

30TH ANNUAL REPORT
2014-2015



MUKESH BABU FINANCIAL SERVICES LIMITED

Board of Directors

Shri Mukesh Babu (Chairman & Managing Director)
Shri K. Chandrasekhar
Shri Pankaj Majithia
Shri Vijay Vora
Mrs. Dipali C. Shah

Company Secretary

Mrs. Dipali C. Shah

Main Bankers

Axis Bank
HDFC Bank
ICICI Bank

Registered Office

111, Maker Chambers III,
223, Nariman Point,
Mumbai - 400 021.

Auditors

Shah, Shah & Shah
Chartered Accountants
502, Damji Shamji Trade Centre,
Vidyavihar - West, Mumbai - 400086.

Registrar & Share Transfer Agent

Link Intime India Private Limited.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai-400 078

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: NOTICE :

NOTICE IS HEREBY GIVEN THAT THE 30TH ANNUAL GENERAL MEETING OF THE MEMBERS OF MUKESH BABU FINANCIAL SERVICES LIMITED WILL BE HELD ON WEDNESDAY, 30TH SEPTEMBER, 2015 AT 5.00 P.M. AT 12A/4, NEW SION CO-OP. HSG. SOC. LTD., SION – WEST, MUMBAI – 400022 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

1. **To receive, consider and adopt the Financial Statements of the company for the period ended 31st March, 2015, including the Audited Balance Sheet as at 31st March, 2015, the statement of Profit and Loss account for the period ended on that date and the report of the Board of Directors and Auditors thereon.**
2. To declare a dividend of Re. 1/- per Equity Share for the year ended 31st March, 2015.
3. To appoint a director in place of Mr. K. Chandrasekhar (DIN : 00138951) who retires by rotation and being eligible offers himself for re- appointment as a Director of the Company.
4. To consider and if thought fit, to pass, the following resolution as an ordinary resolution:
“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Shah, Shah & Shah, Chartered Accountants (Firm Registration No. 116457W) be and are hereby re-appointed as Statutory Auditors of the company to hold office from the conclusion of the Annual General meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors from time to time.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s), the following Resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149(1), Sections 160, 161, 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013(‘the Act’) and the rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Dipali Shah (DIN : 07141559), be and is hereby appointed as a Whole-time Director (Women Director) and Company Secretary for a period of five years with effect from 9th February, 2015, on the terms and conditions as set out under item no. 5 of the Statement setting out the material facts annexed to this notice, with the liberty to the Board of Directors (including any committee thereof) to alter and vary any terms and conditions including remuneration in such manner as may be agreed to between Ms. Dipali Shah and the Board from time to time.”

“**RESOLVED FURTHER THAT** in case of inadequate or no profits in any financial year minimum remuneration may be paid as per the provisions of Schedule V of the Companies Act, 2013 and any other such modifications in the Act.

“**RESOLVED FURTHER THAT** the Board of Directors of the company (including any committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution”

6. “To consider and if thought fit to pass with or without modification(s), the following Resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; the consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time as they may think fit, any sum or sums of money not exceeding Rs. 100 Crores [including the money already borrowed by the Company] on such terms and conditions as the Board may deem fit, whether the

same may be secured or unsecured and if secured, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the Company's assets and effects or properties whether moveable or immoveable, including stock-in-trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) and remaining un-discharged at any given time, in excess of the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

**By Order of the Board
For Mukesh Babu Financial Services Limited**

**Place: Mumbai
Date : 04/09/2015**

**Dipali Shah
Whole Time Director & Company Secretary
(DIN:07141559) (Mem No: ACS 25422)**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

2. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report
4. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
5. Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and other holidays between 2.00 P.M. to 4.00 P.M. up to the date of the Annual General Meeting.

6. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September 2015 to 30th September 2015 (both days inclusive).
7. Members are requested to :
 - (i) Expeditiously intimate change of address, if any, to the Company/Registrar and Share Transfer Agents quoting reference to their Registered Folio Number.
 - (ii) Write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting.
8. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode in the Stock Exchanges.
9. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/Share Transfer Agents along with the relevant Share Certificates for consolidation of such Folios in one Folio.
10. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
12. Proxy Form is annexed. Members are requested to affix their signature at the space provided and hand over the same at the entrance to the place of meeting.
13. **Members who have not registered their email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**
14. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the revised Clause 35B of the Listing Agreement, Company is pleased to provide e-voting facility to all its members to enable them to cast their vote at the Annual General Meeting by electronically means.
15. A member may exercise his vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for voting electronically are as under:-

- a) Log on to the e-voting website www.evotingindia.com
- b) Click on "Shareholders" tab to cast your vote(s)
- c) Select the Electronic Voting Sequence Number (EVSN) i.e. "140904010" along with the Company name "MUKESH BABU FINANCIAL SERVICES LIMITED" from the drop down menu and click on "SUBMIT."

d) Now enter your User ID as follows:

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID

Members holding shares in physical form should enter Folio Number registered with the Company

e) Enter the Image Verification as displayed and Click on Login.

f) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

g) For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <ul style="list-style-type: none">Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their PAN / demat account number/Folio No., as the case may be, in the PAN field.In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN field.
<p>Date of Birth Or Date of Incorporation or Bank Account</p>	<p>Enter the Date of Birth as recorded in your demat account or in the Company's records for the said demat account in DD/MM/YYYY format or enter Folio No.</p> <p style="text-align: center;">OR</p> <p>Enter the Bank Account Number as recorded in your demat account or in Company's records for the said demat account or Folio No.</p> <p>Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.</p>

h) After entering these details appropriately, click on "**SUBMIT**" tab.

i) For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.

- j) 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 electronic holders for voting on resolutions of other companies, as well, 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.
- k) Click on the EVSN of the Company i.e. "140904010"
- l) 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.
- m) Click on the "Resolutions File" Link if you wish to view the entire Notice.
- n) 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.
- o) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote. You can also take a print of the voting done by you.
- p) If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.
- q) Note for Institutional Shareholders:

Institutional shareholders (i.e. other than Individuals, HUFs, NRIs etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

- r) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- I. The e-voting period commences on Sunday, 27th September 2015 (10.00 a.m. IST) and ends on Tuesday, 29th September 2015 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 14th August, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- II. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 14th August, 2015.
- III. Mr. V. V. Chakradeo, Practicing Company Secretary (Membership No. COP 1705), has been appointed as the Scrutinizer to conduct the e-voting process.

- IV. The Scrutinizer shall, within a period not exceeding thirty working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- V. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.mukeshbabu.com and on the website of CDSL within two days of the passing of the resolutions at the Thirtieth AGM of the Company on 30th September, 2015 and communicated to BSE Limited where the shares of the Company are listed.
- VI. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.
- VII. You can also update your mobile number and Email Id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting in future. The same may be used in case the Member forgets the password and the same need to be reset.

Contact Details:

Company	<p>M/s Mukesh Babu Financial Services Limited Reg. Office: 111, maker Chambers III, 223, Nariman point, Mumbai – 400021</p> <p>Tel No: 022-22040533, Fax: 022-24082687 Email id: info@mukeshbabu.com CIN: L65920MH1985PLC035504</p>
Registrar and Share Transfer Agent	<p>M/s Link Intime India P.Ltd. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup – West, -Mumbai – 400078.</p> <p>Tel: 022-25963838, Fax: 022-25946969 Email Id: mumbai@linkintime.co.in</p>
E-voting Agency	<p>Central Depository Services (India) Ltd</p> <p>Email id: helpdesk.evoting@cdslindia.com</p>
Scrutinizer	<p>CS: V.V. Chakradeo Practising Company Secretary Email id: vvchakra@gmail.com</p>

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item no: 5

The Board of Directors of the company (based on the recommendation of the Nominations and Remuneration Committee) at their meeting held on 9th February, 2015 appointed Ms. Dipali Shah as Whole Time Director and Company Secretary for a period of 5 years with effect from 9th February, 2015.

Ms. Dipali Shah is a qualified Company Secretary with over 7 years experience in the field. The Broad terms of her appointment are as below:

1. Salary in the range of Rs. 34,000/- to Rs. 75000/- p.m. as may be decided by the Board of Directors (including any committee thereof) .
2. Other benefits as per the rules of the Company.

3. The contract of employment may be terminated by either party upon notice of 3 months. The notice of termination must be given in writing.

A copy of the terms of engagement of Ms. Dipali Shah referred to in the resolution at item no. 5 will be available for inspection by the members at the registered office of the company between 11.00 a.m. and 1.00 p.m. on any working day other than Saturdays and Sundays.

Brief particulars of Ms. Dipali Shah are given elsewhere in this notice.:

Your approval is sought to the resolution as appearing in item no. 5 of the accompanying notice by way of Special Resolution.

None of the Directors, other than Ms. Dipali Shah/Key Managerial Personnel and their relatives are interested or concerned financially or otherwise in the said resolution.

The Board recommends the Special Resolution set out at Item Nos. 5 of the Notice for approval by the shareholders.

Item no: 6

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow monies, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180(1)(c) of the Act, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per the Circular dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956, is not effective from date of notification of Section 180(1)(c) of the Companies Act, 2013.

For this, it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, from time to time, as they may think fit, any sum or sums of money not exceeding Rs. 100 Crores [including the money already borrowed by the Company] apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate, for the time being, of the paid-up capital of the Company and its free reserves.

It is necessary to obtain fresh approval of the shareholders by means of a Special Resolution.

The Board recommends the Resolution at Item No.6 of the Notice for approval of the shareholders by a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No.6 of the Notice.

INFORMATION ON DIRECTORS BEING APPOINTED/RE-APPOINTED AT THE ANNUAL GENERAL MEETING.

A) Dipali Shah

1. Date of Birth and age : 27TH December, 1979; 34 years.
2. Nationality : Indian
3. Date of Appointment : 9th February, 2015
4. Educational Qualifications : M.Com., A.C.S.
5. Experience (years) : 8 years
6. Experience in specific functional area : Qualified as Company Secretary and has over 7 years Experience in the field.
7. Companies in which she is interested
As a Director, member of committees
Or Chairman of Committees : Sagar Systech Limited, Woman-Director.

B) K. Chandrasekhar

1. Date of Birth and age : 25TH December, 1953; 61 years.
 2. Nationality : Indian
 3. Date of Appointment : 16th February, 2001
 4. Educational Qualifications : B.Com (Acts.), B.Com (Stats), A.C.A., A.C.S.,
Grad. C.W.A., L.L.B.
 5. Experience (years) : 37 years
 6. Experience in specific functional area : Accounts, Finance and Law..
 7. Companies in which she is interested : Directorship:
As a Director, member of committees : 1. Mukesh Babu Stock Broking Pvt. Ltd.
Or Chairman of Committees : 2. Mukesh Babu Management Consultants Pvt. Ltd.
: 3. Sagar Systech Limited. (Sagar)
: 4. Mukesh Babu Financial Services Ltd.(MBFS).
- Member of Committees:
: 1. Audit Committee, MBFS and Sagar.
: 2. Remuneration & Nomination Committee, MBFS & Sagar.
: 3. Stakeholders Grievances Committee, MBFS.
: 4. CSR Committee,, MBFS.

**By Order of the Board
For Mukesh Babu Financial Services Limited**

**Place: Mumbai
Date : 04/09/2015**

**Dipali Shah
Whole Time Director & Company Secretary
(DIN:07141559) (Mem No: ACS 25422)**

BOARD REPORT

Dear Members,

Your Directors have pleasure in submitting their Thirtieth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

1. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous years figures are given hereunder:

PARTICULARS	Current Year	Previous Year
	AMOUNT RS.	AMOUNT RS.
Income from Operation	63,947,540	81,605,682
Other Income	621,372	11,546
Total Income	64,568,912	81,617,228
Profit before Interest, Depreciation & Tax	56,630,500	76,766,317
Less : Interest	20,533,770	16,052,787
Profit Before Depreciation	36,096,730	60,713,530
Less: Depreciation	855,284	838,375
Profit After Depreciation and Interest	35,241,446	59,875,155
Less: Current Income Tax	8,175,000	16,500,000
Less: Previous year adjustment of Income Tax	22,120	359,346
Less: Deferred Tax	(81,127)	(68,976)
Net Profit after Tax	27,125,453	43,084,785
Less: Dividend	6,970,900	6,970,900
Less: Dividend Distribution Tax	1,419,111	1,184,704
Less: Transferred To Statutory Reserve	5,425,091	8,616,957
Less: Provision for Standard Assets	(52,249)	138,261
Balance carried to Balance Sheet	13,362,600	26,173,963
Earning Per Shares (Basic)	3.89	6.18

2. TRANSFER TO RESERVE

A sum of Rs. 54,25,091/- has been transferred to Special Reserve during the year.

3. DIVIDEND

Your Directors are pleased to recommend a dividend of 10% aggregating to Rs. 1.00 per share for the current financial year. The dividend if approved and declared in the forthcoming Annual General meeting would result a Dividend outflow of Rs. 69,70,000/- and dividend Distribution Tax of Rs. 14,19,111/- aggregating a total outflow of Rs.83,89,111/-.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

No amounts have fallen due for transfer of Unclaimed Dividend to Investor Education and Protection Fund, in terms of the provisions of Section 125 of the Companies Act, 2013.

5. PERFORMANCE REVIEW

Your Company earned a net profit of Rs. 271.25 Lacs for the financial year ended 31st March, 2015 as compared to previous year's net profit of Rs. 430.85 Lacs. Depreciation during the year is Rs. 8.55 Lacs as compared to Rs. 8.38 Lacs in the previous year. Provision for taxation during the year is Rs. 81.16 Lacs (including Deferred Tax Provision) as compared to Rs. 167.90 Lacs in previous year.

6. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its Responsibility Statement:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) 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 and loss of the company for that period;

(c) 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;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. PUBLIC DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules 2014. There are no outstanding deposits at the end of the year.

8. SHARE CAPITAL

There was no change in the paid up Equity Share Capital during the Financial Year 2014-15. The Company has not allotted Shares under Employee Stock Option Scheme of the Company during the Financial Year.

9. BOARD OF DIRECTORS

The Board of Directors in its meeting held on 9th February , 2015 appointed Mrs. Dipali Shah as an Additional Director (Women Director) of the Company in the category of Whole Time Director subject to approval of members in the ensuing Annual General Meeting. Accordingly, a resolution is included in the Notice of Annual General Meeting for appointment of Mrs. Dipali Shah as a Whole Time Director of the Company to hold office for a term of 5 years with effect from 9th February, 2015. The Board recommended appointment of Mrs. Dipali Shah as Whole Time Director and Company Secretary of the Company.

Pursuant to Section 152(6) of the Companies Act, 2013, Mr K. Chandrasekhar will retire by rotation at the ensuing AGM and is eligible for re-appointment.

10. DECLARATION OF INDEPENDENT DIRECTORS

The Board has received the declaration from all the Independent Directors as per Section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the independent Directors meet the criterion of Independence as mentioned in Section 147(6) of the Companies Act, 2013.

11. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The Nomination Remuneration and Compensation Committee has put in a place the policy on board diversity for appointment of Directors taking into consideration the qualification and wide experience of the directors in the fields of banking, finance, regulatory, administration, legal, commercial vehicle segment apart from compliance of legal requirements of the Company. The Company has laid down remuneration criteria for the directors, key managerial personnel and other employees in the Nomination Remuneration and Compensation Committee Policy/Charter.

12. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year four Board meetings were held. The details of the Board and various meetings are given in the Corporate Governance Report.

13. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance review of the directors individually as well as the evaluation of the working of its various Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

14. RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India, from time to time.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pursuant to Section 134(m) of the Companies Act, 2013 read with rules, 2014 is as follows :

1. The Company has no activity involving conservation of energy or technology absorption.
2. The total Foreign Exchange Inflow was Rs NIL and Outflow was Rs NIL during the year under review.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the company has established a CSR Committee and statutory disclosures with respect to the CSR Committee and a report on CSR Activities is included as “Annexure – A” to this report.

17. EXTRACT OF ANNUAL RETURN

The extract from the Annual Return in the form MGT 9 as required under Section 134 of the Companies Act, 2013 read with Rule 8 (5) of the Company (Accounts) Rules, 2014 is annexed to this report as “Annexure – B” .

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loan Given to Subsidiary Company

Name	Opening Balance	Additions	Interest Charged	Refunded	Closing Balance
Mukesh Babu Securities Limited	87,717,229	24,010,632	6,011,073	82,901,107	28,826,754

19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

20. RISK MANAGEMENT POLICY

The Company has framed Risk Management Policy to identify , communicate and manage material risks across the organisation. The policy also ensures that responsibilities have been appropriately delegated for risk management.

21. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has established a vigil mechanism under which the genuine concerns are expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

22. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors – The information regarding the Directors appointed or retired/resigned during the year under consideration is provided in this report.

Key Managerial Personnel - None of the Key managerial Personnel has resigned or appointed during the year under review.

23. PERFORMANCE OF SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES:

a) Mukesh Babu Securities Limited :

The present authorised share capital of the company is Rs. 5 Crore. The paid up capital of the Company as on 31st March 2015 is Rs.5 Crore. The net profit of the company for the year ended 31st March 2015 is Rs. 84.84 Lacs as compared to Rs.337.51 Crore in previous year.

b) Accounts of Subsidiaries:

Pursuant To Section 136(1)(b) of the Companies Act, 2013, a copy of the audited financial statements for the year ended 31st March 2015, of Mukesh Babu Securities Limited, shall be furnished to any shareholder on demand. The Consolidated financial statements audited by the statutory auditors of the Company have been attached to this Report.

c) Joint Venture / Associate Company

The Company does not have any Joint Venture / Associate Company.

24. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company that occurred between the end of the financial year to which this financial statements relate and the date of this report.

25. COMPOSITION OF AUDIT COMMITTEE.

The Audit Committee consists of the following members:

- a. Mr. Pankaj Majithia, Non-Executive Independent Director
- b. Mr. K. Chandrasekhar
- c. Mr. Vijay Vora, Non-Executive Independent Director

26. COMPOSITION OF CSR COMMITTEE.

The CSR Committee consists of the following members:

- a. Mr. Pankaj Majithia, Non-Executive Independent Director
- b. Mr. K. Chandrasekhar
- c. Mr. Vijay Vora, Non-Executive Independent Director

27. CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129 read with Rule 5 to the Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statement of subsidiary and a statement on consolidated financial position of the Company with that of subsidiary is attached to the Annual Report. The consolidated financial statement attached is prepared in compliance with the applicable Accounting Standards and Listing Agreement.

28. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 in respect of employees of the Company, will be provided upon request. In terms of section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which are available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company upto the date of the Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

In terms of the provisions of Section 197(12) of the Companies Act 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, no employee was drawing remuneration in excess of the limits set out in the said rules.

29. AUDITORS

M/s Shah Shah & Shah, Chartered Accountants, Mumbai, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Certificates have been received from them to the effect that their re-appointment as Auditors of the Company, if made, would be within the limits prescribed under Section 139 and 141 of the Companies Act, 2013.

Members are requested to consider their re-appointment.

30. SECRETARIAL AUDIT

The Board had appointed Mr. V.V. Chakradeo, Practising Company Secretary (COP : 1705) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2014-15. The Secretarial Audit Report is annexed to this report as “**Annexure – C**”.

31. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There are no adverse comments, qualifications or reservations or adverse remarks in the Statutory Audit Report and Secretarial Audit Report.

32. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis is annexed to this Report as “**Annexure – D**” and forms the integral part of this report and covers, amongst other matters, the performance of the Company during the financial year under review as well as the future prospects.

33. CORPORATE GOVERNANCE

Pursuant to Clause 49 of Listing Agreement, a separate Report on Corporate Governance along with the Auditors Certificate on its compliance, forms an integral part of this Report (**Annexure – E**). The certificate duly signed by the Managing Director and Chief Financial Officer on the financial Statements of the Company for the year ended March 31, 2015 as submitted to the Board of Directors regarding compliance by the Board members and senior management personnel with Company’s Code of Conduct, is also enclosed.

34. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman
DIN: 00224300

K. Chandrasekhar
Director
DIN: 00138951

Date: 14th August 2015

Place: Mumbai

ANNEXURE A

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The object of CSR Policy of the Company is :

Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become SELF-RELIANT and build a better tomorrow for themselves.

Ensuring environmental sustainability through ecological conservation and regeneration, protection & re growth of endangered plant species, and promoting biodiversity.

The Company's CSR Policy has been uploaded on the website of the Company ie : www.mukeshbabu.com

The Composition of the CSR Committee

The CSR Committee consists of the following members:

- a. Mr. Pankaj Majithia, Non-Executive Independent Director
- b. Mr. K. Chandrasekhar
- c. Mr. Vijay Vora, Non-Executive Director

Average net profit of the company for last three financial years:
Rs.4,85,13,282/-

Prescribed CSR Expenditure (two per cent of the amount as above)
The Company, during the financial year 2014-15, is required to spend Rs. 9,70,266/- towards CSR.
Details of CSR spent during the financial year:

- (a) Total amount spent for the financial year: Rs.11,07,000/-
- (b) Amount unspent, if any: NIL.
- (c) Manner in which the amount spent during the financial year is detailed below.

DETAILS OF DONATIONS MADE		
DATE	NAME OF THE PARTY	AMOUNT
06/06/2014	MIK Gandhi & Kanta Gandhi Charitable Trust	25,000
06/06/2014	Jain Jagruti Centre Central Board Charitable Trust	21,000
06/08/2014	ISKCON- Mid-day meal Programme	150,000
06/08/2014	ISKCON- Mid-day meal Programme	650,000
15/01/2015	Edelgive Foundation	51,000
19/01/2015	Tamrind Tree Trust	200,000
05/03/2015	Brahman Seva Samiti	10,000
	TOTAL PAYMENT	1,107,000

In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

NA

The implication and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Mr. Pankaj Majithia
Chairman of the Committee
DIN: 00224833

Mr. Vijay Vora
Non-Executive Independent Director
DIN: 00224394

Date: 14th August 2015
Place: Mumbai

AXXEXURE - B

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2015
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L65920MH1985PLC035504
ii	Registration Date	27/02/1985
iii	Name of the Company	MUKESH BABU FINANCIAL SERVICES LIMITED
iv	Category/Sub-category of the Company	Public Company - Limited by shares & having a share capital
v	Address of the Registered office & contact details	111, Maker Chambers III, 223, Nariman Point, Mumbai 400021
vi	Whether listed company	LISTED
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Linkintime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai 400078.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	NBFC	9971190	100

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	MUKESH BABU SECURITIES LIMITED	U67120MH1994PLC076455	SUBSIDIARY	51.62%	2 (87)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	Number of Shares held in dematerialized form	Total Shareholding as a percentage of total number of Shares		Shares pledged(or otherwise encumbered)	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) = (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100
(A)	PROMOTER AND PROMOTER GROUP							
[1]	INDIAN							
	INDIVIDUALS / HINDU UNDIVIDED FAMILY	2	4381600	4381600	62.86	62.86	0	0.00
	CENTRAL GOVERNMENT / STATE GOVERNMENT(S)	0	0	0	0.00	0.00	0	0.00
	BODIES CORPORATE	0	0	0	0.00	0.00	0	0.00
	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0.00	0	0.00
	ANY OTHER (SPECIFY)	0	0	0	0.00	0.00	0	0.00
	Sub Total	2	4381600	4381600	62.86	62.86	0	0.00
[2]	FOREIGN							
	INDIVIDUALS (NON-RESIDENT INDIVIDUALS / FOREIGN INDIVIDUALS)	0	0	0	0.00	0.00	0	0.00
	BODIES CORPORATE	0	0	0	0.00	0.00	0	0.00
	INSTITUTIONS	0	0	0	0.00	0.00	0	0.00
	QUALIFIED FORE. INVESTOR-CORPORATE	0	0	0	0.00	0.00	0	0.00
	QUALIFIED FORE.INVESTOR-IND	0	0	0	0.00	0.00	0	0.00
	ANY OTHER (SPECIFY)	0	0	0	0.00	0.00	0	0.00
	Sub Total	0	0	0	0.00	0.00	0	0.00
	Total (A)	2	4381600	4381600	62.86	62.86	0	0.00
(B)	PUBLIC SHAREHOLDING							
[1]	INSTITUTIONS							
	MUTUAL FUNDS / UTI	2	197500	0	2.83	2.83	0	0.00
	FINANCIAL INSTITUTIONS / BANKS	1	11700	0	0.17	0.17	0	0.00
	CENTRAL GOVERNMENT / STATE GOVERNMENT(S)	0	0	0	0.00	0.00	0	0.00
	VENTURE CAPITAL FUNDS	0	0	0	0.00	0.00	0	0.00
	INSURANCE COMPANIES	0	0	0	0.00	0.00	0	0.00
	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.00	0.00	0	0.00
	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0.00	0	0.00
	QUALIFIED FORE. INVESTOR-CORPORATE	0	0	0	0.00	0.00	0	0.00
	QUALIFIED FORE.INVESTOR-IND	0	0	0	0.00	0.00	0	0.00
	Sub Total	3	209200	0	3.00	3.00	0	0.00
[2]	NON-INSTITUTIONS							
	BODIES CORPORATE	29	780550	777250	11.20	11.20	0	0.00
	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH.	1731	815785	523585	11.70	11.70	0	0.00
	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	17	556165	545865	7.98	7.98	0	0.00
	QUALIFIED FORE. INVESTOR-CORPORATE	0	0	0	0.00	0.00	0	0.00

Category code	Category of Shareholder	Number of Shareholders	Total number of Shares	Number of Shares held in dematerialized form	Total Shareholding as a percentage of total number of Shares		Shares pledged(or otherwise encumbered)	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage (IX) = (VIII)/(IV)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(VIII)/(IV)*100
	QUALIFIED FORE.INVESTOR-IND	0	0	0	0.00	0.00	0	0.00
	CLEARING MEMBER	3	26144	26144	0.38	0.38	0	0.00
	FOREIGN PORTFOLIO INVESTOR (CORPORATE)	0	0	0	0.00	0.00	0	0.00
	FOREIGN PORTFOLIO INVESTOR (INDIVIDUAL)	0	0	0	0.00	0.00	0	0.00
	MARKET MAKER	0	0	0	0.00	0.00	0	0.00
	OFFICE BEARERS	0	0	0	0.00	0.00	0	0.00
	NON RESIDENT INDIANS (REPAT)	79	113242	15542	1.62	1.62	0	0.00
	NON RESIDENT INDIANS (NON REPAT)	8	30514	30514	0.44	0.44	0	0.00
	FOREIGN COMPANIES	0	0	0	0.00	0.00	0	0.00
	OVERSEAS BODIES CORPORATES	1	32900	0	0.47	0.47	0	0.00
	DIRECTORS / RELATIVES	0	0	0	0.00	0.00	0	0.00
	PERSONS ACTING IN CONCERT	0	0	0	0.00	0.00	0	0.00
	HINDU UNDIVIDED FAMILY	12	24800	24800	0.36	0.36	0	0.00
	TRUSTS	0	0	0	0.00	0.00	0	0.00
	Sub Total	1880	2380100	1943700	34.14	34.14	0	0.00
	Total (B)	1883	2589300	1943700	37.14	37.14	0	0.00
	Total (A)+(B)	1885	6970900	6325300	100.00	100.00	0	0.00
(C)	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED							
	-							
	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0.00	0	0.00
	Sub Total	0	0	0	0.00	0.00	0	0.00
	Total (C)	0	0	0	0.00	0.00	0	0.00
	Total (A)+(B)+(C)	1885	6970900	6325300	100.00	100.00	0	0.00
GENERATED ON : 03/04/2015 NSDL : 31/03/2015 CDSL : 31/03/2015								

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Mukesh Babu	3,431,600	49.23	0	3,431,600	49.23	0	-
2	Meena Mukesh	950,000	13.63	0	950,000	13.63	0	-
					-			
	Total	4,381,600	62.86	0	4,381,600	62.86	0	-

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the		Cumulative Share holding during the	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year	4,381,600	100.00	4,381,600	100.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0.00	-	0.00
	At the end of the year	4,381,600	100.00	4,381,600	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the end of		Cumulative Shareholding during the	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year:	0	0	0	0
1	Sagar Systech Ltd	604,000	8.6718	604,000	8.6718
2	Thanki Bharatbhai Trikamji	205,132	2.9427	205,132	2.9427
3	SBI Capital markets Ltd	100,000	1.4345	100,000	1.4345
4	Indian Bank Mutual Fund	97,500	1.3987	97,500	1.3987
5	Hiral D Sejpal	63,128	0.9056	63,128	0.9056
6	Istaa Fashions Pvt Ltd	50,000	0.7173	50,000	0.7173
7	Mukesh Champaklal (HUF)	50,000	0.7173	50,000	0.7173
8	Hemant Champaklal	44,700	0.6412	44,700	0.6412
9	BVD Sons (Mauritius) Co. Ltd.	32,900	0.472	32,900	0.472
10	Saurashtra Solid Indust Pvt. Ltd.	31,573	0.4529	31,573	0.4529
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)				
1	Sagar Systech Ltd	604,000	8.6718	604,000	8.6718
2	Thanki Bharatbhai Trikamji	205,132	2.9427	205,132	2.9427
3	SBI Capital markets Ltd	100,000	1.4345	100,000	1.4345
4	Indian Bank Mutual Fund	97,500	1.3987	97,500	1.3987
5	Hiral D Sejpal	63,128	0.9056	63,128	0.9056
6	Istaa Fashions Pvt Ltd	50,000	0.7173	50,000	0.7173
7	Mukesh Champaklal (HUF)	50,000	0.7173	50,000	0.7173
8	Hemant Champaklal	44,700	0.6412	44,700	0.6412
9	BVD Sons (Mauritius) Co. Ltd.	32,900	0.472	32,900	0.472
10	Saurashtra Solid Indust Pvt. Ltd.	31,573	0.4529	31,573	0.4529

(v) Shareholding of Directors & KMP

Sl. No	For Each of the Directors & KMP	Shareholding at the end of		Cumulative Shareholding during the	
		No.of shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year:	0	0	0	0
1	Mukesh Babu (Managing Director)	3,431,600	49.2275	3,431,600	49.2275
2	K.Chandrasekhar (Director & CFO)	200	0.002	200	0.002
3	Dipali Shah (Wholetime Director and Company Secretary)	0	0	0	0
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
	At the end of the year (or on the date of separation, if separated during the year)	0	0	0	0
1	Mukesh Babu (Managing Director)	3,431,600	49.2275	3,431,600	49.2275
2	K.Chandrasekhar (Director & CFO)	200	0.002	200	0.002
3	Dipali Shah (Wholetime Director and Company Secretary)	0	0	0	0

V INDEBTEDNESS

INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the				
i) Principal Amount	139,571,243	21,777,229	-	161,348,472
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,531,848	-	-	1,531,848
Total (i+ii+iii)	141,103,091	21,777,229	-	162,880,320
Change in Indebtedness during the				
• Addition	46,575,676	-	-	46,575,676
• Reduction	54,500,000	-	-	54,500,000
Net Change	(7,924,324)	-	-	(7,924,324)
Indebtedness at the end of the financial				
i) Principal Amount	131,646,919	21,777,229	-	153,424,148
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,422,510	-	-	1,422,510
Total (i+ii+iii)	133,069,429	21,777,229	-	154,846,658

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:					
Sl.No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total
		Mukesh Babu	Dipali Shah	—	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,200,000	46,600		1,246,600
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as % of profit				-
	- others, specify . . .				-
5	Others, please specify				-
	Total (A)	1,200,000	46,600	-	1,246,600
	Ceiling as per the Act				NA

B. Remuneration to other directors:

B. Remuneration to other directors:

Sl.No.	Particulars of Remuneration	Name of Directors			Total
		Pankaj Majithia	Vijay Vora	----	
	3. Independent Directors				
	• Fee for attending board / committee meetings	15,000	20,000		35,000
	• Commission				-
	• Others, please specify				-
	Total (1)	15,000	20,000	-	35,000
	4. Other Non-Executive Directors				
	• Fee for attending board / committee				-
	• Commission				-
	• Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	15,000	20,000	-	35,000
	Total Managerial Remuneration (A+B)	1,215,000	66,600		1,281,600
	Overall Ceiling as per the Act				N.A
	Ceiling as per the Act				N.A

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/					
Sl.No	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross salary				0
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		256,300		256,300
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	- others, specify...				
5	Others, please specify				
	Total	-	256,300	-	256,300

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE-C

FORTM NO 3

SECRETARIAL AUDIT REPORT

For the Financial year ended 31st March 2015.

**(Pursuant to section 204 (1) of the companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of managerial Personnel rules, 2014)**

To,
The members,
Mukesh Babu Financial Services Limited,
Mumbai.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mukesh Babu Financial Services Limited. (hereinafter called the Company). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion the company had during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter :

We have examined the books papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- i) The Companies Act, 2013 (Act) and the rules thereunder;
- ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.
- iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vii) All applicable Labour Laws
- viii) Factory's Act 1948
- ix) Bombay Shop & Establishment Act,1948
- x) Environment Protection Act, 1986 and other environmental laws.
- xi) Indian Contract Act,1872
- xii) Income Tax Act,1961 and Indirect Tax Laws

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited.

