMPALE
 Chairman
 DIN - 08813127

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

VISHAL KELKAR
 Partner
 M.No. 154128

MAHESH S. MAKHIJANI
 Director
 DIN - 00322226

MEGHA J.VAZKAR
 Director
 DIN - 00179162

NILAY SHARMA
 Director
 DIN - 00231299

VINAY KULKARNI
 Chief Financial Officer

Mumbai, Dated: 30th May 2022

Mumbai, Dated:30th May 2022

Statement of Standalone Profit and Loss for the Year Ended 31st March 2022

| Particulars | Note | Year Ended 31st March 2022 Rs. in 000s | Year Ended 31st March 2021 Rs. in 000s |
|--|------|--|--|
| INCOME | | | |
| (a) Revenue from operations | | | |
| Service Charges | | 12,485 | 8,546 |
| | | 12,485 | 8,546 |
| (b) Other Income | 2.15 | 9,355 | 7,531 |
| 1 Total Income | | 21,840 | 16,077 |
| EXPENSES: | | | |
| (a) Employee Benefit Expenses | 2.16 | 6,188 | 4,520 |
| (b) Depreciation and Amortisation Expenses | 2.01 | 103 | 8 |
| (c) Finance Cost | 2.17 | 236 | 747 |
| (d) Other Expenses | 2.18 | 5,272 | 2,833 |
| 2 Total Expenses | | 11,799 | 8,108 |
| 3 Profit before Exceptional Items and Tax | | 10,041 | 7,969 |
| 4 Exceptional items | | - | 6,092 |
| 5 Profit before Tax from Continuing Operations | | 10,041 | 1,877 |
| 6 Income Tax Expense: | | - | - |
| | | - | - |
| 7 Profit for the year | | 10,041 | 1,877 |
| 8 Other Comprehensive Income (OCI) | | | |
| - Remeasurement of Gains on Non Current Investments | | 36 | 166 |
| 9 Total Comprehensive Income for the year | | 10,077 | 2,043 |
| 10 Earning Per Share (Equity Share of Rs. 5/- Each) | | | |
| Basic and Diluted (without considering OCI) | | 0.34 | 0.06 |
| Significant Accounting Policies | 1 | | |
| Notes forming part of the financial statements | 2 | | |

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

For and on behalf of the Board

N. R. DIVATE
Whole Time Director
DIN - 00304616

SAMEER S. PIMPALE
Chairman
DIN - 08813127

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

VISHAL KELKAR
Partner
M.No. 154128

MAHESH S. MAKHIJANI
Director
DIN - 00322226

MEGHA J.VAZKAR
Director
DIN - 00179162

NILAY SHARMA
Director
DIN - 00231299

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated: 30th May 2022

Mumbai, Dated:30th May 2022

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STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

| | | 2021-2022 Rs. in 000s | 2020-2021 Rs. in 000s |
|---|---------|--------------------------|--------------------------|
| A. Cash Flow from Operating Activities | | | |
| Net Profit Before Tax | | 10,041 | 1,877 |
| Adjustment for : | | | |
| Depreciation | 103 | | 8 |
| Excess Provision / Credit Balances Written Back | (495) | | (24) |
| Interest / Dividend on Investments | (2,124) | | (1,777) |
| Provisions for Gratuity | 173 | | 173 |
| Provisions for Leave Encashment | 260 | | 260 |
| Financial Cost | 236 | | 747 |
| | | (1,847) | (613) |
| Operating Profit before Working Capital Changes | | 8,194 | 1,264 |
| Changes in Working Capital | | | |
| Adjustments for (Increase) / Decrease in operating assets | | | |
| Other Non Current Assets | - | | 55 |
| Other Current Assets | (4,730) | | (1,521) |
| Adjustments for Increase / (Decrease) in operating liabilities | | | |
| Other Non Current Financial Liabilities | - | | (126) |
| Other Current Financial Liabilities | (1,684) | | 366 |
| Cash Used In Operations | | (6,414) | (1,226) |
| Direct Taxes Received / (Paid) (Net) | | (761) | 474 |
| Net Cash From Operating Activities | (A) | 1,019 | 512 |
| B. Cash Flow from Investing Activities | | | |
| Interest/Dividend Received | | 2,118 | 1,834 |
| Net Cash From Investing Activities | (B) | 2,118 | 1,834 |
| C. Cash Flow from Financing Activities | | | |
| Short Term Borrowings | | (41) | 41 |
| Financial Costs | | (26) | (537) |
| Redemption of Preference Shares | | - | (3,590) |
| Dividend Paid on Preference Shares | | (210) | (210) |
| Net Cash Used In Financing Activities | (C) | (277) | (4,296) |
| Net Increase / (Decrease) in Cash and Cash Equivalents | (A+B+C) | 2,860 | (1,950) |
| Cash and Cash Equivalents as at the commencement of the year | | 30,119 | 32,069 |
| Cash and Cash Equivalents as at the end of the year | | 32,979 | 30,119 |
| Net Increase / (Decrease) as Disclosed above | | 2,860 | (1,950) |

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

| | As at 31.03.2022 Rs. in 000s | As at 31.03.2021 Rs. in 000s |
|---|------------------------------------|------------------------------------|
| 1 Cash and cash equivalents include : | | |
| Cash on hand | 1 | 1 |
| Bank Balances | 32,978 | 30,118 |
| Total | 32,979 | 30,119 |
| 2 All figures in brackets are outflows. | | |
| 3 Previous years figures have been regrouped wherever necessary to confirm to this year's classification. | | |

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

VISHAL KELKAR
Partner
M.No. 154128

For and on behalf of Board of Directors

N. R. DIVATE
Whole Time Director
DIN - 00304616

SAMEER S. PIMPALE
Chairman
DIN - 08813127

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

MAHESH S. MAKHIJANI
Director
DIN - 00322226

MEGHA J. VAZKAR
Director
DIN - 00179162

NILAY SHARMA
Director
DIN - 00231299

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated: 30th May 2022

Mumbai, Dated: 30th May 2022

Standalone Statement of Changes in Equity for the year ended 31.03.2022

a Equity Share Capital

| Particulars | No. of Shares | Rs. in 000s |
|--------------------------------------|-------------------|----------------|
| Balance as at 01.04.2020 | 29,436,275 | 147,181 |
| Add: Shares issued during the year | - | - |
| Balance as at 31.03.2021 | 29,436,275 | 147,181 |
| Add: Shares issued during the period | - | - |
| Balance as at 31.03.2022 | 29,436,275 | 147,181 |

b Other Equity

Rs. in 000s

| Particulars | Other Equity | | | Total |
|---|-------------------|------------------------------------|----------------------------|------------------|
| | Retained Earnings | Capital Redemption Reserve Account | Other Comprehensive Income | |
| Balance as at 1st April 2020 | (149,951) | 16,907 | (7) | (133,051) |
| Addition During the year: | | | | |
| Transfer to retained earnings | 1,877 | - | - | 1,877 |
| Provision for Contingencies Reversed | 4,000 | - | - | 4,000 |
| Equity instruments through other comprehensive income | - | - | 166 | 166 |
| Balance as at 31st March 2021 | (144,074) | 16,907 | 159 | (127,008) |
| Addition During the year: | | | | |
| Transfer to retained earnings | 10,041 | - | - | 10,041 |
| Equity instruments through other comprehensive income | - | - | 36 | 36 |
| Balance as at 31st March 2022 | (134,033) | 16,907 | 195 | (116,931) |

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

VISHAL KELKAR
Partner
M.No. 154128

For and on behalf of the Board

N. R. DIVATE
Whole Time Director
DIN - 00304616

SAMEER S. PIMPALE
Chairman
DIN - 08813127

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

MAHESH S. MAKHIJANI
Director
DIN - 00322226

MEGHA J.VAZKAR
Director
DIN - 00179162

NILAY SHARMA
Director
DIN - 00231299

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated: 30th May 2022

Mumbai, Dated:30th May 2022

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

I) CORPORATE INFORMATION

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

II) SIGNIFICANT ACCOUNTING POLICIES:

a. BASIS OF PREPARATION:

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

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

b. USE OF ESTIMATES

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

c. OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION

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

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

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

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

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

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

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

e. DEPRECIATION/AMORTISATION ON FIXED ASSETS

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

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

AMORTISATION

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

ASSETS ACQUIRED IN SATISFACTION OF CLAIMS

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

f. IMPAIRMENT OF NON FINANCIAL ASSETS

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

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

g. STOCK IN TRADE / SECURITIES FOR SALE

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

h. CASH AND CASH EQUIVALENTS

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

i. REVENUE RECOGNITION

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

(i) Income from Operations

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

(ii) Profits on Sale of Investments

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

(iii) Other Income

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

j. BORROWING COST

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

k. RETIREMENT BENEFITS

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

l. LEAVE ENCASHMENT

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

m. TAXES ON INCOME

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

n. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

o. LEASED ASSETS

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

p. FINANCIAL INSTRUMENTS

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

Financial Assets

Initial Measurement:

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

Subsequent Measurement:

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

Financial Assets carried at amortised cost

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

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

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

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

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

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

Equity Investment

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

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

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

De-recognition of Financial Assets

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

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

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

Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables as appropriate. All financial liabilities are recognised

initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

*** Borrowings**

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

*** Financial Guarantee Contracts**

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

*** De-recognition of Financial Liabilities**

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

*** Offsetting Financial Instruments**

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

q. FAIR VALUE MEASUREMENT

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

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

- In the principal market for the asset or liability, or

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

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

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Notes forming part of Standalone Financial Statements

