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# **HYBRID FINANCIAL SERVICES**

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

**BOARD OF DIRECTORS**

|                       |   |
|-----------------------|---|
| SHRI.N.R.DIVATE       | Wholetime Director                          |
| SHRI.K.CHANDRAMOULI   | Wholetime Director and<br>Company Secretary |
| SHRI.JAYESH R.TALPADE | Director                                    |
| SHRI. TANVEER SHAIKH  | Director                                    |
| SMT. MEGHA J. VAZKAR  | Director                                    |

**CHIEF FINANCIAL OFFICER**

SHRI. VINAY RAMAKANT KULKARNI

**MANAGEMENT TEAM**

|                     |   |
|---------------------|---|
| SHRI.N.R.DIVATE     | Wholetime Director                          |
| SHRI.K.CHANDRAMOULI | Wholetime Director<br>and Company Secretary |

**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

**WEBSITE**

[www.hybridfinance.co.in](http://www.hybridfinance.co.in)

**CORPORATE IDENTIFICATION NUMBER (CIN)**

L99999MH1986PLC041277

**REGISTRAR & SHARE TRANSFER AGENTS**

BIGSHARE SERVICES PRIVATE LIMITED  
1st Floor, Bharat Tin Works Building,  
Opp, Vasant Oasis, Makwana Road,  
Marol, Andheri (East)  
Mumbai - 400 059

## NOTICE

Notice is hereby given that the **THIRTYFIRST ANNUAL GENERAL MEETING** of the Members of **HYBRID FINANCIAL SERVICES LIMITED** (FORMERLY KNOWN AS MAFATLAL FINANCE COMPANY LIMITED) will be held at Vishal Hall, Hotel Highway Inn, Sir.M.V.Road, (Andheri-Kurla Road), Near Andheri Railway Station, Andheri (East), Mumbai – 400 069 on Friday, 27th July 2018 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 31st March, 2018 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.

**SPECIAL BUSINESS:**

3. **Appointment of Mr. K. Chandramouli as Wholetime Director and Company Secretary**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment / modifications thereof) and subject to such other necessary approval(s), consent(s), or permission(s), as may be required, the consent of the Members of the Company be and is hereby accorded to appoint Mr. K. Chandramouli (DIN: 00036297 / PAN: AABPC3151D) as a Wholetime Director and Company Secretary of the Company for a period of 3 years with effect from October 01, 2018, on terms and conditions set out in the explanatory statement annexed hereto.

**RESOLVED FURTHER THAT** where in any financial year during the tenure of Mr. K.Chandramouli, Wholetime Director and Company Secretary, the Company has no profits or the profits are inadequate, approval of the members of the Company be and is hereby accorded to pay him the maximum remuneration in accordance with the provisions of the Act.

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

4. **Variation in terms of appointment of Mr. Nandakishore R. Divate, Wholetime Director**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** in partial modification to all resolutions passed in this regard and pursuant to the provisions of Section 196, 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013, including the rules made there under (including any amendment / modification thereof) and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, the approval of the members be and is hereby accorded for payment of following remuneration to Mr. Nandakishore R. Divate effective from October 01, 2018 :

- i. Salary Limit: Not exceeding Rs. 1,65,000 (in the scale of Rs. 1,50,000 - 3,00,000) per month with authority to the Nomination and Remuneration Committee / Board of Directors to determine the amount of salary payable and the amount of increment payable every year effective from 1st October 2018, subject to a maximum of Rs. 3 Lakhs per month during the term of appointment.
- ii. Perquisites:

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

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

**RESOLVED FURTHER THAT** in compliance with the requirements of Schedule V of the Companies Act, 2013, the term of appointment of Mr.Nandakishore R.Divate be and is hereby reduced from five years to three years which will end on 31st July 2019.

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

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

5. **Extension in tenure of appointment of Mr. Jayesh R.Talpade**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the Section 149, 152, and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force) and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, the approval of the members be and is hereby accorded for extension in tenure of Mr. Jayesh R. Talpade (DIN : 02403271), for the further period of two years to hold the office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2020.”

6. **Extension in tenure of appointment of Mr. Tanveer Abdul Karim Shaikh**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the Section 149, 152, and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force) and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, the approval of the members be and is hereby accorded for extension in tenure of Mr. Tanveer Abdul Karim Shaikh (DIN : 02657790), for the further period of two years to hold the office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2020.”