We further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non executive directors and independent directors. The changes in composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the board meeting and agenda and detailed notes on agenda were sent at least seven days in advance and system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for the meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Mumbai

Date : 14th August 2015

FOR V. V. CHAKRADEO & CO.

**V. V. CHAKRADEO
COP 1705. FCS 3382**

14th August 2015.

V. V. Chakradeo & Co.
B- 301, Matoshree Residency CHS.,
65, Prarthana Samaj Road,
Vile Parle East, Mumbai 400 057.

Dear Sir,

This representation letter is provided in connection with your audit of secretarial records maintained under the Companies Act, 2013 (the act) and the rules made thereunder;

- i) Securities Contracts (Regulations) Act, 1956, (SCRA) and the rules made thereunder;
- ii) The Depositories Act 1996 and the regulations and Byelaws framed thereunder;
- iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, overseas Direct Investment and External Commercial Borrowings;
- iv) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act)
- v) and other applicable laws including Labour Laws like Factories Act, Payment of Gratuity Act, etc for the financial year ended 31st March 2015 for the purpose required in it.

We the under signed acknowledge our responsibility for maintaining the secretarial records referred above and confirm, to the best of our knowledge and belief, the following representations;

COMPANY LAW

1. The Company has maintained books of accounts as required under the section 128 of the Companies Act, 2013.
2. The company has complied with all the provisions of Companies Act, 2013 relating Statutory Audit and Internal Audit.
3. No request for transfer or transmission of the shares have been received by the company during the financial year ended 31st March 2015 other than as recorded.
4. Statutory Registers were kept open for the inspection during working hours on all working days.
5. Notice of the board meeting were duly send to all the Director.
6. No resolutions were passed by circulation during the year under review other than as noted.
7. The company has not obtained any secured loan from any financial institution/ banks other than those mentioned in the register of charges.
8. Notice of annual general meeting has been duly send to all the members.
9. No show cause notice has been received by the company under the Acts referred above or any other laws applicable on the company.
10. Minutes of Board and General meetings were entered in the minute books within thirty days from the day of meeting.
11. Share certificates were properly stamped.
12. The entries in the statutory registers were made in prescribed time.
13. The company has not done any alteration to the Articles of Association or Memorandum of Association other than those of which the necessary compliance as to alteration is carried out and the proofs of the filing with ROC are available in records.

14. We have provided to you all relevant information and have given access to all data and records.
15. There is no pending litigation and claims other reported in the balance sheet by way of contingent liability.
16. No event other than reported to you specifically has occurred during the year which has a major bearing on the company's affairs in pursuance of laws, rules, regulations, guidelines, standards etc. Referred to above.
17. The views of all dissenting directors (if any) on important matters have been captured and recorded in the minute.
18. The venue and time of board meeting was finalized with the consultation of all board members.

LABOUR LAW.

All the premises and establishments have been registered with the appropriate authorities.

The company has not employed any child labour/bonded labour in any of its establishments.

The company is ensuring the compliance of PF/ESIC and other social security measures to the contact employees. One of the responsible officers of the Company carry out the survey regarding the compliance of this.

ENVIRONMENTAL LAWS

Not applicable.

Debt refinancing, restructuring etc

The company has complied with all the applicable law .

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman & Managing Director
DIN: 00224300

K. Chandrasekhar
Director
DIN:00138951

Date:14th August, 2015
Place : Mumbai

ANNEXURE D

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

The management is pleased to present its Analysis Report.

A. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous years figures are given hereunder:

PARTICULARS	Current Year	Previous year
	AMOUNT RS.	AMOUNT RS.
Income from Operation	63,947,540	81,605,682
Other Income	621,372	11,546
Total Income	64,568,912	81,617,228
Profit before Interest, Depreciation & Tax	56,630,500	76,766,317
Less : Interest	20,533,770	16,052,787
Profit Before Depreciation	36,096,730	60,713,530
Less: Depreciation	855,284	838,375
Profit After Depreciation and Interest	35,241,446	59,875,155
Less: Current Income Tax	8,175,000	16,500,000
Less: Previous year adjustment of Income Tax	22,120	359,346
Less: Deferred Tax	(81,127)	(68,976)
Net Profit after Tax	27,125,453	43,084,785
Less: Dividend	6,970,900	6,970,900
Less: Dividend Distribution Tax	1,419,111	1,184,704
Less: Transferred To Statutory Reserve	5,425,091	8,616,957
Less: Provision for Standard Assets	(52,249)	138,261
Balance carried to Balance Sheet	13,362,600	26,173,963
Earning Per Shares (Basic)	3.89	6.18

B. FINANCIAL REVIEW :

Your Company earned a net profit of Rs. 271.25 Lacs for the financial year ended 31st March, 2015 as compared to previous year's net profit of Rs. 430.85 Lacs. Depreciation during the year was Rs .8.55 Lacs as compared to Rs. 8.38 Lacs in the previous year. Provision for taxation during the year is Rs. 81.16 Lacs including Deferred Tax Provision as compared to Rs 167.90 Lacs in previous year.

C. OPPORTUNITIES AND MARKET ENVIRONMENT:

Though during the Financial Year 2014-15, Indian GDP grew by only 5.5-5.9%. However, with a stable government that the Indian Electorate has given at the Centre, the Stock Market and Foreign Institutional Investors have viewed this development positively. The stock market has been responding to pledges by the new government to grow India's economy by boosting manufacturing and investment, creating new jobs and rolling out much-needed infrastructure, among other promises. The Survey, released a day ahead of the budget for 2014-15, expects that moderation in inflation will ease the monetary policy stance and revive the confidence of investors. With the liquidity that has come into the stock markets equity as a asset class is likely to outperform other asset classes. India still emerges as one of the most sought-after emerging markets for Foreign Institutional Investors. Your company continues to believe in investing in companies, which have good potentials and in specific sectors that will do well in times to come.

D. FUTURE PROSPECTS :

The Indian Financial Market being closely integrated with the international markets, the challenge is the volatility in the Indian Markets, which is associated with the international events. Earlier this year, investors made a massive exodus from emerging markets on rising geopolitical tensions and worries about the U.S. Federal Reserve raising interest rates. However, with a stable government at the Centre, optimistic view is in sight for the ensuring financial year. Your company is confident of facing all these challenges with its expertise and long-standing experience and is confident of achieving good growth

ANNEXURE - E
CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. Company's Philosophy on Code of Governance

Your Company has implemented and continuously endeavors to improve the Corporate Governance practices which attempt to meet the shareholders' expectations. Your Company is also committed to adherence to standards of corporate governance.

2. Board of Directors

As on 31st March, 2015 the Company's Board comprises of five Directors, two of whom are Executive Directors (including the Women Director), one of whom is Non-Executive Director and two of whom are Non-Executive Independent Directors. None of the Directors on the Board is a Member on more than 10 Committees or Chairman of more than 5 Committees, across all the companies in which he is a Director.

The Board of Directors of the Company appointed Mrs. Dipali C. Shah as Whole-Time Director (WTD) of the Company for the period of five years with effect from 9th February, 2015.

Mr. K. Chandrasekhar, Director retires by rotation at conclusion of the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

The names and categories of the Directors on the Board, the number of Directorships and Committee Memberships/Chairmanships held by them in Indian public companies, relationship with other Directors and their shareholding in the Company as on 31st March, 2015 are given below:

<u>Name of Director</u>	<u>Category</u>	<u>No. of other Directors hips</u>	<u>No. of other Board Committees of which he is a member</u>	<u>No. of other Board Committees of which he is a Chairperson</u>	<u>Relations hip with other directors</u>	<u>Shares held (No. of Equity Shares)</u>
Mr. Mukesh C. Babu	Promoter Director	4	0	0	None	34,31,600
Mr.K. Chandrasekhar	Non – Executive Director	3	4	0	None	200
Mr. Pankaj Majithia	Independent Director	1	4	4	None	1,800
Mr. Vijay Vora	Independent Director	1	4	0	None	Nil
Mrs. Dipali Shah	Whole time Director	1	0	0	None	Nil

3. Information Supplied to Board

The Board is presented with all the relevant information of the Company in form of agenda papers and other additional details are tabled in the course of Board Meetings.

The following information is regularly supplied to the Board along with the specific item agenda:

1. Quarterly/Half yearly/Annual results of the Company and its units or business segments
2. Operating Plans, Long Term Plans, Business Initiatives and other related matters
3. Minutes of meetings of Committees of the Board
4. Status Report on Investor Requests/grievances
5. Related Party Transactions
6. Corporate Social Responsibility activities.
7. Other matters as set out in the Listing agreement

4. Independent Directors' Meeting.

In accordance with the provisions of Schedule IV (Code for Independent Directors) to the Companies Act, 2013 and Clause 49 of the listing agreement, a meeting of the Independent Directors was held on February 9th, 2015 without the attendance of Non- Independent Directors and members of management.

5. Board Meetings

The Board of Directors held four meetings during the year on 30th May 2014, 14th August 2014, 14th November 2014 and 9th February 2015.

The attendance of the Directors in these meetings was as follows:

<u>Name of the Director</u>	<u>Qualification</u>	<u>Board Meetings</u>		<u>Annual General Meeting</u>
		Held	Attended	If Attended
Mr. Mukesh C. Babu	B.Com, A.C.A.	4	4	Yes
Mr. K. Chandrasekhar	B.Com, A.C.A, Grad. I.C.W.A., A.C.S., L.L.B.	4	4	Yes
Mr. Pankaj Majithia.	F.C.A. A.C.S.	4	3	Yes
Mr. Vijay Vora.	B.Com	4	4	Yes
Mrs. Dipali Shah.	M.Com, C.S.	1	1	Yes

The Company Secretary is Secretary for the Board Meeting.

6. Information on Directors Appointment /Reappointment.

Brief resume of Directors being appointed/re-appointed at the ensuing Annual General Meeting, nature of their expertise in specific functional area and the names of the Company in which they hold directorships and the memberships of committees of the Board is furnished hereunder:

Mr. K. Chandrasekhar, aged 61 years is A.C.A, Grad..C.W.A., A.C.S., L.L.B. He is having varied experience in the field of finance. He is the Director in Mukesh Babu Financial Services Ltd., Sagar Systech Ltd., Mukesh Babu Stock Broking Pvt. Ltd., and Mukesh Babu Management Consultants Pvt. Ltd.,

Mr. K. Chandrasekhar is a member of Audit Committee, Remuneration & Nomination Committee, Stakeholders Committee and CSR Committee.

Mrs. Dipali Shah (DIN : 07141559), aged 34 years is a Masters in Commerce and Company/Chartered Secretary. She has 7 years of experience in Secretarial Compliances of Listed Companies. She has been appointed as Additional Whole Time Director (Women Director) with effect from 9th February, 2015 in Mukesh Babu Financial Services Limited and holds Directorship in Sagar Systech Limited.

7. Committees of the Board:

a) Audit Committee

Functions/Role of Audit Committee

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors, Tax Auditors and Internal Auditors of the Company and the fixation of their audit fees.
3. Reviewing, with the Management, the Quarterly/Half-Yearly/Annual financial statements before submission to the Board for approval.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement which is to be included in the Directors' Report in terms of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.
 - Qualifications in draft audit report.
5. Reviewing with the management, performance of auditors and adequacy of internal control systems.
6. Reviewing the adequacy of Internal Audit plan.
7. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

8. Discussion with Statutory Auditors about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

9. Reviewing the functioning of Vigil mechanism.

10. Carrying out any other function, as is mentioned in the terms of reference of the Audit Committee.

Composition, Meetings and Attendance Record

The present composition of the of the Audit Committee is as follows:

Mr. Pankaj Majithia, Non-Executive Independent Director

Mr. K. Chandrasekhar, Non-Executive Director

Mr. Vijay Vora, Non-Executive Independent Director.

The Company Secretary is Secretary for the Audit Committee meetings.

At the invitation of the Committee, the Statutory Auditors and the Internal Auditors of the Company attended the Audit Committee Meetings.

<u>Sr. No.</u>	<u>Name of the Member</u>	<u>Designation</u>	<u>No. of Committee Meetings held</u>	<u>No. of Committee Meetings attended</u>
1.	Mr. Pankaj Majithia.	Chairman	4	3
2.	Mr. K. Chandrasekhar.	Director	4	4
3.	Mr. Vijay Vora.	Director	4	4

b) Stakeholders Relationship Committee

During the year 2014-15, the nomenclature of Shareholders Transfer/Grievance Committee was change to Stakeholders Relationship Committee pursuant to the provisions of Section 178 of Companies Act, 2013 and Clause 49 of the Listing agreement.

The committee reviews in consultation with our Registrar and Share Transfer Agents- Link Intime India Pvt. Ltd., matters related to Transfer/Transmission/Issue of Duplicate Shares, Non – Receipt of Annual Report, Dividend and related matters.

The Company Secretary acts as the Secretary to the Committee.

To expedite the share transfer/transmission work in the physical segment, necessary authority has been delegated to Registrar and Share Transfer Agents to approve transfers/transmissions.

Details of share transfers / transmissions / Issue of Duplicate shares effected / approved are placed regularly both at Committee and Board meetings.

All communications regarding share transfers/transmission/issue of duplicate certificates, change of address, and bank details, etc. should be addressed to Registrar and Transfer Agents.

Composition, Meetings and Attendance Record

The present composition of the Stakeholders Relationship Committee is as follows:

Mr. Pankaj Majithia, Non-Executive Independent Director

Mr. K. Chandrasekhar, Non-Executive Director

Mr. Vijay Vora, Non-Executive Independent Director

The Company Secretary is Secretary for the Stakeholders Relationship Committee Meetings.

<u>Sr. No</u>	<u>Name of the Member</u>	<u>Designation</u>	<u>No. of Committee Meetings held</u>	<u>No. of Committee Meetings attended</u>
1.	Mr. Pankaj Majithia.	Chairman	4	3
2.	Mr. K. Chandrasekhar.	Director	4	4
3.	Mr. Vijay Vora.	Director	4	4

c) Corporate Social Responsibility Committee

The committee was formed at the Board meeting held on 30th May, 2014 in compliance with the Provisions of Companies Act, 2013.

The terms of reference of the Committee includes formulation and recommendation to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken as specified in Schedule VII of Companies Act, 2013, to recommend the amount of expenditure to be incurred on CSR activities and to monitor CSR Policy and its implementation from time to time.

Mr. Pankaj Majithia is Chairman of the Committee while Mr. K. Chandrasekhar and Mr. Vijay Vora are members. The Committee met once during the year under review on 9th February, 2015 and the meeting was attended by all the members.

d) Nomination and Remuneration Committee

Terms of reference/objectives

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to remuneration of Directors and Key Managerial Personnel.
2. To devise a policy on Board diversity.
3. To formulate the criteria for evaluation of Independent Directors and the Board.
4. To recommend/review remuneration of Executive Directors based on their performance and defined assessment criteria.
5. To carry out any other function as is directed by the Board from time to time or enforced by any statutory notification, amendment as may be applicable.

Mr. Pankaj Majithia is Chairman of the Committee while Mr. K. Chandrasekhar and Mr. Vijay Vora are members. The Committee met once during the year under review on 9th February, 2015 and the meeting was attended by all the members.

8. Remuneration to Directors during the year 2014-2015

A) Executive Directors

<u>Name of Director</u>	<u>Salary and Bonus (Rs.)</u>	<u>Provident Fund Contribution (Rs.)</u>	<u>Perquisites / other benefits (Rs.)</u>	<u>Commission Payable (Rs.)</u>	<u>Total (Rs.)</u>
MUKESH BABU	12,00,000	0	0	0	12,00,000
DIPALI SHAH *	46,600	0	0	0	46,600

B) Non-Executive Directors

<u>Name of Director</u>	<u>Salary and Bonus (Rs.)</u>	<u>Provident Fund Contribution (Rs.)</u>	<u>Sitting Fees (Rs.)</u>	<u>Commission Payable (Rs.)</u>	<u>Total (Rs.)</u>
VIJAY VORA	0	0	20,000	0	20,000
PANKAJ MAJITHIA	0	0	15,000	0	15,000

* Mrs. Dipali Shah has been appointed as additional whole time director w.e.f. 9th February, 2015. Each of the Independent Directors of the Company is paid sitting fees of 2000/- for each Board Meeting and Audit Committee Meeting and 500/- towards out of pocket expenses.

9. Related Party Transactions

The Company's related party transactions are generally with the Subsidiary. The Company's transactions with the Subsidiary relates to loans and advances given.