2.01 Property, Plant and Equipment and Intangible Assets

Rs. in 000s

| Particulars | Property, Plant and Equipment | | | | Total |
|---|-------------------------------|-----------------------|---------------------|-------------------|--------------|
| | Building | Furnitures & Fixtures | Computer Equipments | Office Equipments | |
| Gross Carrying as at 1st April, 2020 | 521 | 34 | 26 | 118 | 699 |
| Addition during the year | - | - | - | - | - |
| Disposals during the year | - | - | - | - | - |
| As at 31st March 2021 | 521 | 34 | 26 | 118 | 699 |
| Addition during the year | 5,977 | - | - | - | 5,977 |
| Disposals during the year | - | - | - | - | - |
| As at 31st March 2022 | 6,498 | 34 | 26 | 118 | 6,676 |
| Depreciation and impairment | | | | | |
| As at 1st April 2020 | 208 | 32 | 24 | 112 | 376 |
| Depreciation charge for the year | 8 | - | - | - | 8 |
| Deletions during the year | - | - | - | - | - |
| As at 31st March 2021 | 216 | 32 | 24 | 112 | 384 |
| Depreciation charge for the year | 103 | - | - | - | 103 |
| Deletions during the year | - | - | - | - | - |
| As at 31st March 2022 | 319 | 32 | 24 | 112 | 487 |
| Net Book Value | | | | | |
| As at 31st March 2022 | 6,179 | 2 | 2 | 6 | 6,189 |
| As at 31st March 2021 | 305 | 2 | 2 | 6 | 315 |

2.02 Non Current Investments

| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|---|---|---|
| IN FULLY PAID EQUITY SHARES OF SUBSIDIARY COMPANIES | | |
| 1,00,00,000 Shares of Rs.10 each in Maximus Securities Limited | 100,000 | 100,000 |
| SUB TOTAL (A) | 100,000 | 100,000 |
| IN FULLY PAID EQUITY SHARES - QUOTED | | |
| 112 Shares of Rs.2 each in Larsen & Toubro Limited | 198 | 159 |
| 28 Shares of Rs.10 each in Ultratech Cement Limited | 185 | 188 |
| SUB TOTAL (B) | 383 | 347 |
| IN FULLY PAID EQUITY SHARES - UNQUOTED | | |
| WITH ASSOCIATE COMPANIES | | |
| 24,500 shares of Rs.10 each in Hybrid Systems Limited | 245 | 245 |
| Less: Provision for Diminution in Value | 245 | 245 |
| SUB TOTAL (C) | - | - |
| WITH OTHERS | | |
| 16,000 shares of Rs.10 each in AB Corp Limited | 1,280 | 1,280 |
| 3,00,000 shares of Rs.10 each in Leisure Hotel Limited | 3,000 | 3,000 |
| Less: Provision for Diminution in Value | 4,280 | 4,280 |
| SUB TOTAL (D) | - | - |
| IN FULLY PAID PREFERENCE SHARES | | |
| 52,255 shares of Rs.10 each in Pasupati Fabrics Limited | 523 | 523 |
| Less: Provision for Diminution in Value | 523 | 523 |
| SUB TOTAL (E) | - | - |
| OTHERS | | |
| 333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Limited | 10 | 10 |
| 1,000 shares of Rs.10 each in Saraswat Co-operative Bank Limited | 10 | 10 |
| SUB TOTAL (F) | 20 | 20 |
| TOTAL [A + B + C + D + E + F] | 100,403 | 100,367 |

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

| Particulars | As at | As at |
|---|---------------|---------------|
| | 31st March | 31st March |
| | 2022 | 2021 |
| | Rs. in 000s | Rs. in 000s |
| 2.03 Other Non Current Assets | | |
| Advance payment of Income Tax and Tax Deducted at Source | 1,512 | 751 |
| Sub Total (A) | 1,512 | 751 |
| Deposit with others | | |
| (i) Considered Good | 411 | 411 |
| (ii) Considered Doubtful | 8,000 | 8,000 |
| | 8,411 | 8,411 |
| <u>Less</u> : Provision for Doubtful Deposit | 8,000 | 8,000 |
| Sub Total (B) | 411 | 411 |
| Assets acquired in satisfaction of claims [Refer Note No. 2.19.5] | - | 5,977 |
| Sub Total (C) | - | 5,977 |
| Total (A) + (B) + (C) | 1,923 | 7,139 |
| 2.04 Cash and Bank Balances | | |
| Cash and Cash Equivalent | | |
| Bank Balances - Current Account | 919 | 1,513 |
| Bank Deposits maturing within three months | 4,116 | 3,232 |
| Cash Balance | 1 | 1 |
| Sub Total (A) | 5,036 | 4,746 |
| Balances With Banks | | |
| Fixed Deposits for Bank Overdraft | 11,979 | 11,758 |
| Fixed Deposits Others | 15,964 | 13,615 |
| Sub Total (B) | 27,943 | 25,373 |
| <u>Note</u> : There are no Bank Deposits which carries a maturity period beyond 12 Months as on 31st March 2022 | | |
| Total (A) + (B) | 32,979 | 30,119 |
| 2.05 Other Current Financial Assets | | |
| Interest Accrued on Bank Deposits | 543 | 537 |
| Total | 543 | 537 |
| 2.06 Other Current Assets | | |
| <u>Loans and Advances to related parties</u> | | |
| Loans to Subsidiary Company - Unsecured Considered Good | 4,562 | 452 |
| <u>Other Related Parties - Unsecured</u> | | |
| (i) Considered Good | 1 | - |
| (ii) Considered Doubtful | - | - |
| | 1 | - |
| <u>Less</u> : Provision for Doubtful Advances | - | - |
| | 1 | - |
| Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good | 4,348 | 3,729 |
| Total | 8,911 | 4,181 |

| Particulars | As at | As at |
|---|----------------|----------------|
| | 31st March | 31st March |
| | 2022 | 2021 |
| | Rs. in 000s | Rs. in 000s |
| 2.07 Equity Share Capital | | |
| AUTHORISED CAPITAL | | |
| 7,00,00,000 Equity shares of Rs.5/- each | 350,000 | 350,000 |
| | 350,000 | 350,000 |
| ISSUED , SUBSCRIBED & PAID UP CAPITAL | | |
| 2,94,36,275 Equity Shares of Rs.5/- each fully paid | 147,181 | 147,181 |
| Total | 147,181 | 147,181 |

Movements in Share Capital
Equity shares

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|--|-----------------------|----------------|-----------------------|----------------|
| | Number | Rs. in 000s | Number | Rs. in 000s |
| Number of shares at the beginning of the year | 29,436,275 | 147,181 | 29,436,275 | 147,181 |
| Add: Shares issued during the year | - | - | - | - |
| Number of shares at the end of the year | 29,436,275 | 147,181 | 29,436,275 | 147,181 |

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| Name of Shareholders | As at 31st March 2022 | | As at 31st March 2021 | |
|---------------------------------------|-----------------------|--------------|-----------------------|--------------|
| | No of shares | % of holding | No of shares | % of holding |
| Mr. Nandakishore R. Divate - Promoter | 9,383,995 | 31.88 | 9,383,995 | 31.88 |
| Mr. K.Chandramouli - Promoter | 9,378,056 | 31.86 | 9,378,056 | 31.86 |
| Total | 18,762,051 | 63.74 | 18,762,051 | 63.74 |

Note:

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

Share Holding of Promoters

| Particulars | As at 31st March 2022 | | Changes during the Year No of shares |
|----------------------------|-----------------------|--------------|---|
| | No of shares | % of holding | |
| Mr. Nandakishore R. Divate | 9,383,995 | 31.88 | Nil |
| Mr. K.Chandramouli | 9,378,056 | 31.86 | Nil |
| Total | 18,762,051 | 63.74 | |

Share Holding of Promoters

| Particulars | As at 31st March 2021 | | Changes during the Year No of shares |
|----------------------------|-----------------------|--------------|---|
| | No of shares | % of holding | |
| Mr. Nandakishore R. Divate | 9,383,995 | 31.88 | Nil |
| Mr. K.Chandramouli | 9,378,056 | 31.86 | Nil |
| Total | 18,762,051 | 63.74 | |

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| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|---|--|--|
| 2.08 Other Equity | | |
| Capital Redemption Reserve Account | 16,907 | 16,907 |
| Total (A) | 16,907 | 16,907 |
| <u>Surplus / (Deficit) as per Statement of Profit & Loss:</u> | | |
| Opening Balance | (144,074) | (149,951) |
| Add: Profit for the year | 10,041 | 1,877 |
| | (134,033) | (148,074) |
| Add: Provision for Contingencies Reversed (Refer Note No. 2.19.1) | - | 4,000 |
| Total (B) | (134,033) | (144,074) |
| <u>Other Comprehensive Income</u> | | |
| As per Last Balance Sheet | 159 | (7) |
| Movement in OCI (Net) during the year | 36 | 166 |
| Total (C) | 195 | 159 |
| Total (A) + (B) + (C) | (116,931) | (127,008) |

Nature of Reserves

Retained Earnings

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

2.09 Borrowings

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

2.10 Provisions

Provision for Employee Benefits :

| | | |
|---|---------------|---------------|
| Gratuity | 1,904 | 1,731 |
| Leave Encashment | 6,090 | 5,830 |
| Provision for Contingencies [Refer Note.2.19.1] | 84,535 | 84,535 |
| Total | 92,529 | 92,096 |

2.11 Other Non Current Financial Liabilities

Unsecured

| | | |
|-----------------------|--------------|--------------|
| Rent Deposit Received | 2,038 | 2,038 |
| Total | 2,038 | 2,038 |

| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|---|--|--|
| 2.12 Borrowings | | |
| Loans repayable on demand | | |
| <u>Secured</u> | | |
| From Banks - Overdraft (Secured against Pledge of Fixed Deposits) | - | 41 |
| Total | - | 41 |
| 2.13 Other Current Financial Liabilities | | |
| Related Parties | 4,232 | 5,978 |
| Statutory Dues Payable: | | |
| Tax Deducted at Source | 105 | 85 |
| Profession Tax | 1 | 1 |
| Goods and Service Tax | 296 | - |
| Other Payables: | | |
| Auditor's Remuneration | 54 | 55 |
| Outstanding Expenses Payable | 166 | 963 |
| Others | 67 | 18 |
| Total | 4,921 | 7,100 |

2.14 Provisions

Short Term Provisiosn :

| | | |
|--|------------|------------|
| For Proposed Dividend on Preference Shares | 210 | 210 |
| Total | 210 | 210 |

2.15 Other Income

| Particulars | Year Ended 31st March 2022 Rs. in 000s | Year Ended 31st March 2021 Rs. in 000s |
|--|---|---|
| Interest Income | | |
| Interest on Deposits with Banks | 1,523 | 1,774 |
| Interest on Income Tax Refund | 17 | 45 |
| Dividend Income from Long Term Investments | 601 | 3 |
| Other non-operating income | | |
| Rent Received | 3,228 | 2,628 |
| Credit Balances Written Back | - | 1 |
| Excess Provision Written Back | 495 | 23 |
| Bad Debts Written Off in Earlier Years Recovered | 1,795 | 1,795 |
| Others | 1,696 | 1,262 |
| Total | 9,355 | 7,531 |

