

# Hybrid Financial Services Limited

[Formerly known as Mafatlal Finance Company Limited]



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

STATEMENT OF UNAUDITED / AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2016

CIN NO. L99999MH1986PLC041277

(Rs.in Lacs)

Sr.No.	Particulars	Stand-Alone Quarter Ended			Stand-Alone Year Ended		Consolidated Year Ended	
		31.03.2016 (Unaudited)	31.12.2015 (Unaudited)	31.03.2015 (Unaudited)	31.03.2016 (Audited)	31.03.2015 (Audited)	31.03.2016 (Audited)	31.03.2015 (Audited)
1	<b>Income from Operations :</b>							
	a) Service Charges	33.02	8.96	33.14	60.90	71.09	0.90	11.09
	b) Dividend Income	-	-	-	-	0.16	5.19	3.84
	c) Interest Income	20.52	8.00	2.65	37.11	7.34	131.20	102.86
	d) Brokerage Income	-	-	-	-	-	169.43	223.35
	e) Other Operating Income	-	-	-	-	-	20.85	27.66
	<b>Total Income from Operations</b>	<b>53.54</b>	<b>16.96</b>	<b>35.79</b>	<b>98.01</b>	<b>78.59</b>	<b>327.57</b>	<b>368.80</b>
2	<b>Expenses :</b>							
	a) Employee Benefit Expenses	15.65	11.51	14.72	50.20	55.41	133.40	153.35
	b) Professional Fees & Service Charges	38.76	1.98	40.98	46.51	59.20	61.85	74.01
	c) Loss on Sale of Investments (Net)	-	-	-	-	-	-	0.23
	c) Loss on Sale of Assets (Net)	-	-	-	-	-	4.28	-
	e) Provisions & Write Offs	9.13	-	-	9.53	-	9.53	-
	f) Depreciation	0.11	0.11	2.10	0.43	2.69	11.62	21.43
	g) Other Expenditure	6.35	10.01	12.20	37.22	44.03	89.33	100.10
	<b>Total Expenses</b>	<b>70.00</b>	<b>23.61</b>	<b>70.00</b>	<b>143.89</b>	<b>161.33</b>	<b>310.01</b>	<b>349.12</b>
3	<b>Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Items ( 1 - 2 )</b>	<b>(16.46)</b>	<b>(6.65)</b>	<b>(34.21)</b>	<b>(45.88)</b>	<b>(82.74)</b>	<b>17.56</b>	<b>19.68</b>
4	Other Income	97.93	8.12	54.35	122.28	168.51	107.80	157.91
5	<b>Profit from Ordinary Activities before Finance Costs and Exceptional Items ( 3 + 4 )</b>	<b>81.47</b>	<b>1.47</b>	<b>20.14</b>	<b>76.40</b>	<b>85.77</b>	<b>125.36</b>	<b>177.59</b>
6	Finance Costs	2.81	0.59	0.49	5.31	2.08	10.50	4.13
7	<b>Profit from Ordinary Activities after Finance Costs but before Exceptional Items ( 5 - 6 )</b>	<b>78.66</b>	<b>0.88</b>	<b>19.65</b>	<b>71.09</b>	<b>83.69</b>	<b>114.86</b>	<b>173.46</b>
8	Exceptional Items	-	-	-	-	1.40	-	1.40
9	<b>Profit from Ordinary Activities after Exceptional Items but before tax ( 7 - 8 )</b>	<b>78.66</b>	<b>0.88</b>	<b>19.65</b>	<b>71.09</b>	<b>82.29</b>	<b>114.86</b>	<b>172.06</b>
10	Tax Expenses - Current Tax	-	-	-	-	-	8.77	26.55
	- MAT Credit Entitlement (Net)	-	-	-	-	-	(0.51)	(9.77)
	- Income Tax - Short / (Excess) } Provided in Earlier Years (Net)	-	-	-	-	-	0.35	(1.77)
	- Deferred Tax	-	-	-	-	-	3.78	0.91
	- Total	-	-	-	-	-	12.39	15.92
11	<b>Net Profit from Ordinary Activities after Tax ( 9 - 10 )</b>	<b>78.66</b>	<b>0.88</b>	<b>19.65</b>	<b>71.09</b>	<b>82.29</b>	<b>102.47</b>	<b>156.14</b>
12	Extraordinary Items (Net of Tax Expenses)	-	-	-	-	-	-	-
13	<b>Net Profit for the Quarter / Year ( 11 - 12 )</b>	<b>78.66</b>	<b>0.88</b>	<b>19.65</b>	<b>71.09</b>	<b>82.29</b>	<b>102.47</b>	<b>156.14</b>
14	Paid up share capital :-							
	- Equity shares of Rs.5 each	1,471.81	1,471.81	1,471.81	1,471.81	1,471.81	1,471.81	1,471.81
	- Preference shares of Rs.10 each	240.00	300.00	300.00	240.00	300.00	240.00	300.00
15	Reserves Excluding Revaluation Reserves as per Balance Sheet	-	-	-	(890.31)	(957.79)	(237.94)	(336.80)
16	<b>Earning per Share :</b>							
	a) Basic and Diluted EPS before Extraordinary items for the period, for the year to date and for the previous year	0.25 (Not annualised)	Nil (Not annualised)	0.03 (Not annualised)	0.23	0.24	0.34	0.49
	b) Basic and Diluted EPS after Extraordinary items for the period, for the year to date and for the previous year	0.25 (Not annualised)	Nil (Not annualised)	0.03 (Not annualised)	0.23	0.24	0.34	0.49