7. **Appointment of Mrs. Megha J.Vazkar**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the Section 149, 152, and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV of the Companies Act, 2013 (including any statutory modification(s) or re-enactments thereof for the time being in force) and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, and subject to such other necessary approval(s), consent(s) or permission(s), as may be required, Mrs. Megha J.Vazkar (DIN: 00179162), be and is hereby appointed as Woman Director of the Company to hold office from conclusion of this Annual General Meeting until the conclusion of Annual General Meeting to be held in the year 2023.”

**NOTES:**

- a) The relative Explanatory Statement pursuant to Section 102 of Companies Act, 2013 (“Act”) setting out material fact concerning the business under Item Nos. from 3 to 7 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), of person seeking appointment as Whole time Director under Item No. 3 and from Item Nos. from 5 to 7 of the Notice, are also annexed.
- b) 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.
- c) 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.
- d) The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 23rd July 2018 to Friday, 27th July 2018 (both days inclusive).

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

- e) Members are requested to notify any change in their address to the Company's Registrars & Share Transfer Agents, M/s. Bigshare Services Pvt. Ltd., 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai - 400059 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 31st Annual General Meeting and the Annual Report for the year 2017-2018 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. This 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:

**In case of members receiving e-mail:**

- (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:

|                       | <b>For Members holding shares in Demat Form and Physical Form</b>  |
|-----------------------|--|
| PAN                   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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.  |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>  |

- (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.
- (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 and 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.

**In case of members receiving the physical copy:**

- (xviii) please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (xix) The voting period begins at 9.00 am on Tuesday, 24th July 2018 and ends at 5.00 pm on Thursday, 26th July 2018. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th July 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter (i.e. at 5.00 pm on 26th July 2018).
- (xx) 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).
- (xxi) 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.
- (xxii) 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.
- (xxiii) The Result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.hybridfinance.co.in](http://www.hybridfinance.co.in) within three working days after declaration and shall also be communicated to the Stock Exchanges accordingly.

**Registered Office:**

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

Date: 22nd May 2018

By Order of the Board  
**For HYBRID FINANCIAL SERVICES LIMITED**

**K.CHANDRAMOULI**  
Wholtime Director and  
Company Secretary

## 31ST ANNUAL REPORT 2017-2018

### Explanatory Statement

As required by Section 102 of Companies Act, 2013 ("Act"), the following explanatory Statement sets out all material facts relating to the business mentioned under Item no. 3, 4, 5, 6 and 7 of the accompanying Notice:

#### Item No.3

##### Appointment of Mr. K. Chandramouli as Wholetime Director and Company Secretary

Mr. K.Chandramouli is presently working as Wholetime Director cum Company Secretary of the Company based on the resolution passed by shareholders on July 19, 2013 and the term of his appointment is expiring on September 30, 2018.

Based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, Mr. K.Chandramouli is proposed to be appointed as a Wholetime Director and Company Secretary of the Company for the further period of 3 years with effect from October 01, 2018, subject to the approval of the members.

#### Duties:

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

- i. Salary Limit: Rs. 1,65,000 (in the scale of Rs. 1,50,000 - 3,00,000) per month with authority to the Nomination and Remuneration Committee / Board of Directors to determine the amount of salary payable and the amount of increment payable every year effective from 1st October 2018, subject to a maximum of Rs. 3 Lakhs during the term of appointment.

#### Perquisites:

In addition to the salary Mr. K.Chandramouli will also be entitled to following perquisites and allowance:

- \* Retirement benefits, Contribution to superannuation fund and payment of gratuity as per the Company rules.
- \* Medical reimbursement for self on actual basis.
- \* Provisions of use of Company's car for official duty, telephone at residence including payment of local calls and long distance official calls shall not be included in the perquisites and allowance for the purpose of calculating the said limit.
- \* He will further be eligible for all benefits as are applicable to the senior employees of the Company, including membership of any club, the admission fee for which does not exceed Rs. 3 lakhs.
- \* For the purpose of calculation of the above ceiling, perquisites and allowances will be evaluated as per Income Tax rules wherever applicable. In the absence of any such rules, the perquisites and allowances will be evaluated as per actual cost. For the purpose of Gratuity, the service of all the period from 2008, shall be considered for calculation as continuous service.
- \* Mr. K.Chandramouli shall operate from Mumbai or anywhere in India as per his convenience in discharging his duties.