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

| Particulars | Year Ended 31st March 2022 Rs. in 000s | Year Ended 31st March 2021 Rs. in 000s | Particulars | Year Ended 31st March 2022 Rs. in 000s | Year Ended 31st March 2021 Rs. in 000s |
|--|---|---|---|---|---|
| 2.16 Employee Benefit Expenses | | | 2.18 Other Expenses | | |
| Salaries & Other Allowances | 4,200 | 2,722 | Advertisement and Business Promotion Expenses | 1,458 | 1,047 |
| Contribution to Superannuation Fund | 989 | 995 | Audit Fees and Other Services | 112 | 99 |
| Gratuity | 173 | 173 | Conveyance Expenses | 18 | 21 |
| Leave Encashment | 260 | 260 | Custodial and Corporate Action Fees | 1,093 | - |
| Reimbursement of Salaries | 566 | 370 | Insurance | - | 8 |
| Total | 6,188 | 4,520 | Listing Fees | 945 | - |
| 2.17 Finance Cost | | | Motor Car Expenses | 245 | 208 |
| Bank Charges and Commission | 22 | 523 | Postage and Courier Expenses | 2 | 27 |
| Interest on Bank Overdraft | 4 | 14 | Printing and Stationery | 32 | 53 |
| Dividend on Redeemable Preference Shares | 210 | 210 | Professional Fees & Service Charges | 523 | 502 |
| Total | 236 | 747 | Rates and Taxes | 11 | 2 |
| | | | Rent and Office Premises Compensation | 144 | 144 |
| | | | Office Maintenance Expenses | 5 | 83 |
| | | | Shared Service Expenses | 85 | 56 |
| | | | Telephone Expenses | 27 | 31 |
| | | | Travelling Expenses | - | 5 |
| | | | Miscellaneous Expenses | 572 | 547 |
| | | | Total | 5,272 | 2,833 |

2.19 NOTES ON FINANCIAL STATEMENTS

1. Contingent Liabilities:

| Sl. No. | Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|---------|---|-----------------------|------------------------|
| 1 | Interest Tax | 21,07,307/- | 21,07,307/- |
| 2 | Labour Court, Civil Court and Consumer Forums | 56,16,678/- | 29,51,064/- |
| 3 | Foreign Exchange Management Act | 5,60,00,000/- | 5,60,00,000/- |
| 4 | Sub-Regional Office, Employees' Provident Fund, Vashi | 21,06,154/- | 21,06,154/- |
| 5 | Listing Fees payable to The Nation Stock Exchange of India Limited (NSE), BSE Limited and Custodial Fees payable to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) all including past dues. | Nil | 23,55,209/- |
| 6 | BSE Limited | 40,00,000/- | 30,00,000/- |
| 7 | Disputed Income Tax Demands | 8,14,51,511/- | 8,14,51,511/- |

The Company has already provided during the earlier year out of abundant caution 50% of the Principal Liability in case of Sl. Nos. 1, 2, & 4, 55% in case of Sl. Nos. 3 & 7 and 100% in case Sl. Nos. 5 and 6 as contingency Provision Presently all the above matters are under litigation with various authorities and hence based on the final outcome or management perception appropriate accounting entries will be passed fastening the liability or its reversal.

2. Impact of Covid 19

With the relaxations in respect of COVID-19 Regulations, the Company has commenced lifting of Work From Home and regular operations have started during the end of financial year. However, the Company continuous to monitor the situation and has continued its vigil on the matter.

3. Payment to Auditors

| | Current Year Rs. in 000s | Previous Year Rs. in 000s |
|---|-----------------------------|------------------------------|
| As Statutory Auditor | 60 | 60 |
| Tax Audit fees | - | - |
| Limited Review and Other Certification work | 51 | 36 |
| Out of Pocket Expenses | 1 | 4 |
| Total | 112 | 99 |

4. During the previous year the Company settled the outstanding unpaid Preference Shares of Rs. 35,90,000/- payable to a Related Party by settlement of Recovery of Bad Debts which were written off in the earlier years.
5. During the year 2004-2005 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs.59,76,429/-. The company is in possession of the property. As the documentation process of the same is completed, the Company has capitalised the same during the year with effect from 1st April 2021.
6. Hon'ble Bombay High Court has sanctioned the Scheme of Compromise under section 391 with many of the Bankers and Trustees for Debenture Holders in the year 2005 and 2010. the Company has completed all the payments as per the Sanctioned Scheme. However the Company is yet to receive the final discharge from the Bankers and Trustees of Debenture Holders for release of assets.
7. The Company has cleared all the outstanding dues claimed by BSE / NSE / NSDL / CDSL under protest as these were creating stumbling block in the matter of trading in the shares of the Company and the minority shareholders.

The Company has filed its application for Revocation of Suspension with BSE and NSE and awaiting final outcome of the same.

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8. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
9. As required by Ind AS - 24 issued by The Institute of Chartered Accountants of India, Related Party Disclosures are as follows:

A. Subsidiary Company

Maximus Securities Limited

B. Associate Companies

Garron Shares and Stock Brokers Private Limited
Garron Trading Company Private Limited
Hybrid Systems Limited
Hybrid Services and Trading Private Limited

C. Key Management Personnel

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

Transactions with Related Parties:

| Particulars | Subsidiary Company | | Associate Companies | | Key Management Personnel | |
|--|--------------------|----------------|---------------------|----------------|--------------------------|----------------|
| | 2021-22 Rs. | 2020-21 Rs. | 2021-22 Rs. | 2020-21 Rs. | 2021-22 Rs. | 2020-21 Rs. |
| (a) Outstanding Receivables | 45,62,160 | 4,52,094 | 400 | - | - | - |
| (b) Provision made as on date for doubtful debts | Nil | Nil | - | - | - | - |
| (c) Rent Deposit taken | 20,00,000 | 20,00,000 | - | - | - | - |
| (d) Outstanding Payable | - | - | 42,32,547 | 59,78,433 | - | - |
| (e) Investment in Subsidiary | 10,00,00,000 | 10,00,00,000 | - | - | - | - |
| (f) Rental Income | 30,00,000 | 24,00,000 | - | - | - | - |
| (g) Dividend Received | 6,00,000 | Nil | - | - | - | - |
| (h) Rent Paid | - | - | 1,44,000 | 1,44,000 | - | - |
| (i) Service Charges charged to them | 1,24,00,000 | 84,00,000 | - | - | - | - |
| (j) Service Charges charged by them | Nil | Nil | 6,50,146 | 4,25,822 | - | - |
| (k) Other Expenses Charged to them | 16,96,119 | 12,61,099 | Nil | Nil | - | - |
| (l) Other Expenses Charged by them | 1,200 | 1,416 | Nil | Nil | - | - |
| (m) Managerial Remuneration | - | - | - | - | 54,47,406 | 39,42,352 |

10. The Company has complied with Ind AS 12 "Income Tax" issued by the Institute of Chartered Accountants of India for Deferred tax and Current Tax. The Company has unabsorbed Depreciation and Carry Forward Losses under the Income Tax Act, 1961. In the absence of clear visibility of future earnings, the Company has not recognised Deferred Tax.
11. The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs. 1,44,000/- (Previous Year Rs. 1,44,000/-) was paid during the year has been debited to Statement of Profit and Loss. The future minimum lease payment is as under:

| | 2021-2022 Rs. | 2020-2021 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 |

12. Earning Per Share:

| | Current Year (Rs. in 000s) | Previous Year (Rs. in 000s) |
|--|-------------------------------|--------------------------------|
| I) Basic Earning Per Share | | |
| Profit for the year as per Statement of Profit & Loss (Excluding OCI) | 102,41 | 18,77 |
| Weighted average number of Equity Shares of Rs.5 each outstanding during the year. | 2,94,36,275 | 2,94,36,275 |
| Basic Earning Per Share (Rupees) | 0.34 | 0.06 |
| II) Diluted Earning Per Share | | |
| Profit for the year as per Statement of Profit & Loss (Excluding OCI) | 102,41 | 18,77 |
| Add: Interest forgone on account of Potential Equity shares | - | - |
| Weighted average number of Equity Shares of Rs.5 each outstanding during the year. | 2,94,36,275 | 2,94,36,275 |
| Add: Shares issuable under Loan Contract upon default of payment of principal and interest | - | - |
| Total Weighted average number of Equity Shares. | 2,94,36,275 | 2,94,36,275 |
| Diluted Earning Per Share | 0.34 | 0.06 |
| Nominal Value of Shares (Rupees) | 5.00 | 5.00 |

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

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Factors

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

Market Risk

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

Interest Rate Risk

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

Foreign Exchange Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the company does not deal in forex transaction, there is no foreign exchange risk.

Credit Risk

Credit Risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company's main credit risk concentration as on 31st March 2022 is negligible.

