

# 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<br/>and Company Secretary</i>      |
| SHRI. TANVEER SHAIKH  | <i>Director</i>  |
| SMT. MEGHA J. VAZKAR  | <i>Director<br/>(with effect from 22nd October 2014)</i> |
| SHRI. L. JAYARAMAN    | <i>Director<br/>(Nominee of Debenture Trustee)</i>       |

**MANAGEMENT TEAM**

|                       |   |
|-----------------------|---|
| SHRI.N.R.DIVATE       | <i>Wholetime Director</i>                           |
| SHRI. K. CHANDRAMOULI | <i>Wholetime Director<br/>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.

## NOTICE

Notice is hereby given that the TWENTY EIGHTH 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 Thursday, 23<sup>rd</sup> July 2015 at 11 am to transact the following BUSINESS:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Statement of Profit and Loss, Cash Flow Statement of the Company for the year ended 31<sup>st</sup> March, 2015 and the Balance Sheet as at that date and the Reports of Directors and the Auditors thereon.
2. To declare Dividend @ 1% on Preference Share for the year and arrears for the previous two years.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to Section 139 (1) of the Companies Act, 2013, M/s. S.Ramanand Aiyar & Co, Chartered Accountants, Mumbai (Registration No. 000990N) be and are hereby appointed as Statutory Auditors of the Company to hold office for the period of 4 (Four) years from the conclusion of this 28<sup>th</sup> Annual General Meeting until the conclusion the 32<sup>nd</sup> Annual General Meeting to be held in the year 2019 to examine and audit the accounts of the Company for the Financial Years 2015-2016, 2016-2017, 2017-2018 and 2018-2019 at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of out of pocket expenses and applicable taxes."

**"FURTHER RESOLVED THAT** the appointment of M/s. S.Ramanand Aiyar & Co, Chartered Accountants, Mumbai (Registration No. 000990N) for the period of 4 (Four) years made at the ensuing 28<sup>th</sup> Annual General Meeting shall be subject to ratification at every subsequent 4 Annual General Meetings"

### SPECIAL BUSINESS:

4. Appointment of **Mr. Jayesh Ramesh Talpade** as Independent Director of the Company for a term of three years.

To consider and if thought fit, to pass with or without modification, the following as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or re-enactments there for the time being in force) read with Schedule IV of the Companies Act, 2013, **Mr. Jayesh Ramesh Talpade (holding DIN.02403271)**, Director of the Company whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director be and is hereby appointed as on Independent Director of the Company, not liable to retire by rotation and to hold office for three consecutive years up to 2018."

5. Appointment of **Mr. Tanveer Abdul Karim Shaikh** as Independent Director of the Company for a term of three years.

To consider and if thought fit, to pass with or without modification, the following as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or re-enactments there for the time being in force) read with Schedule IV of the Companies Act, 2013, **Mr. Tanveer Abdul Karim Shaikh (holding DIN.02657790)**, Director of the Company whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Independent Director be and is hereby appointed as on Independent Director of the Company, not liable to retire by rotation and to hold office for three consecutive years up to 2018."

6. Appointment of **Mrs. Megha Jatendra Vazkar** as Woman Director of the Company for a term of three years.

To consider and if thought fit, to pass with or without modification, the following as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modifications or re-enactments there for the time being in force) read with Schedule IV of the Companies Act, 2013, **Mrs. Megha Jatendra Vazkar (holding DIN.00179162)**, Woman Director of the Company earlier appointed with effect from 22<sup>nd</sup> October 2014, whose period of office was liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing her candidature for the office of Woman Director be and is hereby appointed as on Woman Director of the Company, not liable to retire by rotation and to hold office for three consecutive years up to 2018."

By Order of the Board  
For HYBRID FINANCIAL SERVICES LIMITED

K.CHANDRAMOULI  
Wholtime Director

### Registered Office:

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

Date: 19th May 2015

**NOTES:**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT A PROXY NEED NOT BE A MEMBER.
- b) The proxy form duly completed and signed by the shareholder should be deposited at the registered office of the company atleast 48 hours before the commencement of the meeting.
- c) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses to be transacted at the Annual General Meeting is annexed hereto.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 16<sup>th</sup> July 2015 to Thursday, 23<sup>rd</sup> July 2015 (both days inclusive).
- e) Members are requested to notify any change in their address to the Company's Registrars & Share Transfer Agents, M/s. Big Share Services Pvt. Ltd., E-2 Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai - 400 072, quoting their folio nos. immediately, so as to ensure that all communications / reports reach the Members promptly.
- f) Shareholders seeking any information with regard to the Accounts of the Company are requested to write to the Company at an early date so as to enable the Management to keep the information ready. Members may also note that the Notice of the 28<sup>th</sup> Annual General Meeting and the Annual Report for 2014-2015 will also be available on the Company's website [www.hybridfinance.co.in](http://www.hybridfinance.co.in) for download.

