

HYBRID FINANCIAL SERVICES

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

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HYBRID **FINANCIAL** **SERVICES**

BOARD OF DIRECTORS

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

MANAGEMENT TEAM

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

AUDITORS

S. RAMANAND AIYAR & CO
Chartered Accountants
Mumbai

REGISTERED OFFICE

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

REGISTRARS & SHARE TRANSFER AGENTS

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

MAXIMUS **SECURITIES**

BOARD OF DIRECTORS

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

AUDITORS

S. RAMANAND AIYAR & CO
Chartered Accountants
Mumbai

REGISTERED OFFICE

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

Annual Report 2012-2013

NOTICE

Notice is hereby given that the TWENTY SIXTH ANNUAL GENERAL MEETING of the Members of HYBRID FINANCIAL SERVICES LIMITED (FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED) will be held at All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093 on Friday, 19th July 2013 at 11 am to transact the following BUSINESS:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date and the Reports of Directors and the Auditors thereon.
2. To reappoint Mr. Tanveer Shaikh as Director who retires at the ensuing Annual General Meeting, eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF WHOLE TIME DIRECTOR

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

“RESOLVED THAT in accordance with the provision of Section 198,269,309 Schedule XIII (as amended from time to time) and other applicable provisions if any, of the Companies Act, 1956, the consent of the company be and is hereby accorded to the re-appointment of Mr. K.Chandramouli as Wholetime Director of the company for a period of 5 years commencing from 1st October 2013 till 30th September 2018 on the terms and conditions as set out in the draft agreement to be executed with Mr. K.Chandramouli (including the remuneration to be paid in the event of loss or in adequate profit in any financial year during the aforesaid period) submitted to this meeting and initialled by the Chairman for identification with liberty to the Board of Directors to alter, vary and modify the terms of the said reappointment / remuneration including salary, commission, allowances and perquisites in such a manner as may be agreed to between the Board of Directors and Mr. K. Chandramouli within and in accordance and subject

to the limits prescribed in Schedule XIII to the Companies Act, 1956 or any amendment or statutory modification thereto.

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K.CHANDRAMOULI
Wholetime Director

Registered Office:

35, A-Wing, Raj Industrial Complex
Premises Co-operative Society Limited,
Military Road, Marol,
Andheri (East), Mumbai-400 059
Date: 14th May 2013

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER.
- b) The proxy form duly completed and signed by the shareholder should be deposited at the registered office of the company atleast 48 hours before the commencement of the meeting.
- c) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 15th July 2013 to Friday, 19th July 2013 (both days inclusive).
- d) Members are requested to notify any change in their address to the Company's Registrars & Share Transfer Agents, M/s. Big Share Services Pvt. Ltd., E-2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072, quoting their folio nos. immediately, so as to ensure that all communications / reports reach the Members promptly.
- e) Shareholders seeking any information with regard to the Accounts of the Company are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

ANNEXURE TO THE NOTICE

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

PROFILE OF DIRECTOR BEING RE-APPOINTED

Name : Tanveer Shaikh
Age : 35 Years
Qualifications : BA PG MBA
Experience : Over Fourteen Years in the field of Management Consulting

His Directorships and Committee Memberships of other Companies are as follows:

Company	Position	Committee Membership
Aarsons Institute of Technology (I) Pvt.Ltd.	Director	-

Mr. Tanveer Sheikh does not hold any Equity Shares in Hybrid Financial Services Limited.

Registered Office:

35, A-Wing, Raj Industrial Complex
Premises Co-operative Society Limited,
Military Road, Marol,
Andheri (East), Mumbai-400 059
Date: 14th May 2013

By Order of the Board
For HYBRID FINANCIAL SERVICES LIMITED

K.CHANDRAMOULI
Wholetime Director

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

IN RESPECT OF ITEM NO. 4:

The Remuneration Committee in its meeting held on 14th May 2013 have recommended for extension of the tenure of Shri.K.Chandramouli as Wholetime Director for further period of Five Years from 1st October 2013 to 30th September 2018 with substantial powers of management subject to approval of the Members at the ensuing Annual General Meeting on the following terms within the provisions stipulated under Schedule XIII of the The Companies Act, 1956.

The Material terms of his remuneration are as under:

- Salary of Rs. 1,50,000/- (One Lakh Fifty Thousand only) per month.
- He shall be entitled for free use of Company's maintained car for official and limited personal purposes as per the policies of the Company.
- The salary and perquisites as mentioned above shall be exclusive of all retirement benefits viz. contribution to superannuation fund and gratuity.
- He will further be eligible for all benefits as are applicable to the senior employees of the Company.

Other information as required under the act is as follows:

I. GENERAL INFORMATION

- Nature of Industry : The Company was previously a Non Banking Finance Company but after rejection of application for registration by the Reserve Bank of India now belongs to Service Industry.
- Financial Performance : The financial performance of the company has been mainly to restructure its balance sheet and debt and there have been significant improvement in the same after 'Compromise and Arrangement' under section 391 and 394 of the Companies Act, 1956. The Company is in the look out for new activities to improve its operations.

II. INFORMATION ABOUT THE APPOINTEE

- Background : Chartered Accountant and Company Secretary with substantial experience in the industry.
- Last Remuneration : Rs. 25.05 Lacs, Appointed as per the terms of appointment approved by the members in the Extra Ordinary General Meeting held on 16th October 2008.
- Job Profile and suitability : He has been with the company since 1994 and has adequate managerial capacity in terms of qualifications and experience
- Remuneration proposed : Salary of Rs. 1.50 lacs per month with perquisites as given in the explanatory statement. The remuneration proposed is reasonable taking the fact that the ailing company needs the services to make it viable.
- Others : He has no relationship with any directors of the company.

III. OTHER INFORMATION

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

IV. Other than Mr.K.Chandramouli no other Director is interested in the resolution

DIRECTORS REPORT

To,

The Members

Hybrid Financial Services Limited

(Formerly known as Mafatlal Finance Company Limited)

Your Directors present the Twenty Sixth Annual Report with the Audited Statement of Accounts of the Company for the year ended 31st March 2013.

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 31.03.2013 (Rs. in lacs)	Year Ended 31.03.2012 (Rs. in lacs)
Gross Income	158.86	248.60
Gross (Loss) / Profit before depreciation and Income tax	(46.80)	40.89
Depreciation	1.17	1.17
Provision for Tax	Nil	Nil
Net (Loss) / Profit After Tax	(47.97)	39.72
Proposed Dividend on Preference Share including Dividend Distribution Tax	-	4.72
Add: Amount brought forward from previous year	(1023.59)	(9271.11)
Add: Capital Reduction	-	8212.52
Balance carried forward	(1071.56)	(1023.59)

2. OPERATIONS

The Financial Year 2012-2013 has ended with the company incurring a loss of Rs. 47.97 lacs. The Company's operations are still muted due to the uncertainties of business environment and the outcome of the Tax Litigations. The Company does not anticipate any significant revenue growth from operations in the coming years till the tax issues are resolved.

3. OUTLOOK

The company is exploring the possibilities of undertaking new Non - NBFC activities and accordingly entered into agreements with Bharti Airtel Limited to solicit new business clientele for them. These operations have yielded a gross revenue of Rs.38.33 lacs during the financial year ended 31st March 2013. Further these operations also involves heavy regulatory requirements and are not very remunerative.

4. DIVIDEND

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

5. PREFERENTIAL ALLOTMENT TO PROMOTERS

During the year, the Company has made Preferential Allotment to Promoters of 14,00,000 Equity Shares of Rs.5/- each by conversion of 7,00,000 Preference Shares of Rs.10/- each as approved in the 25th Annual General Meeting held on 13th July 2012. The Promoters holding has accordingly increased from 61.93% to 63.74%

6. PUBLIC FIXED DEPOSITS / DEBENTURES

During the year the Company has transferred Rs.7,85,940/- (which were outstanding for more than seven years after the date of maturity) consisting of Unclaimed Public Deposits of Rs.6,38,750/- (Net of Loan of Rs.17,250/-) along with Interest of Rs.1,47,190/- to the Investor Education

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and Protection Fund (IEPF) as per the requirements of Section 205C of The Companies Act, 1956. The Company has also transferred an amount of Rs.6,02,411/- towards Unclaimed Debentures (which were outstanding for more than seven years after the date of maturity) to the said fund during the year.

7. LISTING OF SHARES

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

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

The Subsidiary Company has earned a net profit of Rs. 24.69 lacs for the financial year ended 31st March, 2013. The Subsidiary Company is exploring various options to fare better in the current financial year. Statement pursuant to Section 212 of the Companies Act, 1956 in respect of Maximus Securities Limited are separately given in this Report.

9. 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

10. DIRECTORATE

Mr.Tanveer Shaikh is retiring at the ensuing Twenty Sixth Annual General Meeting and eligible, offers himself for re-appointment.

The period of appointment of Mr.K.Chandramouli, Wholetime Director and Company Secretary is expiring on 30th September 2013. His re-appointment is recommended by the Remuneration Committee for a further period of Five Years from 1st October 2013 till 30th September 2018 on the terms as per the resolution.

11. 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.

12. PARTICULARS OF EMPLOYEES

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

13. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 loss of the Company for the year;
- 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;
- that the Directors have prepared the Annual Accounts on a going concern basis.

14. CORPORATE GOVERNANCE

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

15. AUDITORS

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

16. 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

Place: Mumbai
Date: 14th May 2013

K.CHANDRAMOULI
Wholetime Director

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.158.86 Lacs which includes Rs.68.57 Lacs towards operational income and Rs.90.29 Lacs as other income (which includes write-backs) and the company incurred a loss of Rs.47.97 Lacs.

BUSINESS ANALYSIS OUTLOOK

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

RISK AND CONCERNS

The company faces the following challenges and risks:

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

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

INTERNAL CONTROL AND THEIR ADEQUACY

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

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

INDUSTRIAL RELATIONS

The Company as on 31st March 2013 has 2 employees on its payroll. The relationship were cordial.

CAUTIONARY STATEMENTS

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

CORPORATE GOVERNANCE REPORT

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

I. MANDATORY REQUIREMENTS

1. CORPORATE GOVERNANCE PHILOSOPHY

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

2. BOARD OF DIRECTORS

(a) Composition and Category of Directors

The company has two Whole Time Directors Mr. Nandakishore Raghunath Divate and Mr. K Chandramouli., two Independent Directors Mr. Jayesh R.Talpade and Mr. Tanveer Shaikh and one Nominee Director Mr. L. Jayaraman, representing Bank of India, Debenture Trustees. ** The company follows the prescribed board procedures by circulating various items of agenda in advance which are to be dealt at the Board Meetings.

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

(b) Attendance of each Director at the Board of Director's Meetings held during 2012-2013 and the last Annual General Meeting is as follows:

Director	Board Meetings Attended	Last Annual General Meeting Attended (Held on 13.07.2012)
Mr. N.R. Divate	4	Yes
Mr. K. Chandramouli	4	Yes
Mr. Jayesh Talpade	4	Yes
Mr.Tanveer Shaikh	4	Yes
Mr. L. Jayaraman **	Nil	No

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

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

Name of the Director	Category	Directorships held in other Companies		Committee Memberships held in other Companies	
		As Director	As Chairman	As Member	As Chairman
Mr. K. Chandramouli	Not Independent, Executive	7	-	-	-
Mr. N.R. Divate	Not Independent, Executive	4	-	-	-
Mr. Jayesh Talpade	Independent, Non-Executive	-	-	-	-
Mr.Tanveer Shaikh	Independent, Non-Executive	1	-	-	-
Mr. L. Jayaraman	Independent, Nominee Director	-	-	-	-

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

Four Board Meetings were held during the year 2012-2013. The dates on which meetings were held were as follows:
23rd May 2012, 13th July 2012, 22nd October 2012 and 23rd January 2013.

(e) Remuneration of Directors:

The company does not pay any remuneration other than payment of Travelling and Conveyance expenses to the Independent Directors. During the year, the company paid Rs.25,05,000/- to Mr.K. Chandramouli and Rs.28,86,000/- to Mr.N.R.Divate, Whole Time Directors of the Company towards remuneration and the same has been approved by the members.

