

31ST ANNUAL REPORT
2015-2016



MUKESH BABU FINANCIAL SERVICES LIMITED

Board of Directors

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

Company Secretary

Ms. Dipali C. Shah

Main Bankers

HDFC Bank
ICICI Bank

Statutory Auditors

Shah, Shah & Shah

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

Secretarial Auditor

V.V. Chakradeo & Co. ,

Company Secretaries
B-301, Matoshree Residency CHS Ltd.
65, Prarthana Samaj Road, Vile Parle - East
Mumbai - 400057.

Registrar & Share Transfer Agent

Link Intime India Private Limited.

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

Registered Office

Mukesh Babu Financial Services Limited

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

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: NOTICE :

NOTICE IS HEREBY GIVEN THAT THE 31ST ANNUAL GENERAL MEETING OF THE MEMBERS OF MUKESH BABU FINANCIAL SERVICES LIMITED WILL BE HELD ON FRIDAY, 30TH SEPTEMBER, 2016 AT 5.00 P.M. AT SERAI HALL, 11A/1, NEW SION CO-OP. HSG. SOC. LTD., SION – WEST, MUMBAI – 400022 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

1. ADOPTION OF DIRECTORS' REPORT , CORPORATE GOVERNANCE REPORT AND ANNUAL ACCOUNTS.

To consider and adopt the Balance Sheet as at 31st March, 2016 and statement of the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. TO DECLARE DIVIDEND

To declare a dividend of Re. 1/- per Equity Share for the year ended 31st March, 2016.

3. TO APPOINT DIRECTOR WHO RETIRES BY ROTATION AND ELIGIBLE FOR RE- APPOINTMENT

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. APPOINTMENT OF AUDITORS OF THE COMPANY

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.

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

**Place: Mumbai
Date : 03/09/2016**

**Dipali Shah
WholeTime 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. 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 Listing Regulations, 2015 (LODR) with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report
3. Members/Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
4. 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.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September 2016 to 30th September 2016 (both days inclusive).
6. 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 there under 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.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27th September, 2016 at 10.00 A.M., and ends on 29th September, 2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th August, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Stick indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xi) Click on the EVSN No : **160817027** for the relevant Company Name: “**Mukesh Babu Financial Services Limited**” on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com 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 a compliance user should be created 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.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The e-voting period commences on Tuesday 27th September 2016 (10.00 a.m. IST) and ends on Thursday, 29th September 2016 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 12th August, 2016 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. 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.
- ii. Mr. V. V. Chakradeo, Practicing Company Secretary (Membership No. COP 1705), has been appointed as the Scrutinizer to conduct the e-voting process.
- iii. 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.
- iv. 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 Thirty First AGM of the Company on 30th September, 2016 and communicated to BSE Limited where the shares of the Company are listed.
- v. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.

- vi. 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, Nariman point, Mumbai – 400021</p> <p>Tel No: 022-2834462,22844015, 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>

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

A) K. Chandrasekhar

1. Date of Birth and age : 25TH December, 1953; 62 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) : 38 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 : 03/09/2016**

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

BOARD REPORT

Dear Members,

Your Directors have pleasure in submitting their Thirty First Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

1. FINANCIAL RESULTS

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

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Income From Operations	60,156,235	63,947,540
Other Income	871,596	621,372
Total Income	61,027,831	64,568,912
Profit before Interest, Depreciation & Tax	53,695,877	56,630,500
Less : Interest	19,090,860	20,533,770
Profit Before Depreciation	34,605,017	36,096,730
Less : Depreciation	700,963	855,284
Profit After Depreciation and Interest	33,904,054	35,241,446
Less: Current Income Tax	6,300,000	8,175,000
Less: Previous year Adjustment of Income Tax	587,566	22,120
Less: Deferred Tax	(65,549)	(81,127)
Net Profit After Taxation	27,082,037	27,125,453
Less: Dividend	6,970,900	6,970,900
Less: Dividend Distribution Tax	1,419,111	1,419,111
Less: Transfer to Statutory Reserve	5,416,407	5,425,091
Less: Provision for Standard Assets	(33,558)	(52,249)
Balance carried to Balance Sheet	13,309,176	13,362,600
Earning Per Share (Basic/Diluted)	3.89	3.89

2. TRANSFER TO RESERVE

A sum of Rs. 54,16,407/- has been transferred to Special Reserve during the year. Your Company does not propose to transfer any amount to General Reserve out of the amounts available for appropriation and an amount of Rs. 1,33,09,176 is proposed to be retained in the Profit & Loss account.