**g) E Voting Procedure**

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

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

(vii) If you are a first time user follow the steps given below:

|     | For Members holding shares in Demat Form and Physical Form  |
|-----|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.   |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the HYBRID FINANCIAL SERVICES LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

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xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same

(xviii) The voting period begins at 9.00 am on 17<sup>th</sup> July 2015 and ends at 5.00 pm 19<sup>th</sup> July 2015. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 10<sup>th</sup> July 2015

may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter (i.e at 5.00 pm on 19<sup>th</sup> July 2015).

- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xx) The Company has appointed Mr. Vijay S. Tiwari, Practicing Company Secretary (Certificate of Practice No. 12220) as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
- (xxi) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward his report of the votes cast in favour or against, to the Chairman or to any Director or Officer who may be authorized by the Chairman for this purpose.
- (xxii) The Results shall be declared on or after the Annual General Meeting (AGM). The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hybridfinance.co.in](http://www.hybridfinance.co.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 FOR ITEM NO. 4, 5 AND 6

#### Particulars of Directors seeking re-appointment at the ensuing Annual General Meeting pursuant to Clause 49 of the Listing Agreement.

|  |  |  |   |
|--|--|--|---|
| Name of Director                       | Mr. Jayesh Ramesh Talpade                                    | Mr. Tanveer Abdul Karim Shaikh                           | Mrs. Megha Jatendra Vazkar  |
| Date of Birth / Age                    | 16 <sup>th</sup> October 1956 / 58 Years                     | 16 <sup>th</sup> June 1976 / 39 Years                    | 18 <sup>th</sup> December 1963 / 51 Years   |
| Qualification                          | BE.MMS   | BA PG MBA  | BCOM MMS  |
| Date of Original Appointment           | 9 <sup>th</sup> September 2008                               | 22 <sup>nd</sup> May 2009                                | 22 <sup>nd</sup> October 2014   |
| Expertise in specific functional areas | Over Twenty Five Years in the field of Management Consulting | Over Sixteen Years in the field of Management Consulting | Over Twenty Two Years in the field of Corporate Finance and Institutional Broking   |
| Directorship held in other Companies   | Maximus Securities Limited                                   | Aarsons Institute of Technology (India) Private Limited  | 1 Garron Trading Company Private Limited<br>2 Hybrid Services and Trading Limited<br>3 Hybrid Systems Limited<br>4 Maximus Securities Limited |

Mr. Jayesh Ramesh Talpade holds 30,600 Equity Shares in the Company.

FOR AND ON BEHALF OF THE BOARD

K. CHANDRAMOULI  
Wholetime Director

Place: Mumbai  
Date : 19th May 2015

## DIRECTORS REPORT

To,

The Members

**Hybrid Financial Services Limited**

(Formerly known as Mafatlal Finance Company Limited)

Your Directors present the Twenty Eighth Annual Report with the Audited Statement of Accounts of the Company for the year ended 31<sup>st</sup> March 2015.

### 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<br>31.03.2015<br>(Rs. in Lacs) | Year Ended<br>31.03.2014<br>(Rs. in Lacs) |
|---|---|---|
| Gross Income  | 247.10                                    | 151.90                                    |
| Gross Profit before Depreciation,<br>Exceptional Item and Income Tax                        | 86.38                                     | 1.14                                      |
| Depreciation  | 2.69                                      | 0.82                                      |
| Exceptional Item  | 1.40                                      | Nil                                       |
| Provision for Tax   | Nil                                       | Nil                                       |
| Net Profit After Tax  | 82.29                                     | 0.32                                      |
| Add: Amount brought forward from<br>previous year   | (1071.24)                                 | (1071.56)                                 |
| Proposed Dividend on Preference<br>Shares including Dividend Distribution<br>Tax            | 12.09                                     | Nil                                       |
| Transferred to Capital Redemption<br>Reserve Account for Redemption of<br>Preference Shares | 35.82                                     | Nil                                       |
| Balance carried forward   | (1036.86)                                 | (1071.24)                                 |

### 2. OPERATIONS

The Financial Year 2014-2015 has ended with the company earning a profit of Rs. 82.29 Lacs after Tax mainly on account of Write Backs and Sales Tax Refunds. The Company's operations are still muted due to the uncertainties of business environment. The Company does not anticipate any significant revenue growth from operations in the coming years.

### 3. OUTLOOK

The company is undertaking new Non - NBFC activities like Employee Back Ground Verification Mobilisation of Deposits etc. These operations have yielded a gross revenue of Rs.11.09 Lacs during the financial year ended 31<sup>st</sup> March 2015. Further these operations also involve heavy regulatory requirements and are not very remunerative. Other operations have yielded an income of Rs.60.00 Lacs and Rs.30.00 Lacs as Rent.