Contd.....2/-

# Hybrid Financial Services Limited

[Formerly known as Mafatlal Finance Company Limited]



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## AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH 2016

(Rs.in Lacs)

Particulars	Stand - Alone	Stand - Alone	Consolidated	Consolidated
	As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)	As at 31.03.2016 (Audited)	As at 31.03.2015 (Audited)
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1). Share Holders' Funds:</b>				
(a). Capital	1,711.81	1,771.81	1,711.81	1,771.81
(b). Reserves and Surplus	(890.31)	(957.79)	(237.94)	(336.80)
<b>(2) Non Current Liabilities:</b>				
(a) Long Term Liabilities	21.26	22.48	105.94	132.25
(b) Long Term Provisions	325.51	342.91	333.71	351.49
(c) Deferred Tax Liabilities (net)	-	-	6.25	2.47
<b>(3) Current Liabilities:</b>				
(a) Short Term Borrowings	-	17.40	46.55	73.32
(b) Trade Payables	-	-	52.68	38.84
(c) Other Current Liabilities	160.91	135.33	175.22	162.30
(d) Short Term Provisions	3.61	12.09	3.61	12.09
<b>TOTAL</b>	<b>1,332.79</b>	<b>1,344.23</b>	<b>2,197.83</b>	<b>2,207.77</b>
<b>II. ASSETS</b>				
<b>(1) Non Current Assets:</b>				
<b>(a) Fixed Assets</b>				
(i) Tangible Assets	4.26	4.69	136.98	158.99
(ii) Intangible Assets	-	-	0.09	1.61
(b) Non Current Investments	1,001.80	1,001.80	554.43	547.49
(c) Deferred Tax Assets (net)	-	-	-	-
(d) Long Term Loans and Advances	46.80	94.64	200.14	255.19
(e) Non Current Assets	59.77	59.77	59.77	59.77
<b>(2) Current Assets:</b>				
(a) Inventories - Stock in Trade	-	-	0.05	0.06
(b) Trade Receivables	-	2.27	32.36	34.78
(c) Cash and Cash Equivalents	174.30	137.08	1,140.76	1,087.07
(d) Short Term Loans and Advances	43.23	41.87	18.34	11.82
(e) Other Current Assets	2.63	2.11	54.91	50.99
<b>TOTAL</b>	<b>1,332.79</b>	<b>1,344.23</b>	<b>2,197.83</b>	<b>2,207.77</b>

