

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.

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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/Debenture 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 / Debenture 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