#### Other Incentives and allowances:

In the event of absence or inadequacy of profits in any financial year during the tenure of the Mr. K. Chandramouli, salary and perquisites subject to the limits stipulated under Schedule V read with Section 196 and 197 of the Companies Act, 2013, are payable.

#### Other Information as required under the Act is as follows:

##### I. GENERAL INFORMATION

- \* Nature of Industry : The Company is engaged in providing Services (Service Industry).
- \* Financial Performance : The financial performance of the company has been mainly to restructure its balance sheet and debt and there has been significant improvement in the same after the sanction of the 'Scheme of Compromise and Arrangement' under section 391 and 394 of the Companies Act, 1956. The Company is in the lookout for new activities to improve its operations.

##### II. INFORMATION ABOUT THE APPOINTEE

- \* Background : Chartered Accountant and Company Secretary with substantial experience in the industry.
- \* Last Remuneration : Rs. 25.80 Lakhs, appointed as per the terms of appointment approved by the members in the Annual General Meeting held on 19th July, 2013.
- \* 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. 1,65,000 (in the scale of Rs. 1,50,000 - 3,00,000) per month with perquisites as given in the explanatory statement. The remuneration proposed is reasonable taking the fact that the ailing company needs the services to make it viable.
- \* Other Disclosures : He has no relationship with any directors of the company.

##### III. OTHER INFORMATION

The company 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 is expected to improve.

The Board recommends the Resolution at Item no. 3 for the approval of members.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. K.Chandramouli is concerned and interested in item no. 3 of the Notice.

#### Item No. 4

##### Variation in terms of appointment of Mr. Nandakishore R. Divate, Wholetime Director

Mr. Nandakishore R. Divate was appointed as Wholetime Director for a term of 5 years vide Resolution of the Shareholders in the Annual General Meeting held on July 29, 2016. To comply with the requirements of Schedule V of the Companies Act, 2013, it is proposed to reduce his terms of appointment from 5 years to 3 years. Accordingly, his term will now end in the year 2019. Further, since Gratuity was not previously provided, the same is being introduced with effect from 2008. This has also been commented upon by the Statutory Auditors.

Keeping in view the enhanced responsibilities that is required to be undertaken and performance of the Whole time Director, the Board on the recommendation of Nomination and Remuneration Committee, and also on the basis of qualifications of the Statutory Auditors, and subject to the approval of the Members, the amendment to the terms of appointment of Mr. Nandakishore R. Divate, Wholetime Director as set out in the resolution in item No. 4 of the AGM Notice, be approved. The other terms of appointment will remain unchanged.

The Board recommends the Special Resolution at Item No.4 for approval of the Members.

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

#### Item No. 5

##### Extension in tenure of appointment of Mr. Jayesh R. Talpade

Mr. Jayesh R. Talpade was appointed as Independent Director for a term of 3 years vide Resolution of the Shareholders in the Annual General Meeting held on July 23, 2015.

In view of the possession of requisite skill, experience and knowledge in the field of management by him it is proposed to extend his tenure for further period of two years commencing from the conclusion this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2020, being the maximum period as is permitted presently.

The Board recommends the Resolution at Item no. 5 for the approval of members.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Jayesh R.Talpde is concerned and interested in item no. 5 of the Notice.



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

**Item No. 6**

**Variation in tenure of appointment of Mr. Tanveer Abdul Karim Shaikh**

Mr. Tanveer Abdul Karim Shaikh was appointed as Independent Director for a term of 3 years vide Resolution of the Shareholders in the Annual General Meeting held on July 23, 2015.

In view of the possession of requisite skill, experience and knowledge in the field of management by him it is proposed to extend his tenure for further period of two years commencing from the conclusion this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2020, being the maximum period as is permitted presently.

The Board recommends the Resolution at Item no. 6 for the approval of members.

None of the Directors, Key Managerial Personnel and their relatives, except Mr. Tanveer Abdul Karim Shaikh is concerned and interested in item no. 6 of the Notice.

In order to strengthen the Board and also to comply with the Listing Regulations, it is proposed to appoint her for the period of five years commencing from the conclusion this Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2023.