### Notes :-

- The above financial results were reviewed by the Audit Committee and taken on record by the Board of Directors at its Meeting held on 24th May 2016.
- Other income for the Year Ended 31st March 2016 includes of Rs.55.28 Lacs towards Excess Provisions Written Back (also for the Quarter Ended 31st March 2016)
- The Company is engaged in single business segment viz; financial services, therefore there are no reportable segments as per Accounting Standard 17.
- The Consolidated Results includes the Results of the Subsidiary Company "Maximus Securities Limited"
- The Company has complied with Accounting Standard 22 "Accounting For Taxes on Income" issued by The Institute of Chartered Accountants of India for Deferred Tax and Current Tax.
- The Directors have recommended a Dividend of 1% on Preference Shares. This could absorb Rs.3.61 Lacs inclusive of Dividend Distribution Tax. The Directors have also approved Redemption of Preference Shares of Rs. 60.00 Lacs
- Previous year's figures have been rearranged wherever necessary.

By order of the Board  
for HYBRID FINANCIAL SERVICES LIMITED  
(formerly known as MAFATLAL FINANCE COMPANY LIMITED)

Director

Place : Mumbai  
Date : 24th May 2016

# Hybrid Financial Services Limited

[Formerly known as Mafatlal Finance Company Limited]



## ANNEXURE 1

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)**

Stand Alone

(Rs. In Lacs)

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March 2016 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl.No.	Particulars	Audited figure (as reported before adjusting for qualifications)	Adjusted figures (Audited figures after adjusting for qualifications)
	1	Turnover / Total Income	220.29	220.29
	2	Total Expenditure	149.20	138.51
	3	Net Profit / (Loss)	71.09	81.78
	4	Earning Per Share	0.23	0.28
	5	Total Assets	1,332.79	1,343.48
	6	Total Liabilities	1,332.79	1,343.48
	7	Net Worth	821.50	832.19
	8	Any other financial item(s) as felt appropriate by the management	Nil	Nil
II.	<b>Audit Qualification (Each Audit Qualification Separately):</b>			
(a)	<b>Details of Audit Qualification:</b>		<b>Matter of Emphasis</b>	
(i)	Writing off of Bank Balances amounting to Rs. 10,69,480/- and Non Confirmation and Reconciliation of Banks (Reference Item No. 5 of Note No. 21 III and Item No.2 a) of the Independent Auditor's Report)			
(ii)	Non receipt of confirmation of Certain Debit Balances (Reference Item No.7 of Note No.21 III and Item No.2 a) of the Independent Auditor's Report)			
(iii)	Disclosure Required under AS-15 of The Institute of Chartered Accountants of India with regard to Group Gratuity Scheme and Leave Encashment (Reference Auditors' opinion in Independent Auditor's Report)			


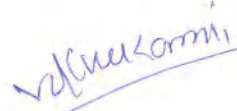
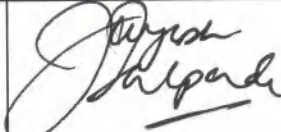
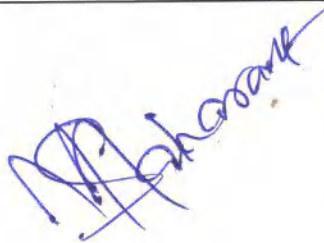


	<p><u>Management's Responses on the above:</u></p> <p>(i) Most of the Bank Accounts are in-operative for a long time. We have already taken measures to close all these inoperative accounts. Some of the Statutory Accounts which have to be transferred to Investor Education and Protection Fund have already been transferred during the year ended 31st March 2013. In the absence of complete bank statements these balances do not appear to be recoverable.</p> <p>(ii) Most of the Old Debit Balances recoverable are fully provided. Some of them are suit filed accounts. Most of the parties have changed their postal addresses and or not traceable. The confirmation sought in the earlier years returned undelivered due to this. This is the reason that the Company has stopped seeking for confirmation.</p> <p>(iii) Disclosure Required under AS-15 of The Institute of Chartered Accountants of India with regard to Group Gratuity Scheme and Leave Encashment are not given as the Company has no employees as on 31st March 2016 other than Two Whole Time Directors. However the Company has provided Leave Encashment and the same is charged to the revenue. The Company is of the opinion that there is no liability of payment of Gratuity at present.</p>
(b)	Type of Audit Qualification : <b>Disclaimer of opinion</b>
(c)	Frequency of Qualification : <b>Repetitive since 31st March 2010</b>
(d)	<p><u>For Audit Qualification(s) where the impact is quantified by the auditor.</u></p> <p><u>Management's Views:</u></p> <p><b>Rs.10,69,480/- as mentioned in II (a) (i) above</b></p>
(e)	<p><u>For Audit Qualification(s) where the impact is not quantified by the auditor:</u></p> <p>(i) <u>Management's estimation on the impact of audit qualification:</u></p> <p><b>No estimation is possible as they are all general qualifications by the Auditor and not quantified by them</b></p>