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

Liquidity Risk

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

Rs in 000s

| | On Demand | Less than 1 Year | 1 to 5 Years | Total |
|------------------------------|-----------|------------------|--------------|-------|
| As at 31st March 2022 | | | | |
| Borrowings | - | - | 21000 | 21000 |
| Other Payables | - | 4921 | - | 4921 |
| As at 31st March 2021 | | | | |
| Borrowings | - | 41 | 21000 | 21041 |
| Other Payables | - | 7100 | - | 7100 |

16. Additional Regulatory Information:

Ratios:

| Sr No | Ratio Analysis | Numerator | Denominator | 31-Mar-22 Ratio | 31-Mar-21 Ratio | % Change |
|-------|----------------------------------|-------------------------|-----------------------------|-----------------|-----------------|----------------------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 9 | 5 | 75.74% (See Note No.1) |
| 2 | Debt Equity Ratio | Total Debts | Shareholder's Equity | Nil | Nil | - |
| 3 | Debt Service Coverage Ratio | Net Operating Income | Debt Service | Nil | Nil | - |
| 4 | Return on Equity Ratio | Profit for the period | Average Shareholders Equity | 0.39 | 0.10 | 301.20% (See Note No.2) |
| 5 | Inventory Turnover Ratio | Cost of Goods sold | Average Inventory | Not Applicable | Not Applicable | - |
| 6 | Trade Receivables Turnover Ratio | Revenue From Operations | Average Trade Receivables | Not Applicable | Not Applicable | - |
| 7 | Trade Payables Turnover Ratio | Total Purchases | Average Trade Payables | Not Applicable | Not Applicable | - |
| 8 | Net Capital Turnover Ratio | Revenue From Operations | Average Working Capital | 0.33 | 0.31 | 7.65% |
| 9 | Net Profit Ratio | Net Profit | Revenue From Operations | 0.80 | 0.22 | 266.17% (See Note No.2) |
| 10 | Return on Capital employed | EBIT | Capital Employed | 0.34 | 0.13 | 163% (See Note No.2) |
| 11 | Return on Investment | Return/Profit/Earnings | Investment | 0.01 | 0.00 | - |

Note No 1: Variation due to Increase in Provisions

Note No 2: Variation due to increase in Revenue from Operations

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

Signatures to Notes 1 and 2

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

VISHAL KELKAR
Partner
M.No. 154128

For and on behalf of the Board

N. R. DIVATE
Whole Time Director
DIN - 00304616

MAHESH S. MAKHIJANI
Director
DIN - 00322226

VINAY KULKARNI
Chief Financial Officer

SAMEER S. PIMPALE
Chairman
DIN - 08813127

MEGHA J.VAZKAR
Director
DIN - 00179162

Mumbai, Dated: 30th May 2022

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

NILAY SHARMA
Director
DIN - 00231299

Mumbai, Dated: 30th May 2022

INDEPENDENT AUDITORS' REPORT

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

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **HYBRID FINANCIAL SERVICES LTD (formerly known as MAFATLAL FINANCE COMPANY LIMITED)** ("The Company"), which comprise the Balance Sheet as at 31st March 2022, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated financial statements").

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 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, and profit including comprehensive income, the statement of changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to;

- Note 2.22 (15) of the Consolidated Financial Statements, which states that the Company has made provision towards gratuity on the basis of Gratuity Act instead of Ind AS 19 as prescribed by ICAI. "Employee Benefit.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

| Sr No | Key Audit Matters | Auditor's Response |
|-------|---|--|
| 1 | <p>Disputed Tax and other liabilities.</p> <p>The company has received demand from income tax department. The Company has material uncertain tax positions including matters under dispute, demand from FEMA and other different regulators like civil court, labour court, consumer forums etc. which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Notes 2.20 (1) to the Consolidated Financial Statements</p> | <p>Principal Audit Procedures</p> <p>We have Obtained details of completed tax assessments and correspondences from different regulators made by the company during the year. We involved our internal experts to challenge the management's underlying assumptions in estimating the tax provision and other demand from various regulators and the possible outcome of those disputes.</p> <p>Our internal experts and company's legal consultant also considered legal precedence and other rulings in evaluating management's position on these uncertain liabilities. Additionally, we considered the effect of new information in respect of uncertain tax positions and other matters to evaluate whether any change was required to management's position on these uncertainties.</p> |

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

The Company's Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

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

Management's and Board of Directors Responsibility for the Consolidated Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

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

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

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

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by the Management and Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Management's and Board of Directors' use of the going concern basis of accounting in preparation of financial statement and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements. We remain solely responsible for our audit opinion.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the consolidated financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2022 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".
- (B) 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:
 - a) The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements Refer Note 2.22 (1) to the Consolidated Financial Statements
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
 - d)
 - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material mis-statement.
 - e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

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(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any Director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

VISHAL KELKAR
Partner
Membership No. 154128
UDIN: 22154128AJVWOX9385

Mumbai, Dated 30th May 2022

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

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

Opinion

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 2022 in conjunction with our audit of Ind AS Financial Statements of the Company for the year ended on that date.

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 2022, 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 Consolidated Financial Reporting issued by the Institute of Chartered Accountants of India. (the "Guidance Note").

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.

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

VISHAL KELKAR
Partner
Membership No. 154128
UDIN: 22154128AJVWOX9385

Mumbai, Dated 30th May 2022

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

Consolidated Balance Sheet as at 31st March 2022

| Particulars | Note | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|--|------|---|---|
| A ASSETS | | | |
| 1 Non- Current Assets | | | |
| (a). Property Plant and Equipment and Intangible Assets: | | | |
| (i). Property Plant and Equipment | 2.01 | 19,225 | 10,106 |
| (ii) Intangible Assets | 2.01 | 33 | 52 |
| (b) Financial Assets | | | |
| (i) Non Current Investments | 2.02 | 193,008 | 205,450 |
| (c) Other Non Current Assets | 2.03 | 22,579 | 28,342 |
| Total Non Current Assets | | 234,845 | 243,950 |
| 2 Current assets | | | |
| (a) Finanacial Assets | | | |
| (i) Trade Receivables | 2.05 | 1,420 | 1,450 |
| (ii) Cash and Bank Balances | 2.06 | 154,792 | 147,124 |
| (iii) Other Current Financial Assets | 2.07 | 3,612 | 6,529 |
| (b) Other Current Assets | 2.08 | 1,435 | 1,657 |
| Total Current Assets | | 161,259 | 156,760 |
| TOTAL ASSETS | | 396,104 | 400,710 |
| B EQUITY AND LIABILITIES | | | |
| 1 Equity | | | |
| (a) Share capital | 2.09 | 147,181 | 147,181 |
| (b) Other Equity | 2.10 | 94,928 | 95,089 |
| Total Equity | | 242,109 | 242,270 |
| 2 Liabilities | | | |
| Non Current Liabilities | | | |
| (a) Borrowings | 2.11 | 21,000 | 21,000 |
| (b) Provisions | 2.12 | 113,033 | 113,155 |
| (c) Defferred Tax Liability (net) | 2.04 | 1,175 | 1,058 |
| (d) Other Non Current Financial Liabilities | 2.13 | 3,433 | 3,248 |
| Total Non Current Liabilities | | 138,641 | 138,461 |
| 3 Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 2.14 | - | 41 |
| (ii) Trade Payables | 2.15 | 4,723 | 7,839 |
| (iii) Other Current Financial Liabilities | 2.16 | 10,421 | 11,889 |
| (b) Provisions | 2.17 | 210 | 210 |
| Total Current Liabilities | | 15,354 | 19,979 |
| TOTAL EQUITY AND LIABILITIES | | 396,104 | 400,710 |

Significant Accounting Policies
Notes forming part of the financial statements

1
2

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

For and on behalf of the Board

N. R. DIVATE
Whole Time Director
DIN - 00304616

SAMEER S. PIMPALE
Chairman
DIN - 08813127

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

VISHAL KELKAR
Partner
M.No. 154128

MAHESH S. MAKHIJANI
Director
DIN - 00322226

MEGHA J.VAZKAR
Director
DIN - 00179162

NILAY SHARMA
Director
DIN - 00231299

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated: 30th May 2022

Mumbai, Dated: 30th May 2022

35TH ANNUAL REPORT 2021-2022

Consolidated Statement of Profit and Loss for the Year Ended 31st March 2022

| Particulars | Note | Year Ended 31st March 2022 Rs. in 000s | Year Ended 31st March 2021 Rs. in 000s |
|--|------|--|--|
| INCOME | | | |
| (a) Revenue from operations | | | |
| Service Charges | | 85 | 146 |
| Brokerage Income | | 32,067 | 21,926 |
| Income from Depository Services | | 1,645 | 1,223 |
| Financial Products Marketing Fees | | 345 | 277 |
| | | <u>34,142</u> | <u>23,572</u> |
| (b) Other income | 2.18 | 12,756 | 12,608 |
| 1 Total Income | | <u><u>46,898</u></u> | <u><u>36,180</u></u> |
| EXPENSES: | | | |
| (a) Employee Benefit Expenses | 2.19 | 14,074 | 10,357 |
| (b) Depreciation and Amortisation Expenses | 2.01 | 1,265 | 935 |
| (c) Finance Cost | 2.20 | 501 | 822 |
| (d) Other Expenses | 2.21 | 12,668 | 13,084 |
| 2 Total Expenses | | <u>28,508</u> | <u>25,198</u> |
| 3 Profit before Exceptional Items and Tax | | <u>18,390</u> | <u>10,982</u> |
| 4 Exceptional items | | - | 6,092 |
| 5 Profit before Tax from Continuing Operations | | <u>18,390</u> | <u>4,890</u> |
| 6 Income Tax Expense: | | | |
| (a) Current Tax | | 1,880 | 1,592 |
| (b) MAT Credit Entitlement (Net) | | - | (691) |
| (c) Short Provision of Tax for Earlier Years | | 61 | - |
| (d) Deferred Tax | | 116 | 20 |
| | | <u>2,057</u> | <u>921</u> |
| 7 Profit for the year | | <u>16,333</u> | <u>3,969</u> |
| 8 Other Comprehensive Income (OCI) | | | |
| - Remeasurement of (Losses) / Gains on Non Current Investments | | (17,741) | 62,732 |
| 9 Total Comprehensive Income for the year | | <u>(1,408)</u> | <u>66,701</u> |
| 10 Earning Per Share (Equity Share of Rs. 5/- Each) | | | |
| Basic and Diluted (without considering OCI) | | 0.55 | 0.13 |