### 4. DIVIDEND

The Board of Directors have recommended a Dividend of 1% on Preference Shares including arrears for previous two years amounting to Rs.12.09 Lacs inclusive of Dividend Distribution Tax. However no dividend is recommended on Equity Shares to conserve resources.

The Board of Directors have also approved Redemption of Preference Shares of Rs.35.82 Lacs. After redemption of these shares, the balance Preference Shares shall be redeemed in six yearly installment of Rs. 50 Lacs each subject to availability of Profits.

### 5. BOARD MEETINGS

The details of the Board Meetings held during the Financial Year 2014-2015 have been furnished under clause I 2(d) of the Corporate Governance Report forming a part of this Annual Report.

### 6. OTHER COMMITTEES

The Company has constituted the following Committees:

- Audit Committee
- Remuneration Committee
- Share / Debenture Transfer – Cum-Investor's Grievances Committee
- Risk Management Committee (Constituted on 22nd October 2014)

The details regarding composition of the above Committees and the meetings held during the Financial Year 2014-2015 are given in the Corporate Governance Report forming a part of this Annual Report.

### 7. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

### 8. TRANSFER TO RESERVES

The Company has transferred an amount of Rs. 35.82 Lacs to Capital Redemption Reserve Account on account of redemption of 3,58,200 1% Redeemable Cumulative Preference Shares of Rs.10/- each

### 9. 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 as it is not proposing to list its share in the said Exchange as members have already approved the shares to be de-listed from the said Exchange in the year 2003 itself and accordingly de-listed from the said year.

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

### 10. PENALTIES AND OTHER LITIGATIONS DURING THE YEAR

#### SAST Regulations

SEBI has levied a penalty of Rs. 8 Lacs arising out of violations of the provisions of Regulation 8(3) of SAST Regulations in the Previous Years. The appeal against this penalty with the Securities Appellate Tribunal not gone in favour of the Company and accordingly the said penalty has been paid by the Company during the year.

#### Provident Fund Matter

Provident Fund Department after conducting an enquiry Under Section 7A proceedings have made a demand of Rs. 21,06,154/- on the Company in the previous year based on a recalculation of dues on a Contractor for the period 2004-2011. The Company has appealed against the same and obtained a stay from Employee Provident Fund Appellate Tribunal.

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### Labour Commissioner Delhi

The Directors of the Company had also received a notice from the Labour Commissioner, Delhi, in the previous year, regarding the Non-Reinstatement of an employee dismissed in the year 1995-1996 and for non implementation of the award of 1999. The concerned employee never resumed his duties pursuant to the award in 1999 till 2005, when the Company had an office at New Delhi. The matter has been settled during the year by paying Rs.1,40,338/- to the concerned employee and the same is reflected as Exceptional Item in the Audited Statement of Profit and Loss.

### Tax Matters

The Company's Income Tax Appeal in the Appellate Tribunal has been successfully concluded in favour of the Company during the year. The Contingent Liability accordingly stands eliminated.

### Debentures

Based on the consent terms filed by the Company and Bank of India as Debenture Trustees, the Hon'ble Bombay High Court has disposed of the suit filed by the Debenture Trustees.

### **11. MAXIMUS SECURITIES LIMITED [FORMERLY KNOWN AS MAFATAL SECURITIES LIMITED (MSL) – SUBSIDIARY COMPANY]**

The Subsidiary Company has earned a net profit of Rs. 73.85 Lacs for the financial year ended 31st March, 2015. 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.

### **12. 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

### **13. DIRECTORATE**

Pursuant to the provision of section 149, 152 and any other applicable provisions of the Companies Act, 2013 Mr.Jayesh Rmsh Talpade, Mr.Tanveer Abdul Karim Shaikh and Mrs.Megha Jatendra Vazkar (appointed as Woman Director with effect from 22nd October 2014) offer themselves and eligible for re-appointment for a period of three from the ensuing 28th Annual general Meeting till the conclusion of 31st Annual General Meeting.

### **14. 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.

### **15. E-VOTING**

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

### **16. PARTICULARS OF EMPLOYEES**

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

### **17. WEBSITE OF THE COMPANY**

The Company maintains a website [www.hybridfinance.co.in](http://www.hybridfinance.co.in) where detailed information of the Company are provided.

### **18. WHISTLE BLOWER MECHANISM**

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

### **19. INTERNAL CONTROL SYSTEM**

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

### **20. DIRECTOR'S RESPONSIBILITY STATEMENT**

As required under section 134(5) of the Companies Act, 2013 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 profit 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.

### **21. 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

### **22. 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 next four years from the ensuing 28th Annual General Meeting till the conclusion of 32nd Annual General Meeting and fix their remuneration.