The Board recommends the Resolution at Item no. 7 for the approval of members.

None of the Directors, Key Managerial Personnel and their relatives, except Mrs. Megha J. Vazkar is concerned and interested in item no. 7 of the Notice.

**Registered Office:**

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

Date: 22nd May 2018

By Order of the Board  
**For HYBRID FINANCIAL SERVICES LIMITED**

**Item No. 7**

**Appointment Mrs. Megha J. Vazkar as a Women Director**

Mrs. Megha J. Vazkar was appointed as a Woman Director for a term of 3 years vide Resolution of the Shareholders in the Annual General Meeting held on July 23, 2015.

**K.CHANDRAMOULI**  
Wholetime Director and  
Company Secretary

**ANNEXURE TO THE NOTICE**

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

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

| Particulars   | Mr. K. Chandramouli  | Mr. Jayesh R. Talpade   | Mr. Tanveer Abdul Karim Shaikh   | Mrs. Megha J. Vazkar  |
|---|--|---|--|---|
| Date of Birth   | August 25, 1954  | October 16, 1956  | June 16, 1976  | December 18, 1963   |
| Qualifications  | BCOM ACA, ACS and AICWA  | BE MMS  | BA PG MBA  | BCOM MMS  |
| Date of Original Appointment  | September 09, 2008   | September 09, 2008  | May 22, 2009   | October 22, 2014  |
| Expertise in specific functional area   | He has substantial experience in the industry. He has been with the company since 1994 and has adequate managerial capacity in terms of qualifications and experience.   | He has over Twenty Eight years of experience in the field of Management Consulting. | He has over Nineteen years of experience in the field of Management Consulting | She has over Twenty Five years of experience in the field of Corporate Finance and Institutional Broking.   |
| Directorships held in other body corporate as on 31st March 2018  | 1) Garron Shares and Stock Brokers Private Limited<br>2) Garron Trading Company Private Limited<br>3) Geneous Trading and Marketing Company Private Limited<br>4) Hybrid Systems Limited<br>5) Hybrid Services and Trading Limited | 1) Maximus Securities Limited   | 1) E a s e w e l d Equipments (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 |
| Membership / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March 2018 | Nil  | Chairman of the Audit Committee at Maximus Securities Limited                       | Nil  | Member of Audit Committee at Maximus Securities Limited   |
| Number of equity shares held in the Company as on 31st March 2018   | 93,78,057  | 30,600  | Nil  | Nil   |
| Relationship with other Directors and Key Managerial Personnel  | None   | None  | None   | None  |

## DIRECTORS' REPORT

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

Your Directors present the Thirty First Annual Report with the Audited Statement of Accounts of the Company for the year ended 31st March 2018.

## 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>31.03.2018<br>(Rs. in Lakhs) | Year Ended<br>31.03.2017<br>(Rs. in Lakhs) |
|---|--|--|
| Gross Income  | 173.26                                     | 174.45                                     |
| Gross Profit before Depreciation,<br>Exceptional Item and Income Tax                        | 55.76                                      | 38.11                                      |
| Depreciation  | 0.31                                       | 0.31                                       |
| Provision for Tax   | Nil  | Nil  |
| Net Profit After Tax  | 55.45                                      | 37.80                                      |
| Other Comprehensive Income  | 0.27                                       | 0.42                                       |
| Add: Amount brought forward<br>from previous year   | (852.09)                                   | (860.31)                                   |
| Transferred to Capital Redemption<br>Reserve Account for Redemption<br>of Preference Shares | Nil  | 30.00                                      |
| Balance carried forward   | (796.37)                                   | (852.09)                                   |

## 2. OPERATIONS

The Financial Year 2017-2018 has ended with the company earning a profit of Rs.55.45 Lakhs after Tax mainly on account of Write Backs and Tax Refunds. The Company's operations are still muted due to the uncertainties of business environment and inadequate liquidity. The Company does not anticipate any significant revenue growth from operations in the coming years, till the resolution of many pending issues.

## 3. OUTLOOK

The company is trying to undertake new Non - NBFC activities and these activities earned an income of Rs.1.41 Lakhs during the year. Other operations have yielded an income of Rs.84.00 Lakhs and Rs.24.00 Lakhs as Rent. Company's business is confined to attending to past issues from its earlier operations.