(f) Directors Share Holding:

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

3. AUDIT COMMITTEE

The company has reconstituted the Audit Committee in accordance with the requirements of Clause 49 of the Listing Agreement entered with the Stock Exchanges. The terms of reference of the Audit Committee, are in conformity with those mentioned in Clause 49 of the Listing Agreement. The Committee reviews the Accounting Policies, Accounts, Audit & Control and various reports placed before it by the Internal Auditors of the Company. The members of the reconstituted Audit Committee are as under on 31.03.2013:

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

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

Four meetings were held during the year 2012-2013. (23rd May 2012, 13th July 2012, 22nd October 2012, and 23rd January 2013). The attendance for the said meetings is as follows:

NAME OF THE MEMBERS	CATEGORY	ATTENDANCE PARTICULARS
Mr. Jayesh R. Talpade	Chairman	4
Mr.N.R.Divave	Wholetime Director	4
Mr.K.Chandramouli	Wholetime Director	4
Mr. Tanveer Shaikh	Independent Director	4
Mr. L Jayaraman	Nominee Director	Nil

Mr.Binod C.Maharana, Partner of M/S. S.Ramanand Aiyar & Co., Chartered Accountants, Statutory Auditors, attended the Audit Committee Meeting held on 23rd May 2012 as Special Invitee.

4. REMUNERATION COMMITTEE

The company has constituted a Remuneration Committee on 27th April 2005 and following are the members in the reconstituted committee as on 31.03.2013:

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

No Remuneration Committee Meeting was held during the year 2012-2013.

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

The company has a Share/Debtenture Transfer-cum-Investor's Grievance Committee, consisting of the following members as on 31.03.2013:

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

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

Complaint Status: 01.04.2012 to 31.03.2013

Number of Equity Shareholders / Debtenture holders /} : 7

Preference Shareholders complaints pending as on 01.04.2012 } :

Number of complaints received during the year : 303

Number of complaints solved during the year : 305

Number of complaints pending as on 31.03.2013 : 5

Four meetings were held during the year 2012-2013. (23rd May 2012, 13th July 2012, 22nd October 2012, and 23rd January 2013). The attendance for the said meetings is as follows:

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

6. DIRECTORS

Mr.Tanveer Shaikh, Director of the company is retiring by rotation at the ensuing 26th Annual General Meeting, eligible and offers himself for reappointment. Brief particulars of the director is as under :

Name of Director	Mr. Tanveer Shaikh
Date of Birth/Age	16 th June 1976 / 37 Years
Date of Original Appointment	22 nd May 2009
Expertise in specific functional areas	Over 14 Years in the field of Management Consulting
List of Companies in which the person holds the directorship	Aarsons Institute of Technology (I) Pvt.Ltd.

7. GENERAL BODY MEETINGS

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

Date	Venue	Time
30 th July, 2010	Indian Women Scientists Association, Plot No. 20, Sector 10-A, Opp. Balaji Temple, Near Sainath High School, Vashi, Navi Mumbai 400 703.	11.00 A.M.
8 th July, 2011	Indian Women Scientists Association, Plot No. 20, Sector 10-A, Opp. Balaji Temple, Near Sainath High School, Vashi, Navi Mumbai 400 703.	11.00 A.M.
13 th July, 2012	All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093.	11.00 A.M.

8. SUBSIDIARY COMPANY:

The company has appointed Mr. Jayesh Talpade in compliance with Clause 49 (III) (Subsidiary Company) of the Listing Agreement as a director of the holding company in the board of the subsidiary company with effect from 22nd January 2009. The audit committee of the listed holding company also reviews the financial statement of the unlisted subsidiary company and also other matters connected thereto.

During the year ended 31st March 2006, the company had entered into contract for rendering services to the subsidiary for Rs. 60 lacs per annum plus taxes as per the terms mutually agreed and codified through an agreement entered in this respect. This amount is revised to Rs. 30 Lacs per annum for the financial year ended 31st March 2013 due to reduced business. These services consist of seconding the parent company employees 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.

9. DISCLOSURES

- The details of related party transactions are given in Point No. 12 of the notes on Financial Statements.
- The company's shares were suspended from trading by National Stock Exchange of India Limited (NSE) since September 2001 and Bombay Stock Exchange Limited (BSE) since December 2002 on account of failure of the company to redress the complaints of investors relating to redemption of public issue of non-convertible debentures.

The Company has made an application to BSE for removal of suspension and relisting of the shares under the new name on 30th August 2011. The matter is being pursued.

The Company has not made payment of Listing Fee to Bombay Stock Exchange Limited (BSE) or any other Exchanges for the year 2012-2013.

The company has not paid the listing fees to The National Stock Exchange of India Limited (NSE), Ahmedabad Stock Exchange Limited (ASE) from the financial years 2000-01 to 2011-12 and Delhi Stock Exchange Association Limited (DSE) from the financial years 2001-02 to 2011-12 after the members' approval to delist the company's shares from these exchanges.
- The Company has made Preferential Allotment to Promoters of 14,00,000 Equity Shares of Rs.5/- each by conversion of 7,00,000 Preference Shares of Rs.10/- each as approved in the 25th Annual General Meeting held on 13th July 2012
- There are no other penalties or strictures by any other authority during last three years on any matter relating to capital market.

10. WHOLETIME DIRECTORS CERTIFICATION:

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

- They have reviewed the Financial Statements as on 31st March 2013 and the Cash Flow Statement for the year ended 31st March 2013 and that to the best of their knowledge and belief:
 - These statements do not contain any material untrue statement or omit any material fact or contain statement that might be misleading.
 - These statements in their opinion present true and fair view of the company's affairs and are in compliance with the existing accounting standards applicable laws and regulations except the fact that certain interest non-provisions and treatment of remission of liabilities, difference in books of accounts and third party transactions have been dealt differently than as they need to be considered based on the actual unfolding of events.
- 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
- 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.
- There has not been any significant change in internal control over financial reporting during the year under reference;
 - There has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and
 - 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.

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11. MEANS OF COMMUNICATION

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

12. GENERAL SHAREHOLDER INFORMATION

- 12.1 ANNUAL GENERAL MEETING : Friday 19th July 2013 at 11 A.M. at All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093.
- 12.2 Financial Calendar (2013-2014) (tentative) :
- Quarterly Results:
- | | |
|-----------------------------------|---------------------------|
| Quarter ending June 30, 2013 | Third week of July 2013 |
| Quarter ending September 30, 2013 | Last week of October 2013 |
| Quarter ending December 31, 2013 | Last week of January 2014 |
| Quarter ending March 31, 2014 | Last week of May 2014 |
- 12.3 Book Closure date(s) : Monday, 15th July 2013 to Friday, 19th July 2013 (both days inclusive)
- 12.4 Dividend payment date(s) : Not applicable
- 12.5 Listing of Equity shares/debentures on Stock Exchanges : Bombay Stock Exchange Ltd. (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.
The company's shares were also listed in the National Stock Exchange of India Ltd, Ahmedabad Stock Exchange and Delhi Stock Exchange Association Ltd. The members have approved delisting from these Exchanges.
The company has paid the listing fees to Bombay Stock Exchange Limited (BSE) under protest for the financial years from 2004-2005 to 2007-2008 on 17th May 2007, listing fees for 2008-2009 and 2009-2010 on 18th February 2010, listing fee for 2010-2011 on 26th April 2010 and listing fee for the year 2011-2012 on 20th June 2011
- 12.6 STOCK CODE
- | | |
|------------------------|----------------|
| Physical Segment – BSE | : 500262 |
| Demat Segment - BSE | : INE965B01014 |
- 12.7 Market Price Data : The trading of the company's shares has been suspended in the National Stock Exchange of India Limited (NSE) with effect from September 2001 as well as in the Bombay Stock Exchange Limited (BSE) with effect from December 2002 and accordingly no market price data is available.
- 12.8 Registrar & Transfer Agents : M/s. Big Share Services Private Ltd.
E-2, Ansa Industrial Estate
Saki Vihar Road, Saki Naka
Andheri (East), Mumbai – 400 072
Tel: 28470652 / 40430200 Fax: 28475207
- 12.9 Share & Transfer agents (for Electronic Transfers) : M/s. Big Share Services Private Ltd.
E-2, Ansa Industrial Estate
Saki Vihar Road, Saki Naka
Andheri (East), Mumbai – 400 072
Tel: 28470652 / 40430200 Fax: 28475207

12.10(a) Distribution of Shareholding as on 31st March, 2013

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto – 5000	52,016	99.60	66,70,177	22.66
5001-10000	97	0.18	6,63,629	2.25
10001-20000	64	0.12	8,79,234	2.99
20001-30000	22	0.04	5,59,412	1.90
30001-40000	9	0.02	3,17,246	1.08
40001-50000	3	0.01	1,38,900	0.47
50001-100000	8	0.02	5,63,250	1.91
100001 and above	7	0.01	1,96,44,427	66.74
GRAND TOTAL	52,226	100.00	2,94,36,275	100.00

(b) Category of Shareholding as on 31st March, 2013

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

- 12.11 Dematerialization of shares : The Company has arrangements with NSDL and CDSL for demat facility. 77.62% of the total equity shares are held in dematerialized form with NSDL and CDSL as at 31st March 2013. Members can hold shares in electronic forms and trade the same in Depository system. However, they may hold the same in physical form also.
- 12.12 Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity. : NIL
- 12.13 Registered Office and Address for Correspondence : No.35, A-Wing, Raj Industrial Complex Premises Co-operative Society Limited, Military Road, Marol, Andheri (East), Mumbai-400 059

II. NON-MANDATORY REQUIREMENTS
1. Office of the Chairman of the Board and re-imbursement of expenses by the Company

The same is not applicable as the Chairman of the Company is a Wholetime Director

2. Remuneration Committee

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

3. Shareholders' Rights – Furnishing of Quarterly Results

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

4. Audit Qualifications

The Company, at present, does not have any audit qualification pertaining to the financial results.

5. Mechanism for Evaluating Non-Executive Board Members

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

6. Whistle Blower Policy

The Company at present does not have any Whistle Blower Policy

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

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. I confirm that the Company has received from the Senior Management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.
For the purpose of this declaration, Senior Management Team means the employee in the cadre of Wholetime Directors on 31st March 2013

K.CHANDRAMOULI

Wholetime Director and
Company Secretary

Place: Mumbai
Date: 14th May 2013

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

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

We have examined the compliance of conditions of Corporate Governance by **Hybrid Financial Services Limited (Formerly known as Mafatlal Finance Company Limited)** for the year ended on 31st March 2013 as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

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

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

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

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

For and on behalf of
FOR S. RAMANAND AIYAR & CO
Chartered Accountants
Firm Registration No: 000990N

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 14th May 2013

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of **HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL FINANCE COMPANY LIMITED)** which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and

- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227 (3) of the Companies Act, 1956, we report that:
 - a) We have obtained all the information and explanations *subject to Item Nos 6 and 9 of Note No. 20 III) regarding non receipt of confirmation of certain balances* which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 14th May 2013

Annual Report 2012-2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 3 of our report of even date on the Financial Statements of Hybrid Financial Services Limited (Formerly known as Mafatlal Finance Company Limited) for the year ended 31st March 2013.]

- 1) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) During the year, the fixed assets have been physically verified by the management in accordance with the programme of verification.
- c) The company has not disposed off substantial part of its assets during the year.
- 2) As explained to us, the repossessed stocks on hire was written off during the earlier year hence there is no inventory as at the year end.
- 3) The company has neither granted nor taken any loans secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and Sale of Services. We have not observed any continuing failure to correct major weaknesses in such internal controls. There are no transactions of purchase of inventory and sale of goods.
- 5) In our opinion and according to the information and explanations given to us, there are transactions pursuant to contracts/ arrangements referred to in section 301 of the Companies Act, 1956
- 8) b) According to the information and explanations given to us, details of disputed sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited as on 31st March, 2013 on account of any dispute are given below:

Name of statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Madhya Pradesh Commercial Tax Act, 1974.	Sales Tax	48,780/-	1995-1996	Deputy Commissioner of Commercial Taxes
Madhya Pradesh Commercial Tax Act, 1974.	Sales Tax	25,491/-	1996-1997	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994.	Sales Tax	2,654/-	1994-1995	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994.	Sales Tax	143,788/-	1995-1996	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994.	Sales Tax	82,415/-	1996-1997	Deputy Commissioner of Commercial Taxes
West Bengal Sales Tax Act, 1994.	Sales Tax	44,851/-	1999-2000	Deputy Commissioner of Commercial Taxes
Income Tax Act, 1961.	Income Tax	5,90,12,621/-	1994-95 to 1998-99	Income Tax Appellate Tribunal
Foreign Exchange Management Act.	Import Duty	5,60,00,000/-	1994-1995 1995-1996 1996-1997	Appellate Tribunal of Foreign Exchange.