10. CEO / CFO Certification

The Managing Director of the Company has certified in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the year ended March 31, 2015.

11. Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management Personnel of your Company. All Board Members and Senior Management Personnel have confirmed compliance with the code.

12. General Body Meetings

(i) Details of last three Annual General Meetings held:

<u>Meeting No.</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
Twenty Ninth	30.09.2014	5.00 p.m.	12-A/4 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.
Twenty Eighth	30.09.2013	5.00 p.m.	12-A/4 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.
Twenty Seventh	28.09.2012	5.00 p.m.	12-A/4 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.

(ii) There is a proposal to pass one special resolution at the upcoming Annual General Meeting.

13. Means of Communication

- The quarterly/half-yearly/annual financial results of the Company are published in the Free Press Journal and Navshakti. These results are not distributed / sent individually to the shareholders.
- The financial results are also uploaded on the Company's Website www.mukeshbabu.com.
- All periodic compliance filings like Shareholding pattern, Corporate governance report, Outcome of meetings, etc are carried with the Stock Exchanges on which the Company's shares are listed.
- The Management Discussion and Analysis Report forms part of this Annual Report.

14. Unpaid / Unclaimed Dividend

The shareholders are requested to write to the Company or its RTA in respect of non-receipt / unclaimed / uncashed dividend.

No Unclaimed/Unpaid dividend is due for transfer to Investor Education and Protection Fund.

15. Vigil Mechanism / Whistle Blower Policy.

The Company has established a vigil mechanism under which the genuine concerns are expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

16. General Shareholder Information

a) Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L14101RJ1989LPLC004903.

b) Annual General Meeting

The Thirtieth General Meeting will be held as per the following schedule:

Day : Wednesday

Date : 30th September, 2015

Time : 5.00 p.m.

Venue : 12A/4, New Sion C.H.S. Ltd., Sion – West, Mumbai – 400022.

c) Book closure

The dates of Book Closure are from Wednesday 23rd September, 2015 to Wednesday 30th September, 2015 both days inclusive.

e) Dividend Payment Date

Dividend if declared at the Annual General Meeting is proposed to be credited/dispatched on or after October 12th, 2015

f) Financial Calendar (Tentative)

First Quarter : August, 2015
Second Quarter & Half-Yearly : November, 2015
Third Quarter: February, 2016
Fourth Quarter & Annual : May, 2016

g) Listing on Stock Exchanges

The Company is listed on the Bombay Stock Exchange Ltd (BSE) and the Ahmedabad Stock Exchange Ltd.

Bombay Stock Exchange Limited P.J. Towers, Dalal Street, Fort, Mumbai-400 001. Security Code:30341	Ahmedabad Stock Exchange Limited Kamdhenu Complex, Near Panjarpole, Opp. Sahajanand College, Ahmedabad-380 015 Security Code:38196
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Annual Listing fees for the year 2014-2015 (as applicable) have been paid by the Company to Bombay Stock Exchange Limited and Ahmedabad Stock Exchange Limited.

Company ISIN No: INE596B01017

h) Dematerialization of Shares

The Company's shares are available for trading with both the depositories i.e. CDSL and NSDL. As on 31st March 2015, 63,25,300 equity shares forming 90.74% of the share capital of the Company stand dematerialized.

i) Depositories

- 1) The National Securities Depository Limited (NSDL)
4th Floor, 'A' Wing, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai 400 013
Phone: 022-2499 4200 Fax: 022-2497 6351.
Web: www.nsdl.co.in
- 2) The Central Depository Services (India) Limited (CDSL)
17th Floor, P J Towers, Dalal Street
Mumbai 400 001
Phone: 022-2272 3333 Fax: 022-2272 2072 / 3199
Web: www.cdslindia.com

j) Registrar of Companies

The Registrar of Companies, Maharashtra
100 Everest Building,
Marine Lines,
Mumbai 400022.
Phone: 022-2812645/022-2812627
www,mca.gov.in

k) Share Transfer System

Shares sent for transfer in physical form are normally registered by the Registrars and Share Transfer Agents within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

l) Address for Correspondence

1. Registered Office

Ms. Dipali Shah,
Company Secretary & Compliance Officer
111, Maker Chambers III, 223, Nariman Point, Mumbai 400021.
Phone: (022) 22873338, Fax: (022) 24021168
e-mail: info@mukeshbabu.com
website: www.mukeshbabu.com

2. Registrar and Share Transfer Agents

Link Intime India Private Limited.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W), Mumbai-400 078
Phone: (022) 25963838/25946970
E-mail : rnt.helpdesk@linkintime.co.in

m) Market Price Data

The Company's shares are listed on Bombay Stock Exchange Limited & Ahmedabad Stock Exchange Limited. There was no trading of the Company's Shares in Ahmedabad Stock Exchange Limited during the financial year 2014-2015. The monthly high & low quotation as well as the volume of shares traded during the year 2014-2015 at, Bombay Stock Exchange Limited, is as below:

<u>Month</u>	<u>Year</u>	<u>High Rs.</u>	<u>Low Rs.</u>	<u>No. of (Shares)</u>
April	2014	23.00	20.50	22630
May	2014	28.40	19.55	30860
June	2014	32.70	24.15	28959
July	2014	29.95	18.20	17460
August	2014	34.40	22.65	40829
September	2014	33.80	25.15	35145
October	2014	30.00	20.00	34786
November	2014	29.55	22.20	24855
December	2014	29.95	21.60	78069
January	2015	33.70	22.40	57779
February	2015	28.45	22.05	46713
March	2015	31.20	22.95	79378

n) The Share Holding Pattern and Distribution of Shareholding as on 31st March, 2015

SHAREHOLDING PATTERN AS ON 31.03.2015			DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2015				
Category Shareholding	No. of Shares	%to the total paid up Capital	No. of Shares	Shareholders		Shares	
				Number	%	Amount (Rs.)	% to Equity
Promoters	4381600	62.8556	Up to- 500	1525	80.9020	327627	4.6999
Mutual Funds, UTI	197500	02.8332	501-1000	168	8.9125	136664	1.9605
Financial Institutions & Banks	11700	00.1678	1001- 2000	74	3.9257	108958	1.5630
Bodies Corporate	780550	11.1973	2001- 3000	28	1.4854	72517	1.0403
Individuals	1371950	19.6811	3001- 4000	24	1.2732	86976	1.2477
Clearing Member	26144	00.3750	4001- 5000	16	0.8488	77615	1.1134
Market Maker	143756	02.0622	5001- 10000	15	0.7958	130087	1.8661
NRIs and NRN	32900	00.4720	10001- Above	35	1.8568	6030456	86.5091
Overseas Bodies corporate	24800	00.3558					
HUF							
Total	6970900	100.00	Total	1885	100.00	69709000	100.00

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman
DIN: 00224300

K. Chandrasekhar
Director
DIN: 00138951

Date: 14th August 2014

Place: Mumbai

CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the shareholders of **MUKESH BABU FINANCIAL SERVICES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Mukesh Babu Financial Services Limited, for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all material respect with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company and reviewed by the Investor Relation & Share Transfer Committee.

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

**For Shah, Shah & Shah
Chartered Accountants**

**(Mehul C. Shah)
Partner
Membership No. 49361
FRN: 116457W**

**Place : Mumbai
Date: 14/08/2015**

Declaration

It is hereby confirmed pursuant to clause 49(1)(D) of the listing agreement that:

The Board of Directors of MBFS has laid down a code of conduct for all Board Members and senior management of the Company. The said code of conduct has also been posted in the Company's website viz. www.mukeshbabu.com.

All the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended 31st March, 2015.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman & Managing Director
DIN: 00224300

K. Chandrasekhar
Director
DIN: 00138951

Date: 14th August 2015

Place: Mumbai

INDEPENDENT AUDITORS' REPORT

To
The Members,

Mukesh Babu Financial Services Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Mukesh Babu Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

- (i) in case of the Balance Sheet, of the state of affairs of the Company as at **March 31, 2015**.
- (ii) in case of Statement of Profit and Loss, of Profit of the Company for the year ended on that date.
- (iii) in case of cash flow statement, of cash flow of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- (a) we have sought and obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance Sheet and Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) on the basis of written representations received from the Directors as on **31st March 2015** taken on record by the board of directors, none of the directors is disqualified as on **31st March 2015** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. We have been informed by the Company that the pending litigations against the Company would not impact its financial position.
 - ii. In our view, the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS**

(Mehul Shah)

PARTNER

FRN: 116457W

M. No.: 049361

Mumbai: Date : 29/05/2015

ANNEXURE REFERRED TO IN REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF
OUR REPORT OF EVEN DATE

IN CASE OF Mukesh Babu Financial Services Limited

- (i) (a) The Company is maintaining proper records showing full particulars of, including quantitative details and situation, of fixed assets.
- (b) The management at reasonable intervals has verified the fixed assets. We have been informed that, no material discrepancies on such verification have been noticed.
- (ii) (a) As per the records maintained, the management has conducted verification of inventory at reasonable intervals.
- (b) In our view, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our view, the Company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to the book records.
- (iii) (a) The Company has granted unsecured loan to One Company covered in the register maintained under section 301 of the Act involving ₹ 87,717,229 on a maximum basis and ₹ 44,837,827 on at the year end.
- (b) The rate of interest and other terms and conditions of these loans are prima facie not prejudicial interest of the Company.
- (c) In respect of the loans given, the parties are repaying the principal amounts and interest as stipulated;
- (iv) In our view, there is an adequate internal control system commensurate with the size of the Company and nature of its business, for the purchase of inventory and fixed assets, and for sale of goods and services. In our view, there has been no continuing failure to correct major weakness in internal control systems of the Company.
- (v) The Company has not accepted any deposits from public within the meaning of the provisions of section 73 or any other provisions of the Companies Act, 2013 and the rules made there under. We have been informed by the management that there has been no order passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company with respect to compliance of the provisions of section 73 or any other provisions of the Companies Act 2013.
- (vi) We have been informed by the management that, the Central Government has not prescribed the method of maintenance of cost records u/s. 148 (1) of the Companies Act, 2013 to the industry to which the Company pertains.
- (vii) (a) We have been informed by the management that, the Company is generally regular in depositing all undisputed statutory dues with the appropriate authorities and there have been no material arrears of outstanding dues as at the last day of this financial year for more than six months from the date they became payable .

(b) In our opinion and according to the information and explanation given to us, there are no dues of Income tax, Sales tax, Wealth Tax, and Service tax, Custom Duty, Excise Duty or Cess, as applicable to it which have not been deposited on account of any dispute.

(c) In our opinion, the company is not required to transfer any amount to investor education and protection fund in accordance with the relevant provision of the companies act, 1956(1 of 1956) and rules made thereunder.

(viii) There are no accumulated losses at the end of the financial year. Also, the Company has not reported any cash losses during the year or immediately preceding financial year.

(ix) As informed to us by the management, the Company has not defaulted in repayment of any dues to financial institution or banks; whereas there are no debenture holders

(x) The management has informed us that, the Company has not given any guarantee for loans taken by others from any bank or financial institutions.

(xi) As per the explanation given by the management, the term loans were applied for the purposes for which they were obtained.

(xii) As informed by the management, there has not been noticed or reported any fraud on or by the Company during the year.

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

(Mehul Shah)

PARTNER

FRN: 116457W

M. No.: 049361

Mumbai: Date : 29/05/2015

MUKESH BABU FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	March 31, 2015		March 31, 2014	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	387,511,661		368,723,970	
(c) Money received against share warrants		-	457,186,661		438,398,970
2 Share application money pending allotment					
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)	10	947,788		1,028,915	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	406,858	1,354,646	459,107	1,488,022
4 Current liabilities					
(a) Short-term borrowings	4	154,846,658		162,880,320	
(b) Trade payables	5	17,726,313		34,184,122	
(c) Other current liabilities	6	2,178,048		1,712,220	
(d) Short-term provisions	7	12,916,851	187,667,870	22,006,576	220,783,238
TOTAL			646,209,177		660,670,230
II. ASSETS					
1 Non-current assets					
(a) Fixed assets					
(i) Tangible assets	8	7,914,550		8,199,844	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	9	329,809,960		329,809,960	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances	11	52,054,400		52,054,400	
(e) Other non-current assets	12	998,127	390,777,037	998,127	391,062,331
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	110,311,178		106,581,828	
(c) Trade receivables		-		-	
(d) Cash and Bank Balances	14	14,114,960		3,589,657	
(e) Short-term loans and advances	15	110,698,980		128,978,561	
(f) Other current assets	16	20,307,022	255,432,140	30,457,853	269,607,899
TOTAL			646,209,177		660,670,230

Contingent Liabilities & Commitments 17

NOTES ON ACCOUNT 24

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF
MUKESH BABU FINANCIAL SERVICES LIMITED

Mehul Shah
Partner
FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 29/05/2015

Mukesh Babu **K. Chandrasekhar** **Dipali Shah**
Managing Director **Director** **Director & Company Secretary**
DIN:00224300 DIN:00138951 DIN:7141559

Place : Mumbai
Date : 29/05/2015

MUKESH BABU FINANCIAL SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	March 31, 2015		March 31, 2014	
		₹	₹	₹	₹
I Revenue from operations	18		63,947,540		81,605,682
II Other income	19		621,372		11,546
III Total Revenue (I + II)			64,568,912		81,617,228
IV Expenses:					
Employee benefits expense	21	2,186,694		2,041,920	
Finance costs	22	20,533,770		16,052,787	
Depreciation	8	855,284		838,375	
Other expenses	23	5,751,718		2,808,991	
Total expenses			29,327,466		21,742,073
V Profit before exceptional and extraordinary items and tax (III-IV)			35,241,446		59,875,155
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			35,241,446		59,875,155
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			35,241,446		59,875,155
X Tax expense:					
(1) Current tax		8,175,000		16,500,000	
(2) Taxation of earlier years		22,120		359,346	
(3) Deferred tax		(81,127)	8,115,993	(68,976)	16,790,370
XI Profit (Loss) for the period from continuing operations (VII-VIII)			27,125,453		43,084,785
XII Profit/(loss) from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit (Loss) for the period (XI + XIV)			27,125,453		43,084,785
XVI Earnings per equity share:					
(1) Basic			3.89		6.18
(2) Diluted			3.89		6.18

NOTES ON ACCOUNT

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AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF
MUKESH BABU FINANCIAL SERVICES LIMITED

Mehul Shah
Partner

Mukesh Babu
Managing Director
DIN:00224300

K. Chandrasekhar
Director
DIN:00138951

Dipali Shah
Director & Company Secretary
DIN:7141559

FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 29/05/2015

Place : Mumbai
Date : 29/05/2015

MUKESH BABU FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		35,241,446		59,875,155
Adjustments for :				
Depreciation & Misc. Exp. Written off	855,284		838,375	
Bad Debts written off			-	
Excess Provision for Taxation		855,284	-	838,375
Operating Profit Before Working Capital Changes		36,096,730		60,713,530
Changes in Working Capital:				
Inventories	(3,729,350)		710,243	
Sundry Debtors	-		-	
Loans and Advances	7,264,924		(29,084,820)	
Other Current Assets	10,150,830		10,550,329	
Sundry Creditors	(16,457,810)		9,736,743	
Other Liabilities	(8,757,273)	(11,528,678)	(1,479,312)	(9,566,816)
Cash Generated from Operations		24,568,051		51,146,714
Direct Taxes Paid		(9,535,102)		(18,113,335)
Cash Flow Before Extraordinary Items		15,032,949		33,033,379
Extraordinary Items		52,249		-
Net Cash From Operating Activities		15,085,198		33,033,379
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(569,990)		(53,188)	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		(72,500,000)	
Sale of Investments	-	(569,990)	25,000,000	(47,553,188)
Net cash used in Investing Activities		(569,990)		(47,553,188)
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings	(8,033,662)		12,683,835	
Repayment of Loan Short Term Borrowings	-		-	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid	(6,970,900)		(6,970,900)	
Increase in Misc. & Public Issue Expenses	-	(15,004,562)	-	5,712,935
Net cash used in Financing Activities		(15,004,562)		5,712,935
Net Increase / (Decrease) in Cash & Cash Equivalents		(489,353)		(8,806,874)
Cash & Cash Equivalents at the Beginning of the Year		1,752,437		10,559,311
Cash & Cash Equivalents at th Closing of the Year		1,263,083		1,752,437

FOR SHAH SHAH & SHAH
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF
MUKESH BABU FINANCIAL SERVICES LIMITED

(MEHUL C. SHAH)
Partner
Membership No.49361
FRN: 116457W
Place : Mumbai
Date : 29/05/2015

Mukesh Babu	K. Chandrasekhar	Dipali Shah
Managing Director	Director	Director & Company Secretary

Place : Mumbai
Date : 29/05/2015

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 1 SHARE CAPITAL

Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule III to the Companies Act 2013

Share Capital	March 31, 2015		March 31, 2014	
	Number	₹	Number	₹
Authorised Equity Shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
Issued Equity Shares of ₹ 10 each	6,970,900	69,709,000	6,970,900	69,709,000
Subscribed and fully Paid up Equity Shares of ₹ 10 each fully paid	6,960,600	69,606,000	6,960,600	69,606,000
Subscribed but not fully Paid up Equity Shares of ₹ 10 each, not fully paid up	10,300	103,000	10,300	103,000
Less: Unpaid Calls		34,000		34,000
Total	6,970,900	69,675,000	6,970,900	69,675,000

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act 2013

Particulars - Equity Shares	March 31, 2015		March 31, 2014	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	6,970,900	69,709,000	6,970,900	69,709,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,970,900	69,709,000	6,970,900	69,709,000

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act 2013 (more than 5% holding)

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MUKESH CHAMPAKLAL BABU	3,431,600	49.23%	3,431,600	49.23%
MEENA MUKESH BABU	950,000	13.63%	950,000	13.63%
SAGAR SYSTECH LIMITED	604,500	8.67%	604,500	8.67%

Disclosure pursuant to Note no. 6 (A) (e, h, j) of Part I of Schedule III to the Companies Act 2013

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.