Significant Accounting Policies

1

Notes forming part of the financial statements

2

As per our report of even date

For and on behalf of the Board

For BDMV & Co

Chartered Accountants

Firm Registration No.: 101256W

N. R. DIVATE
Whole Time Director
DIN - 00304616

SAMEER S. PIMPALE
Chairman
DIN - 08813127

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

VISHAL KELKAR

Partner

M.No. 154128

MAHESH S. MAKHIJANI
Director
DIN - 00322226

MEGHA J.VAZKAR
Director
DIN - 00179162

NILAY SHARMA
Director
DIN - 00231299

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated: 30th May 2022

Mumbai, Dated: 30th May 2022

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

| | 2021-2022 Rs. in 000s | 2020-2021 Rs. in 000s |
|---|--------------------------|--------------------------|
| A. Cash Flow from Operating Activities | | |
| Net Profit before Tax | 18,390 | 4,890 |
| Adjustment for : | | |
| Excess Provision / Credit Balances Written Back | (533) | (74) |
| Depreciation | 1,265 | 935 |
| Loss / (Profit) on Sale of Investments | 108 | 3,465 |
| (Profit) / Loss on Sale of Assets | (653) | - |
| Interest / Dividend on Investments | (8,421) | (9,427) |
| Provision for Gratuity | 210 | 216 |
| Provisions for Leave Encashment | 290 | 311 |
| Financial Cost | 501 | 822 |
| | (7,233) | (3,752) |
| Operating Profit before Working Capital Changes | 11,157 | 1,138 |
| Changes in Working Capital | | |
| Adjustments for (Increase) / Decrease in operating assets | | |
| Trade Receivables | 30 | 1,192 |
| Other Non Current Assets | 105 | (2,945) |
| Other Current Assets | 222 | 109 |
| Adjustments for Increase / (Decrease) in operating liabilities | | |
| Trade Payables | (3,115) | 1,144 |
| Other Non Current Financial Liabilities | 185 | (296) |
| Other Current Financial Liabilities | (953) | (213) |
| Long Term Provisiosn | (157) | (4) |
| | (3,683) | (1,013) |
| Cash Used In Operations | (1,461) | (167) |
| Direct Taxes Paid (Net) | | |
| Net Cash Generated From / (Used In) Operating Activities (A) | 6,013 | (42) |
| B. Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (5,169) | (128) |
| Purchase of Investments | (7,006) | (3,447) |
| Sale of Assets | 1,434 | - |
| Sale of Investments | 1,600 | 3,577 |
| Interest/Dividend Received | 11,338 | 7,791 |
| | 2,197 | 7,793 |
| Net Cash From Investing Activities (B) | 2,197 | 7,793 |
| C. Cash Flow from Financing Activities | | |
| Short Term Borrowings | (41) | (1,679) |
| Financial Costs | (291) | (612) |
| Redemption of Preference Shares | - | (3,590) |
| Dividend Paid on Preference Shares | (210) | (210) |
| | (542) | (6,091) |
| Net Cash Used In Financing Activities (C) | (542) | (6,091) |
| Net Increase in Cash and Cash Equivalents (A+B+C) | 7,668 | 1,660 |
| Cash and Cash Equivalents as at the commencement of the year | 147,124 | 145,464 |
| Cash and Cash Equivalents as at the end of the year | 154,792 | 147,124 |
| Net Increase as disclosed above | 7,668 | 1,660 |

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

| | As at 31.03.2022 Rs. in 000s | As at 31.03.2021 Rs. in 000s |
|--|------------------------------------|------------------------------------|
| 1 Cash and cash equivalents include : | | |
| Cash on hand | 8 | 27 |
| Bank Balances | 154,784 | 147,097 |
| Total | 154,792 | 147,124 |
| 2 Bank Balances include Fixed Deposit Pledged with Banks and Exchanges of Subsidiary Company amounting to Rs. 69,567 ('000) [Previous Year Rs. 69,303 ('000)] | | |
| 3 All figures in brackets are outflows. | | |
| 4 Previous years figures have been regrouped wherever necessary to confirm to this year's classification. | | |

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

For and on behalf of the Board

VISHAL KELKAR
Partner
M.No. 154128

N. R. DIVATE
Whole Time Director
DIN - 00304616

SAMEER S. PIMPALE
Chairman
DIN - 08813127

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

MAHESH S. MAKHIJANI
Director
DIN - 00322226

MEGHA J.VAZKAR
Director
DIN - 00179162

NILAY SHARMA
Director
DIN - 00231299

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated: 30th May 2022

Mumbai, Dated: 30th May 2022

Consolidated Statement of Changes in Equity for the year ended 31.03.2022

a Equity Share Capital

| Particulars | No. of Shares | Rs. in 000s |
|------------------------------------|---------------|-------------|
| Balance as at 01.04.2020 | 29,436,275 | 147,181 |
| Add: Shares issued during the year | - | - |
| Balance as at 31.03.2021 | 29,436,275 | 147,181 |
| Add: Shares issued during the year | - | - |
| Balance as at 31.03.2022 | 29,436,275 | 147,181 |

b Other Equity

Rs.in 000s

| Particulars | Other Equity | | | Total |
|---|-------------------|------------------------------------|----------------------------|----------|
| | Retained Earnings | Capital Redemption Reserve Account | Other Comprehensive Income | |
| Balance as at 1st April 2020 | (62,375) | 16,907 | 75,753 | 30,285 |
| Addition During the year: | | | | |
| Transfer to retained earnings | 3,969 | - | - | 3,969 |
| Provision for Contingencies Reversed | 4,000 | - | - | 4,000 |
| Provision for Market Fluctuations in Investments | - | - | (5,897) | (5,897) |
| Equity instruments through other comprehensive income | - | - | 62,732 | 62,732 |
| Balance as at 31 March 2021 | (54,406) | 16,907 | 132,588 | 95,089 |
| Addition During the year: | | | | |
| Transfer to retained earnings | 16,333 | - | - | 16,333 |
| Provision for Market Fluctuations in Investments Reversed | - | - | 1,247 | 1,247 |
| Equity instruments through other comprehensive income | - | - | (17,741) | (17,741) |
| Balance as at 31st March 2022 | (38,073) | 16,907 | 116,094 | 94,928 |

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

VISHAL KELKAR
Partner
M.No. 154128

Mumbai, 30th May 2022

For and on behalf of the Board

N. R. DIVATE
Whole Time Director
DIN - 00304616

MAHESH S. MAKHIJANI
Director
DIN - 00322226

VINAY KULKARNI
Chief Financial Officer

Mumbai, 30th May 2022

SAMEER S. PIMPALE
Chairman
DIN - 08813127

MEGHA J. VAZKAR
Director
DIN - 00179162

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

NILAY SHARMA
Director
DIN - 00231299

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

Note No. 1

SIGNIFICANT ACCOUNTING POLICIES

1. CORPORATE INFORMATION

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

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

II) SIGNIFICANT ACCOUNTING POLICIES:

a. BASIS OF PREPARATION:

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

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

b. USE OF ESTIMATES

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

c. PRINCIPLES OF CONSOLIDATION:

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

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

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

d. OPERATING CYCLE FOR CURRENT AND NON-CURRENT CLASSIFICATION

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

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

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

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

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

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

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

f. DEPRECIATION/AMORTISATION ON FIXED ASSETS

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

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

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

AMORTISATION

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

ASSETS ACQUIRED IN SATISFACTION OF CLAIMS

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

g. IMPAIRMENT OF NON FINANCIAL ASSETS

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

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

h. STOCK IN TRADE / SECURITIES FOR SALE

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

i. CASH AND CASH EQUIVALENTS

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

j. REVENUE RECOGNITION

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

(i) Income from Operations

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

(ii) Profits on Sale of Investments

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

(iii) Other Income

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

k. BORROWING COST

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

l. RETIREMENT BENEFITS

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

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

m. LEAVE ENCASHMENT

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

n. TAXES ON INCOME

Current Tax is determined as per Law.

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

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

o. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

p. LEASED ASSETS

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

q. Financial Instruments

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

Financial Assets

Initial Measurement:

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

Subsequent Measurement:

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

Financial Assets carried at amortised cost

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

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

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

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

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

Equity Investment

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

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

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

De-recognition of Financial Assets

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

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

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

Financial Liabilities

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

*** Borrowings**

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

*** Financial Guarantee Contracts**

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

*** De-recognition of Financial Liabilities**

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

*** Offsetting Financial Instruments**

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

r. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2.01 Property, Plant and Equipment and Intangible Assets

Rs. in 000s

| Particulars | Property, Plant and Equipment | | | | | Total | Intangible Assets |
|--------------------------------------|-------------------------------|----------|-----------------------|---------------------|-------------------|--------|-------------------|
| | Building | Vehicles | Furnitures & Fixtures | Computer Equipments | Office Equipments | | Computer Software |
| Gross Carrying as at 1st April, 2020 | 10,292 | 4,620 | 843 | 1,930 | 488 | 18,173 | 2,621 |
| Additions during the year | - | - | - | 98 | 11 | 109 | 19 |
| Disposals during the year | - | - | - | - | - | - | - |
| As at 31st March 2021 | 10,292 | 4,620 | 843 | 2,028 | 499 | 18,282 | 2,640 |
| Additions during the year | 5,977 | 4,776 | - | 203 | 149 | 11,105 | 41 |
| Disposals during the year | - | 4,133 | - | 223 | 52 | 4,408 | 206 |
| As at 31st March 2022 | 16,269 | 5,263 | 843 | 2,008 | 596 | 24,979 | 2,475 |
| Depreciation and impairment | | | | | | | |
| As at 1st April 2020 | 1,610 | 3,011 | 802 | 1,498 | 405 | 7,326 | 2,503 |
| Depreciation charge for the year | 162 | 491 | - | 167 | 30 | 850 | 85 |
| Deletions during the year | - | - | - | - | - | - | - |
| As at 31st March 2021 | 1,772 | 3,502 | 802 | 1,665 | 435 | 8,176 | 2,588 |
| Depreciation charge for the year | 257 | 644 | - | 200 | 104 | 1,205 | 60 |
| Deletions during the year | - | 3,352 | - | 223 | 52 | 3,627 | 206 |
| As at 31st March 2022 | 2,029 | 794 | 802 | 1,642 | 487 | 5,754 | 2,442 |
| Net book value | | | | | | | |
| As at 31st March 2022 | 14,240 | 4,469 | 41 | 366 | 109 | 19,225 | 33 |
| As at 31st March 2021 | 8,520 | 1,118 | 41 | 363 | 64 | 10,106 | 52 |