## 4. DIVIDEND

The Board of Directors have recommended a Dividend of 1% on Preference Shares amounting to Rs.2.52 Lakhs inclusive of Dividend Distribution Tax. However, no dividend is recommended on Equity Shares to conserve resources and inadequate profit.

## 5. ANNUAL RETURN EXTRACT

As per the provisions of the Companies (Amendment) Act, 2017, Extract of Annual Return in the prescribed Form MGT-9 will be placed on the web site of the Company: [www.hybridfinance.co.in](http://www.hybridfinance.co.in)

## 6. BOARD MEETINGS

The details of the Board Meetings held during the Financial Year 2017-2018 have been furnished under clause I 2(d) of the Corporate Governance Report forming a part of this Annual Report.

## 7. OTHER COMMITTEES

The Company has constituted the following Committees and the date of its constituents and changes during the year are as under:

## a) Audit Committee:

To meet with the requirement under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), 2015 Mr. K. Chandramouli ceased to become the member of the Audit committee with effect from 30.10.2017 and the committee stands reconstituted. The members of the reconstituted Audit Committee are as under as on 31.03.2018:

| Name of Member     | Status   | Nature of Directorship |
|--------------------|----------|------------------------|
| Mr. Jayesh Talpade | Chairman | Independent Director   |
| Mr. Tanveer Shaikh | Member   | Independent Director   |
| Mr. N. R. Divate   | Member   | Wholetime Director     |

Mr. K. Chandramouli, Company Secretary of the Company functions as Ex officio Secretary to the Audit Committee.

## b) Nomination and Remuneration Committee:

The company has constituted a Nomination and Remuneration Committee on 27th April 2005 and following are the members in the committee as on 31.03.2018:

| Name of Member      | Status   | Nature of Directorship |
|---------------------|----------|------------------------|
| Mr. Jayesh Talpade  | Chairman | Independent Director   |
| Mr. K. Chandramouli | Member   | Wholetime Director     |
| Mr. N. R. Divate    | Member   | Wholetime Director     |
| Mr. Tanveer Shaikh  | Member   | Independent Director   |

## c) Stakeholders Relationship Committee:

The company has a Stakeholder Relationship Committee, consisting of the following members as on 31.03.2018:

| Name of Member      | Status   | Nature of Directorship   |
|---------------------|----------|--------------------------|
| Mr. Jayesh Talpade  | Chairman | Independent Director     |
| Mr. K. Chandramouli | Member   | Wholetime Director       |
| Mr. N. R. Divate    | Member   | Wholetime Director       |
| Mr. Tanveer Shaikh  | Member   | Independent Director     |
| Mrs. Megha Vazkar   | Member   | Non – Executive Director |

## d) Risk Management Committee:

The company has constituted a Risk Management Committee on 22nd October 2014 and following are the members in the committee as on 31.03.2018:

| Name of Member      | Status   | Nature of Directorship |
|---------------------|----------|------------------------|
| Mr. K. Chandramouli | Chairman | Wholetime Director     |
| Mr. N. R. Divate    | Member   | Wholetime Director     |
| Mr. Tanveer Shaikh  | Member   | Independent Director   |

The details regarding the meetings held during the Financial Year 2017-2018 are given in the Corporate Governance Report forming a part of this Annual Report.

## 8. COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

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

## 9. REMUNERATION POLICY

The Company has framed a Remuneration policy pursuant Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy is enclosed as Annexure I to this Report.

## 10. BOARD EVALUATION

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

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

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

The details of Related Parties and the Transaction with them are disclosed as required by Accounting Standard - 18 issued by The Institute of Chartered Accountants of India under Note No. 2.18.9 forming part of this Annual Report.

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

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

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

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

During the year under review, pursuant to the provisions of Section 186 of the Companies Act, 2013, Company has not granted any Loan or has made any Investment or given any guarantees and Security.

**13. TRANSFER TO RESERVES**

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

**14. LISTING OF SHARES**

The company made an appeal in Securities Appellate Tribunal on 21st April 2017 against BSE for Non-Revocation of Suspension and Listing of New Shares Pursuant to Capital Reduction and against NSDL for not allotting new ISIN subsequent to Capital reduction. Subsequently, Securities Appellate Tribunal has passed an order on October 16, 2017 stating that the Company should make the necessary presentations to BSE and NSE as required by them within 4 weeks after passing this order and BSE and NSE shall consider the same and pass the appropriate order thereon within three months from the date of receiving the representations from the Company.