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. 69,70,900/- and dividend Distribution Tax of Rs. 14,19,111/- aggregating a total outflow of Rs.83,90,011/-.

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.270.82 Lakhs for the financial year ended 31st March, 2016 as compared to previous year's net profit of Rs.271.25 Lakhs. Depreciation during the year is Rs. 7.01 Lakh as compared to Rs. 8.55 Lakhs in the previous year. Provision for taxation during the year is Rs.68.22 Lakhs (including Deferred Tax Provision) as compared to Rs. 81.16 Lakhs 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 2015-16. The Company has not allotted Shares under Employee Stock Option Scheme of the Company during the Financial Year.

9. BOARD OF DIRECTORS

As on 31st March, 2016 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.

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. COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under sub-section (3) of Section 178 of the Companies Act, 2013. There has been no change in the policy since the last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

Declaration by independent directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. 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.

12. BOARD EVALUATION

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandates that the Board shall monitor and review the Board evaluation framework. The framework includes the evaluation of directors on various parameters such as :

Board dynamics and relationships

- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees' effectiveness
- Peer evaluation

The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Corporate governance report.

13. RBI GUIDELINES

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

14. 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 :

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

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, is not applicable to the Company for the financial year under review.

16. 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 – A**”.

17. 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	44,837,827	12,005,856	3,570,244	28,157,025	32,256,902

18. 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.

19. 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.

20. 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.

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

- a) Mukesh Babu Securities Limited :
The present authorised share capital of the company is Rs. 5 Crores. The paid up capital of the Company as on 31st March 2016 is Rs.5 Crores. The net profit of the company for the year ended 31st March 2016 is Rs. 163.63Lakhs as compared to Rs.84.84 Lakhs 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 2016, 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.

22. 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.

23. COMPOSITION OF AUDIT COMMITTEE.

The Audit Committee consists of the following members:

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

24. COMPOSITION OF CSR COMMITTEE.

The CSR Committee consists of the following members:

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

25. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE.

The Stakeholders Relationship Committee consists of the following members:

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

26. COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE.

The Nomination & Remuneration Committee consists of the following members:

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

27. COMPOSITION OF SEXUAL HARRASEMENT COMMITTEE.

Your Company has only One Women employee hence the requirements of constituting a Sexual Harassment Committee is not applicable

28. 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.

29. PARTICULARS OF EMPLOYEES

The Company employees who were in receipt of remuneration during the year ended 31st March, 2016 are within the ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2015-16. The comparisons of remuneration of each Director, Key Managerial Personal are mention in MGT 9 annexed to this report. The employees information required pursuant to Section 197

read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 are available at the Registered Office of the Company and shall be made available to any shareholder on 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 shall be made available to any shareholder on request. 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.

30. 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.

31. 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 2015-16. The Secretarial Audit Report is annexed to this report as "**Annexure – B**".

32. 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.

33. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

The Management Discussion and Analysis is annexed to this Report as "**Annexure – C**" 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.

34. CORPORATE GOVERNANCE

Pursuant to Listing Regulations, 2015 as per SEBI (LODR), a separate Report on Corporate Governance along with the Auditors Certificate on its compliance, forms an integral part of this Report(**Annexure – D**).

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, 2016 as submitted to the Board of Directors regarding compliance by the Board members and senior management personnel with Company's Code of Conduct.