2.02 Non Current Investments

| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|---|---|---|
| IN FULLY PAID EQUITY SHARES - QUOTED | | |
| 2500 (Previous Year Nil) Shares of Rs.1 each in Adani Wilmar Limited | 1,294 | - |
| 10 Shares of Rs.1 each in Asian Paints Limited | 31 | 25 |
| 9666 Shares of Rs. 1 each in Astral Limited | 19,556 | 15,627 |
| 15000 Shares of Rs.1 each In Ashok Leyland Limited | 1,759 | 1,702 |
| 13548 (Previous Year 4516) Shares of Rs. 2 each in BSE Limited (Including Bonus of 9032 Shares received during the year) | 12,789 | 2,579 |
| 500 Shares of Rs.5 each In CERA Sanitaryware Limited | 2,487 | 1,952 |
| 18000 Shares of Rs.2 each In Cholamandalam Investment Finance Company Limited | 12,929 | 10,058 |
| 2000 Shares of Rs. 1.each in Elgi Equipments Limited | 559 | 380 |
| 100 Shares of Rs.1 each in Exide Industries Limited | 15 | 18 |
| 1250 Shares of Rs.2 each In GE T&D India Limited | 114 | 146 |
| 2000 Shares of Rs.2 each In Graphite India Limited | 1,006 | 1,024 |
| 1121 (Previous year 621) Shares of Rs. 2 each in GMM Pfaudler Limited | 5,116 | 2,674 |
| 100 Shares of Rs. 2 each in HCL Technologies Limited | 116 | 98 |
| 800 Shares of Rs.1 each In HDFC Bank Limited | 1,176 | 1,195 |
| 500 Shares of Rs.5 each In Heritage Foods Limited | 160 | 147 |
| 2 Shares of Rs. 10 each in Honeywel Automation India Limited | 79 | 95 |
| 1000 Shares of Rs.5 each in Indostar Capital Finance Limited | 211 | 312 |
| 100 (Previous Year Nil) Shares of Rs. 5 each in Infosys Limited | 191 | - |
| 800 Shares of Rs.10 each In IFB Industries Limited | 833 | 886 |
| 400 Shares of Rs.10 each in Kaira Can Company Limited | 815 | 420 |
| 100 Shares of Rs.5 each in Kotak Mahindra Bank Limited | 175 | 175 |
| 5962 Shares of Rs.2 each in Larsen & Toubro Limited | 10,538 | 8,456 |
| 200 (Previous Year Nil) Shares of Rs. 2 each in Lux Industries Limited | 439 | - |
| 30 Shares of Rs.10 each in Page Industries Limited | 1,296 | 910 |
| 1000 Shares of Rs.2 each in Punjab National Bank | 35 | 37 |
| 100 (Previous Year Nil) Shares of Rs.10 each in Reliance Industries Limited | 263 | - |
| 3500 Shares of Rs.10 each in Sanathnagar Enterprises Limited | 50 | 37 |
| 5000 Shares of Rs.10 each in Sastasundar Ventures Limited | 1,782 | 583 |
| 1000 Shares of Rs.1 each in State Bank of India | 493 | 364 |
| 1000 Shares of Rs.1 each in Sterling Biotech Limited | 1 | 1 |
| 500 Shares of Rs.1 each in Sundaram Fastners Limited | 449 | 401 |
| 15000 Shares of Rs.10 each in Supreme Infrastructure India Limited | 193 | 210 |
| 50 (Previous Year Nil) Shares of Rs. 11 each in Tata Consultancy Services Limited | 187 | - |
| 720 (Previous Year 585) Shares of Rs.1 each In Tasty Bite Eatables Limited | 7,823 | 8,419 |
| 1000 Shares of Rs.1 each In Titan Company Limited | 2,536 | 1,557 |
| 1000 Shares of Rs.1 each In TVS Motor Limited | 626 | 585 |
| 48 Shares of Rs.10 each in Ultratech Cement Limited | 317 | 323 |
| 15000 Shares of Rs.10 each in Viceroy Hotels Limited | 48 | 32 |
| 3800 Shares of Rs.1 each in Voltas Limited | 4,729 | 3,807 |
| 58800 Shares of Rs.10 each in Whirlpool of India Limited | 92,466 | 131,115 |
| SUB TOTAL (A) | 185,682 | 196,350 |

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| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|---|---|---|
| IN FULLY PAID EQUITY SHARES - UNQUOTED | | |
| WITH ASSOCIATE COMPANIES | | |
| 24500 shares of Rs.10 each in Hybrid Systems Limited | 245 | 245 |
| Less: Provision for Diminution in Value | 245 | 245 |
| SUB TOTAL (B) | - | - |
| WITH OTHERS | | |
| 16000 shares of Rs.10 each in AB Corp Limited | 1,280 | 1,280 |
| 300000 shares of Rs.10 each in Leisure Hotel Limited | 3,000 | 3,000 |
| 308167 shares of Rs. 10 each in Phthalo Colours & Chemicals (India) Limited | 4,630 | 4,630 |
| Less: Provision for Diminution in Value | 8,910 | 8,910 |
| | 4,280 | 4,280 |
| SUB TOTAL (C) | 4,630 | 4,630 |
| 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 |
| SUB TOTAL (D) | - | - |
| IN FULLY PAID UP GOVERNMENT BONDS (QUOTED) | | |
| 8.10 % 300 Bonds in Indian Railway Finance Corporation Limited | 359 | 367 |
| Nil (Previous Year 400) 8.20% Bonds in National Highways Authority of India | - | 429 |
| Nil (Previous Year 500) 8.20% Bonds in Power Finance Corporation Limited | - | 535 |
| 8.30% 600 Bonds in National Highways Authority of India | 728 | 738 |
| 8.76% 800 Bonds in Housing and Urban Development Corporation Limited | 1,001 | 1,034 |
| 8.20% to 8.35% 500 Bonds in Housing and Urban Development Corporation Limited | 588 | 600 |
| Nil (Previous Year 700) 8.00% to 8.15 % Bonds in Indian Railway Finance Corporation Limited | - | 747 |
| SUB TOTAL (E) | 2,676 | 4,450 |
| OTHERS | | |
| 333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Limited | 10 | 10 |
| 1000 shares of Rs.10 each in Saraswat Co-operative Bank Limited | 10 | 10 |
| SUB TOTAL (F) | 20 | 20 |
| TOTAL [A + B + C + D + E + F] | 193,008 | 205,450 |

Previous Year figures in terms of quantity indicated within brackets represents the stock position as on 31st March 2021

| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|---|--|--|
| 2.03 Other Non current Assets | | |
| Advance payment of Income Tax and Tax Deducted at Source | 4,748 | 4,429 |
| Sub Total (A) | 4,748 | 4,429 |
| Deposit with others | | |
| (i) Considered Good | 17,831 | 17,936 |
| (ii) Considered Doubtful | 8,000 | 8,000 |
| | 25,831 | 25,936 |
| Less : Provision for Doubtful Deposit | 8,000 | 8,000 |
| Sub Total (B) | 17,831 | 17,936 |
| Assets acquired in satisfaction of claims [Refer Note No. 2.22.6] | - | 5,977 |
| Sub Total (C) | - | 5,977 |
| Total (A) + (B) + (C) | 22,579 | 28,342 |

| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|---|--|--|
| 2.04 Deferred Tax Liabilities (Net) | | |
| Deferred Tax Liabilities | | |
| Timing Difference on account of Provision for Gratuity, Leave Encashment and Doubtful Debts | 81 | 52 |
| Timing Difference on account of Accumulated Depreciation of Property, Plant and Equipment and Intangible Assets | 1,094 | 1,006 |
| Total | 1,175 | 1,058 |
| 2.05 Trade Receivables | | |
| Unsecured, Considered Good : | | |
| Trade Receivables | 1,420 | 1,450 |
| Total | 1,420 | 1,450 |

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Ageing of Trade Receivable as at 31st March 2022 and 31st March 2021 is given below.

Trade Receivables ageing schedule as at 31st March,2022

(Rs. in 000s)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - Considered Good | 297 | 66 | 69 | 51 | 937 | 1,420 |
| (i) Undisputed Trade Receivables - Considered Doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - Considered Good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - Considered Doubtful | - | - | - | - | - | - |

Trade Receivables ageing schedule as at 31st March,2021

(Rs. in 000s)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|--|--|-------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables - Considered Good | 253 | 96 | 92 | 60 | 949 | 1,450 |
| (i) Undisputed Trade Receivables - Considered Doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables - Considered Good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables - Considered Doubtful | - | - | - | - | - | - |

| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|-------------|--------------------------------------|--------------------------------------|
|-------------|--------------------------------------|--------------------------------------|

2.06 Cash and bank balances

Cash and Cash Equivalent

| | | |
|--|---------------|---------------|
| Bank Balances - Current Account | 11,170 | 16,001 |
| Bank Deposits maturing within three months | 9,616 | 14,932 |
| Cash Balance | 8 | 27 |
| Sub Total (A) | 20,794 | 30,960 |

Balances With Banks

| | | |
|---|----------------|----------------|
| Bank Deposits with more than 12 months Maturity [Refer Note No.2.22.10] | 11,000 | 9,000 |
| Fixed Deposits Others | 122,998 | 107,164 |
| Sub Total (B) | 133,998 | 116,164 |
| Total (A) + (B) | 154,792 | 147,124 |

2.07 Other Current Financial Assets

| | | |
|-----------------------------------|--------------|--------------|
| Interest Accrued on Bank Deposits | 3,612 | 6,529 |
| Sub Total (A) | 3,612 | 6,529 |

Inventories - Stock in Trade:

IN FULLY PAID UP EQUITY SHARES (QUOTED)

(At Cost or Net Realisable Value whichever is lower)

| | | |
|--|--------------|--------------|
| 10 Shares of Rs.10 each in NEPC Agro Foods Limited | 1 | 1 |
| 200 Shares of Rs.10 each in Roofit Industries Limited | 33 | 33 |
| 15 Shares of Rs. 10 each in S & S Power Switchgear Limited | 1 | 1 |
| | 35 | 35 |
| Less: Fall in Market Value | 35 | 35 |
| Sub Total (B) | - | - |
| Total (A) + (B) | 3,612 | 6,529 |

| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|-------------|--------------------------------------|--------------------------------------|
|-------------|--------------------------------------|--------------------------------------|

2.08 Other Current Assets

Loans to Related Parties - Unsecured

| | | |
|---|--------------|--------------|
| (i) Considered Good | 1 | - |
| (ii) Considered Doubtful | - | - |
| | 1 | - |
| Less : Provision for Doubtful Advances | - | - |
| | 1 | - |
| Prepaid Expenses (Unsecured, Considered Good) | 801 | 964 |
| Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good | 633 | 693 |
| Total | 1,435 | 1,657 |