Particulars	March 31, 2015		March 31, 2014	
	Number	Description	Number	Description
Equity Shares	6,970,900	Pari Pasu	6,970,900	Pari Pasu
Restrictions on the distribution of dividends		None		None
voting rights or with differential voting rights as to dividend		All shares have equal Voting Rights		All shares have equal Voting Rights

Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule III to the Companies Act 2013

Unpaid Calls	₹
By Directors	-
By Officers	-
Others	34,000

MUKESH BABU FINANCIAL SERVICES LIMITED

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 2 RESERVES AND SURPLUS

Disclosure pursuant to Note no. 6(B) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
a. Capital Reserves		
Opening Balance	7,081,000	7,081,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	7,081,000	7,081,000
b. Securities Premium Account		
Opening Balance	73,628,000	73,628,000
Add: Securities premium credited on Share issue	-	-
Less: Premium Utilised for various reasons	-	-
Less: Unpaid Calls	68,000	68,000
Closing Balance	73,560,000	73,560,000
c. Statutory Reserve		
Opening Balance	62,551,365	53,934,408
(+) Current Year Transfer	5,425,091	8,616,957
	-	-
Closing Balance	67,976,456	62,551,365
d. General Reserve		
Opening Balance	21,082,871	21,082,871
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	21,082,871	21,082,871
e. Surplus Profit and Loss A/c		
Opening balance	204,448,734	178,274,771
(+) Net Profit/(Net Loss) For the current year	27,125,453	43,084,785
(-) Provision for Dividends	6,970,900	6,970,900
(-) Provision for Dividend Tax	1,419,111	1,184,704
(-) Transfer to Statutory Reserves (As per RBI Regulations)	5,425,091	8,616,957
(-) Provision for Standard Assets (As per RBI Regulations)	-52,249	138,261
Closing Balance	217,811,334	204,448,734
Total Reserves & Surplus	387,511,661	368,723,970

Note 3 LONG TERM PROVISIONS

Disclosure pursuant to Note no. 6(E) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
(a) Provision for Long Term Liabilities	-	-
Total (a)	-	-
(b) Others	-	-
Contingent Provision against Standard Assets (As per RBI Regulations)	406,858	459,107
Total (b)	406,858	459,107
Total Long Term Provisions	406,858	459,107

MUKESH BABU FINANCIAL SERVICES LIMITED

Note 4 SHORT TERM BORROWINGS
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015
 Disclosure pursuant to Note no. 6(F) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
Secured		
From Banks (Bank Overdraft)	1,575,676	-
(Secured against Pledge of Fixed Deposit Receipt)		
Terms of repayment: Working Capital Loans		
Period of Maturity 1 Year		
Number and amount of instalments Not Applicable		
Applicable rate of interest 10.00%		
From other parties	131,493,753	141,103,091
(Secured against Pledge of Stock of Shares)		
Terms of repayment: Working Capital Loans		
Period of Maturity Not Applicable		
Number and amount of instalments Not Applicable		
Applicable rate of interest 13.50% to 17.00%		
Total Secured Short Term Borrowings	133,069,429	141,103,091
Unsecured		
(a) Loans repayable on demand		
from banks (Refer note no. 3. of Other Notes to Accounts)	21,777,229	21,777,229
Total Unsecured Short Term Borrowings	21,777,229	21,777,229
Total Short Term Borrowings	154,846,658	162,880,320

Note 5 TRADE PAYABLES

Disclosure pursuant to Note no. 6(D) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
(a) Trade Payables	17,726,313	34,184,122
Total Trade Payables	17,726,313	34,184,122

Note 6 OTHER CURRENT LIABILITIES

Disclosure pursuant to Note no. 6(G) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
(a) Unclaimed Dividends	2,178,048	1,712,220
Total Trade Payables	2,178,048	1,712,220

Note 7 SHORT TERM PROVISIONS

Disclosure pursuant to Note no. 6(H) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
(a) Provision for Short Term Liabilities	-	-
(b) Provision for Expenses	246,580	256,087
(c) Others (Specify nature)		
Provision for Taxation (Net of Pre-paid Taxes)	4,822,371	13,729,839
Other Provisions	877,000	1,049,750
Provision for Dividend	6,970,900	6,970,900
Total Short Term Provisions	12,916,851	22,006,576

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 8 FIXED ASSETS

Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part of Schedule III to the Companies Act 2013

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	April 1, 2014	Additions/ (Disposals)	March 31, 2015	April 1, 2014	Depreciation for the year	On disposals	March 31, 2015	April 1, 2014	March 31, 2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a Tangible Assets									
Office Premises	14,883,250	-	14,883,250	9,771,806	248,927	-	10,020,733	5,111,444	4,862,517
Guest House	2,100,000	569,990.00	2,669,990	776,477	70,994	-	847,471	1,323,523	1,822,519
Furniture and Fixtures	3,729,511	-	3,729,511	2,987,738	192,045	-	3,179,783	741,773	549,728
Electrical Fittings	312,776	-	312,776	232,609	20,755	-	253,364	80,167	59,412
Office equipment	1,477,654	-	1,477,654	1,347,479	58,670	-	1,406,149	130,175	71,505
Computers	591,226	-	591,226	466,467	49,030	-	515,497	124,759	75,729
Vehicals	3,005,288	-	3,005,288	2,317,285	214,863	-	2,532,148	688,003	473,140
Total (Current Year)	26,099,705	569,990	26,669,695	17,899,861	855,284	-	18,755,145	8,199,844	7,914,550
Total (Previous Year)	26,046,517	53,188	26,099,705	17,061,486	838,375	-	17,899,861	8,985,031	8,199,844

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 9 NON CURRENT INVESTMENTS

Disclosure pursuant to Note no. K (i) of Part I of Schedule III to the Companies Act 2013

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%) (if Known only)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			31.3.2015	31.3.2014			31.3.2015	31.3.2014	31.3.2015	31.3.2014		
1	2	3	4	5	6	7	8	9	10	11	12	13
A.	TRADE INVESTMENTS		-	-					-	-		
B.	OTHER INVESTMENTS											
a.	Investment in Properties								-	-		
b.	Investment in Equity Instruments											
	Steelcast Ltd	Others	10,000	10,000	Quoted	Fully Paid	-	-	450,000	450,000	Yes	N.A.
	Rushil Industries Ltd.	Others	50,000	50,000	Unquoted	Fully Paid	-	-	500,000	500,000	Yes	N.A.
	Dynamic Ship Recyclers Pvt.Ltd.	Others	400,000	400,000	Unquoted	Fully Paid	-	-	1,500,000	1,500,000	Yes	N.A.
	Mukesh Babu Securities Ltd	Subsidiary	2,580,996	2,580,996	Unquoted	Fully Paid	51.62	51.62	25,809,960	25,809,960	Yes	N.A.
	The Gaekwar Mills Ltd	Others	75,000	75,000	Quoted	Fully Paid	-	-	7,500,000	7,500,000	Yes	N.A.
									35,759,960	35,759,960		
c.	Investments in Preference Shares											
	Balance Equity Broking (India) P. Ltd	Others	1,500,000	1,500,000	Unquoted	Fully Paid	-	-	15,000,000	15,000,000	Yes	N.A.
									15,000,000	15,000,000		
d.	Investments in Government or Trust securities											
	UTI-IEF units	Other	5,000	5,000	Quoted	Fully Paid	-	-	50,000	50,000	Yes	N.A.
									50,000	50,000		
e.	Investments in Debentures/ Bonds											
	The Gaekwar Mills Ltd (9%)	Other	3,000	3,000	Unquoted	Fully Paid	-	-	229,000,000	229,000,000	Yes	N.A.
	The Gaekwar Mills Ltd (0%)	Other	500	500	Unquoted	Fully Paid	-	-	50,000,000	50,000,000	Yes	N.A.
									279,000,000	279,000,000		
	Total								329,809,960	329,809,960		

Particulars	31.3.2015	31.3.2014
	₹	₹
Aggregate amount of quoted investments (Market Value ₹ 5,546,250/-(Previous Year ₹ 5,523,750/-)	8,000,000	8,000,000
Aggregate amount of unquoted investments	321,809,960	321,809,960
TOTAL	329,809,960	329,809,960

MUKESH BABU FINANCIL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 10 DEFERRED TAX ASSET (NET)

The Company has accounted for taxes on income in accordance with AS-22 – Accounting for Taxes on Income issued by the Ministry of Corporate Affairs. Consequently, the net incremental deferred tax (liability) / asset is charged / credited to Profit and Loss Account. The year end position of taxes on income is as under:

Particulars	March 31, 2015	March 31, 2014
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	947,788	1,028,915
Gross deferred tax liability	947,788	1,028,915
Deferred tax asset	-	-
Net deferred tax liability / (asset)	947,788	1,028,915

Note 11 LONG TERM LOANS AND ADVANCES

Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
a. Loans and advances to related parties	-		-	
Total (a)	-	-	-	-
b. Other loans and advances				
Unsecured, considered good:- Advances Against Projects	52,054,400	52,054,400	52,054,400	52,054,400
Total (b)		52,054,400		52,054,400
Total Long Term Loans and Advances (a)+(b)		52,054,400		52,054,400

Note 12 OTHER NON CURRENT ASSETS

Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Security Deposits :				
Unsecured, considered good		998,127		998,127
Total Other Non-Current Assets		998,127		998,127

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 13 INVENTORIES

Disclosure pursuant to Note no.O (i), (ii) and (ii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
a. Stock of Shares (Trading Stock of shares Valued at lower of cost or net realisable value)	110,311,178		106,581,828	
		110,311,178		106,581,828
Total Inventories		110,311,178		106,581,828

Note 14 CASH AND BANK BALANCES

Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks In Current Accounts with Scheduled Banks	170,344		1,110,334	
		170,344		1,110,334
B. Cash on hand Cash and Cash Equivalents		1,092,739		642,103
		1,263,083		1,752,437
C. Other Bank Balances In Fixed Deposits with Scheduled Banks In Unclaimed Dividends Account Interest Accrued not due on Fixed Deposits	10,125,000 2,178,048 548,829		125,000 1,712,220 -	
		12,851,877		1,837,220
Total Cash and Bank Balances (A+B+C)		14,114,960		3,589,657

Note 15 SHORT TERM LOANS AND ADVANCES

Disclosure pursuant to Note no.R (i), (ii) & (iii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
A. Loans and advances to related parties		44,837,827		87,717,229
Sub Total (A)		44,837,827		87,717,229
B. Others				
Unsecured, considered good		63,283,353		38,631,032
Prepaid Expenses		10,300		10,300
Staff & Associates		2,567,500		2,620,000
Sub Total (B)		65,861,153		41,261,332
Total Short-term loans and advances (A+B)		110,698,980		128,978,561

Note 16 OTHER CURRENT ASSETS

Disclosure pursuant to Note no.R (i), (ii) & (iii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
a. Taxation	-	-	-	-
b. Non-Taxation				
Margin Money with Brokers	20,307,022		30,457,853	
		20,307,022		30,457,853
Total Other Current Assets		20,307,022		30,457,853

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 17 CONTINGENT LIABILITIES AND COMMITMENTS

Disclosure pursuant to Note no. 6(T) of Part I of Schedule III to the Companies Act, 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
A. Contingent Liabilities				
(1) Claims against the company not acknowledged as debt - Refer sub-note no. 3 of Note 24	-		-	
(2) Guarantees	-		-	
(3) Other money for which the company is contingently liable	-		-	
Sub Total (A)		-		-
B. Commitments				
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	-		-	
(2) Uncalled liability on shares and other investments partly paid	-		-	
(3) Other commitments (specify nature)	-		-	
Sub Total (B)		-		-
Total Contingent Liabilities and Commitments (A+B)		-		-

Note 18 REVENUE FROM OPERATIONS

Disclosure pursuant to Note no. 2 of Part II of Schedule III to the Companies Act 2013

In respect of a finance company, revenue from operations shall include revenue from

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Interest Income		42,248,528		40,286,552
Dividend Income		14,708,043		13,185,340
Profit on Shares and Securities		6,990,969		28,133,790
Net Revenue From Operations		63,947,540		81,605,682

Note 19 OTHER INCOME

Disclosure pursuant to Note no. 4 of Part II of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Interest on Term Deposits		621,372		11,546
Total Other Income		621,372		11,546

Note 20 (INCREASE) / DECREASE IN INVENTORIES

Disclosure pursuant to Note no. 3 of Part II of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Inventories at the end of the year				
Stock of Shares	110,311,178	110,311,178	106,581,828	106,581,828
Inventories at the beginning of the year				
Stock of Shares	106,581,828	106,581,828	10,729,271	10,729,271
Net (Increase) / Decrease in Inventories		(3,729,350)		(95,852,557)

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 21 EMPLOYEE BENEFIT EXPENSES

Disclosure pursuant to Note no. 5(1)(a) of Part II of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries	859,066		727,750	
Directors' Remuneration	1,281,600	2,140,666	1,235,000	1,962,750
(b) Staff welfare expenses		46,028		79,170
Total Employee Benefit Expenses		2,186,694		2,041,920

Note 22 FINANCE COST

Disclosure pursuant to Note no. 3 of Part II of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
<u>Interest expense</u>				
Interest on Loans	20,422,819		16,052,787	
Interest on Bank Overdraft	110,951	20,533,770		16,052,787
Total Finance Cost		20,533,770		16,052,787

Note 23 OTHER EXPENSES

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Auditors' Remuneration		45,506		45,507
Business Promotion Expenses		405,948		561,126
Conveyance & Travelling Expenses		164,812		458,267
Donation given		2,957,000		175,000
Electricity Expenses		330,570		246,533
Professional & Consultancy Fees		616,971		225,654
Listing Fees		123,596		39,326
Membership & Subscriptions		60,904		54,809
Motor Car Expenses		72,735		176,350
Office Expenses		36,377		97,877
Postage and Courier Expenses		64,419		27,280
Printing and Stationery Expenses		144,549		138,437
Publishing Expenses		73,554		71,192
Rent, Rates & Taxes		245,908		209,479
Repairs and Maintenance Expenses		267,304		105,775
Telephone Expenses		69,952		75,436
Sundry Expenses		71,613		100,943
Total Other Expenses		5,751,718		2,808,991

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE:- 24 OTHER NOTES - NOTES ON ACCOUNTS

**1 SIGNIFICANT ACCOUNTING POLICIES:
ACCOUNTING CONCEPTS**

The Company follows mercantile system of accounting, and recognizes all income and expenses on accrual basis. The financial statement have been prepared to comply in all material respect with the mandatory Accounting standards issued by the Ministry of Corporate Affairs and in accordance with Indian Generally Accepted Accounting Policies and as per the provisions of the Companies Act 2013.

FIXED ASSETS

Fixed Assets are recorded at cost of acquisition including the expenditure incurred in connection with the acquisition and installation of the assets.

DEPRECIATION

Depreciation is provided on written down value method in accordance with the rates and in the manner provided in the Schedule II to the Companies Act 2013.

INVESTMENTS

A current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made. A long term investment is an investment other than a current investment. An investment property is an investment in land or buildings that are not intended to be occupied substantially for use by, or in the operations of, the investing enterprise. Long term investments are stated at cost. The carrying amount for current investments is the lower of cost and fair value determined either on an individual investment basis or by category of investment.. All long term investments are stated at cost less provision for diminution to recognize a decline, other than temporary, in the value of the investments.