- 9) The accumulated losses of the company have exceeded fifty percent of its net worth as at the end of the year. The Company has incurred cash losses during the financial year covered by our audit. The company had incurred cash losses in the immediately preceding financial year also. We are unable to determine the impact of qualifications, which are not quantifiable, on the accumulated losses and the cash losses, if any.
- 10) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution, banks and debenture holders as per the Scheme of

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

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

The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, cess and any other material statutory dues applicable to it with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax and cess were in arrears, as at 31st March 2013 for a period of more than six months from the date they became payable.

Compromise and Arrangements dated 13th July 2007 or has agreed with the Banks / Financial Institutions.

- 11) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 12) Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of its dealing in shares, securities, debentures and other investments and timely entries have been made therein. The Company has held the aforesaid investments in its own name.

- 13) According to the information and explanation given to us the company has not given guarantees for loans taken by others from banks and financial institutions. Accordingly, the provisions of clause 4(xv) of the Companies (Auditor's Report) Order, 2003, are not applicable.
- 14) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the Company has not availed any term loans from Banks or financial institutions during the year.
- 15) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, there were no funds raised on short term basis that have, prima facie, been used during the year for long term investment.
- 16) According to the information and explanations given to us, the Company has not made any preferential allotment of shares except a preferential allotment to promoters, covered under section 301 of the Companies Act, 1956, of 14,00,000 Equity Shares of Rs.5/- each by conversion of 7,00,000 Preference Shares of Rs.10/- each as approved in the 25th Annual General Meeting held on 13th July 2012. The price at which shares have been issued is not prejudicial to the interest of the Company.
- 17) According to the information and explanations given to us and the records examined by us, securities have been created in respect of the debentures issued.
- 18) The Company has not raised monies by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003, are not applicable.
- 19) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.
- Other clauses of the order are not applicable to the company for the year.

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 14th May 2013

Annual Report 2012-2013

BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	NOTE NO.	AS AT 31.03.2013 RS' 000	AS AT 31.03.2013 RS' 000	AS AT 31.03.2012 RS' 000
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds:				
(a) Share Capital	1	180,763		180,763
(b) Reserves and Surplus	2	(102,831)	77,932	(98,034)
				82,729
(2) Non-Current Liabilities:				
(a) Long Term Liabilities	3	2,504		3,162
(b) Long Term Provisions	4	34,429	36,933	34,154
				37,316
(3) Current Liabilities:				
(a) Short Term Borrowings	5	746		-
(b) Other Current Liabilities	6	8,826		6,147
(c) Short Term Provisions	7	-		472
			9,572	6,619
TOTAL			124,437	126,664
II. ASSETS				
(1) Non Current Assets:				
(a) Fixed Assets	8			
(i) Tangible Assets		794		886
(ii) Intangible Assets		-		34
		794		920
(b) Non Current Investments	9	100,180		100,180
(c) Long Term Loans and Advances	10	7,643		8,402
(d) Other Non Current Assets	11	5,977		5,977
			114,594	115,479
(2) Current Assets:				
(a) Trade Receivables	12	840		1,000
(b) Cash and Cash Equivalents	13	7,744		8,543
(c) Short Term Loans and Advances	14	1,254		1,572
(d) Other Current Assets	15	5		70
			9,843	11,185
TOTAL			124,437	126,664
Significant Accounting Policies and Notes on Financial Statements	20			
As per our attached report of even date				
For S. RAMANAND AIYAR & CO	N. R. DIVATE	JAYESH R. TALPADE		
Chartered Accountants	Wholetime Director	Director		
Firm Registration No.: 000990N				
BINOD C. MAHARANA	K. CHANDRAMOULI	TANVEER SHAIKH		
Partner	Wholetime Director & Company Secretary	Director		
M. No. 056373				
Mumbai, Dated : 14th May 2013		Mumbai, Dated : 14th May 2013		

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	NOTE NO.	CURRENT YEAR RS' 000	CURRENT YEAR RS' 000	PREVIOUS YEAR RS' 000
INCOME				
Revenue from operations :				
Service Charges				
[Tax deducted at source Rs. 7,40,898/- (Previous Year Rs.8,02,936/-)]		6,857		7,494
			6,857	7,494
Other Income	16		9,029	17,366
Total Revenue			15,886	24,860
EXPENDITURE				
Employee Benefit Expenses	17		7,315	9,184
Financial Costs	18		224	97
Depreciation and Amortisation Expenses	8		117	117
Other Administrative Expenses	19		13,027	11,490
Total Expenses			20,683	20,888
(Loss) / Profit before Tax			(4,797)	3,972
Provision for Tax			-	-
(Loss) / Profit after Tax			(4,797)	3,972
Less:				
Appropriation for:				
Proposed Dividend on Preference Shares			-	406
Dividend Distribution Tax on Proposed Dividend on Preference Shares			-	66
Balance carried to the Balance Sheet			(4,797)	3,500
Earning per equity share:				
(1) Basic			(0.16)	0.12
(2) Diluted			(0.16)	0.12

Significant Accounting Policies and Notes on Financial Statements 20

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

BINOD C. MAHARANA
Partner
M. No. 056373
Mumbai, Dated : 14th May 2013

N. R. DIVATE
Wholetime Director

K. CHANDRAMOULI
Wholetime Director & Company Secretary

JAYESH R. TALPADE
Director

TANVEER SHAIKH
Director

Mumbai, Dated : 14th May 2013

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013		
	Rs. '000s 2012-2013	Rs. '000s 2011-2012
A. Cash Flow from Operating Activities		
Net (Loss) / Profit before Interest and Tax	(4,573)	4,068
Less : Interest	224	96
(Loss) / Profit before Tax	(4,797)	3,972
Adjustment for :		
Sundry Credit Balances Written Back	(21)	(1,121)
Provision for Doubtful Debts Written Back	(4,561)	(1,978)
Provisions for Diminution in Value of Long Term Investment no longer required written back	-	(160)
Depreciation	117	117
Loss on Scrapped Assets	29	-
Interest / Dividend on Investments	(775)	(5,455)
Provisions for Leave Encashment	275	525
Operating Profit / (Loss) before Working Capital Changes	(4,936)	(8,072)
Changes in Working Capital	(9,733)	(4,100)
Adjustments for (increase) / decrease in operating assets		
Trade Receivables	160	(849)
Long Term Loans and Advances	800	28
Short Term Loans and Advances	4,879	1,827
Adjustments for increase / (decrease) in operating liabilities		
Long Term Liabilities	(658)	(5,551)
Other Current Liabilities	2,760	(1,262)
Cash Generated from / (used in) Operations	7,941	(5,807)
Direct Taxes - (Paid) / Received	(41)	16
Net Cash From / (used in) Operating Activities	(A) (1,833)	(9,891)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(20)	-
Interest/Dividend Received	840	5,450
Net Cash From Investing Activities	(B) 820	5,450
C. Cash Flow from Financing Activities		
Short Term Borrowings	746	(810)
Redemption of Preference Shares	(60)	(205)
Dividend Paid on Preference Shares	(472)	(869)
Net Cash Used In Financing Activities	(C) 214	(1,884)
Net (Decrease) / Increase in Cash and Cash Equivalents	(A+B+C) (799)	(6,325)
Cash and Cash Equivalents as at the commencement of the year	8,543	14,868
Cash and Cash Equivalents as at the end of the year	7,744	8,543
Net (Decrease) / Increase as Disclosed above	(799)	(6,325)
(See Notes attached)		
NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013	2012-2013	2011-2012
	Rs. '000s	Rs. '000s
1 Cash and cash equivalents include :		
Cash on hand	4	1
Bank Balances	7,740	8,542
TOTAL	7,744	8,543
2 Bank Balances include Rs Nil ('000) [Previous Year Rs. 11,12 ('000)] in escrow account for payment of fixed depositors liability.		
3 All figures in brackets are outflows.		
4 Previous years figures have been regrouped wherever necessary to confirm to this year's classification.		
As per our attached report of even date		
For S. RAMANAND AIYAR & CO	N. R. DIVATE	JAYESH R.TALPADE
Chartered Accountants	Wholetime Director	Director
Firm Registration No.: 000990N		
BINOD C. MAHARANA	K. CHANDRAMOULI	TANVEER SHAIKH
Partner	Wholetime Director & Company Secretary	Director
M. No. 056373		
Mumbai, Dated : 14th May 2013		Mumbai, Dated : 14th May 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
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Note No. 1

Share Capital

AUTHORISED CAPITAL

7,00,00,000 Equity shares of Rs.5/- each	350,000	350,000
3,00,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each	300,000	300,000
	650,000	650,000

ISSUED , SUBSCRIBED & PAID UP CAPITAL

2,94,36,275 (Previous Year 2,80,36,275) Equity Shares of Rs.5/- each fully paid (See Note Below)	147,181	140,181
	147,181	140,181
33,58,200 (Previous Year 40,58,200) 1% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid (See Note Below)	33,582	40,582
TOTAL	180,763	180,763

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

Equity Shares:

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Nandakishore .R.Divave - Promoter	9,383,995	31.88	8,683,995	30.98
Mr. K.Chandramouli - Promoter	9,378,057	31.86	8,678,057	30.95

Note:

Promoters of the Company are holding 63.74 % (Previous Year 61.93%) of the total Equity Share Capital of the Company and there are no other share holders holding more than 5% of the Equity Share Capital of the Company.

Preference Shares:

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Nandakishore .R.Divave - Promoter	1,679,100	50.00	2,029,100	50.00
Mr. K.Chandramouli - Promoter	1,679,100	50.00	2,029,100	50.00

Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
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Note No. 2

Reserves and Surplus

1 Capital Redemption Reserve Account	4,325	4,325
TOTAL (A)	4,325	4,325
2 Share Premium Account:		
As per last Balance Sheet	-	562,616
Less: Capital Reduction [Refer Note No. 20 III] 5]	-	562,616
TOTAL (B)	-	-
3 Surplus / (Deficit) as per Statement of Profit & Loss:		
Opening Balance	(102,359)	(927,111)
Add: (Loss) / Profit for the year	(4,797)	3,500
Closing Balance	(107,156)	(923,611)
Add: Capital Reduction [Refer Note No. 20 III] 5]	-	821,252
TOTAL (C)	(107,156)	(102,359)
TOTAL (A + B + C)	(102,831)	(98,034)

Note:

The Company has made Preferential Allotment to Promoters of 14,00,000 Equity Shares of Rs.5/- each by conversion of 7,00,000 Preference Shares of Rs.10/- each as approved in the 25th Annual General Meeting held on 13th July 2012.