35. GREEN INITIATIVE

As in the previous years, this year too, we are publishing only the statutory disclosures in the print version of the Annual Report. Electronic copies of the Annual Report 2015-16 and Notice of the 31st Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

36. 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 : 12th August 2016
Place: Mumbai

AXXEXURE - A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2016

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, 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

Sl 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)

Mukesh Babu Financial Services Limited										
Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2015				Shareholding at the end of the year - 2016				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	4381600	0	4381600	62.8556	4381600	0	4381600	62.8556	0
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(d)	Any Other (Specify)									
	Sub Total (A)(1)	4381600	0	4381600	62.8556	4381600	0	4381600	62.8556	0
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	4381600	0	4381600	62.8556	4381600	0	4381600	62.8556	0
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	197500	197500	2.8332	0	197500	197500	2.8332	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions / Banks	0	11700	11700	0.1678	0	11700	11700	0.1678	0
(g)	Insurance Companies	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	209200	209200	3.001	0	209200	209200	3.001	0
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	523585	292200	815785	11.7027	333533	278800	612333	8.7841	-2.9186
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	545865	10300	556165	7.9784	169431	688378	857809	12.3056	4.3272
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
(c)	Employee Trusts	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Hindu Undivided Family	24800	0	24800	0.3558	61382	0	61382	0.8805	0.5247
	Non Resident Indians (Non Repat)	30514	0	30514	0.4377	32010	0	32010	0.4592	0.0215
	Non Resident Indians (Repat)	15542	97700	113242	1.6245	20940	97700	118640	1.7019	0.0774
	Overseas Bodies Corporates	0	32900	32900	0.472	0	32900	32900	0.472	0
	Clearing Member	26144	0	26144	0.375	0	0	0	0	-0.375
	Bodies Corporate	777250	3300	780550	11.1973	661726	3300	665026	9.54	-1.6573
	Sub Total (B)(3)	1943700	436400	2380100	34.1434	1279022	1101078	2380100	34.1434	0
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	1943700	645600	2589300	37.1444	1279022	1310278	2589300	37.1444	0
	Total (A)+(B)	6325300	645600	6970900	100	5660622	1310278	6970900	100	0
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	6325300	645600	6970900	100	5660622	1310278	6970900	100	0

GENERATED ON : 06/08/2016

Mukesh Babu Financial Services Limited								
Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2015			Shareholding at the end of the year - 2016			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	MUKESH C BABU	3431600	49.2275	0	3431600	49.2275	0	0
2	MEENA MUKESH BABU	950000	13.6281	0	950000	13.6281	0	0
	Total	4381600	62.8556	0	4381600	62.8556	0	0

GENERATED ON : 06/08/2016

Mukesh Babu Financial Services Limited ISIN : INE596B01017							
MGT-9 IV.(iii) Change in Promoters Shareholding							
Sr No.	Name & Type of Transaction	Shareholding at the beginning of the		Transactions during the		Cumulative Shareholding at	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	MUKESH C BABU	3431600	49.2275			3431600	49.2275
	AT THE END OF THE YEAR					3431600	49.2275
2	MEENA MUKESH BABU	950000	13.6281			950000	13.6281
	AT THE END OF THE YEAR					950000	13.6281

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 6970900 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS DATE
1	MUKESH C BABU	IN30047643377899	AABPB9901C	3431600	31/03/2015
2	MUKESH C BABU	IN30047643377899	AABPB9901C	3431600	31/03/2016
3	MEENA MUKESH BABU	IN30047643369067	AAFPB1958F	950000	31/03/2015
4	MEENA MUKESH BABU	IN30047643369067	AAFPB1958F	950000	31/03/2016