2.09 Equity Share Capital

AUTHORISED CAPITAL

| | | |
|--|----------------|----------------|
| 7,00,00,000 Equity shares of Rs.5/- each | 350,000 | 350,000 |
| | 350,000 | 350,000 |

ISSUED , SUBSCRIBED & PAID UP CAPITAL

| | | |
|---|----------------|----------------|
| 2,94,36,275 Equity Shares of Rs.5/- each fully paid | 147,181 | 147,181 |
| Total | 147,181 | 147,181 |

Movements in Share Capital

Equity shares

| Particulars | As at 31st March 2022 | | As at 31st March 2021 | |
|--|-----------------------|----------------|-----------------------|----------------|
| | Number | Rs. in 000s | Number | Rs. in 000s |
| Number of shares at the beginning of the year | 29,436,275 | 147,181 | 29,436,275 | 147,181 |
| Add: Shares issued during the year | - | - | - | - |
| Number of shares at the end of the year | 29,436,275 | 147,181 | 29,436,275 | 147,181 |

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Terms / Rights attached to Equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| Name of Shareholders | As at 31st March 2022 | | As at 31st March 2021 | |
|---------------------------------------|-----------------------|--------------|-----------------------|--------------|
| | No of shares | % of holding | No of shares | % of holding |
| Mr. Nandakishore R. Divate - Promoter | 9,383,995 | 31.88 | 9,383,995 | 31.88 |
| Mr. K.Chandramouli - Promoter | 9,378,056 | 31.86 | 9,378,056 | 31.86 |
| Total | 18,762,051 | 63.74 | 18,762,051 | 63.74 |

Note:

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

Share Holding of Promoters

| Particulars | As at 31st March 2022 | | Changes during the Year |
|----------------------------|-----------------------|--------------|-------------------------|
| | No of shares | % of holding | No of shares |
| Mr. Nandakishore R. Divate | 9,383,995 | 31.88 | Nil |
| Mr. K.Chandramouli | 9,378,056 | 31.86 | Nil |
| Total | 18,762,051 | 63.74 | |

Share Holding of Promoters

| Particulars | As at 31st March 2021 | | Changes during the Year |
|----------------------------|-----------------------|--------------|-------------------------|
| | No of shares | % of holding | No of shares |
| Mr. Nandakishore R. Divate | 9,383,995 | 31.88 | Nil |
| Mr. K.Chandramouli | 9,378,056 | 31.86 | Nil |
| Total | 18,762,051 | 63.74 | |

| Particulars | As at | As at |
|-------------|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Rs. in 000s | Rs. in 000s |

2.10 Other Equity

| | | |
|------------------------------------|---------------|---------------|
| Capital Redemption Reserve Account | 16,907 | 16,907 |
| Total (A) | 16,907 | 16,907 |

Surplus / (Deficit) as per Statement of Profit & Loss:

| | | |
|---|-----------------|-----------------|
| Opening Balance | (54,406) | (62,375) |
| Add: Profit for the year | 16,333 | 3,969 |
| | (38,073) | (58,406) |
| Add: Provision for Contingencies Reversed (Refer Note No. 2.22.1) | - | 4,000 |
| Total (B) | (38,073) | (54,406) |

| Particulars | As at | As at |
|-------------|-----------------|-----------------|
| | 31st March 2022 | 31st March 2021 |
| | Rs. in 000s | Rs. in 000s |

2.10 Other Equity (Contd.)

| | | |
|--|----------------|----------------|
| <u>Other Comprehensive Income</u> | | |
| As per Last Balance Sheet | 132,588 | 75,753 |
| Movement in OCI (Net) during the year | (17,741) | 62,732 |
| Less: Provision for Market Fluctuations in Investments (Refer Note No.2.22.3) | - | 5,897 |
| Add: Reversal of Provision for Market Fluctuations in Investments (Refer Note No.2.22.3) | 1,247 | - |
| Total (C) | 116,094 | 132,588 |
| Total (A) + (B) + (C) | 94,928 | 95,089 |

2.11 Borrowings

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

2.12 Provisions

| | | |
|--|----------------|----------------|
| <u>Provision for Employee Benefits :</u> | | |
| Gratuity | 2,308 | 2,108 |
| Leave Encashment | 6,298 | 6,172 |
| | 8,606 | 8,280 |
| Provision For Taxation | 1,094 | 295 |
| Provision for Contingencies [Refer Note. 2.22.1] | 84,535 | 84,535 |
| Provision for Market Fluctuations in Investments (Refer Note No. 2.22.3) | 18,798 | 20,045 |
| Total | 113,033 | 113,155 |

2.13 Other Non Current Financial Liabilities

| | | |
|--------------------------------|--------------|--------------|
| <u>Unsecured</u> | | |
| Client Deposits towards Margin | 3,395 | 3,210 |
| Rent Deposit Received | 38 | 38 |
| Total | 3,433 | 3,248 |

2.14 Borrowings

Loans repayable on demand

| | | |
|---|----------|-----------|
| <u>Secured</u> | | |
| From Banks - Overdraft (Secured against Pledge of Fixed Deposits) | - | 41 |
| Total | - | 41 |

2.15 Trade payables

| | | |
|--|--------------|--------------|
| Total Outstanding of | | |
| - Micro, Small and Medium Enterprises (MSME) (Refer Note No. 2.19.9) | - | - |
| - Other than MSME | 4,723 | 7,839 |
| Total | 4,723 | 7,839 |

HYBRID FINANCIAL SERVICES LIMITED
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Ageing of Trade Payable as at 31st March 2022 and 31st March 2021 is given below.

Trade Receivables ageing schedule as at 31st March,2022

(Rs. in 000s)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| i) MSME | - | - | - | - | - |
| (ii) Others | 4,657 | 56 | 4 | 6 | 4,723 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

Trade Receivables ageing schedule as at 31st March,2021

(Rs. in 000s)

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 7,587 | 27 | 24 | 201 | 7,839 |
| (iii) Disputed dues - MSME | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - |

| Particulars | As at 31st March 2022 Rs. in 000s | As at 31st March 2021 Rs. in 000s |
|-------------|--------------------------------------|--------------------------------------|
|-------------|--------------------------------------|--------------------------------------|

2.16 Other Current Financial Liabilities

| | | |
|---------------------------------------|---------------|---------------|
| Related Parties for Services Provided | 4,514 | 5,981 |
| Statutory Dues Payables: | | |
| Tax Deducted at Source | 457 | 297 |
| Profession Tax | 2 | 2 |
| Goods and Service Tax | 129 | 78 |
| Other Payables: | | |
| Advance from Depository Customers | 1,347 | 1,244 |
| Auditor's Remuneration | 162 | 166 |
| Client Dividend Payable | 298 | 290 |
| Rent Deposit Received | 300 | 300 |
| Outstanding Expenses Payable | 978 | 1,391 |
| Others | 2,234 | 2,140 |
| Total | 10,421 | 11,889 |

2.17 Provisions

Short Term Provision :

| | | |
|--|------------|------------|
| For Proposed Dividend on Preference Shares | 210 | 210 |
| Total | 210 | 210 |

| Particulars | Year Ended 31st March 2022 Rs. in 000s | Year Ended 31st March 2021 Rs. in 000s |
|-------------|---|---|
|-------------|---|---|

2.18 Other Income

| | | |
|--|---------------|---------------|
| Interest Income: | | |
| Interest on Deposits with Banks (Gross) | 7,758 | 8,860 |
| Interest on Government Bonds | 396 | 313 |
| Interest on Income Tax Refund | 58 | 45 |
| Interest Others | - | 100 |
| Dividend Income | | |
| Long Term Investments | 663 | 567 |
| Other non-operating income: | | |
| Rent Received | 899 | 852 |
| Credit Balances no longer payable written back | 1 | 9 |
| Excess Provision no longer required written back | 532 | 65 |
| Bad Debts Written Off in Earlier Years Recovered | 1,795 | 1,795 |
| Profit on Sale of Assets (Net) | 653 | - |
| Others | 1 | 2 |
| Total | 12,756 | 12,608 |

| Particulars | Year Ended 31st March 2022 Rs. in 000s | Year Ended 31st March 2021 Rs. in 000s |
|-------------|---|---|
|-------------|---|---|

2.19 Employee Benefit Expenses

| | | |
|-------------------------------------|---------------|---------------|
| Salaries & Other Allowances | 7,908 | 5,223 |
| Contribution to Superannuation Fund | 1,061 | 1,075 |
| Gratuity | 210 | 216 |
| Leave Encashment | 296 | 312 |
| Staff Welfare Expenses | 235 | 134 |
| Reimbursement of Salaries | 4,364 | 3,397 |
| Total | 14,074 | 10,357 |

2.20 Finance Cost

| | | |
|-----------------------------------|------------|------------|
| Bank Charges and Commission | 32 | 534 |
| Interest on Bank Overdraft | 257 | 75 |
| Interest - Others | 2 | 3 |
| Dividend on Redeemable Preference | 210 | 210 |
| TOTAL | 501 | 822 |

2.21 Other Expenses

| | | |
|---|---------------|---------------|
| Advertisement & Business Promotion Expenses | 1,510 | 1,079 |
| Audit Fees and Other Services | 238 | 224 |
| Clearing House Expenses | 152 | 330 |
| Computer Maintenance Expenses | 324 | 326 |
| Custodial and Corporate Action Fees | 1,093 | - |
| Electricity Expenses | 278 | 205 |
| Expenses on Depository Services | 226 | 211 |
| Insurance | 380 | 443 |
| Listing Fees | 945 | - |
| Membership and Subscription | 175 | 225 |
| Motor Car Expenses | 461 | 361 |
| Postage and Courier Expenses | 42 | 44 |
| Printing and Stationery | 128 | 175 |
| Professional Fees & Service Charges | 845 | 857 |
| Rates and Taxes | 11 | 2 |
| Rent and Office Premises Compensation | 144 | 144 |
| Office Maintenance Expenses | 203 | 297 |
| SEBI Registration and Turnover Fees | 214 | 248 |
| Shared Service Expenses | 679 | 551 |
| Stamp Duty Charges | 1,614 | 876 |
| Telephone Expenses | 497 | 604 |
| Transaction Charges | 795 | 511 |
| Travelling & Conveyance Expenses | 879 | 1,232 |
| Loss on Sale of Investments (Net) | 108 | 3,465 |
| Loss from Trading in Shares | - | 31 |
| Miscellaneous Expenses | 727 | 643 |
| TOTAL | 12,668 | 13,084 |

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2.22 NOTES ON FINANCIAL STATEMENTS

1. Contingent Liabilities:

| Sl. No. | Particulars | Current Year (Rs.) | Previous Year (Rs.) |
|---------|---|--------------------|---------------------|
| 1 | Interest Tax | 21,07,307/- | 21,07,307/- |
| 2 | Labour Court, Civil Court and Consumer Forums | 56,16,678/- | 29,51,064/- |
| 3 | Foreign Exchange Management Act | 5,60,00,000/- | 5,60,00,000/- |
| 4 | Sub-Regional Office, Employees' Provident Fund, Vashi | 21,06,154/- | 21,06,154/- |
| 5 | Listing Fees payable to The Nation Stock Exchange of India Limited (NSE), BSE Limited and Custodial Fees payable to National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) all including past dues. | Nil | 63,55,209/- |
| 6 | BSE Limited | 40,00,000/- | 30,00,000/- |
| 7 | Disputed Income Tax Demands | 8,14,51,511/- | 8,14,51,511/- |

The Company has already provided during the earlier year out of abundant caution 50% of the Principal Liability in case of Sl. Nos. 1, 2, & 4, 55% in case of Sl. Nos. 3 & 7 and 100% in case Sl. Nos. 5 and 6 as contingency Provision.