Reconciliation of Shares

ISSUED , SUBSCRIBED & PAID UP CAPITAL	Current Year	Previous Year
Equity Shares		
Number of Equity Shares at the beginning of the year	28,036,275	39,881,700
Add : Preferential Allotment of Equity Shares to Promoters (See Note above)	1,400,000	-
Less : Capital Reduction	-	11,845,425
Number of Equity Shares at the end of the year	29,436,275	28,036,275
Preference Shares		
Number of Preference Shares at the beginning of the year	4,058,200	4,058,200
Less : Preferential Allotment (See Note above)	700,000	-
Number of Preference Shares at the end of the year	3,358,200	4,058,200

Note No. 3

Long Term Liabilities

1 Secured		
a Debentures		
Deep Discount Non-Convertible Debentures of T Series Liability reduced as per Scheme of Compromise net of payments made till 31st March 2013 [Refer Note No. 20 III] 4]	122	124
b Fixed Deposits from Public	-	656
(During the year the Company has transferred to the Investor Education and Protection Fund)		
2 Unsecured		
a Security Deposits from lessees and others etc. [Refer Note No. 20 III] 4]	126	126
b Rent Deposit Received	2,000	2,000
c Others	256	256
TOTAL	2,504	3,162

Note No. 4

Long Term Provisions

1 Provision for employee benefits:		
Leave Encashment	4,408	4,133
2 Provision For Taxation	21	21
3 Provision for Contingencies [Refer Note. 20 III] 1]	30,000	30,000
TOTAL	34,429	34,154

Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000	Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
Note No. 5			5 Other Payables :		
Short Term Borrowings			a Auditor's Remuneration	101	101
1 Bank Overdraft			b Tax Deducted at Source	311	253
(Secured against pledge of Fixed Deposits)	746	-	c Service Tax Payable	30	
TOTAL	746	-	d Professional Tax	1	2
Note No. 6			e Outstanding Expenses Payable	99	213
Other Current Liabilities			f Others	284	161
1 Unclaimed Preference Shares	4,060	4,120	TOTAL	8,826	6,147
2 Unclaimed Dividend on Preference Shares	29	29	Note No. 7		
3 Unclaimed Debentures and Interest Warrants	44	668	Short Term Provisions		
4 Related Parties for Services Provided	3,867	600	1 For Proposed Dividend on Preference Shares	-	406
			2 For Dividend Distribution Tax on Proposed Dividend on Preference Shares	-	66
			TOTAL	-	472
Note No. 8					
Fixed Assets					(Rs'000s)
	Gross Block		Depreciation / Amortisation		Net Block
Particulars	As at 01.04.2012	Additions during the year	Deletions / Adjustments during the year	As at 31.03.2013	As at 01.04.2012
Tangible Assets					
Building	521	-	-	521	142
Computers	419	-	47	372	163
Furniture and Fixtures	35	-	-	35	5
Office Equipments	261	20	38	243	40
SUB TOTAL (A)	1,236	20	85	1,171	350
Intangible Assets					
Computer Software	100	-	-	100	66
SUB TOTAL (B)	100	-	-	100	34
Total [A + B] (Current Year)	1,336	20	85	1,271	416
(Previous Year)	1,336	-	-	1,336	299
Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000	Particulars	As at 31.03.2013 Rs' 000
Note No.9 Non Current Investments				C IN FULLY PAID PREFERENCE SHARES	
A IN FULLY PAID EQUITY SHARES OF SUBSIDIARY COMPANIES				52255 shares of Rs.10 each in Pasupati Fabrics Ltd	523
1,00,00,000 Shares of Rs.10 each in Maximus Securities Ltd.	100,000		100,000	Provision for Diminution in Value	523
		100,000	100,000		-
B IN FULLY PAID EQUITY SHARES - UNQUOTED				D OTHERS	
I WITH ASSOCIATED COMPANIES				(a) 333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Ltd.	10
24500 shares of Rs.10 each in Hybrid Systems Ltd.	245		245	(b) 1000 shares of Rs.10 each in Saraswat Co-operative Bank Ltd	10
	245		245	TOTAL	100,180
Provision for Diminution in Value	245		245		100,180
		-	-	Note No. 10	
II WITH OTHERS				Long Term Loans and Advances	
16000 shares of Rs.10 each in Amitabh Bachan Corporation Ltd.	1,280		1,280	1 Advance Interest Tax (Net of Provision of Rs.6,11,742/-)	1,138
300000 shares of Rs.10 each in Leisure Hotel Ltd.	3,000		3,000	2 Loan against Fixed Deposits - Secured and Considered Good	-
	4,280		4,280	3 Advance payment of Income Tax and Tax Deducted at Source [Net of Provisions Rs.6,11,240/- (As at 31.03.2012 Rs.6,11,240/-)]	5,842
Provision for Diminution in Value	4,120		4,120		5,801
		160	160		

Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000	Particulars	Current Year Rs' 000	Previous Year Rs' 000
4 Deposit with others				Note No. 16		
(i) Considered Good	663		1,446	Other Income		
(ii) Considered Doubtful	8,000		8,000	1 Interest Income		
	8,663		9,446	a Interest on Deposits with Banks (Gross)	759	437
Less : Provision for Doubtful Deposit	8,000		8,000	{ Tax Deducted at source Rs.58,971/- (Previous Year Rs. 42,713/-) }		
TOTAL		663	1,446	b Interest on Income Tax Refund	105	-
		7,643	8,402	c Interest Others	-	4
Note No. 11				2 Dividend Income from Long Term Investments		
Other Non Current Assets				a From Subsidiary Company	-	5,000
1 Assets acquired in satisfaction of claims [Refer Note No. 20 III) 8]		5,977	5,977	b From Others	16	18
TOTAL		5,977	5,977	3 Other non-operating income		
Note No. 12				a Rent Received	2,400	2,250
Trade Receivables				{ Tax Deducted at source Rs.2,69,664/- (Previous Year Rs. 2,48,175/-) }		
1 Outstanding for more than six months				b Credit Balances no longer payable written back	21	1,121
a) Secured, Considered Good	-		-	c Bad Debts Written Off Re-credited to the Profit & Loss A/C	-	6,150
b) Unsecured, Considered Good	-		-	d Provision for Doubtful Debts/Advances written Back	4,561	1,978
c) Doubtful	71,049	71,049	71,049	e Provision for Diminution in Value of Long Term Investments no longer required	-	160
2 Others				f Service Tax input credit of earlier year	13	81
a) Secured, Considered Good	-		-	g Others	1,154	167
b) Unsecured, Considered Good	840		1,000	TOTAL	9,029	17,366
c) Doubtful	-		-			
		840	1,000	Note No. 17		
Less: Provision for Doubtful Trade Receivables		71,889	72,049	Employee Benefit Expenses		
TOTAL		71,049	71,049	1 Salaries & Other Allowances	4,437	4,600
		840	1,000	2 Contribution to Superannuation Fund	927	870
Note No. 13				3 Gratuity	-	196
Cash and Cash Equivalents				4 Leave Encashment	275	525
1 Cash-in-Hand				5 Reimbursement of Salaries	1,676	2,993
Cash Balance	4	4	1	TOTAL	7,315	9,184
2 Balances With Banks				Note No. 18		
a Earmarked Balances for Refund Warrants of Fixed Deposits and Debentures	146		749	Financial Cost		
b In Current Accounts	2,138	2,284	3,542	1 Interest on Fixed Deposit	147	-
c Bank Deposits				2 Bank Charges and Commission	65	39
(i) Escrowed Bank Deposit	-		1,112	3 Interest on Bank Overdraft	12	4
(ii) Fixed Deposits for Bank Overdraft	1,900		-	4 Other Interest Paid	-	54
(iii) Fixed Deposits for Bank Guarantees	3,556	5,456	3,888	TOTAL	224	97
			5,000	Note No. 19		
Note: There are no Bank Deposits which carries a maturity period beyond 12 Months as on 31st March 2013				Other Administrative Expenses		
TOTAL		7,744	8,543	1 Advertisement & Business promotion expenses	64	120
Note No. 14				2 Audit Fees and Other Services	167	178
Short Term Loans and Advances				3 Conveyance Expenses	232	331
1 Loans and Advances to related parties				4 Custodial and Corporate Action Fees	90	110
a Loans to Subsidiary Company - Unsecured Considered Good		829	232	5 Electricity Expenses	24	64
b Other Related Parties - Unsecured				6 Insurance	2	4
(i) Considered Good	1		-	7 Listing Fees	25	185
(ii) Considered Doubtful	32,857		37,418	8 Motor Car Expenses	278	213
	32,858		37,418	9 Postage and Courier Expenses	342	644
Less : Provision for doubtful advances	32,857		37,418	10 Printing and Stationery	355	483
		1	-	11 Professional Fees & Service Charges	5,058	4,808
2 Prepaid Expenses (Unsecured, Considered Good)	-		933	12 Rates and Taxes	65	11
3 Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good		424	407	13 Rent and Office Premises Compensation	276	301
TOTAL		1,254	1,572	14 Repairs and Office Maintenance	201	448
Note No. 15				15 Shared Service Expenses	3,760	1,924
Other Current Assets				16 Telephone Expenses	1,049	823
1 Interest Accrued on Bank Deposits		5	70	17 Travelling Expenses	33	59
TOTAL		5	70	18 Loss on Scrapped Assets	29	-
				19 Miscellaneous Expenses	977	784
				TOTAL	13,027	11,490

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Note No. 20

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

I) CORPORATE INFORMATION

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

II) SIGNIFICANT ACCOUNTING POLICIES:

a. Accounting Conventions:

The Accounts have been prepared under the historical cost convention on an Accrual basis and in accordance with requirements of the Companies Act, 1956 and comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the said Act and are consistent with generally accepted accounting principles and conform to the statutory provisions and practices prevailing in the industry.

b. Estimates:

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

c. Fixed Assets:

All the Fixed Assets have been stated at cost.

d. Intangible Assets:

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

e. Assets Acquired in Satisfaction of Claims:

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

f. Depreciation:

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

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

AMORTISATION

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

III) NOTES TO ACCOUNTS:

1 Contingent Liabilities:

Sl.No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)	Current Status
1	Disputed Income Tax Demands	5,90,12,621/-	8,14,51,511/-	Under Appeal before Tribunal
2	Interest Tax	21,07,307/-	21,07,307/-	Under Appeal by Income Tax Department in High Court
3	Labour Court and Civil Court	29,16,205/-	29,16,205/-	Under Appeal before the Respective Authorities
4	Foreign Exchange Management Act	5,60,00,000/-	6,07,40,000/-	Under Appeal before the Appellate Tribunal for Foreign Exchange, New Delhi. The Company has however provided Rs.3,00,00,000/- as Contingent Provision out of abundant precaution.
5	Disputed Sales Tax Demands	3,47,979/-	5,92,105/-	Under Appeal before the respective authorities

g. Impairment of Assets:

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

h. Investments

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

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

i. Revenue Recognition

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

(i) Profit on Sale of Investments

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

(ii) Other Income:

Other Income is accounted on accrual basis.

J. Provisions, Contingent Liabilities and Contingent Assets

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

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

L. Leave Encashment

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

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.

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

	Current Year Rs. '000s	Previous Year Rs. '000s
Statutory Audit Fee	75	75
Tax Audit Fees	25	25
Limited Review and Other Certification Work	49	60
Out of Pocket Expenses	6	6
Service Tax	18	19
Total	173	185

3. Debentures

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

4. Scheme of Compromise and Arrangements

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

5. Equity Share Capital

During the previous year the Company had given accounting effect to the Capital Reduction as confirmed by The Hon'ble Bombay High Court vide their order dated 8th April 2011 and as registered by The Registrar of Companies, Maharashtra, Mumbai on 14th June 2011. During the year the Company has made Preferential Allotment to Promoters of 14,00,000 Equity Shares of Rs.5/- each by conversion of 7,00,000 Preference Shares of Rs.10/- each as approved in the 25th Annual General Meeting held on 13th July 2012.

After giving accounting effect to the above, the Revised Paid up Capital of the Company is 2,94,36,275 Equity Shares of Rs.5/- each aggregating to Rs.14,71,81,375/- and 33,58,200 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.3,35,82,000/-.

6. Non Confirmations and Reconciliations of Banks

In respect of Current Accounts with banks amounting to Rs. 22,24,100/- (net) [previous year Rs. 32,53,369/- (net)] which includes book debit balance of Rs. 24,00,938/- and book credit balance of Rs. 1,76,838/-, statements of account were not being received; including from 2000-2001 in some cases.