# Hybrid Financial Services Limited

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	(ii)	If management is unable to estimate the impact, reasons for the same:  <b>No estimation is possible as they are all general qualifications by the Auditor and not quantified by them</b>	
	(iii)	Auditors' Comments on (i) or (ii) above:  <b>Agreed to the Management's view</b>	
III	<b>Signatories:</b>		
	(i)	<b>K. Chandramouli</b> Whole Time Director and Company Secretary	
	(ii)	<b>Vinay Kulkarni</b> Chief Financial Officer	
	(iii)	<b>Jayesh R. Talpade</b> Audit Committee Chairman	
	(iv)	<b>Binod C. Maharana</b> M.No. 056373 Partner <b>for S.Ramanand Aiyar &amp; Co.</b> Chartered Accountants Firm Registration No: 000990N Statutory Auditors	





*S. Ramanand Aiyar & Co.*

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT

To,

The Members,

**HYBRID FINANCIAL SERVICES LTD (formerly known as MAFATLAL FINANCE COMPANY LIMITED)**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED)** ("The Company") which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

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

### Auditor's Responsibility

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the afore said standalone financial statements give the information required by the Act (*except to the extent of disclosure required to be made under AS-15 with regard to Group Gratuity Scheme and Leave Encashment*) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. **As required by Section 143 (3) of the Companies Act, 2013, we report that:**
  - a) we have sought and obtained all the information and explanations *subject to Item Nos 5 and 7 of Note No. 21 III) regarding writing off of Bank Balances amounting to Rs.10,69,480/- and non receipt of confirmation of certain bank balances and debtors balances* which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



# *S. Ramanand Aiyar & Co.*

CHARTERED ACCOUNTANTS

- c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013 and
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 1. Company has disclosed the impact of pending litigations on its financial position in its financial Statements-Refer Note No. 21 III) 1 to the financial statement.
  - 2. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - 3. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

## **FOR S. RAMANAND AIYAR & CO**

Chartered Accountants

Firm Registration No: 000990N

**BINOD C. MAHARANA**

Partner

Membership No. 056373

Place: Mumbai

Date: 24<sup>th</sup> May 2016





# Hybrid Financial Services Limited

[Formerly known as Mafatlal Finance Company Limited]



## ANNEXURE 1

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)**

Consolidated

(Rs. In Lacs)

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March 2016 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl.No.	Particulars	Audited figure (as reported before adjusting for qualifications)	Adjusted figures (Audited figures after adjusting for qualifications)
	1	Turnover / Total Income	435.37	435.37
	2	Total Expenditure	332.90	322.21
	3	Net Profit / (Loss)	102.47	113.16
	4	Earning Per Share	0.34	0.38
	5	Total Assets	2,197.83	2,208.52
	6	Total Liabilities	2,197.83	2,208.52
	7	Net Worth	1,473.87	1,484.56
	8	Any other financial item(s) as felt appropriate by the management	Nil	Nil
II.	<b>Audit Qualification (Each Audit Qualification Separately):</b>			
(a)	<b>Details of Audit Qualification:</b>		<b>Matter of Emphasis</b>	
(i)	Non Appointment of Company Secretary by the Subsidiary Company under "Emphasis Matters"			
(ii)	Writing off of Bank Balances amounting to Rs. 10,69,480/- and Non Confirmation and Reconciliation of Banks (Reference Item No. 4 of Note No. 25 III and Item No.a) under "Report on other Legal and Regulatory Requirtements of the Independent Auditor's Report")			
(iii)	Non receipt of confirmation of Certain Debit Balances (Reference Item No.6 of Note No.25 III Item No.a) under "Report on other Legal and Regulatory Requirtements of the Independent Auditor's Report")			
(iv)	Disclosure Required under AS-15 of The Institute of Chartered Accountants of India with regard to Group Gratuity Scheme and Leave Encashment (Reference Auditors' opinion in Independent Auditor's Report)			