The company has made the sufficient representations and awaiting for the final order to be passed by BSE and NSE. Although the Company is in compliance with the standard of operating procedure for Revocation of Suspension the BSE is denying the matter due to the alleged difference in capital issued in the year 2000 which is contested by the Company. Due to the same, BSE has not revoked the suspension nor has listed the shares issued post reduction of capital in 2011 nor the preferential allotment made in 2012. This delay is also causing damage to the Company but is beneficial to BSE, as the reinstatement fees levied are based on the number of years of suspension of trading in shares of the Company. This is also contested by the Company as there is no fault of the Company. Further BSE is also insisting on the listing of shares in NSE as the Company has not officially delisted from NSE although shareholders have approved the same in the year 2003. Due to the same, it is felt that the cost implication of the revocation of suspension of listing of shares is prohibitively high and a drain on the Companies resources. The Company however is attempting to negotiate the matter for a satisfactory resolution focusing its outcome to provide an opportunity to the shareholders to have an exit opportunity and hope the same shall be done in the current year.

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

**15. MAXIMUS SECURITIES LIMITED (MSL) – SUBSIDIARY COMPANY**

The Subsidiary Company has earned a net profit of Rs. 64.16 Lakhs after tax for the financial year ended 31st March, 2018. The Subsidiary Company is exploring various options to improve its earnings in the current financial year.

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

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

Foreign Exchange Earnings: Nil  
Foreign Exchange Outgoings: Nil

**17. DIRECTORATE**

The present tenure of Mr. K. Chandramouli as Wholetime Director will end on September 30, 2018. The Nomination and Remuneration Committee has already recommended the reappointment of Mr. K.Chandramouli as Wholetime Director for a period of Three years commencing from 1st October, 2018. Members are hereby requested to consider and approve his reappointment on the terms as per Special resolution placed in the Annual General Meeting. Mr. K.Chandramouli is interested in the said resolution. The Board of Directors also recommend the same, based on the recommendation of Nomination and Remuneration Committee.

Mr. Nandakishore R.Divate was appointed as Wholetime Director for a term of five years vide Resolution of the Shareholders in the Annual General Meeting held on July 29, 2016. To comply with the Schedule V of the Companies Act, 2013, it is proposed to vary his terms of appointment from 5 years to 3 years. Accordingly, his term will now end on 31st July 2019. Further, since Gratuity was not previously provided, the same is being introduced with effect from 2008. This has also been commented upon by the Statutory Auditors.

Keeping in view the enhanced responsibilities that is required to be undertaken and performance of the Wholetime Director the Nomination and Remuneration Committee has recommended the variation in terms of his appointment. Members are hereby requested to consider and approve the variation in terms of appointment as per the Special resolution placed in the Annual General Meeting. Mr. Nandakishore R.Divate is interested in the said resolution. The Board of Directors also recommend the same.

The present tenure of Mr. Jayesh R.Talpade and Mr. Tanveer Abdul Karim Shaikh Independent / Non Executive Directors will end in 2018. It is proposed to extend the same for further period two consecutive years commencing from ensuing Annual General Meeting till the conclusion of the Annual General Meeting to be held in the year 2020, with this the term of appointment of the maximum period of 5 years will end. Members are hereby requested to consider and approve their extension as per the Special Resolution placed in the Annual General Meeting. Mr. Jayesh R.Talpade and Mr. Tanveer Abdul Karim Shaikh are interested in the said resolution.

Also, the present tenure of Mrs. Megha J. Vazkar as Woman Director will end in 2018. It is proposed to appoint her the for period of five years commencing from ensuing Annual General Meeting till the Conclusion of the Annual General Meeting to be held in the year 2023. Members are hereby requested to consider and approve her reappointment as per the Special resolution placed in the Annual General Meeting. Mrs. Megha J. Vazkar is interested in the said resolution.