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

2. Impact of Covid 19

With the relaxations in respect of COVID-19 Regulations, the Company has commenced lifting of Work from Home and regular operations have started during the end of financial year. However, the Company continuous to monitor the situation and has continued its vigil on the matter.

3. During the earlier year the Subsidiary Company had made a Provision @ 10% of the Market Value of all the Quoted Investments out of caution and cover as unforeseen fluctuation in market prices. The realizable value of market investments is subject to market volatility and associated tax incidences if any. In view of the same the provision was made. During the year the Company has reversed provision of Rs. 12,47,800/- as against the additional provision of Rs.58,97,100/- in the previous year. The provision created so far as on 31st March 2022 is Rs. 1,87,97,600/- as against Rs. 2,00,45,400/- as on 31st March 2021.

4. Payment to Auditors

| | Current Year Rs. in 000s | Previous Year Rs. in 000s |
|--|-----------------------------|------------------------------|
| Statutory Audit Fee | 180 | 180 |
| Tax Audit Fees | - | - |
| Limited Review and Other Certification Work | 56 | 38 |
| Out of Pocket Expenses | 2 | 6 |
| Total | 238 | 224 |

5. During the previous year the Company settled the outstanding unpaid Preference Shares of Rs. 35,90,000/- payable to a Related Party by settlement of Recovery of Bad Debts which were written off in the earlier years.
6. During the year 2004-2005 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs.59,76,429/-. The company is in possession of the property. As the documentation process of the same is completed, the Company has capitalised the same during the year with effect from 1st April 2021.
7. Hon'ble Bombay High Court has sanctioned the Scheme of Compromise under section 391 with many of the Bankers and Trustees for Debenture Holders in the year 2005 and 2010. the Company has completed all the payments as per the Sanctioned Scheme. However the Company is yet to receive the final discharge from the Bankers and Trustees of Debenture Holders for release of assets.
8. The Company has cleared all the outstanding dues claimed by BSE / NSE / NSDL / CDSL under protest as these were creating stumbling block in the matter of trading I the shares of the Company and the minority shareholders.
The Company has filed its application for Revocation of Suspension with BSE and NSE and awaiting final outcome of the same.
9. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.
10. Fixed Deposit with Bank of Rs.6,95,67,293/- (Previous year Rs.6,93,02,992/-) is pledged by subsidiary company for overdraft facility, base capital and guarantees given to National Securities Clearing Corporation Ltd. / BSE Limited.
11. As required by Ind AS – 24 issued by The Institute of Chartered Accountants of India, Related Party Disclosures are as follows:

A. Subsidiary Company

Maximus Securities Limited

B. Associate Companies

Garron Shares and Stock Brokers Private Limited
Garron Trading Company Private Limited
Hybrid Systems Limited
Hybrid Services and Trading Private Limited

C. Key Management Personnel

Mr. N. R. Divate, Mr. K. Chandramouli Mrs. Megha J.Vazkar and
Mr. K.Suryanarayanan

Transactions with Related Parties:

| Particulars | Associate Companies | | Key Management Personnel | |
|--|---------------------|----------------|--------------------------|----------------|
| | 2021-22 Rs. | 2020-21 Rs. | 2021-22 Rs. | 2020-21 Rs. |
| (a) Outstanding Receivables | 400 | Nil | - | - |
| (b) Provision made as on date for doubtful debts | Nil | Nil | - | - |
| (c) Outstanding Payable | 45,14,304 | 59,81,473 | - | - |
| (d) Rent Paid | 1,44,000 | 1,44,000 | - | - |
| (e) Service Charges charged by them | 50,17,321 | 39,28,747 | - | - |
| (f) Other Expenses Charged by them | 4,03,200 | 2,94,300 | - | - |
| (g) Managerial Remuneration | - | - | 75,54,343 | 52,04,060 |

12. Listing of Subsidiary and Associates:

A). Subsidiary

| Name | Proportion of Ownership Interest and Voting Power | |
|--|---|---------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Maximus Securities Limited [Incorporated in India] | 100% | 100% |

B). Associates

| Name | Proportion of Ownership Interest and Voting Power | |
|----------------------------------|---|---------------------|
| | As at 31.03.2022 | As at 31.03.2021 |
| Sunanda Capital Services Limited | 45 % | 45 % |

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

| | 2021-2022 Rs. | 2020-2021 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 |

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 (Excluding OCI) | 163,33 | 39,69 |
| Weighted average number of Equity Shares of Rs.5 each outstanding during the year. | 2,94,36,275 | 2,94,36,275 |
| Basic Earning Per Share (Rupees) | 0.55 | 0.13 |
| II) Diluted Earning Per Share | | |
| Profit for the year as per Statement of Profit & Loss (Excluding OCI) | 163,33 | 39,69 |
| Add: Interest forgone on account of Potential Equity shares | - | - |
| | 163,33 | 39,68 |
| Weighted average number of Equity Shares of Rs.5 each outstanding during the year. | 2,94,36,275 | 2,94,36,275 |
| Add: Shares issuable under Loan Contract upon default of payment of principal and interest | - | - |
| Total Weighted average number of Equity Shares. | 2,94,36,275 | 2,94,36,275 |
| Diluted Earning Per Share | 0.55 | 0.13 |
| Nominal Value of Shares (Rupees) | 5.00 | 5.00 |

15. The company has two employees on its payroll. The Company has provided Gratuity as per Gratuity Act 1972 instead of Ind AS 19 "Employee Benefit" issued by Institute of Chartered Accountant of India.
16. 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.

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Factors

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

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Market Risk

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

Interest Rate Risk

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

Foreign Exchange Risk

Foreign Currency Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the company does not deal in forex transaction, there is no foreign exchange risk.

Credit Risk

Credit Risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company's main credit risk concentration as on 31st March 2022 is negligible.

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

Liquidity Risk

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

The table below illustrates the aged analysis of the Company's financial liabilities.

Rs in 000s

| | On Demand | Less than 1 Year | 1 to 5 Years | Total |
|------------------------------|-----------|------------------|--------------|-------|
| As at 31st March 2022 | | | | |
| Borrowings | - | - | 21000 | 21000 |
| Trade Payables | - | 4723 | - | 4723 |
| Other Payables | - | 10241 | - | 10241 |
| As at 31st March 2021 | | | | |
| Borrowings | - | 41 | 21000 | 21041 |
| Trade Payables | - | 7839 | - | 7839 |
| Other Payables | - | 11889 | - | 11889 |

18. Additional Regulatory Information:

Ratios:

| Sr No | Ratio Analysis | Numerator | Denominator | 31-Mar-22 Ratio | 31-Mar-21 Ratio | % Change |
|-------|----------------------------------|-------------------------|-----------------------------|-----------------|-----------------|----------------------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 15 | 13 | 17.36% |
| 2 | Debt Equity Ratio | Total Debts | Shareholder's Equity | Nil | Nil | - |
| 3 | Debt Service Coverage Ratio | Net Operating Income | Debt Service | Nil | Nil | - |
| 4 | Return on Equity Ratio | Profit for the period | Average Shareholders Equity | 0.07 | 0.02 | 271.68% (See Note No.1) |
| 5 | Inventory Turnover Ratio | Cost of Goods sold | Average Inventory | Not Applicable | Not Applicable | - |
| 6 | Trade Receivables Turnover Ratio | Revenue From Operations | Average Trade Receivables | 23.79 | 11.52 | 106.51% (See Note No.1) |
| 7 | Trade Payables Turnover Ratio | Total Purchases | Average Trade Payables | Not Applicable | Not Applicable | - |
| 8 | Net Capital Turnover Ratio | Revenue From Operations | Average Working Capital | 0.23 | 0.17 | 35.78% (See Note No.1) |
| 9 | Net Profit Ratio | Net Profit | Revenue From Operations | 0.48 | 0.17 | 184.11% (See Note No.1) |
| 10 | Return on Capital employed | EBIT | Capital Employed | 0.08 | 0.02 | 230.78% (See Note No.1) |
| 11 | Return on Investment | Return/Profit/Earnings | Investment | 0.0034 | 0.0028 | 24.47% |

Note No:1: Variation due to increase in Revenue from Operations

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

Signatures to Notes 1 and 2

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

For and on behalf of the Board

VISHAL KELKAR
Partner
M.No. 154128

N. R. DIVATE
Whole Time Director
DIN - 00304616

SAMEER S. PIMPALE
Chairman
DIN - 08813127

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

MAHESH S. MAKHIJANI
Director
DIN - 00322226

MEGHA J.VAZKAR
Director
DIN - 00179162

NILAY SHARMA
Director
DIN - 00231299

VINAY KULKARNI
Chief Financial Officer

Mumbai, Dated: 30th May 2022

Mumbai, Dated: 30th May 2022