Transactions with Related Parties:

Particulars	Subsidiary Company		Associate Companies		Key Management Personnel	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Outstanding Receivables	8,28,701	2,31,902	3,28,57,851	3,74,18,324	-	-
(b) Provision made as on date for doubtful debts	Nil	Nil	3,28,56,851	3,74,18,324	-	-
(c) Margin Deposit given outstanding as on 31.03.2013	Nil	5,00,000	-	-	-	-
(d) Outstanding Payable	-	-	38,67,722	5,99,513	-	-
(e) Investment in Subsidiary	10,00,00,000	10,00,00,000	-	-	-	-
(f) Rental Income	24,00,000	22,50,000	-	-	-	-
(g) Rent Paid	-	-	1,08,000	-	-	-
(h) Service Charges charged to them	36,00,000	39,00,000	-	-	-	-
(i) Service Charges charged by them	Nil	Nil	91,89,240	84,04,000	-	-
(j) Other Expenses Charged to them	Nil	Nil	Nil	Nil	-	-
(k) Other Expenses Charged by them	1,357	1,772	16,38,526	12,40,832	-	-
(l) Brokerage Paid	Nil	1,234	-	-	-	-
(m) Managerial Remuneration	-	-	-	-	53,91,000	53,30,445

7. Investor Education and Protection Fund (IEPF)

During the year the Company had transferred to the Investor Education and Protection Fund (IEPF) as per the requirements of Section 205C of The Companies Act, 1956 Rs.7,85,940/- towards Unclaimed Public Deposits with Interest and Rs.6,02,411/- towards Unclaimed Debentures.

8. During the year 2004-2005 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs.59,76,429/-. Though the company is in possession of the property, completion of documentation is pending.

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

10. 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.

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

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

A. Subsidiary Company

Maximus Securities Limited
(Formerly known as Mafatlal Securities Limited)

B. Associate Companies

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

C. Key Management Personnel

Mr. N R Divate and Mr. K.Chandramouli

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13. The Company has complied with AS-22 "Accounting for taxes on Income", issued by the Institute of Chartered Accountants of India; accordingly, the opening deferred tax asset and as well as for the year has not been accounted on the grounds of prudence.

14. The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs. 2,75,500/- (Previous Year Rs. 3,00,758/-) was paid during the year has been debited to Statement of Profit and Loss. The future minimum lease payment is as under:

Particulars	2012-2013	2011-2012
	Rs.	Rs.
Not later than 1 year	1,08,000	97,500
Later than 1 year and Not later than 5 years	Nil	Nil
Later than 5 years	Nil	Nil
Total	1,08,000	97,500

15. Earning per Share:

Particulars	Current Year (Rs. in '000)	Previous Year. (Rs. in '000)
I) Basic Earning per share		
(Loss)/Profit for the year as per Statement of Profit & Loss	(47,97)	39,72
<u>Less:</u> Preference dividend	-	4,72
	(47,97)	35,00
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,35,275	2,80,35,275
Basic Earning per Share. (Rupees)	(0.16)	0.12
II) Diluted Earning per share		
(Loss)/Profit for the year as per Statement of Profit & Loss	(47,97)	39,72
<u>Less:</u> Preference dividend	-	4,72
<u>Add:</u> Interest forgone on account of Potential Equity shares	-	-
	(47,97)	35,00
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,35,275	2,80,35,275
<u>Add:</u> Shares issuable under Loan Contract upon default of payment of principal and interest	-	-
Total Weighted average number of Equity Shares.	2,94,35,275	2,80,35,275
Diluted Earning per Share. (Rupees)	(0.16)	0.12
Nominal value of shares (Rupees)	5.00	5.00

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

Rs. in Lacs

Loans and Advances	Amount outstanding as at 31.03.2013	Maximum Amount outstanding during the year
(A) <u>To Subsidiaries</u> Maximus Securities Limited (Formerly known as Mafatlal Securities Limited)	8.29	10.35 Credit
(B) <u>To Associate</u> Hybrid Systems Ltd. Mafatlal Trustee Company Ltd. Sunanda Capital Services Ltd. Sushmita Engineering & Trading Ltd.	37.31 Credit Nil 0.13 Nil	37.31 Credit Nil 0.13 Nil
(C) <u>To Firms / Companies in which directors are interested other than (A) and (B) above.</u> Garron Shares and Stock Brokers Private Limited Hybrid Services and Trading Limited (Formerly known as Sunanda Services and Trading Limited)	0.01 328.44	0.01 374.30
(D) Where there is : (a) No repayment schedule (b) Repayment beyond seven years (representing housing loans to staff) (c) Interest below the rate as specified in Section 372A of the Companies Act	328.44 - 328.44	374.30 - 374.30

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

17. 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.

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

Signatures to Notes 1 to 20

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

BINOD C. MAHARANA
Partner
M. No. 056373

Mumbai, Dated : 14th May 2013

N. R. DIVATE
Wholtime Director

K. CHANDRAMOULI
Wholtime Director & Company Secretary

JAYESH R. TALPADE
Director

TANVEER SHAIKH
Director

Mumbai, Dated : 14th May 2013

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

	NAME OF THE SUBSIDIARY	MAXIMUS SECURITIES LIMITED (FORMERLY KNOWN AS MAFATLAL SECURITIES LIMITED)
1.	The Financial Year of the Subsidiary Company ended on	March 31, 2013
2.	a) No. of Equity Shares held by Hybrid Financial Services Limited (Formerly known as Mafatlal Finance Company Limited) and its nominees in the subsidiary as on 31st March, 2013.	1,00,00,000 Equity Shares of Rs. 10 each fully paid-up
	b) Extent of interest of Hybrid Financial Services Limited	100%
3.	Net aggregate amount of profits of the subsidiary so far as it concerns the members of Hybrid Financial Services Limited and is not dealt within the Company's Accounts :	
	(a) Profit for the year ended on 31st March, 2013 of the subsidiary	Rs. 24,68,131
	(b) Profits for the previous financial years of the subsidiary since it became subsidiary of Hybrid Financial Services Limited	Rs. 4,79,22,781
4.	Net aggregate amount of Profits / (Losses) of the subsidiary so far as dealt with or provision is made for those losses in the accounts of Hybrid Financial Services Limited	
	a) For the subsidiary's Financial Year ended on 31st March, 2013.	Not Applicable
	b) For its previous year's since it became the subsidiary of Hybrid Financial Services Limited	Not Applicable

N. R. DIVATE
Wholtime Director

JAYESH R.TALPADE
Director

K. CHANDRAMOULI
Wholtime Director
and Company Secretary

TANVEER SHAIKH
Director

Mumbai, Dated : 14th May 2013

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of
**HYBRID FINANCIAL SERVICES LIMITED (formerly known as MAFATLAL
FINANCE COMPANY LIMITED)** which comprise the Consolidated Balance
Sheet as at March 31, 2013, and the Consolidated Statement of Profit
and Loss and Consolidated Cash Flow Statement for the year then ended,
and a summary of significant accounting policies and other explanatory
information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated
financial statements that give a true and fair view of the consolidated
financial position, consolidated financial performance and consolidated
cash flows of the Company in accordance with the Accounting Standards
referred to in sub-section (3C) of section 211 of the Companies Act,
1956 ("the Act"). This responsibility includes the design, implementation
and maintenance of internal control relevant to the preparation and
presentation of the consolidated financial statements that give a true and
fair view and are free from material misstatement, whether due to fraud
or error.

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the
explanations given to us, the consolidated financial statements give the
information required by the Act in the manner so required and give a
true and fair view in conformity with the accounting principles generally
accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs
of the Company as at March 31, 2013;
- in the case of the Consolidated Statement of Profit and Loss, of the
loss for the year ended on that date; and
- in the case of the Consolidated Cash Flow Statement, of the cash
flows for the year ended on that date.

REPORT ON LEGAL AND REGULATORY REQUIREMENTS

1. AS REQUIRED BY SECTION 227 (3) OF THE COMPANIES ACT, 1956, WE REPORT THAT:

- We have obtained all the information and explanations *subject to Item
Nos 5 and 8 of Note No. 25 III) regarding non receipt of confirmation
of certain balances* which to the best of our knowledge and belief
were necessary for the purposes of our audit;
- In our opinion proper books of account as required by law have been
kept by the Company so far as appears from our examination of those
books;
- The Consolidated Balance Sheet, Consolidated Statement of Profit
and Loss, and Consolidated Cash Flow Statement dealt with by this
Report are in agreement with the books of account;
- In our opinion, the Consolidated Balance Sheet, Consolidated
Statement of Profit and Loss, and Consolidated Cash Flow Statement
comply with the Accounting Standards referred to in subsection (3C)
of section 211 of the Companies Act, 1956;
- On the basis of written representations received from the directors
as on March 31, 2013, and taken on record by the Board of Directors,
none of the directors is disqualified as on March 31, 2013, from being
appointed as a director in terms of clause (g) of sub-section (1) of
section 274 of the Companies Act, 1956.
- Since the Central Government has not issued any notification as to
the rate at which the cess is to be paid under section 441A of the
Companies Act, 1956 nor has it issued any Rules under the said
section, prescribing the manner in which such cess is to be paid, no
cess is due and payable by the Company.
- Financial Statements in respect of the associates have not been
audited. The carrying value of the current investments in associate is
amounting to Rs. 2,45,000/- which has been fully provided for. Hence
the financial statement of associates have not been considered in
the consolidated financial statements. This had also caused to us to
qualify our audit opinion on the consolidated financial statements for
the previous year.*
- Attention is invited to the following points:**
 - Note No. 25 III) 12 regarding non appointment of Company
Secretary by Subsidiary Company.*
 - Regarding compliance of the requirement of Section 269
read with Schedule XIII of the Companies Act, 1956 as per
the legal advice sought by the Subsidiary Company. We are
unable to express an opinion whether the constitution of
Remuneration Committee meets the criteria specified in
Schedule XIII of the Companies Act, 1956 though as per the
legal advice the same is in order.*
 - The effect of the items mentioned in paragraph h) (i) and
(ii) above, could not be determined.*

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

BINOD C. MAHARANA
Partner
Membership No. 056373

Place: Mumbai
Date: 14th May 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	NOTE NO.	AS AT 31.03.2013 RS' 000	AS AT 31.03.2013 RS' 000	AS AT 31.03.2012 RS' 000
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds:				
(a) Share Capital	1	180,763		180,763
(b) Reserves and Surplus	2	(52,439)		(50,111)
			128,324	130,652
(2) Non-Current Liabilities:				
(a) Long Term Liabilities	3	18,467		20,159
(b) Long Term Provisions	4	35,986		35,707
			54,453	55,866
(3) Current Liabilities:				
(a) Short Term borrowings	5	4,295		3,810
(b) Trade Payables	6	5,224		9,326
(c) Other Current Liabilities	7	10,847		7,754
(d) Short Term Provisions	8	-		472
			20,366	21,362
TOTAL			203,143	207,880
II. ASSETS				
(1) Non Current Assets:				
(a) Fixed assets	9			
(i) Tangible Assets		14,267		15,318
(ii) Intangible Assets		241		114
		14,508		15,432
(b) Non Current Investments	10	48,810		49,276
(c) Deferred Tax Assets (net)	11	21		229
(c) Long Term Loans and Advances	12	27,097		27,706
(d) Other Non Current Assets	13	5,977		5,977
			96,413	98,620
(2) Current Assets:				
(a) Inventories - Stock in Trade	14	101		67
(b) Trade Receivables	15	5,679		4,680
(c) Cash and Cash Equivalents	16	96,101		100,744
(d) Short Term Loans and Advances	17	1,598		2,209
(e) Other Current Assets	18	3,251		1,560
			106,730	109,260
TOTAL			203,143	207,880