INVENTORIES

Inventories of quoted shares are carried at lower of cost or net realizable value and that of unquoted Shares at cost. The cost of inventories of items that are not ordinarily inter-changeable are assigned by specific identification of their individual costs. Other inventory items are recorded using first-in-first-out cost formula. The inventories include the relevant duties, taxes, and cess other than those subsequently recoverable by the enterprise from the taxing authorities that were incurred to bring the inventory to their present location and conditions

REVENUE RECONGNITION:

Service Receipts are recognized on completion of provision of services and are recorded inclusive of all the relevant taxes and duties. The same is recognized as income on completion of transaction and at the time of performance it is not unreasonable to expect ultimate collection. Other revenue items are recognized as income on their accrual basis.

EMPLOYEE BENEFITS:

The Company's contribution to ESIC is accounted on accrual basis and charged to Profit and Loss Account. Gratuity is accounted as payable to Employees on Retirement or Resignation of Employees; whereas there is no defined policy enabling the employees to avail encashment of leave.

IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The Impairment loss recognized in prior accounting periods is increased / reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the net selling price and value in use.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities on the date of financial statements, the reported amount of revenues and expenses and the disclosures relating to contingent liabilities as on the date of financial statements. Actual results could differ from those of estimates. Any revision in accounting estimates is recognized in accordance with the respective accounting standard.

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

EARNINGS PER SHARE

The Company reports basic and diluted earnings per share in accordance with AS-20 "Earnings Per Share". Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities as defined in AS-29 "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, the assets that take substantial period of time to get ready for intended use, are capitalised as part of the cost of such assets.

STATUTORY RESERVE

A Statutory Reserve of 20% of the current profit after tax is made during the year in pursuance of section 45-IC of the Reserve Bank of India Act, 1934.

PRUDENTIAL NORMS

For the purpose of identifying the assets as Non-performing assets in pursuance of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, the Company follows generally accepted accounting principles and industry practices.

TAXES ON INCOME:

Current tax is determined as the tax payable in respect of taxable income for the year.

Deferred tax for the year is recognized on timing difference, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured assuming the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable / virtual certainty of realization.

2

The value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. According to the management, provision for all the known liabilities is adequate.

3

The Balances of loans and advances, overdraft from bank are subject to confirmation and reconciliation. The necessary adjustment if any will be made in the accounts on receipt thereof.

4 Auditors' remuneration in accordance with paragraph 5A (j) of part II of Schedule III to the Companies Act 2013 is as under:

Particulars	2014-15	2013-14
As Auditors	33,147	33,147
Other Professional Services	12,359	12,360
	45,506	45,507

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

5 Earning per share is calculated as under:

Particulars	2014-15	2013-14
Basic earning per share		
Net profit after Taxation	27,125,453	43,084,785
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	3.89	6.18
Diluted earning per share		
Net profit after Taxation	27,125,453	43,084,785
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	3.89	6.18

Directors' Remuneration	2014-15	2013-14
	2,140,666	1,235,000
Within the limits of Schedule V to the Companies Act 2013.		

7

The Company is mainly engaged in the business of providing commercial finance and dealing in shares and securities. All other activities of the Company revolve around the main business, and as such in the opinion of the management, there are no separate reportable segments as per Accounting Standard – AS – 17-“Segment Reporting” Issued by ICAI.

8

Loans and advances given to the employees and associates and for projects do not carry any stipulation as to repayment of principal or payment of interest; and are being repaid periodically. Accordingly, these are considered as good and not considered as part of non-performing assets.

9

The management has made full inquiries and is of the view that assets of the Company in form of fixed assets and Inventories are good in nature, and are stated at appropriate value of the respective assets; and there is no necessity as to impairment / write down provision in the accounts.

10 Disclosure of Provisions as required by AS-29 is as under:

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount reversed during the year	Closing Balance
	₹	₹	₹	₹
Income-tax	13,729,839	8,115,993	17,023,461	4,822,371

11 The year end position of Loans and advances given to the following companies which are under the same management within the meaning of 186 of the Companies Act 2013.

NAME OF THE COMPANY	2014-15	2013-14
Mukesh Babu Securities Limited (Subsidiary)	44,837,827	87,717,229

Maximum outstanding during the Year

NAME OF THE COMPANY	2014-15	2013-14
Mukesh Babu Securities Limited (Subsidiary)	87,717,229	99,049,430

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

12 Related Party Disclosures, as required by AS-18 are given below:

A. Relationships:

Category I: Subsidiary Company -- Mukesh Babu Securities Limited.

Category II: Key management Personnel -- Shri Mukesh Babu, Shri Pankaj Majithia and Shri Vijay Vora.

B. Transactions with related Parties:

TRANSACTIONS DURING THE YEAR	Relationship	2014-15	2013-14
Opening Balances	Subsidiary Company	87,717,229	99,049,430
	Associates	-	-
Loans & Advances given during the year	Subsidiary Company	34,010,632	124,709,587
Interest Charged during the Year	Subsidiary Company	6,011,073	7,217,980
	Associates	-	-
Amounts received back during the year	Subsidiary Company	82,901,107	143,259,768
	Associates	-	-
Remuneration & Sitting Fees	Key Managerial Persons	1,281,600	1,235,000
Closing Balances	Subsidiary Company	44,837,827	87,717,229
	Associates	-	-

13 Income and Expenses in Foreign Currency:

2014-15	2013-14
NIL	NIL

14 The additional information on Quantitative Information of Shares and Securities Traded

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	6071164	357351	130000	6298515
Value (in ₹)	106,581,828	5,342,935	4,220,798	110,311,178

(Purchases and sales include Bonus Shares and Splits and other adjustments, if any)

Consolidated transaction value (purchases and sales) on account of cash and derivative transactions amounts to ₹ 3,533,855,741/- (Previous year ₹ 4,872,414,907/-). In case of derivatives transactions, purchases and sales are accounted after netting off.

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

- 15 Disclosure of details as required by Para 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank of India) Directions, 1998.

Particulars		(₹ in lakhs)	
LIABILITIES SIDE:			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	a. Loan Against Securities (Secured Against shares)	133,069,429	NIL
	b. Loans from Banks (Unsecured)	21,777,229	
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	NIL	NIL
ASSETS SIDE:			
		Amount Outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	a. Secured	NIL	
	b. Unsecured	162,753,380	
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	NIL	
5	Break-up of Investments :		
	<u>Current Investments :</u>		
	<u>Long Term Investments :</u>		
	1 Quoted :		
	(i) Shares : (a) Equity	7,950,000	
	(b) Preference		
	(ii) Units of Mutual Funds	50,000	
	2 Unquoted :		
	(i) Shares : (a) Equity	27,809,960	
	(b) Preference	15,000,000	
	(ii) Debtntures and Bonds	279,000,000	
6	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :	NIL	
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value / Break up or fair Value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	a. Subsidiaries	25,809,960	25,809,960
	b. Other Related Parties	-	-
	2. Other than Related Parties	303,550,000	304,000,000
	Total	329,359,960	329,809,960
8	OTHER INFORMATION		
	Particulars	Amount	
	(i) Gross Non-Performing Assets		
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(ii) Net Non-Performing Assets		
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(iii) Assets acquired in satisfaction of Debt	NIL	

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2015

16 SPECIFIC DISCLOSURES

1 Disclosure pursuant to Note no. 6(U) of Part I of Schedule III to the Companies Act 2013.

Particulars	Total ₹	Total ₹ per Share
Dividends proposed to be distributed to equity shareholders	6,970,900	1.00

2 Disclosure pursuant to Note no. 6(V) of Part I of Schedule III to the Companies Act 2013.

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested.
Not Applicable

3 Disclosure pursuant to Note no. 6(W) of Part I of Schedule III to the Companies Act 2013.

If, in the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated.			
Name of Assets	Realisable Value	Value in Balance Sheet	Opinion of Board
		None	

- 17 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses, including derivatives, on such long term contracts has been made in the books of account.
- 18 The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.
- 19 The previous year's figures are regrouped / rearranged / reclassified wherever considered necessary to correspond with the figures of current year.
- 20 Other information pursuant to General Instructions for preparation of Balance Sheet and Profit & Loss Account of Schedule III to the Companies Act 2013 is not applicable.

FOR AND ON BEHALF OF THE BOARD OF
MUKESH BABU FINANCIAL SERVICES LIMITED

(Mukesh Babu)
Managing Director
DIN:00224300
Place : Mumbai
Date : 29/05/2015

(K. Chandrasekhar)
Director
DIN:00138951

(Dipali Shah)
Director & Company Secretary
DIN:7141559

30th

ANNUAL REPORT 2014-2015

MUKESH BABU FINANCIAL SERVICES LIMITED [CONSOLIDATED ACCOUNTS]

Board of Directors

Shri Mukesh Babu (Chairman & Managing Director)
Shri K. Chandrasekhar
Shri Pankaj Majithia
Shri Vijay Vora
Mrs. Dipali C. Shah

Company Secretary

Ms. Dipali C. Shah

Main Bankers

Axis Bank
Bank of India
HDFC Bank
ICICI Bank

Registered Office

111, Maker Chambers III,
223, Nariman Point,
Mumbai - 400 021.

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Auditors

Shah, Shah & Shah
Chartered Accountants
502, Damji Shamji Trade Centre,
Vidyavihar - West, Mumbai - 400086.

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF
MUKESH BABU FINANCIAL SERVICES LIMITED AND ITS SUBSIDIARY**

To
The Board of Directors,
Mukesh Babu Financial Services Limited

1 We have audited the accompanying consolidated financial statements of **Mukesh Babu Financial Services Limited** ("the Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3 Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, and to the best of our information, and according to the explanations given to us, and based on consideration of the reports of the other Auditors on the financial statements / consolidated financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31st March, 2015; and
- (ii) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date
- (iii) in the case of consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

Other Matters

(a) The accompanying consolidated financial statements include total assets of RS. 4,492.21 Lac as at March 31, 2015, and total revenues of RS. 241.34 Lac and net cash inflows of RS. 6.47 Lac for the year ended on that date, in respect of one subsidiary which have been audited by other auditors, whose financial statements, other financial information and auditors' reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of such other auditors.

**FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS**

**(Mehul Shah)
M. No. 049361
FRN: 116457W
Place : Mumbai
Date : 29/05/2015**

MUKESH BABU FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note No.	March 31, 2015		March 31, 2014	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	466,282,191		443,114,916	
(c) Money received against share warrants			535,957,191		512,789,916
2 Mionority Interest			98,016,427		93,911,733
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)	10	920,873		1,009,353	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	406,858	1,327,731	459,107	1,468,460
4 Current liabilities					
(a) Short-term borrowings	4	205,531,116		221,960,179	
(b) Trade payables	5	18,039,573		34,497,382	
(c) Other Current Liabilities	6	152,178,048		151,712,220	
(d) Short-term provisions	7	11,615,242	387,363,979	28,183,063	436,352,844
TOTAL			1,022,665,328		1,044,522,953
II. ASSETS					
1 Non-current assets					
(a) Fixed assets	8	22,703,152		22,471,392	
(i) Tangible assets		-		-	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	9	361,184,908		361,184,908	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances	11	52,054,400		52,054,400	
(e) Other non-current assets	12	24,338,344	460,280,804	24,338,344	460,049,044
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	110,311,178		106,581,828	
(c) Trade receivables	14	8,419,667		10,375,743	
(d) Cash and Bank Balances	15	115,397,303		103,898,329	
(e) Short-term loans and advances	16	307,949,354		333,160,157	
(f) Other current assets	17	20,307,022	562,384,524	30,457,852	584,473,909
TOTAL			1,022,665,328		1,044,522,953

Contingent Liabilities & Commitments 18

NOTES ON ACCOUNT 24

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF
MUKESH BABU FINANCIAL SERVICES LIMITED

Mehul Shah
Partner
FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 29/05/2015

Mukesh Babu
Managing Director

K. Chandrasekhar
Director

Dipali Shah
Director & Company Secretary

Place : Mumbai
Date : 29/05/2015

MUKESH BABU FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2015

Particulars	Note No.	March 31, 2015		March 31, 2014	
		₹	₹	₹	₹
I Revenue from operations	19		57,936,467		74,387,702
II Other income	20		24,755,194		65,207,038
III Total Revenue (I + II)			82,691,661		139,594,740
IV Expenses:					
Employee benefits expense	21	5,976,705		5,982,186	
Finance costs	22	21,378,520		19,533,737	
Depreciation	8	966,470		963,294	
Other expenses	23	9,671,596		9,965,704	
Total expenses			37,993,291		36,444,921
V Profit before exceptional and extraordinary items and tax (III-IV)			44,698,370		103,149,819
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			44,698,370		103,149,819
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			44,698,370		103,149,819
X Tax expense:					
(1) Current tax		9,155,000		25,100,000	
(2) Taxation for Earlier Years		22,120		1,289,067	
(2) Deferred tax		(88,480)	9,088,640	(74,977)	26,314,090
XI Profit (Loss) for the period from continuing operations (VII-VIII)			35,609,730		76,835,729
XII Profit/(loss) from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit (Loss) for the period (XI + XIV)			35,609,730		76,835,729
XVI Earnings per equity share:					
(1) Basic			5.11		11.02
(2) Diluted			5.11		11.02

NOTES ON ACCOUNT

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AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF
MUKESH BABU FINANCIAL SERVICES LIMITED

Mehul Shah
Partner

Mukesh Babu
Managing Director

K. Chandrasekhar
Director

Dipali Shah
Director & Company Secretary

FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 29/05/2015

Place : Mumbai
Date : 29/05/2015

MUKESH BABU FINANCIAL SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015.

	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		44,698,370		103,149,819
Adjustments for :				
Depreciation & Misc. Exp. Written off	966,470		963,294	
Non Operating Interest / Dividend Received	(4,683,885)		(3,695,577)	
Interest Paid	21,378,520		19,533,737	
Excess Provision for Taxation	-	17,661,105	-	16,801,454
Operating Profit Before Working Capital Changes		62,359,475		119,951,273
Changes in Working Capital:				
Inventories	(3,729,350)		710,243	
Sundry Debtors	1,956,076		1,178,824	
Loans and Advances	25,210,803		(69,598,367)	
Other Current Assets	(700,846)		10,550,330	
Sundry Creditors	(16,457,809)		9,736,743	
Other Liabilities	(16,242,722)	(9,963,848)	5,026,384	(42,395,843)
Cash Generated from Operations		52,395,627		77,555,430
Interest Paid		(21,378,520)		(19,533,737)
Direct Taxes Paid		(10,507,750)		(28,660,348)
Cash Flow Before Extraordinary Items		20,509,357		29,361,345
Extraordinary Items		52,249		-
Net Cash From Operating Activities		20,561,606		29,361,345
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(1,198,230)		(53,188)	
Sale of Fixed Assets			-	
Purchase of Investments			(72,500,000)	
Dividend and Interest	4,683,885		3,695,577	
Sale of Investments		3,485,655	26,881,604	(41,976,007)
Net cash used in Investing Activities		3,485,655		(41,976,007)
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings			9,415,009	
Proceeds from Long term Borrowings				
Repayment of Loan Short Term Borrowings	(16,429,063)			
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid	(6,970,900)		(6,970,900)	
Increase in Misc. & Public Issue Expenses	-	(23,399,963)	-	2,444,109
Net cash used in Financing Activities		(23,399,963)		2,444,109
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		647,298		(10,170,553)
Cash & Cash Equivalents at the Beginning of the Year		4,293,875		14,464,428
Cash & Cash Equivalents at th Closing of the Year		4,941,173		4,293,875

FOR SHAH SHAH & SHAH
Chartered Accountants

FOR AND ON BEHALF OF THE BOARD OF
MUKESH BABU FINANCIAL SERVICES LIMITED

(MEHUL C. SHAH)
Partner
Membership No.49361
FRN: 116457W
Place : Mumbai
Date : 29/05/2015

Mukesh Babu
Managing Director

Place : Mumbai
Date : 29/05/2015

K. Chandrasekhar
Director
Dipali Shah
Director & Company Secretary

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2015

Note 1 SHARE CAPITAL

Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule III to the Companies Act 2013

Share Capital	March 31, 2015		March 31, 2014	
	Number	₹	Number	₹
Authorized Equity Shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
Issued Equity Shares of ₹ 10 each	6,970,900	69,709,000	6,970,900	69,709,000
Subscribed and fully Paid up Equity Shares of ₹ 10 each fully paid	6,960,600	69,606,000	6,960,600	69,606,000
Subscribed but not fully Paid up Equity Shares of ₹ 10 each, not fully paid up	10,300	103,000	10,300	103,000
Less: Unpaid Calls	-	34,000	-	34,000
Total	6,970,900	69,675,000	6,970,900	69,675,000

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act 2013

Particulars - Equity Shares	March 31, 2015		March 31, 2014	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	6,970,900	69,709,000	6,970,900	69,709,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,970,900	69,709,000	6,970,900	69,709,000

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule VI to Companies Act, 1956 (more than 5%)

Name of Shareholder	March 31, 2015		March 31, 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MUKESH CHAMPAKLAL BABU	3,431,600	49.23%	3,431,600	0
MEENA MUKESH BABU	950,000	13.63%	950,000	0
SAGAR SYSTECH LIMITED	604,500	8.67%	604,500	0

Disclosure pursuant to Note no. 6 (A) (e, h, j) of Part I of Schedule III to the Companies Act 2013

Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.