### **23. SECRETARIAL AUDITOR**

The Board of Directors have appointed Mr. Vijay S.Tiwari, a practising Company Secretary, as Secretarial Auditor for the Financial Years 2014-2015 and 2015-2016

### **24. ACKNOWLEDGEMENTS**

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

**FOR AND ON BEHALF OF THE BOARD**

**K.CHANDRAMOULI**  
Wholtime Director

Place: Mumbai  
Date : 19th May 2015

## 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.247.10 Lacs which includes Rs.71.09 Lacs towards operational income and Rs.176.01 Lacs as other income (which includes write-backs and Sales Tax Refunds) and the company earned a pre tax profit of Rs.82.29 Lacs.

### BUSINESS ANALYSIS OUTLOOK

The company has been exploring the possibility of alternate activities on the hope of improved market conditions in future in the fee based segment. In addition, the company would also activate its stock broking subsidiary. The Company has initiated broking activities towards Fixed Deposit mobilisation.

### RISK AND CONCERNS

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

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

### INTERNAL CONTROL AND THEIR ADEQUACY

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

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

### INDUSTRIAL RELATIONS

The Company as on 31<sup>st</sup> March 2015 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 Woman Director Mrs.Megha J.Vazkar 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 2014-2015 and the last Annual General Meeting is as follows:

| Director             | Board Meetings Attended | Last Annual General Meeting Attended(Held on 18.07.2014) |
|----------------------|-------------------------|--|
| Mr. N.R. Divate      | 4                       | Yes  |
| Mr. K. Chandramouli  | 4                       | Yes  |
| Mr. Jayesh Talpade   | 4                       | Yes  |
| Mr.Tanveer Shaikh    | 4                       | Yes  |
| Mrs.Megha J.Vazkar * | 2                       | Yes  |
| Mr. L. Jayaraman **  | Nil                     | No   |

\* Mrs.Megha J.Vazkar has been appointed as Woman Director with effect from 22nd October 2014 under the provisions of Section 149 (1) of The Companies Act, 2013.

\*\* 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 or withdrawal.

##### (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    | 1                                     | -           | -   | -           |
| Mr.Tanveer Shaikh    | Independent, Non-Executive    | 1                                     | -           | -   | -           |
| Mrs.Megha J.Vazkar   | Woman Director Non-Executive  | 4                                     | -           | -   | -           |
| 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 2014-2015. The dates on which meetings were held were as follows  
22nd May 2014, 18th July 2014, 22nd October 2014 and 19th January 2015.

##### (e) Remuneration of Directors:

The company does not pay any remuneration to the Independent Directors. During the year, the company paid Rs.25,52,637/- to Mr.K. Chandramouli and Rs.22,86,000/- 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, 15,00,000 1% Cumulative Redeemable Preference Shares, (ii). Mr.N.R.Divate is holding 93,83,995 Equity Shares, 15,00,000 1% Cumulative Redeemable Preference Shares and (iii).Mr.Jayesh Talpade is holding 30,600 Equity Shares in the Company.

#### 3. AUDIT COMMITTEE

The company has reconstituted the Audit Committee 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 31.03.2015:

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

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

Four meetings were held during the year 2014-2015. (22nd May 2014, 18th July 2014, 22nd October 2014, and 19th January 2015). The attendance for the said meetings is as follows:

| Name of the Members   | Category             | Attendance Particulars |
|-----------------------|----------------------|------------------------|
| Mr. Jayesh R. Talpade | Chairman             | 4                      |
| Mr.N.R.Divate         | Wholetime Director   | 4                      |
| Mr.K.Chandramouli     | Wholetime Director   | 4                      |
| Mr. Tanveer Shaikh    | Independent Director | 4                      |
| Mr. 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 22nd May 2014 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 31.03.2015:

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

#### 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 31.03.2015:

Mr. Jayesh Talpade ... Chairman  
Mr. K. Chandramouli ... Wholetime Director  
Mr. N.R. Divate ... Wholetime 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: 01.04.2014 to 31.03.2015

Number of Equity Shareholders / Debenture holders / } : 5

Preference Shareholders complaints pending as on 01.04.2014 }

Number of complaints received during the year : 49

Number of complaints solved during the year : 48

Number of complaints pending as on 31.03.2015 : 6

Four meetings were held during the year 2014-2015. (22nd May 2014, 18th July 2014, 22nd October 2014 and 19th January 2015). The attendance for the said meetings is as follows:

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

#### 6. RISK MANAGEMENT COMMITTEE

The company has constituted a Risk Management Committee on 22nd October 2014 and following are the members in the reconstituted committee as on 31.03.2015:

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

The Risk Management Committee Meeting has not met during the year 2014-2015.