Significant Accounting Policies and Notes on Financial Statements 25

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

BINOD C. MAHARANA
Partner
M. No. 056373

Mumbai, Dated : 14th May 2013

N. R. DIVATE
Wholetime Director

K. CHANDRAMOULI
Wholetime Director & Company Secretary

JAYESH R. TALPADE
Director

TANVEER SHAIKH
Director

Mumbai, Dated : 14th May 2013

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CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013				
PARTICULARS	NOTE NO.	CURRENT YEAR RS' 000	CURRENT YEAR RS' 000	PREVIOUS YEAR RS' 000
<u>INCOME</u>				
Service Charges				3,594
[Tax deducted at source Rs.4,03,818/- (Previous Year Rs.3,72,766/-)]		3,857		
Brokerage Income		13,942		14,270
Income from Depository Services		2,026		1,946
Financial Products Marketing Fees		764		628
			20,589	20,438
Other Income	19		17,147	18,106
Total Revenue			37,736	38,544
<u>EXPENDITURE</u>				
Changes in inventories of Stock-in-Trade - Equity Shares	20		2	45
Employee Benefit Expenses	21		14,573	18,473
Financial Costs	22		569	1,993
Depreciation and Amortisation Expenses	9		1,264	1,331
Other Administrative Expenses	23		22,128	21,556
Provisions and Write-Offs	24		691	-
			39,227	43,398
Total Expenses			39,227	43,398
(Loss) / Profit before Tax			(1,491)	(4,854)
<u>Provision for Tax</u>				
(1) Current tax		630		-
(2) Deferred tax		207		246
			837	246
(Loss) / Profit after Tax			(2,328)	(5,100)
Less:				
<u>Appropriation for:</u>				
Proposed Dividend on Preference Shares			-	406
Dividend Distribution Tax on Proposed Dividend on Preference Shares			-	66
Dividend Distribution Tax on the Dividend paid by the Subsidiary Company to the Parent Company for the Previous Year			-	831
Balance carried to the Balance Sheet			(2,328)	(6,403)
Earning per equity share:				
(1) Basic			(0.08)	(0.19)
(2) Diluted			(0.08)	(0.19)
Significant Accounting Policies and Notes on Financial Statements 25				
As per our attached report of even date				
For S. RAMANAND AIYAR & CO		N. R. DIVATE	JAYESH R. TALPADE	
Chartered Accountants		Wholtime Director	Director	
Firm Registration No.: 000990N				
BINOD C. MAHARANA		K. CHANDRAMOULI	TANVEER SHAIKH	
Partner		Wholtime Director & Company Secretary	Director	
M. No. 056373				
Mumbai, Dated : 14th May 2013			Mumbai, Dated : 14th May 2013	

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	Rs. '000s 2012-2013	Rs. '000s 2011-2012
A. Cash Flow from Operating Activities		
Net (Loss) / Profit before Interest and Tax	(922)	(2,861)
Less : Interest	569	1,993
(Loss) / Profit before Tax	(1,491)	(4,854)
Adjustment for :		
Sundry Credit Balances Written Back	(931)	(1,175)
Provision for Doubtful Debts Written Back	(4,561)	(1,978)
Provisions for Diminution in Value of Long Term Investment no longer required written back	-	(160)
Depreciation	1,264	1,331
Loss / (Profit) on Sale of Investments	277	206
Loss on Sale of Fixed assets	67	-
Loss on Scrapped Assets	29	-
Interest / Dividend on Investments	(8,960)	(7,598)
Provision for Gratuity	-	37
Provisions for Leave Encashment	323	595
Provisions & Write offs	691	-
	(11,801)	(8,742)
Operating Profit / (Loss) before Working Capital Changes	(13,292)	(13,596)
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets		
Inventories - Stock in Trade	(34)	77
Trade Receivables	(1,690)	8,153
Long Term Loans and Advances	805	15,657
Short Term Loans and Advances	5,172	2,541
Adjustments for increase / (decrease) in operating liabilities		
Trade Payables	(3,815)	2,505
Long Term Provisions	(9)	(12)
Long Term Liabilities	(1,104)	(5,936)
Other Current Liabilities	3,175	(9,726)
Cash Generated from / (used in) Operations	2,500	13,259
Direct Taxes - (Paid) / Received	(826)	(1,142)
Dividend Distribution Tax Paid	-	(831)
Net Cash From / (used in) Operating Activities	(A) (11,618)	(2,310)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(440)	(299)
Sale of Fixed Assets	4	-
Purchase of Investments	(959)	(5,095)
Sale of Investments	1,148	10,360
Interest/Dividend Received	7,269	12,073
Net Cash From Investing Activities	(B) 7,022	17,039
C. Cash Flow from Financing Activities		
Short Term Borrowings	485	(26,919)
Redemption of Preference Shares	(60)	(205)
Dividend Paid on Preference Shares	(472)	(869)
Net Cash Used In Financing Activities	(C) (47)	(27,993)
Net (Decrease) / Increase in Cash and Cash Equivalents	(A+B+C) (4,643)	(13,264)
Cash and Cash Equivalents as at the commencement of the year	100,744	114,008
Cash and Cash Equivalents as at the end of the year	96,101	100,744
Net (Decrease) / Increase as Disclosed above	(4,643)	(13,264)
(See Notes attached)		

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-2013 Rs. '000s	2011-2012 Rs. '000s
1 Cash and cash equivalents include :		
Cash on hand	25	25
Bank Balances	96,076	100,719
TOTAL	96,101	100,744
2 Bank Balances include Rs Nil ('000) [Previous Year Rs. 11,12 ('000)] in escrow account for payment of fixed depositors liability and Bank Deposits of Subsidiary Company pledged with Banks and Exchanges amounting to Rs.5,68,00 ('000)[Previous Year Rs. 6,80,15 ('000)]		
3 All figures in brackets are outflows.		
4 Previous years figures have been regrouped wherever necessary to confirm to this year's classification.		

As per our attached report of even date

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

BINOD C. MAHARANA
Partner
M. No. 056373
Mumbai, Dated : 14th May 2013

N. R. DIVATE
Wholetime Director

K. CHANDRAMOULI
Wholetime Director & Company Secretary

JAYESH R.TALPADE
Director

TANVEER SHAIKH
Director

Mumbai, Dated : 14th May 2013

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
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Note No. 1

Share Capital

AUTHORISED CAPITAL

7,00,00,000 Equity shares of Rs.5/- each	350,000	350,000
3,00,00,000 Redeemable Cumulative Preference Shares of Rs. 10/- each	300,000	300,000
	650,000	650,000

ISSUED , SUBSCRIBED & PAID UP CAPITAL

2,94,36,275 (Previous Year 2,80,36,275) Equity Shares of Rs.5/- each fully paid (See Note Below)	147,181	140,181
	147,181	140,181
33,58,200 (Previous Year 40,58,200) 1% Redeemable Cumulative Preference Shares of Rs.10/- each fully paid (See Note Below)	33,582	40,582
TOTAL	180,763	180,763

Note:

The Company has made Preferential Allotment to Promoters of 14,00,000 Equity Shares of Rs.5/- each by conversion of 7,00,000 Preference Shares of Rs.10/- each as approved in the 25th Annual General Meeting held on 13th July 2012.

Reconciliation of Shares

ISSUED , SUBSCRIBED & PAID UP CAPITAL	Current Year	Previous Year
Equity Shares		
Number of Equity Shares at the beginning of the year	28,036,275	39,881,700
Add : Preferential Allotment of Equity Shares to Promoters (See Note above)	1,400,000	-
Less : Capital Reduction	-	11,845,425
Number of Equity Shares at the end of the year	29,436,275	28,036,275
Preference Shares		
Number of Preference Shares at the beginning of the year	4,058,200	4,058,200
Less : Preferential Allotment (See Note above)	700,000	-
Number of Preference Shares at the end of the year	3,358,200	4,058,200

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

Equity Shares:

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Nandakishore .R.Divite - Promoter	9,383,995	31.88	8,683,995	30.98
Mr. K.Chandramouli - Promoter	9,378,057	31.86	8,678,057	30.95

Note:

Promoters of the Company are holding 63.74 % (Previous Year 61.93%) of the total Equity Share Capital of the Company and there are no other share holders holding more than 5% of the Equity Share Capital of the Company.

Preference Shares:

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Nandakishore .R.Divite - Promoter	1,679,100	50.00	2,029,100	50.00
Mr. K.Chandramouli - Promoter	1,679,100	50.00	2,029,100	50.00

Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
-------------	--------------------------------	--------------------------------

Note No. 2

Reserves and Surplus

1 Capital Redemption Reserve Account	4,325	4,325
TOTAL (A)	4,325	4,325
2 Share Premium Account:		
As per last Balance Sheet	-	562,616
Less: Capital Reduction [Refer Note No. 25 III] 4]	-	562,616
TOTAL (B)	-	-
3 Surplus / (Deficit) as per Statement of Profit & Loss:		
Opening Balance	(54,436)	(869,285)
Add: (Loss) / Profit for the year after Taxes	(2,328)	(6,403)
Closing Balance	(56,764)	(875,688)
Add: Capital Reduction [Refer Note No. 25 III] 4]	-	821,252
TOTAL (C)	(56,764)	(54,436)
TOTAL (A + B + C)	(52,439)	(50,111)

Note No. 3

Long Term Liabilities

1 Debentures:		
Deep Discount Non-Convertible Debentures of T Series Liability reduced as per Scheme of Compromise net of payments made till 31st March 2013 [Refer Note No. 25 III] 3]	122	124
2 Fixed Deposits from Public (During the year the Company has transferred to the Investor Education and Protection Fund)	-	656
3 Security Deposits from lessees and others etc. [Refer Note No. 25 III] 3]	126	126
4 Client Deposits towards Margin	5,304	5,240
5 Others	12,915	14,013
TOTAL	18,467	20,159

Note No. 4

Long Term Provisions

1 Provision for employee benefits:		
Gratuity	140	171
Leave Encashment	5,155	4,845
	5,295	5,016
2 Provision For Taxation (Net of Advance Tax Rs.52,37,925/)	691	691
3 Provision for Contingencies [Refer Note. 25 III] 1]	30,000	30,000
TOTAL	35,986	35,707

Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000	Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
Note No. 5			5 Related Parties for Services Provided	3,867	600
Short Term Borrowings			6 Other Payables:		
1 Bank Overdraft			a Auditor's Remuneration	278	278
(Secured against pledge of Fixed Deposits)	4,295	3,810	b Tax Deducted at Source	461	441
TOTAL	4,295	3,810	c Professional Tax	2	4
Note No. 6			d Salary Payable	233	-
Trade Payables			e Service Tax	175	27
1 Trade Creditors/Payables:			f Rent Deposit Received	155	150
Sundry Creditors - Other than Small Scale Industries			g Outstanding Expenses Payable	430	521
[Refer Note No. 25 III) 9]	5,224	9,326	h Others	294	171
TOTAL	5,224	9,326	TOTAL	10,847	7,754
Note No. 7			Note No. 8		
Other Current Liabilities			Short Term Provisions		
1 Unclaimed Preference Shares	4,060	4,120	1 For Proposed Dividend on Preference Shares	-	406
2 Unclaimed Dividend on Preference Shares	29	29	2 For Dividend Distribution Tax on Proposed	-	66
3 Unclaimed Debentures and Interest Warrants	44	668	Dividend on Preference Shares		
4 Client Deposits towards Margin - Future and Options	819	745	TOTAL	-	472
Note No. 9					
Fixed Assets					(Rs. '000s)