Particulars	March 31, 2015		March 31, 2014	
	Number	Description	Number	Description
Equity Shares	Number	Pari Pasu	Number	Pari Pasu
Restrictions on the distribution of dividends		None		None
voting rights or with differential voting rights as to dividend		All shares have equal Voting Rights		All shares have equal Voting Rights

Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule III to the Companies Act 2013

Unpaid Calls	₹
By Directors	-
By Officers	-
Others	34,000

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2015

Note 2 RESERVES AND SURPLUS

Disclosure pursuant to Note no. 6(B) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
a. Capital Reserves		
Opening Balance	7,081,000	7,081,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	7,081,000	7,081,000
b. Securities Premium Account		
Opening Balance	73,628,000	73,628,000
Add: Securities premium credited on Share issue	-	-
Less: Premium Utilized for various reasons	-	-
Less: Unpaid Calls	68,000	68,000
Closing Balance	73,560,000	73,560,000
c. Statutory Reserve		
Opening Balance	62,551,366	53,934,409
(+) Current Year Transfer	7,121,946	8,616,957
	-	-
Closing Balance	69,673,312	62,551,366
d. General Reserve		
Opening Balance	21,082,871	21,082,871
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	21,082,871	21,082,871
e. Surplus Profit and Loss A/c		
Opening balance	278,839,679	235,243,477
(+) Net Profit/(Net Loss) For the current year	35,609,730	76,835,729
(-) Transferred to Minority Interest	4,104,693	16,328,705
(-) Provision for Dividends	6,970,900	6,970,900
(-) Provision for Dividend Tax	1,419,111	1,184,704
(-) Transfer to Statutory Reserves (As per RBI Regulations)	7,121,946	8,616,957
(-) Provision for Standard Assets (As per RBI Regulations)	-52,249	138,261
Closing Balance	294,885,008	278,839,679
Total Reserves & Surplus	466,282,191	443,114,916

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2015

Note 3 LONG TERM PROVISIONS

Disclosure pursuant to Note no. 6(E) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
(a) Provision for Long Term Liabilities	-	-
Total (a)	-	-
(b) Others	-	-
Contingent Provisions against Standard Assets (As per RBI Regulations)	406,858	459,107
	406,858	459,107
Total Long Term Provisions (a+b)	406,858	459,107

Note 4 SHORT-TERM BORROWINGS

Disclosure pursuant to Note no. 6(F) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
Secured		
<u>From Banks (Cash Credit Facility)</u>	24,063,144	30,882,869
(Secured against Fixed Deposit Receipts of the Company)		
Period of Maturity	C.C. A/c	
Number & Amount of Installments of due.	Between 1 to 3 years	
Applicable rate of Interest	10.50%	
<u>From other parties</u>	131,493,753	141,103,091
(Secured against Shares)		
Terms of repayment:	Working Capital Loans	
Period of Maturity	Not Applicable	
Number and amount of installments	Not Applicable	
Applicable rate of interest	14.50%	
Other significant relevant terms	-	
Total Secured Short Term Borrowings	155,556,897	171,985,960
Unsecured		
(a) Loans repayable on demand		
from banks (Refer note no. 3. of Other Notes to Accounts)	49,974,219	49,974,219
Total Unsecured Short Term Borrowings	49,974,219	49,974,219
Total Short Term Borrowings	205,531,116	221,960,179

Note 5 TRADE PAYABLES

Disclosure pursuant to Note no. 6(D) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
(a) Trade Payables	18,039,573	34,497,382
Total Trade Payables	18,039,573	34,497,382

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2015

Note 6 OTHER CURRENT LIABILITIES

Disclosure pursuant to Note no. 6(G) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
(a) Unclaimed Dividends	2,178,048	1,712,220.00
(b) Deposits		
Margin Accounts	150,000,000	150,000,000
Total Current Liabilities	152,178,048	151,712,220

Note 7 SHORT TERM PROVISIONS

Disclosure pursuant to Note no. 6(H) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015	March 31, 2014
	₹	₹
(a) Provision for Short Term Liabilities		-
(b) Provision for Expenses	433,863	444,464
(c) Others (Specify nature)		
Provision for Taxation (Net of Pre-paid Taxes)	2,732,372	18,991,656
TDS payable	601,107	-
Other Provisions	877,000	1,776,043
Provision for Dividend	6,970,900	6,970,900
Total Short Term Provisions	11,615,242	28,183,063

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 8 FIXED ASSETS

Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part of Schedule III to the Companies Act 2013

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	April 1, 2014	Additions/ (Disposals)	March 31, 2015	April 1, 2014	Depreciation for the year	On disposals	March 31, 2015	April 1, 2014	March 31, 2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a. Tangible Assets									
Office Premises	26,313,640	-	26,313,640	9,771,806	248,927	-	10,020,733	16,541,834	16,292,907
Premises	2,227,500	569,990	2,797,490	-	-	-	-	2,227,500	2,797,490
Guest House	2,100,000	569,990	2,669,990	776,477	70,994	-	847,471	1,323,523	1,822,519
Furniture and Fixtures	5,470,953	-	5,470,953	4,640,812	208,040	-	4,848,852	830,141	622,101
Electrical Fittings	890,499	58,250	948,749	696,267	55,751	-	752,018	194,232	196,731
Office equipment	3,680,931	-	3,680,931	3,260,587	99,033	-	3,359,620	420,344	321,311
Computers	7,100,305	-	7,100,305	6,887,023	60,439	-	6,947,462	213,282	152,843
Vehicals	5,302,023	-	5,302,023	4,581,487	223,286	-	4,804,773	720,536	497,250
Total (Current Year)	53,085,851	1,198,230	54,284,081	30,614,459	966,470	-	31,580,929	22,471,392	22,703,152
Total (Previous Year)	53,032,663	53,188	53,085,851	29,651,165	963,294	-	30,614,459	23,381,498	22,471,392

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 9 NON CURRENT INVESTMENTS
 Disclosure pursuant to Note no. K (i) of Part I of Schedule III to the Companies Act 2013

A. Details of Other Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			31.3.14	31.3.13			31.3.14	31.3.13	31.3.14	31.3.13		
1	2	3	4	5	6	7	8	9	10	11	12	13
a.	Investment in Properties	-	-	-	-	-	-	-	-	-	-	-
b.	Investment in Equity Instruments											
	Steelcast Ltd	Others	10,000	10,000	Quoted	Fully Paid	Not known	Not known	450,000	450,000	Yes	N.A.
	Rushil Industries Ltd.	Others	50,000	50,000	Unquoted	Fully Paid	Not known	Not known	500,000	500,000	Yes	N.A.
	Dynamic Ship Recyclers Pvt.Ltd.	Others	400,000	400,000	Unquoted	Fully Paid	Not known	Not known	1,500,000	1,500,000	Yes	N.A.
	The Gaekwar Mills Ltd	Others	75,000	75,000	Quoted	Fully Paid	Not known	Not known	7,500,000	7,500,000	Yes	N.A.
	ABB LTD.	Others	500	500	Quoted	Fully Paid	Not known	Not known	120,000	120,000	Yes	N.A.
	ACC LTD.	Others	500	500	Quoted	Fully Paid	Not known	Not known	183,500	183,500	Yes	N.A.
	Afteck Ltd.	Others	1,162	1,162	Quoted	Fully Paid	Not known	Not known	62,000	62,000	Yes	N.A.
	Ambalal Sarabhai Enterprises Ltd	Others	100	100	Quoted	Fully Paid	Not known	Not known	940	940	Yes	N.A.
	Ambuja Cements Ltd.	Others	30,000	30,000	Quoted	Fully Paid	Not known	Not known	246,904	246,904	Yes	N.A.
	Bajaj Auto Ltd.	Others	6,000	6,000	Quoted	Fully Paid	Not known	Not known	1,652,000	1,652,000	Yes	N.A.
	Bombay Stock Exchange Ltd	Others	70,694	70,694	Unquoted	Fully Paid	Not known	Not known	9,793,838	9,793,838	Yes	N.A.
	Bajaj Financial Services Ltd.	Others	3,300	3,300	Quoted	Fully Paid	Not known	Not known	195,000	195,000	Yes	N.A.
	Bajaj Holdings & Investment Ltd.	Others	3,000	3,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Ballarpur Industries Ltd.	Others	300	300	Quoted	Fully Paid	Not known	Not known	85,775	85,775	Yes	N.A.
	BF Investment Ltd.	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	BF Utilities Ltd.	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Bharat Forge Ltd.	Others	250,000	250,000	Quoted	Fully Paid	Not known	Not known	7,144,419	7,144,419	Yes	N.A.
	Bharat Heavy Electricals Ltd.	Others	2,000	2,000	Quoted	Fully Paid	Not known	Not known	175,000	175,000	Yes	N.A.
	Biopac India Corporation Ltd.	Others	1,000	1,000	Quoted	Fully Paid	Not known	Not known	14,000	14,000	Yes	N.A.
	Cadbury India Ltd	Others	50	50	Quoted	Fully Paid	Not known	Not known	15,533	15,533	Yes	N.A.
	Dish TV India Ltd.	Others	15,000	15,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	DSQ Software	Others	5,200	5,200	Quoted	Fully Paid	Not known	Not known	62,400	62,400	Yes	N.A.

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			31.3.14	31.3.13			31.3.14	31.3.13	31.3.14	31.3.13		
1	2	3	4	5	6	7	8	9	10	11	12	13
	Garware Polyester & Plastics Ltd.	Others	1,400	1,400	Quoted	Fully Paid	Not known	Not known	194,853	194,853	Yes	N.A.
	Global Trust Bank Ltd	Others	5,000	5,000	Quoted	Fully Paid	Not known	Not known	5,850	5,850	Yes	N.A.
	Grasim Ltd	Others	1,000	1,000	Quoted	Fully Paid	Not known	Not known	455,000	455,000	Yes	N.A.
	HDFC Bank Ltd.	Others	100,000	100,000	Quoted	Fully Paid	Not known	Not known	1,473,463	1,473,463	Yes	N.A.
	Hindalco Industries Ltd.	Others	2,500	2,500	Quoted	Fully Paid	Not known	Not known	328,305	328,305	Yes	N.A.
	Hindustan Oil Exploration Ltd.	Others	125,000	125,000	Quoted	Fully Paid	Not known	Not known	7,031,250	7,031,250	Yes	N.A.
	Indian Telephone Industries Ltd.	Others	10,000	10,000	Quoted	Fully Paid	Not known	Not known	1,650,000	1,650,000	Yes	N.A.
	Indogulf Industries Ltd.	Others	520	520	Quoted	Fully Paid	Not known	Not known	72,800	72,800	Yes	N.A.
	ITC Ltd.	Others	3,000	3,000	Quoted	Fully Paid	Not known	Not known	137,000	137,000	Yes	N.A.
	Kesoram Industries Ltd.	Others	40	40	Quoted	Fully Paid	Not known	Not known	5,400	5,400	Yes	N.A.
	Kirlosker Pneumatics Co. Ltd.	Others	100,000	100,000	Quoted	Fully Paid	Not known	Not known	4,521,000	4,521,000	Yes	N.A.
	Larsen & Toubro Ltd.	Others	2,500	2,500	Quoted	Fully Paid	Not known	Not known	687,500	687,500	Yes	N.A.
	LML Ltd.	Others	19,550	19,550	Quoted	Fully Paid	Not known	Not known	713,575	713,575	Yes	N.A.
	Milton Plastics Ltd.	Others	85,000	85,000	Quoted	Fully Paid	Not known	Not known	6,695,000	6,695,000	Yes	N.A.
	Nexus Software Ltd.	Others	44	44	Quoted	Fully Paid	Not known	Not known	220	220	Yes	N.A.
	Numero Uno Projects Ltd.	Others	2,030	2,030	Quoted	Fully Paid	Not known	Not known	5,278	5,278	Yes	N.A.
	P.M. Telelinks Ltd.	Others	100	100	Quoted	Fully Paid	Not known	Not known	400	400	Yes	N.A.
	Pooja Intertainment & Films Ltd.	Others	500	500	Quoted	Fully Paid	Not known	Not known	2,890	2,890	Yes	N.A.
	Ranbaxy Laboratories Ltd.	Others	450	450	Quoted	Fully Paid	Not known	Not known	294,975	294,975		N.A.
	Reliance Communications Ltd.	Others	1,500	1,500	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Reliance Industries Ltd.	Others	3,000	3,000	Quoted	Fully Paid	Not known	Not known	1,776,658	1,776,658	Yes	N.A.
	Sesa Goa Ltd.	Others	20,000	20,000	Quoted	Fully Paid	Not known	Not known	1,522,000	1,522,000	Yes	N.A.
	Sun Infoways Ltd.	Others	400	400	Quoted	Fully Paid	Not known	Not known	2,800	2,800	Yes	N.A.
	Tata Consultancy Services Ltd.	Others	200	200	Quoted	Fully Paid	Not known	Not known	192,000	192,000	Yes	N.A.
	Tata Motors Ltd.	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	3,011,238	3,011,238	Yes	N.A.
	Ultratech Cement Ltd	Others	1,000	1,000	Quoted	Fully Paid	Not known	Not known	186,630	186,630	Yes	N.A.
	Siti Cable Network Limited	Others	35,181	35,181	Quoted	Fully Paid	Not known	Not known	380,000	380,000	Yes	N.A.
	Zee Entertainment Enterprises Ltd.	Others	66,504	66,504	Quoted	Fully Paid	Not known	Not known	5,287,514	5,287,514	Yes	N.A.
	Zee Learn Ltd	Others	8,313	8,313	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Zee News Ltd	Others	13,727	13,727	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Total								66,334,908	66,334,908		

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			31.3.14	31.3.13			31.3.14	31.3.13	31.3.14	31.3.13		
1	2	3	4	5	6	7	8	9	10	11	12	13
c.	Investment in Preference Shares											
	Balance Equity Broking (I)P.Ltd	Others	1,500,000	1,500,000	Unquoted	Fully Paid	Not known	Not known	15,000,000	15,000,000	Yes	N.A.
d.	Investments in Government or Trust securities, Mutual Fund											
	UTI-IEF units	Others	5,000	5,000	Quoted	Fully Paid	Not known	Not known	50,000	50,000	Yes	N.A.
	UTI Index Equity Fund	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	500,000	500,000		
	SBI Mutual Fund	Others	30,000	30,000	Quoted	Fully Paid	Not known	Not known	300,000	300,000		
								850,000	850,000			
e.	Investments in Debentures or Bonds											
	The Gaekwar Mills Limited (9%)	Others	3,000	3,000	Unquoted	Fully Paid	Not known	Not known	229,000,000	229,000,000	Yes	N.A.
	The Gaekwar Mills Limited (0%)	Others	500	500	Unquoted	Fully Paid	Not known	Not known	50,000,000	50,000,000		
								279,000,000	279,000,000			
	Total								361,184,908	361,184,908		

Note: Market Value of Quoted Investment as of 31st March, 2015 is ₹ 650,269,617/ (Previous Year ₹ 353,763,376/-)

MUKESH BABU FINANCIL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 10 DEFERRED TAX LIABILITIES (NET)

The Company has accounted for taxes on income in accordance with AS-22 – Accounting for Taxes on Income issued by the Ministry of Corporate Affairs. Consequently, the net incremental deferred tax (liability) / asset is charged / credited to Profit and Loss Account. The year end position of taxes on income is as under:

Particulars	March 31, 2015	March 31, 2014
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	947,788	1,028,915
Gross deferred tax liability	947,788	1,028,915
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	26,915	19,562
Deferred tax asset	26,915	19,562
Net deferred tax liability / (asset)	920,873	1,009,353

Note 11 LONG TERM LOANS AND ADVANCES

Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
a. Loans and advances to related parties	-		-	
Total (a)		-		-
b. Other loans and advances				
Unsecured, considered good:-				
Advances Against Projects	52,054,400	52,054,400	52,054,400	52,054,400
Total (b)		52,054,400		52,054,400
Total Long Term Loans and Advances		52,054,400		52,054,400