**18. 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.

**19. 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.

**20. 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.

**21. WEBSITE OF THE COMPANY**

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

**22. WHISTLE BLOWER MECHANISM**

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

**23. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

**24. DIRECTOR'S RESPONSIBILITY STATEMENT**

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

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

- i. in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the Annual Accounts on a going concern basis.



## 31ST ANNUAL REPORT 2017-2018

### 25. CORPORATE GOVERNANCE

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

### 26. AUDIT REPORTS

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

| Opinion / Observations of the Statutory Auditors   | Response of the Management   |
|--|--|
| 1. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act (except to the extent of disclosure required to be made under Ind AS-19 with regard to Group Gratuity Scheme and Leave Encashment) | <i>Disclosure Required under Ind AS-19 of The Institute of Chartered Accounts of India with regard to Group Gratuity Scheme and Leave Encashment are not given as the Company has no employees as on 31st March 2018 other than Two Whole Time Directors and Chief Financial Officer. However, the Company has provided Leave Encashment and the same is charged to the revenue. The Company has not contributed to Gratuity Fund for the Wholetime Directors and Chief Financial Officer as in the Company's view the number of employee were below the statutory minimum as required and hence not applicable.</i> |
| 2. We have sought and obtained all the information and explanations subject to Item Nos 4 of Note No. 2.18 regarding non receipt of confirmation of certain bank balances.   | <i>Most of the Bank Accounts are in-operative for a long time. We have already taken measures to close all these inoperative accounts. Some of the Statutory Accounts which have to be transferred to Investor Education and Protection Fund have already been transferred during the year ended 31st March 2013. In the absence of complete bank statements these balances do not appear to be recoverable.</i>   |

### 27. STATUTORY AUDITORS

Pursuant to Section 139(1) of the Companies Act, 2013, M/s. S. Ramanand Aiyar & Co., Chartered Accountants, Mumbai (Firm Registration No. 00090N) was appointed as the Statutory Auditors in the Annual General Meeting held on July 23, 2015 to hold office for the period of 4 (Four) years from the conclusion of the 28th Annual General Meeting until the conclusion of the 32nd Annual General Meeting to be held in the year 2019.

As per the Companies (Amendment) Act, 2017 their appointment need not be ratified every year.

### 28. SECRETARIAL AUDITOR

The Board of Directors have appointed Mr. Vijay S. Tiwari, a practising Company Secretary, as Secretarial Auditor for the Financial Year 2017-2018.

### 29. CORPORATE SOCIAL RESPONSIBILITY

The said provisions are not applicable to the Company as at present.

### 30. MINIMUM PUBLIC SHAREHOLDING AS PER THE SECURITIES CONTRACT (REGULATIONS) AMENDMENT RULES 2010

The Company has complied with the requirements of minimum 25% Public shareholding.

### 31. DISCLOSURES UNDER SECTION 197(12) OF COMPANIES ACT, 2013 AND OTHER DISCLOSURES AS PER THE RULES OF COMPANIES (APPOINTMENT & REMUNERATION) RULES 2014

The same is provide as Annexure 2 to this Report

### 32. 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

**MR. K. CHANDRAMOULI**  
Wholetime Director and  
Company Secretary

Place: Mumbai  
Date: 22nd May 2018

## 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.173.26 Lakhs which includes Rs.85.41 Lakhs towards operational income and Rs.87.85 Lakhs as other income (which includes write-backs and Tax Refunds) and the company earned a pre-tax profit of Rs.55.45 Lakhs.

### 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. As the medium-term strategy is to further enhance the competitiveness and activities of its wholly owned stock broking subsidiary. However, the long-term strategy is to develop new areas of operations to further augment its revenue after resolving long pending issues.

Presently the Company's operations are muted due to the overhang of past matters and the inability to put additional resources and relative stagnancy in its subsidiary's operations. The compliance environment are also demanding extreme care and caution. The Company is however facing the challenges with appropriate risk mitigating strategies. Having regard to the dynamics of its business, the Company has to ensure that unforeseen and any other operational error do not impinge on its subsistence or continuity. Hence building an appropriate defence mechanism is a critical focus area.

### RISK AND CONCERNS

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

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

### INTERNAL CONTROL AND THEIR ADEQUACY

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

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

### INDUSTRIAL RELATIONS

The Company as on 31st March 2018 has 3 employees on its payroll. The relationship was cordial.