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Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
17 Nil (Previous Year 1000) Shares of Rs.1 each in NMDC Ltd	-		232
18 2010 Shares of Rs.10 each in Reliance Industries Ltd	2,110		2,110
19 1000 Shares of Rs. 2 each in Siemens Ltd	935		935
20 1000 Shares of Rs.1 each in Sterling Biotech Ltd.	108		108
21 28000 Shares of Rs.2 each in Sterlite Industries (India) Ltd	4,872		4,872
22 20000 Shares of Rs.10 each in Supreme Infrastructure India Ltd	4,748		4,748
23 1000 (Previous Year Nil) Shares of Rs. 2 each in Symphony Ltd	307		-
24 20000 Shares of Rs.10 each in Viceroy Hotels Ltd.	725		725
25 70000 Shares of Rs.10 each in Whirlpool of India Ltd	8,947		8,947
II IN FULLY PAID EQUITY SHARES - UNQUOTED		41,717	42,183
WITH ASSOCIATED COMPANIES			
24500 shares of Rs.10 each in Hybrid Systems Ltd	245		245
	245		245
Provision for Diminution in Value	245		245
		-	-
III IN FULLY PAID EQUITY SHARES - UNQUOTED WITH OTHERS			
1 16000 shares of Rs.10 each in Amitabh Bachan Corporation Ltd.	1,280		1,280
2 11,401 Shares of Rs. 1 each in Bombay Stock Exchange Ltd.	2,283		2,283
3 300000 shares of Rs.10 each in Leisure Hotel Ltd.	3,000		3,000
4 3,08,167 shares of Rs. 10 each in Phthalocyanines & Chemicals (India) Ltd.	4,630		4,630
	11,193		11,193
Provision for Diminution in Value	4,120		4,120
		7,073	7,073
IV IN FULLY PAID PREFERENCE SHARES			
52255 shares of Rs.10 each in Pasupati Fabrics Ltd	523		523
Provision for Diminution in Value	523		523
		-	-
V OTHERS			
1 333 shares of Rs.30 each in Bombay Mercantile Co-operative Bank Ltd.	10		10
2 1000 shares of Rs.10 each in Saraswat Co-operative Bank Ltd	10		10
		20	20
TOTAL		48,810	49,276
NOTES :			
	Cost Rs. 000's	Market Value Rs. 000's	
Aggregate of Quoted Investments	41,717	36,504	
[Refer Note No. 25 III] 14]			
Previous Year	42,183	39,787	
Aggregate of Un-Quoted Investments	7,093		
Previous Year	7,093		
TOTAL	48,810		
Previous Year	49,276		

Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
Note No. 11		
Deferred Tax Assets (Net)		
1 Deferred Tax Assets		
Timing Difference on account of Provision for Gratuity, Leave Encashment and Doubtful Debts.	268	267
2 Deferred Tax Liabilities		
Timing Difference on account of Accumulated Depreciation of Fixed Assets	(247)	(38)
Net Deferred Tax Asset / [Liability]	<u>21</u>	<u>229</u>
Note:		
The above is for the Subsidiary Company. Deferred Tax in case of Parent Company has not been recognised on the grounds of prudence.		
Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
Note No. 12		
Long Term Loans and Advances		
1 Advance Interest Tax (Net of Provision of Rs.6,11,742/-)	1,138	1,138
2 Loan against Fixed Deposits - Secured and Considered Good	-	17
3 Advance payment of Income Tax and Tax Deducted at Source [Net of Provisions Rs. 92,80,062/- (As at 31.03.2012 Rs.86,50,062/-)]	12,514	12,318
4 Deposits with Stock Exchanges and Others		
(i) Considered Good	13,445	14,233
(ii) Considered Doubtful	8,000	8,000
	21,445	22,233
Less : Provision for doubtful deposit	8,000	8,000
TOTAL	<u>13,445</u>	<u>14,233</u>
	<u>27,097</u>	<u>27,706</u>
Note No. 13		
Other Non Current Assets		
1 Assets acquired in satisfaction of claims [Refer Note No. 25 III] 7]	5,977	5,977
TOTAL	<u>5,977</u>	<u>5,977</u>
Note No. 14		
Inventories - Stock in Trade		
I Stock-in-trade		
IN FULLY PAID UP EQUITY SHARES (QUOTED)		
(At Cost or Net Realisable Value whichever is lower)		
1 40 Shares of Rs.10 each in Agri-Tech India Ltd	1	1
2 20 (Previous Year Nil) Shares of Rs.2 each in Britannia Industries Ltd	9	-
3 30 Shares of Rs.5 each in Biocon Ltd	10	10
4 15 (Previous Year Nil) Shares of Rs.5 each in Havells India Ltd	9	-

Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000	Particulars	As at 31.03.2013 Rs' 000	As at 31.03.2013 Rs' 000	As at 31.03.2012 Rs' 000
5 Nil (Previous Year 4) Shares of Rs.2 each in Hero Motocorp Ltd	-		8	b In Current Accounts	8,874		16,956
6 85 (Previous Year Nil) Shares of Rs.1 each in Hindalco Industries Ltd	10		-	c Bank Deposits with more than 12 months Maturity [Refer Note No. 25 III] 10]	71,600		25,000
7 44 Shares of Rs. 10 each in Nath Bio-Genes (India) Ltd	1		1	d Other Bank Deposits [Refer Note No. 25 III] 10]	15,456		58,014
8 116 Shares of Rs.10 each in Nath Seeds Ltd	2		2			96,076	100,719
9 10 Shares of Rs.10 each in NEPC Agro Foods Ltd	1		1	TOTAL		96,101	100,744
10 45 Shares of Rs.10 each in Oswal Agro Mills Ltd	1		1	Note No. 17			
11 190 (Previous Year Nil) Shares of Rs.2 each in Punj Lloyd Ltd	10		-	Short Term Loans and Advances			
12 10 (Previous Year Nil) Shares of Rs.10 each in Reliance Industries Ltd	8		-	1 Loan to Staff - Unsecured, Considered Good		117	248
13 200 Shares of Rs.10 each in Roofit Industries Ltd	34		34	2 Loans to Related Parties - Unsecured			
14 55 (Previous Year Nil) Shares of Rs.1 each in Sesa Goa Ltd	9		-	(i) Considered Good	1		-
15 Nil (Previous Year 225) Shares of Rs.2 each in Symphony Ltd	-		69	(ii) Considered Doubtful	32,857		37,418
16 15 Shares of Rs. 10 each in S & S Power Switchgear Ltd	1		1		32,858		37,418
17 95 (Previous Year Nil) Shares of Rs.1 each in Tata Power Ltd	9		-	Less : Provision for doubtful advances	32,857		37,418
18 25 (Previous Year Nil) Shares of Rs.10 each in Tata Steel Ltd	10		-			1	-
19 6 (Previous Year Nil) Shares of Rs.1 each in Tata Consultancy Services Ltd	8		-	3 Prepaid Expenses (Unsecured, Considered Good)		704	1,296
20 10 (Previous Year Nil) Shares of Rs.10 each in Tech Mahindra Ltd	9		-	4 Advances recoverable in cash or in kind or for value to be received - Unsecured Considered Good		776	665
		142	128	TOTAL		1,598	2,209
Less: Fall in Market Value		41	61	Note No. 18			
TOTAL		101	67	Current Assets			
Note No. 15				1 Interest Accrued on Bank Deposits		3,251	1,560
Trade Receivables				TOTAL		3,251	1,560
1 Outstanding for more than six months							
a) Secured, Considered Good	-		-	Particulars	Current Year	Previous Year	
b) Unsecured, Considered Good	1,846		2,113		Rs' 000	Rs' 000	
c) Doubtful	71,276		71,276	Note No. 19			
		73,122	73,389	Other Income			
2 Others				1 Interest Income			
a) Secured, Considered Good	-		-	a Interest on Deposits with Banks (Gross)	8,595		7,144
b) Unsecured, Considered Good	3,833		2,567	{Tax Deducted at Source Rs. 8,43,592/- (Previous Year Rs. 7,32,368/-) }			
c) Doubtful	-		-	b Interest Others	354		277
		3,833	2,567	2 Dividend Income			
Less: Provision for Doubtful Trade Receivables		71,276	71,276	a Long Term Investments	365		454
TOTAL		5,679	4,680	b Current Investments	1		5
Note No. 16				3 Other non-operating income			
Cash and Cash Equivalents				a Rent Received	505		421
1 Cash-in-Hand				b Credit Balances no longer payable written back	931		1,175
Cash Balance	25		25	c Bad Debts Written Off Re-credited	-		6,150
		25	25	d Provision for Doubtful Debts/Advances written Back	4,561		1,978
2 Balances With Banks				e Provision for Diminution in Value of Long Term Investment no longer required	-		160
a Earmarked Balances for Refund Warrants of Fixed Deposits and Debentures	146		749	f Service Tax input credit of earlier year	57		167
				g Others	1,778		175
				TOTAL	17,147		18,106

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Particulars	Current Year Rs' 000	Previous Year Rs' 000	Particulars	Current Year Rs' 000	Previous Year Rs' 000
Note No. 20					
Change in Inventories of Stock-In-Trade of Equity shares					
INCOME / (LOSS) FROM TRADING IN SECURITIES					
1 Sales	2,739	1,218	28 Loss on Sale of Assets	67	-
Less: Cost of Sales			29 Loss on Scrapped Assets	29	-
2 Opening Stock at Cost	67	144	30 Miscellaneous Expenses	1,034	1,471
3 Add: Purchases	2,775	1,186	TOTAL	22,128	21,556
	2,842	1,330			
4 Less: Closing Stock	101	67	Note No. 24		
5 Sub-Total	2,741	1,263	Provisions and Write Offs		
Income / (Loss)	(2)	(45)	1 Bad Debts Written off	691	-
			TOTAL	691	-
Note No. 21					
Employee Benefit Expenses			Note No. 25		
1 Salaries & Other Allowances	7,799	8,940	SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED FINANCIAL STATEMENTS		
2 Contribution to Superannuation Fund	1,057	1,000	I) CORPORATE INFORMATION		
3 Gratuity	-	233	The Parent Company's main business activities are Management Consulting, providing Debt Recovery Advise, Consultancy in Financial, Commercial, Legal, Direct and Indirect Taxation, Other Levies, Statistical, Accountancy and Other Fields. The Company is having Registered Office / Head Quarter in Mumbai. The Company has no branches.		
4 Leave Encashment	324	598	The Subsidiary Company's main business activities are Share and Stock Broking, Investment, Depository Participant and Marketing of Financial Products. The Company is having Registered Office / Head Quarter in Mumbai and having Branches at Vadodara and Pune.		
5 Staff Welfare Expenses	243	216	II) SIGNIFICANT ACCOUNTING POLICIES:		
6 Reimbursement of Salaries	5,150	7,486	a. Accounting Conventions:		
TOTAL	14,573	18,473	The Accounts have been prepared under the historical cost convention on an Accrual basis and in accordance with requirements of the Companies Act, 1956 and comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the said Act and are consistent with generally accepted accounting principles and conform to the statutory provisions and practices prevailing in the industry.		
Note No. 22			b. Estimates:		
Financial Cost			The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialised.		
1 Interest on Fixed Deposit	147	-	c. Principles of Consolidation:		
2 Bank Charges and Commission	89	50	The consolidated financial statements relate to Hybrid Financial Services Limited (the Company), and it's wholly owned Subsidiary and Associates incorporated in India. The consolidated financial statements have been prepared on the following basis:		
3 Interest on Bank Overdraft	332	1,834	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.		
4 Other Interest Paid	1	109	Investments in associate companies, where the company has significant influence by virtue of holding 20% or more of the voting power, has been consolidated as per AS-23 Accounting for Investment in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.		
TOTAL	569	1,993			
Note No. 23					
Other Administrative Expenses					
1 Advertisement & Business promotion expenses	665	737			
2 Audit Fees and Other Services	393	401			
3 Clearing House Expenses	178	226			
4 Compliance Expenses	950	551			
5 Computer Maintenance	224	273			
6 Custodial and Corporate Action Fee	90	110			
7 Electricity Expenses	213	293			
8 Expenses on Depository Services	234	232			
9 Insurance	341	375			
10 Listing Fees	25	185			
11 Membership and Subscription	139	211			
12 Motor Car Expenses	714	561			
13 Mx-Sx Stock Exchange Admission / Processing Fee	1,010	-			
14 Postage and Courier Expenses	487	906			
15 Printing and Stationery	572	779			
16 Professional Fees & Service Charges	5,269	5,092			
17 Rates and Taxes	67	64			
18 Rent and Office premises compensation	446	613			
19 Repairs and Office Maintenance	445	609			
20 SEBI Registration and Turnover Fees	134	83			
21 Service Tax	577	552			
22 Shared Service Expenses	4,438	3,724			
23 Stamp Duty Charges	402	432			
24 Telephone Expenses	1,796	1,814			
25 Transaction Charges	173	112			
26 Travelling & Conveyance Expenses	739	944			
27 Loss on Sale of Long Term Investments (Net)	277	206			

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

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

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

d. Fixed Assets:

All the Fixed Assets including assets given on lease have been stated at cost.

e. Intangible Assets:

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

f. Assets Acquired in Satisfaction of Claims:

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

g. Depreciation:

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

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

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

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

h. Amortisation

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

i. Impairment of Assets:

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

j. Investments

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

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

k. Stock-in-trade

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

l. Revenue Recognition

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

(i) Profit on Sale of Investments

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

(ii) Brokerage Income

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

(iii) Other Income:

Other Income is accounted on accrual basis.

m. Provisions, Contingent Liabilities and Contingent Assets

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

n. Retirement Benefits

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

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.

o. Leave Encashment

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

p. 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.