Note 12 OTHER NON CURRENT ASSETS

Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Security Deposits :				
Unsecured, considered good		998,127		-
Interest Free Deposits		23,340,217		24,338,344
Total Other Non-Current Assets		24,338,344		24,338,344

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2015

Note 13 INVENTORIES

Disclosure pursuant to Note no.O (i), (ii) and (ii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
a. Stock of Shares <i>(Trading Stock Valued at lower of cost or net realisable value)</i>		110,311,178		106,581,828
Total Inventories		110,311,178		106,581,828

Note 14 TRADE RECEIVABLES

Disclosure pursuant to Note no.P (i), (ii), (iii) and (iv) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
a. Trade receivables outstanding for a period exceeding six months from the date they are due. Unsecured, considered good	8,419,667	8,419,667	10,375,743	10,375,743
Total Trade Receivables (A+B)		8,419,667		10,375,743

Note 15 CASH AND BANK BALANCES

Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks In Current Accounts with Scheduled Banks	2,200,854	2,200,854	3,570,451	3,570,451
B. Cash on hand Cash and Cash Equivalents		2,740,319 4,941,173		723,424 4,293,875
C. Other Bank Balances In Fixed Deposits with Scheduled Banks In Unclaimed Dividends Accounts Interest Accrued not due on Fixed Deposits	105,541,634 2,178,048 2,736,448	110,456,130	95,521,403 1,712,220 2,370,831	99,604,454
Total Cash and Bank Balances (A+B+C+D)		115,397,303		103,898,329

Note 16 SHORT TERM LOANS AND ADVANCES

Disclosure pursuant to Note no.R (i), (ii) & (iii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
A. Loans and advances to related parties		-		-
B. Others Unsecured, considered good Prepaid Expenses Staff & Associates	305,121,974 10,300 2,817,080	307,949,354	330,248,777 10,300 2,901,080	333,160,157
Total Short-term loans and advances		307,949,354		333,160,157

Note 17 OTHER CURRENT ASSETS

Disclosure pursuant to Note no.R (i), (ii) & (iii) of Part I of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
A. Taxation		-		-
B. Non-Taxation				
Margin Money with Brokers	20,307,022	20,307,022	30,457,852	30,457,852
Total Other Current Assets		20,307,022		30,457,852

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2015

Note 18 CONTINGENT LIABILITIES AND COMMITMENTS

Disclosure pursuant to Note no. 6(T) of Part I of Schedule III to the Companies Act, 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
A. Contingent Liabilities				
(1) Claims against the company not acknowledged as debt - Refer sub-note no. 3 of Note 24	-		-	
(2) Guarantees	-		-	
(3) Other money for which the company is contingently liable	-		-	
Sub Total (A)		-		-
B. Commitments				
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	-		-	
(2) Uncalled liability on shares and other investments partly paid	-		-	
(3) Other commitments (specify nature)	-		-	
Sub Total (B)		-		-
Total Contingent Liabilities and Commitments (A+B)		-		-

Note 19 REVENUE FROM OPERATIONS

Disclosure pursuant to Note no. 2 of Part II of Schedule III to the Companies Act 2013

In respect of a **finance company**, revenue from operations shall include revenue from

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Interest Income	36,237,455		33,068,572	
Dividend Income - Holding Company	14,708,043		13,185,340	
Profit on Shares and Securities	6,990,969		28,133,790	
		57,936,467		74,387,702
Net Revenue From Operations		57,936,467		74,387,702

Note 20 OTHER INCOME

Disclosure pursuant to Note no. 4 of Part II of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Expenses written Back	-	-	369,234	
Dividend Income-Subsidiary Company	4,683,885		3,692,764	
Rent Income	900,000		900,000	
Profit on Sale of Investment	-		38,911,713	
Interest Income - Others	9,717,555		12,624,324	
Interest on Term Deposits	9,453,754		8,706,190	
Miscellaneous Income	-	24,755,194	2,813	65,207,038
Total Other Income		24,755,194		65,207,038

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2015

Note 21 EMPLOYEE BENEFIT EXPENSES

Disclosure pursuant to Note no. 5(1)(a) of Part II of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries & Stipend	2,386,441		2,360,750	
Directors' Remuneration	2,481,600	4,868,041	2,435,000	4,795,750
(b) Contribution to Provident Fund		224,179		210,521
(b) Staff welfare expenses		884,485		975,915
Total Employee Benefit Expenses		5,976,705		5,982,186

Note 22 FINANCE COST

Disclosure pursuant to Note no. 3 of Part II of Schedule III to the Companies Act 2013

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Interest expense				
Interest on Loans other than bank	20,422,819		16,052,787	
Interest on Bank Limits	955,701	21,378,520	3,480,950	19,533,737
Total Finance Cost		21,378,520		19,533,737

Note 23 OTHER EXPENSES

Particulars	March 31, 2015		March 31, 2014	
	₹	₹	₹	₹
Auditors' Remuneration		90,450		90,451
Business Promotion Expenses		405,948		561,126
Conveyance		327,358		555,398
Donation given		3,257,000		1,555,000
Electricity Expenses		786,942		673,355
Insurance Expenses		-		427,522
Professional & Consultancy Fees		890,771		747,904
Listing Fees		123,596		39,326
Membership & Subscription		60,904		54,809
Motor Car Expenses		388,726		653,762
Office Expenses		84,609		328,624
Printing and Stationery Expenses		188,770		237,977
Publishing Expenses		73,554		71,192
Rent, Rates & Taxes		672,055		592,388
Repairs and Maintenance Expenses		576,110		728,840
Telephone & Courier Expenses		324,924		628,326
Sundry Expenses		343,619		700,284
Stock Exchange Expenses		189,997		282,543
Travelling Expenses		886,263		1,036,877
Total Other Expenses		9,671,596		9,965,704

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2015

NOTE:- 24 OTHER NOTES - NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES:
ACCOUNTING CONCEPTS

The Company follows mercantile system of accounting, and recognizes all income and expenses on accrual basis. The financial statement have been prepared to comply in all material respect with the mandatory Accounting standards issued by the Ministry of Corporate Affairs and in accordance with Indian Generally Accepted Accounting Policies and as per the provisions of the Companies Act 2013.

FIXED ASSETS

Fixed Assets are recorded at cost of acquisition including the expenditure incurred in connection with the acquisition and installation of the assets.

DEPRECIATION

Depreciation is provided on written down value method in accordance with the rates and in the manner provided in the Schedule II to the Companies Act 2013.

INVESTMENTS

A current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made. A long term investment is an investment other than a current investment. An investment property is an investment in land or buildings that are not intended to be occupied substantially for use by, or in the operations of, the investing enterprise. Long term investments and are stated at cost. The carrying amount for current investments is the lower of cost and fair value determined either on an individual investment basis or by category of investment.. All long term investments are stated at cost less provision for diminution to recognize a decline, other than temporary, in the value of the investments.

INVENTORIES

Inventories of quoted shares are carried at lower of cost or net realizable value and that of unquoted Shares at cost. The cost of inventories of items that are not ordinarily inter-changeable are assigned by specific identification of their individual costs. Other inventory items are recorded using first-in-first-out cost formula. The inventories include the relevant duties, taxes, and cess other than those subsequently recoverable by the enterprise from the taxing authorities that were incurred to bring the inventory to their present location and conditions

Service Receipts are recognized on completion of provision of services and are recorded inclusive of all the relevant taxes and duties. The same is recognized as income on completion of transaction and at the time of performance it is not unreasonable to expect ultimate collection. Other revenue items are recognized as income on their accrual basis.

EMPLOYEE BENEFITS:

The Company's contribution to ESIC is accounted on accrual basis and charged to Profit and Loss Account. Gratuity is accounted as payable to Employees on Retirement or Resignation of Employees; whereas there is no defined policy enabling the employees to avail encashment of leave.

IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an asset is identified as impaired. The Impairment loss recognized in prior accounting periods is increased / reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the net selling price and value in use.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities on the date of financial statements, the reported amount of revenues and expenses and the disclosures relating to contingent liabilities as on the date of financial statements. Actual results could differ from those of estimates. Any revision in accounting estimates is recognized in accordance with the respective accounting standard.

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2015

EARNINGS PER SHARE

The Company reports basic and diluted earnings per share in accordance with AS-20 "Earnings Per Share". Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities as defined in AS-29 "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, the assets that take substantial period of time to get ready for intended use, are capitalised as part of the cost of such assets.

STATUTORY RESERVE

A Statutory Reserve of 20% of the current profit after tax is made during the year in pursuance of section 45-IC of the Reserve Bank of India Act, 1934.

PRUDENTIAL NORMS

For the purpose of identifying the assets as Non-performing assets in pursuance of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, the Company follows generally accepted accounting principles and industry practices.

TAXES ON INCOME:

Current tax is determined as the tax payable in respect of taxable income for the year.

Deferred tax for the year is recognized on timing difference, being difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured assuming the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized and carried forward only if there is a reasonable / virtual certainty of realization.

2

The value on realization of current assets in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. According to the management, provision for all the known liabilities is adequate.

3

The Balances of loans and advances, overdraft from bank are subject to confirmation and reconciliation. The necessary adjustment if any will be made in the accounts on receipt thereof.

4

Auditors' remuneration in accordance with paragraph 5A (j) of part II of Schedule III to the Companies Act 2013 is as under:

Particulars	2014-15	2013-14
As Auditors	78,091	78,091
Other Professional Services	12,359	12,360
	90,450	90,451

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2015

5 Earning per share is calculated as under:

Particulars	2014-15	2013-14
Basic earning per share		
Net profit after Taxation	35,609,730	76,835,729
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	5.11	11.02
Diluted earning per share		
Net profit after Taxation	35,609,730	76,835,729
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	5.11	11.02

Particulars	2014-15	2013-14
Directors' Remuneration		
Within the limits of Schedule V to the Companies Act 2013.	2,140,666	1,235,000

7

The Company is mainly engaged in the business of providing commercial finance and dealing in shares and securities. All other activities of the Company revolve around the main business, and as such in the opinion of the management, there are no separate reportable segments as per Accounting Standard – AS – 17-“Segment Reporting” Issued by ICAI.

8 Loans and advances given to the employees and associates and for projects do not carry any stipulation as to repayment of principal or payment of interest; and are being repaid periodically. Accordingly, these are considered as good and not considered as part of non-performing assets.

9 The management has made full inquiries and is of the view that assets of the Company in form of fixed assets and Inventories are good in nature, and are stated at appropriate value of the respective assets; and there is no necessity as to impairment / write down provision in the accounts.

10 Disclosure of Provisions as required by AS-29 is as under:

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount reversed during the year	Closing Balance
	₹	₹	₹	₹
Income-tax	18,991,656	9,088,640	9,088,640	18,991,656

10 Related Party Disclosures, as required by AS-18 are given below:

A. Relationships:

Category II: Key management Personnel -- Shri Mukesh Babu, Shri Pankaj Majithia and Shri Vijay Vora.
 Meena Mukesh Babu

B. Transactions with related Parties:

TRANSACTIONS DURING THE YEAR	Relationship	2014-15	2013-14
Remuneration & Sitting Fees	Key Managerial Persons	2,481,600	2,435,000

11 Income and Expenses in Foreign Currency:

2014-15	2013-14
NIL	NIL

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2015

12 The additional information on Quantitative Information of Shares and Securities Traded

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	6071164	357351	130000	6298515
Value (in ₹)	106,581,828	5,342,935	4,220,798	110,311,178

(Purchases and sales include Bonus Shares and Splits and other adjustments, if any)

Consolidated transaction value (purchases and sales) on account of cash and derivative transactions amounts to ₹ 3,533,855,741/- (Previous year ₹ 4,872,414,907/-). In case of derivatives transactions, purchases and sales are accounted after netting off.

13 Disclosure of details as required by Para 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank of India) Directions, 1998.

(₹ in lakhs)

Particulars			
LIABILITIES SIDE:			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	a. Loan Against Securities (Secured Against shares)	133,069,429	NIL
	b. Loans from Banks (Unsecured)	21,777,229	
2	Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):	NIL	NIL
ASSETS SIDE:		Amount Outstanding	
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	a. Secured	NIL	
	b. Unsecured	162,753,380	
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	NIL	
5	Break-up of Investments :		
	<u>Current Investments :</u>		
	<u>Long Term Investments :</u>		
	1 Quoted :		
	(i) Shares : (a) Equity	7,950,000	
	(b) Preference		
	(ii) Units of Mutual Funds	50,000	
	2 Unquoted :		
	(i) Shares : (a) Equity	27,809,960	
	(b) Preference	15,000,000	
	(ii) Debtntures and Bonds	279,000,000	
6	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :	NIL	

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2015

7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value / Break up or fair Value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	a. Subsidiaries	25,809,960	25,809,960
	b. Other Related Parties	-	-
2. Other than Related Parties	303,550,000	304,000,000	
	Total	329,359,960	329,809,960
8	OTHER INFORMATION		
	Particulars		Amount
	(i) Gross Non-Performing Assets		
	(a) Related Parties		NIL
	(b) Other than related parties		NIL
	(ii) Net Non-Performing Assets		
	(a) Related Parties		NIL
	(b) Other than related parties		NIL
(iii) Assets acquired in satisfaction of Debt		NIL	

14 SPECIFIC DISCLOSURES

1 Disclosure pursuant to Note no. 6(U) of Part I of Schedule III to the Companies Act 2013.

Particulars	Total ₹	Total ₹ per Share
Dividends proposed to be distributed to equity shareholders	6,970,900	1.00

2 Disclosure pursuant to Note no. 6(V) of Part I of Schedule III to the Companies Act 2013.

Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used
Not Applicable

3 Disclosure pursuant to Note no. 6(W) of Part I of Schedule III to the Companies Act 2013.

If, in the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value			
Name of Assets	Realisable Value	Value in Balance Sheet	Opinion of Board
		None	

15

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses, including derivatives, on such long term contracts has been made in the books of account.

16 The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

17 The previous year's figures are regrouped / rearranged / reclassified wherever considered necessary to correspond with the figures of current year.

18 Other information pursuant to General Instructions for preparation of Balance Sheet and Profit & Loss Account of Schedule III to the Companies Act 2013 is not applicable.

FOR AND ON BEHALF OF THE BOARD OF
MUKESH BABU FINANCIAL SERVICES LIMITED

(Mukesh Babu)
Managing Director

(K. Chandrasekhar)
Director

(Dipali Shah)
Director & Company Secretary

Place : Mumbai
Date : 29/05/2015

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN: L65920MH1985PLC35504

Regd. Office: 111, Maker Chambers III, 223, Nariman Point, Mumbai- 400021, India.

Phone: 022-22834462/22844015 **Fax:** 022-24082687

Website: www.mukeshbabu.com | **E-mail:** info@mukeshbabu.com

Share Transfer Agent: Link Intime India Pvt. Ltd.,

C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400078

ATTENDANCE SLIP

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company held at 12A/4, New Sion C.H.S. Ltd., Sion – West, Mumbai 400022. at 05.00 p.m. on Wednesday, the 30th day of September, 2015.

Name and Address of the Shareholder(s):		
If shareholder(s), please sign here		If proxy, please mention name and sign here
	Name of Proxy	Signature

Notes:

- (1) Shareholder / Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.
- (2) Members are requested to advise the change of their address, if any, to Link Intime India Pvt. Ltd., at the above address.

MUKESH BABU FINANCIAL SERVICES LIMITED

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C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400078

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s): Registered address: E-mail Id: Folio No/ Client Id:
--

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

2. Name: _____ Address: _____

E-mail Id: _____ Signature _____, or failing him

3. Name _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the company, to be held on the 30th day of September, 2015 at 05.00 p.m. at 12A/4, New Sion C.H.S.Ltd., Sion – West, Mumbai - 400022 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions		For	Against
Ordinary Business:			
1	Adoption of the Audited Balance Sheet as at and Profit and Loss for the financial year ended on March 31, 2015 and the Reports of the Directors and Auditors thereon.		
2	Declare Dividend		
3	Reappointment of Shri K. Chandrasekhar, Director who retires by rotation		
4	Appointment of Auditors and fixing their remuneration		
Special Business:			
5	Appointment of Mrs. Dipali Shah as Additional Whole Time Director		
6	Company to borrow money under section 180(1)(C) of Companies Act, 2013		

Signed this _____ day of _____, 2015

Signature of shareholder _____

Signature of Proxy holder(s) _____

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

BOOK POST

If undelivered please return to
Mukesh Babu Financial Services Limited
111, Maker Chambers III
223, Nariman Point
Mumbai - 400021