	<p><u>Management's Responses on the above:</u></p> <p>(i) <i>Subsidiary Company's search for suitable Company Secretary continued during the year but without any success. We have sought the help of placement agencies for selection of a candidate and also The Institute of Company Secretaries of India, Western Region Office.</i></p> <p>(ii) <i>Most of the Bank Accounts are in-operative for a long time. We have already taken measures to close all these inoperative accounts. Some of the Statutory Accounts which have to be transferred to Investor Education and Protection Fund have already been transferred during the year ended 31st March 2013. In the absence of complete bank statements these balances do not appear to be recoverable.</i></p> <p>(iii) <i>Most of the Old Debit Balances recoverable are fully provided. Some of them are suit filed accounts. Most of the parties have changed their postal addresses and or not traceable. The confirmation sought in the earlier years returned undelivered due to this. This is the reason that the Company has stopped seeking for confirmation.</i></p> <p>(iv) <i>Disclosure Required under AS-15 of The Institute of Chartered Accountants of India with regard to Group Gratuity Scheme and Leave Encashment are not given as the Company has no employees as on 31st March 2016 other than Two Whole Time Directors. However the Company has provided Leave Encashment and the same is charged to the revenue. The Company is of the opinion that there is no liability of payment of Gratuity at present.</i></p>
(b)	Type of Audit Qualification : <b>Disclaimer of opinion</b>
(c)	Frequency of Qualification : <b>Repetitive since 31st March 2010</b>
(d)	<p><u>For Audit Qualification(s) where the impact is quantified by the auditor.</u>  <u>Management's Views:</u></p> <p><b>Rs.10,69,480/- as mentioned in II (a) (i) above</b></p>
(e)	<p><u>For Audit Qualification(s) where the impact is not quantified by the auditor:</u></p> <p>(i) <u>Management's estimation on the impact of audit qualification:</u></p> <p><b>No estimation is possible as they are all general qualifications by the Auditor and not quantified by them</b></p>



# Hybrid Financial Services Limited



[Formerly known as Mafatlal Finance Company Limited]

	(ii)	If management is unable to estimate the impact, reasons for the same:  <b>No estimation is possible as they are all general qualifications by the Auditor and not quantified by them</b>	
	(iii)	Auditors' Comments on (i) or (ii) above:  <b>Agreed to the Management's view</b>	
III	<b>Signatories:</b>		
	(i)	<b>K. Chandramouli</b> Whole Time Director and Company Secretary	
	(ii)	<b>Vinay Kulkarni</b> Chief Financial Officer	
	(iii)	<b>Jayesh R. Talpade</b> Audit Committee Chairman	
	(iv)	<b>Binod C. Maharana</b> M.No. 056373 Partner <b>for S.Ramanand Aiyar &amp; Co.</b> Chartered Accountants Firm Registration No: 000990N Statutory Auditors	





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CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To,

The Members,

**HYBRID FINANCIAL SERVICES LTD (formerly known as MAFATLAL FINANCE  
COMPANY LIMITED)**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED)** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act (*except to the extent of disclosure required to be made under AS-15 with regard to Group Gratuity Scheme and Leave Encashment*) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Emphasis of Matters**

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

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

Our opinion is not modified in respect of this matter

### **Report on Other Legal and Regulatory Requirements**

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

- a) We have sought and obtained all the information and explanations *subject to Item Nos 4 and 6 of Note No. 25 III) regarding writing off of Bank Balances amounting to Rs.10,69,480/- and non receipt of confirmation of certain bank balances and debtors balances* which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statement.



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

**FOR S. RAMANAND AIYAR & CO**

Chartered Accountants

Firm Registration No: 000990N

**BINOD C. MAHARANA**

Partner

Membership No. 056373

Place: Mumbai

Date: 24<sup>th</sup> May 2016