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III) NOTES TO ACCOUNTS:

1. Contingent Liabilities:

Sl.No.	Particulars	Current Year (Rs.)	Previous Year (Rs.)	Current Status
1	Disputed Income Tax Demands	5,90,12,621/-	8,14,51,511/-	Under Appeal before Tribunal
2	Interest Tax	21,07,307/-	21,07,307/-	Under Appeal by Income Tax Department in High Court
3	Labour Court and Civil Court	29,16,205/-	29,16,205/-	Under Appeal before the Respective Authorities
4	Foreign Exchange Management Act	5,60,00,000/-	6,07,40,000/-	Under Appeal before the Appellate Tribunal for Foreign Exchange, New Delhi. The Company has however provided Rs.3,00,00,000/- as Contingent Provision out of abundant precaution.
5	Disputed Sales Tax Demands	3,47,979/-	5,92,105/-	Under Appeal before the respective authorities

2. Debentures

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

3. Scheme of Compromise and Arrangements

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

4. Equity Share Capital

During the previous year the Company had given accounting effect to the Capital Reduction as confirmed by The Hon'ble Bombay High Court vide their order dated 8th April 2011 and as registered by The Registrar of Companies, Maharashtra, Mumbai on 14th June 2011. During the year the Company has made Preferential Allotment to Promoters of 14,00,000 Equity Shares of Rs.5/- each by conversion of 7,00,000 Preference Shares of Rs.10/- each as approved in the 25th Annual General Meeting held on 13th July 2012

After giving accounting effect to the above, the Revised Paid up Capital of the Company is 2,94,36,275 Equity Shares of Rs.5/- each aggregating to Rs.14,71,81,375/- and 33,58,2000 Redeemable Preference Shares of Rs.10/- each aggregating to Rs.3,35,82,000/-.

5. Non Confirmations and Reconciliations of Banks

In respect of Current Accounts with banks amounting to Rs. 22,24,100/- (net) [previous year Rs. 32,53,369/- (net)] which includes book debit balance of Rs. 24,00,938/- and book credit balance of Rs. 1,76,838/-, statements of account were not being received; including from 2000-2001 in some cases.

6. Investor Education and Protection Fund (IEPF)

During the year the Company had transferred to the Investor Education and Protection Fund (IEPF) as per the requirements of Section 205C of The Companies Act, 1956. Rs. 7,85,940/- towards Unclaimed Public Deposits with Interest and Rs.6,02,411/- towards Unclaimed Debenture

7. During the year 2004-05 the company has accounted for the immovable properties acquired in satisfaction of claims valued at Rs. 59,76,429/- Though the company is in possession of the property, completion of documentation is pending.

8. Most of the company's debtors are fully provided / written off and have been suit filed or not traceable. In the past the Company had circulated confirmation letters to debtors/ advances. As most of these companies latest addresses are not

available, the Company has not sent any confirmation letters this year. The Company has not circularised confirmations for Sundry Creditor Balances.

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.5,68,00,000/- (Previous year Rs.6,80,14,263/-) is pledged by subsidiary company for overdraft facility, base capital and guarantees given to National Securities Clearing Corporation Ltd. / Bombay Stock Exchange Limited.

11. The Subsidiary Company is holding some securities not claimed by the clients of Rs. 19,82,757/- (Previous Year Rs.20,80,692/-) in the company's beneficiary depository account. The reconciliation of this beneficiary account is complete till 31.03.2013 and the company has sent letters as well as further reminders to all the identified clients for their confirmations prior to effecting transfer of these securities to their account.

12. The Subsidiary Company has not appointed a Company Secretary as required under Section 383A of the Companies Act, 1956.

13. The subsidiary company has been legally advised that the provision of Section 297 of the Companies Act, 1956 are not applicable for the broking and depository business

14. No provision is made for the shortfall in the market value of the Quoted Investments (Non Current Investments) amounting to Rs. 52,11,881/- (Previous Year Rs. 23,95,848/-), by the Subsidiary Company as the Company is of the view that the shortfall is temporary.

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

A. Associate Companies

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

B. Key Management Personnel

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

C. Transactions with Related Parties:

	Particulars	Associate Companies		Key Management Personnel	
		2012-13 Rs.	2011-12 Rs.	2012-13 Rs.	2011-12 Rs.
(a)	Outstanding Receivables	3,28,57,851	3,74,18,324	-	-
(b)	Provision made as on date for doubtful debts	3,28,56,851	3,74,18,324	-	-
(c)	Outstanding Payable	51,23,505	17,02,230	-	-
(d)	Service Charges charged by them	1,41,34,730	1,40,77,610	-	-
(e)	Other Expenses Charged by them	16,38,526	12,40,832	-	-
(f)	Managerial Remuneration	-	-	68,77,390	70,92,717

16. Consolidated Segment Information for the year ended 31st March 2013 (Rs.000')

Particulars	Financial Services		Broking / Income from Capital Market Operations		Consolidated Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
REVENUE						
External	1,58,86	2,48,60	2,72,51	2,48,37	4,31,37	4,96,97
Inter Segment Revenue	(54,00)	(1,11,50)	(1)	(3)	(54,01)	(1,11,53)
Net Revenue	1,04,86	1,37,10	2,72,50	2,48,34	3,77,36	3,85,44
RESULTS						
Segment Results	(1,01,96)	(71,76)	87,05	23,22	(14,91)	(48,54)
Income Tax					(8,37)	(2,46)
Net Profit/(Loss) after Tax					(23,28)	(51,00)
Other Information						
Segment Assets	1,77,66	2,01,31	17,28,42	17,52,02	19,06,08	19,53,33
Unallocated Assets					1,25,35	1,25,47
TOTAL ASSETS					20,31,43	20,78,80
Segment Liabilities	12,24,16	12,46,43	8,00,36	8,25,46	20,24,52	20,71,89
Unallocated Liabilities					6,91	6,91
TOTAL LIABILITIES					20,31,43	20,78,80
Capital Expenditure	Nil	Nil	4,20	2,99	4,20	2,99
Depreciation	1,17	1,17	11,47	12,14	12,64	13,31
Other Non Cash Expenditure.	Nil	Nil	6,91	Nil	6,91	Nil

17 Listing of Subsidiary and Associates:

A) Subsidiary Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2013	As at 31.03.2012
Maximus Securities Limited (Formerly known as Mafatlal Securities Limited) [Incorporated in India]	100%	100%

B) Associates Name	Proportion of Ownership Interest and Voting Power	
	As at 31.03.2013	As at 31.03.2012
Mafatlal Trustee Company Limited	29%	29%
Sunanda Capital Services Limited	45%	45%
Sushmita Engineering Trading Limited	30%	30%
Hybrid Systems Limited	49%	49%

18. The company has taken Office premises on Operating Lease and Lease Rent amounting to Rs. 4,45,900/- (Previous Year Rs. 6,12,758/-) has been debited to Consolidated Statement of Profit and Loss. The future minimum lease payment is as under:

Particulars	2012-2013 Rs. In 000s	2011-2012 Rs. In 000s
Not later than 1 year	2,36,100	1,84,500
Later than 1 year and Not later than 5 years	1,42,000	Nil
Later than 5 years	48,000	Nil
TOTAL	4,26,100	1,84,500

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19. Earning per Share:

Particulars	Current Year (Rs. in '000)	Previous Year (Rs. in '000)
I) Basic Earning per share		
(Loss) / Profit for the year as per Consolidated Statement of Profit & Loss	(23,29)	(51,00)
<u>Less:</u> Preference dividend	-	4,72
	(23,29)	(55,72)
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,35,275	2,80,35,275
Basic Earning per Share (Rupees)	(0.08)	(0.19)
II) Diluted Earning per share		
(Loss) / Profit for the year as per Consolidated Statement of Profit & Loss	(23,29)	(51,00)
<u>Less:</u> Preference dividend	-	4,72
<u>Add:</u> Interest forgone on account of Potential Equity shares	-	-
	(23,29)	(55,72)
Weighted average number of Equity Shares of Rs.5 each outstanding during the year.	2,94,35,275	2,80,35,275
<u>Add:</u> Shares issuable under Loan Contract upon default of payment of principal and interest	-	-
Total Weighted average number of Equity Shares.	2,94,35,275	2,80,35,275
Diluted Earning per Share (Rupees)	(0.08)	(0.19)
Nominal value of shares (Rupees)	5.00	5.00

20. 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.

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

Signatures to Notes 1 to 25

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

BINOD C. MAHARANA
Partner
M. No. 056373
Mumbai, Dated : 14th May 2013

N. R. DIVATE
Wholetime Director

K. CHANDRAMOULI
Wholetime Director & Company Secretary

JAYESH R. TALPADE
Director

TANVEER SHAIKH
Director

Mumbai, Dated : 14th May 2013

HYBRID FINANCIAL SERVICES LIMITED

(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

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

FORM OF PROXY

I / We

of

being member(s) of the above mentioned Company, hereby appoint

..... of

or failing him

of

as my / our Proxy to vote for me / us on my / our behalf at the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the Company to be held at 11.00 a.m. on Friday, 19th July 2013 at All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093 and at any adjournment thereof.

Signed at (place) this day of 2013.

Membership Folio No. :

No. of Shares held :

Important :

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

Affix 1
Rupee
Revenue
Stamp

HYBRID FINANCIAL SERVICES LIMITED

(FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED)

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

ATTENDANCE SLIP

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

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

I hereby record my presence at the **TWENTY SIXTH ANNUAL GENERAL MEETING** of the Company to be held at 11.00 a.m. on Friday, 19th July 2013 at All India Plastics Manufacturer's Association, AIPMA House, A-52, Road No.1, M.I.D.C. Andheri (East), Mumbai – 400 093 and at any adjournment thereof.

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

BOOK-POST

If undelivered, please return :

BIGSHARE SERVICES PRIVATE LTD.

Unit : Hybrid Financial Services Ltd.

E-2, Ansa, Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai - 400 072.

Hybrid Financial Services Limited

[Formerly known as Mafatlal Finance Company Limited]

FORM A

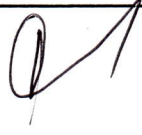



Format of Covering Letter of Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company :	Hybrid Financial Services Limited (Formerly known as Mafatlal Finance Company Limited)
2	Annual Financial Statements for the Year Ended	31st March 2013
3	Type of Audit Observation	<p><u>Matter of Emphasis:</u></p> <p>(a) Non Confirmation and Reconciliation Banks (Reference Item No. 6 of Note No. 20 III and Item No.2 a) of the Independent Auditor's Report)</p> <p>(b) Non receipt of confirmation of Certain Debit Balances (Reference Item No.9 of Note No.20 III and Item No.2 a) of the Independent Auditor's Report)</p> <p>(c) 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> <p><u>Management's Responses on the above:</u></p> <p>(a) 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>(b) 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>



Hybrid Financial Services Limited

[Formerly known as Mafatlal Finance Company Limited]

3	Type of Audit Observation contd-- (c)	Management's' Responses on the above: Contd---- Disclosure Required under AS-15 of The Institute of Chartered Accountants of India with regard Group Gratuity Scheme and Leave Encashment are not given as the Company has no employees as on 31st March 2013 other than the Two Wholetime 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.
4	Frequency of observation	Repetitive since 31st March 2010
5	To be Signed by -	
(i)	K. Chandramouli Wholetime Director and Company Secretary	
(ii)	K.Suryanarayanan General Manager - Accounts	
(iii)	Binod C.Maharana M.No. 056373 Partner for S.Ramanand Aiyar & Co. Chartered Accountants Firm Registration No: 000990N Statutory Auditors	 
(iv)	Jayesh R.Talpade Audit Committee Chairman	