### CAUTIONARY STATEMENTS

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

## ANNEXURE I

### NOMINATION ON REMUNERATION POLICY

#### Introduction:

Hybrid Financial Services Limited (the "Company") has adopted this policy drafted by the Nomination and Remuneration Committee, upon the recommendation of the Board and the said policy is in compliance with the requirements of Section 178 of the Companies Act, 2013 and rules thereunder (the "Act") and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (the "LODR") (as amended).

#### Objective:

The key objectives of the policy would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees
- c) Formulation of criteria for evaluation of Independent Directors and the Board;
- d) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- e) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- f) To provide reward to Key Managerial Personnel and Senior Management linked directly to their effort, performance, dedication and achievement relating to the Company's operations;

#### Scope and Applicability

The policy shall apply to

- a) Directors (Executive, Non-Executive and Independent);
- b) Key Managerial Person;
- c) Senior Management Personnel;

#### Definitions

The following words shall have the meaning as provided in the policy, unless otherwise mentioned in the Act or the Listing Agreements:

1. **Board:**  
"Board" means the Board of Directors of the Company as defined under the Act.
2. **Director:**  
Directors mean Directors of the Company.
3. **Policy:**  
"Policy or this Policy" means policy on nomination and Remuneration of this Company.
4. **Senior Management**  
As per explanations to Section 178, senior Management means personnel of the Company who are members of its core management team excluding the Board of the Directors comprising all the members of the management one level below the Executive Directors, including Functional Heads.
5. **Key Managerial Personnel (KMP)**  
Key Managerial Personnel means Wholtime Key Managerial Personnel of the Company appointed under Section 203 of the Act, which includes:
  - i) Managing Director, or Chief Executive Officer or Manger and in their absence, a Wholtime director;
  - ii) Company Secretary;
  - iii) Chief Financial Officer; and
  - iv) Such other office as may be prescribed.
6. **Remuneration**  
Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax, 1961.
7. **Independent Directors**  
Means an Independent Director referred to in sub-section (5) of Section 149

Words and expressions used and not defined in the policy shall have the same meanings as assigned to them in the Act and/or the Listing Agreement.

#### Interpretation

Term that have not been defined in this policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

#### Guiding Principles

The policy ensures that

- The Level and composition of remuneration is reasonable and sufficient to attract, retain and motive Directors of the quality required to run the Company successfully;

- Relationship of remuneration to performance is clear and meets appropriate benchmark and;
- Remuneration to Directors, Key Managerial Personnel, Senior Management shall subject to the guidelines fixed under the Statutory Enactments shall generally comprise at a fixed pay as approved by the shareholders. A variable pay shall be considered based on performance and other objectives appropriate to the working of the company occasionally.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee will consist of three or more non-executive Directors, out of which at least one-half shall be Independent Director(s), provided that chairperson of the Company may be appointed as member of this Committee but shall not chair such committee. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. The Committee however may take the assistance of an Executive Director to dovetail the functions based on the needs of the Company.

#### Frequency of Meeting

The meeting of the committee shall be held at such intervals as may be required.

#### Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee Meetings.

#### Duties of the Committee

The duties of the Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non – Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- Identifying and recommending Directors who are to be put forward for retirement by rotation;
- Determining the appropriate size, diversity and composition of the Board;
- Developing a succession plan for the Board Members and Senior Management and regularly reviewing plan;
- Evaluating the performance of the Board Members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law and their service contract;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Recommend any necessary change to the Board; and
- Considering any other matters, as may be requested by the Board.

The duties of the Committee in relation to remuneration matters include:

- Considering and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motive members of the Board and such other factors as the Committee shall deem appropriate;
- Approving the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate of the working of the Company;
- Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- Considering any other matters as may be requested by the Board.

#### Policy for Appointment/ Resignation/ Retirement/ Succession/ of Director/ KMP/ Senior Management Personnel

##### Appointment

- a) The committee shall define the qualification/ experience and expertise of the person for appointment as Director/ KMP/ Senior Management Personnel;
- b) The committee shall also take into consideration the provisions of Section 164 of the Companies Act, 2013 relating to disqualifications for the appointment of Directors;
- c) Appointment of Independent Directors is subject compliance of provisions of Section 149 of the Companies Act, 2013 read with schedule IV and rules thereunder;
- d) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment;
- e) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position;