Mukesh Babu Financial Services Limited ISIN : INE596B01017

MGT-9 IV. Shareholding Pattern of Top Ten Shareholders

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2015		Transactions during the year		Cumulative Shareholding at the end of the year - 2016	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	SAGAR SYSTECH LIMITED	604500	8.6718			604500	8.6718
	AT THE END OF THE YEAR					604500	8.6718
2	SBI CAPITAL MARKETS LTD	100000	1.4345			100000	1.4345
	AT THE END OF THE YEAR					100000	1.4345
3	INDIAN BANK A\C INDIAN BANK MUTUAL FUND	97500	1.3987			97500	1.3987
	AT THE END OF THE YEAR					97500	1.3987
4	HIRAL D SEJPAL	63128	0.9056			63128	0.9056
	AT THE END OF THE YEAR					63128	0.9056
5	MUKESH CHAMPKALAL BABU (HUF)	50000	0.7173			50000	0.7173
	AT THE END OF THE YEAR					50000	0.7173
6	BVD SONS (MAURITIUS) CO. LTD.	32900	0.4720			32900	0.4720
	AT THE END OF THE YEAR					32900	0.4720
7	THANKI BHARATBHAI TRIKAMJI	205132	2.9427			205132	2.9427
	Transfer			26 Jun 2015	11302	216434	3.1048
	Transfer			14 Aug 2015	100	216534	3.1063
	Transfer			31 Dec 2015	1854	218388	3.1329
	Transfer			15 Jan 2016	(100)	218288	3.1314
	Transfer			19 Feb 2016	(218288)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
8	ISTAA FASHIONS PRIVATE LIMITED	50000	0.7173			50000	0.7173
	Transfer			19 Feb 2016	(50000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
9	HEMANT CHAMPKALAL BABU	44700	0.6412			44700	0.6412
	Transfer			19 Feb 2016	(44700)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
10	SAURASHTRA SOLID INDUST PVT LTD	31573	0.4529			31573	0.4529
	Transfer			29 May 2015	1000	32573	0.4673
	Transfer			17 Jul 2015	900	33473	0.4802
	Transfer			07 Aug 2015	4000	37473	0.5376
	Transfer			14 Aug 2015	100	37573	0.5390
	Transfer			21 Aug 2015	250	37823	0.5426
	Transfer			18 Dec 2015	500	38323	0.5498
	Transfer			05 Feb 2016	250	38573	0.5533
	Transfer			12 Feb 2016	50	38623	0.5541
	Transfer			19 Feb 2016	(38623)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

- Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 6970900 Shares.
 2. The details of holding has been clubbed based on PAN.
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS_DATE
1	INDIAN BANK A\C INDIAN BANK MUTUAL FUND	0001004		97500	31/03/2015
2	INDIAN BANK A\C INDIAN BANK MUTUAL FUND	0001004		97500	31/03/2016
3	SBI CAPITAL MARKETS LTD	0001006		100000	31/03/2015
4	SBI CAPITAL MARKETS LTD	0001006		100000	31/03/2016
5	BVD SONS (MAURITIUS) CO. LTD.	0005287		32900	31/03/2015
6	BVD SONS (MAURITIUS) CO. LTD.	0005287		32900	31/03/2016
9	SAGAR SYSTECH LIMITED	1203370000032370	AAACS8115M	604500	31/03/2015
10	SAGAR SYSTECH LIMITED	IN30154939547367	AAACS8115M	604500	31/03/2016
11	ISTAA FASHIONS PRIVATE LIMITED	1203370000025502	AABCN9189P	50000	31/03/2015
12	MUKESH CHAMPKALAL BABU(HUF)	IN30267937138520	AADHM1722N	50000	31/03/2015
13	MUKESH CHAMPKALAL BABU(HUF)	IN30267937138520	AADHM1722N	50000	31/03/2016
14	SAURASHTRA SOLID INDUST PVT LTD	1205660000020974	AAECS9355D	31573	31/03/2015
15	THANKI BHARATBHAI TRIKAMJI	1301670000689844	AAWPT3642B	205132	31/03/2015
16	HEMANT CHAMPKALAL BABU	1203360000036171	ACCPB7667E	44700	31/03/2015
17	HIRAL D SEJPAL	IN30040910126886	BFMPS9617B	63128	31/03/2015
18	HIRAL D SEJPAL	IN30040910126886	BFMPS9617B	63128	31/03/2016

V. INDEBTNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Secured Loans excluding deposits	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
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
Change in Indebtedness during the financial year				
• Addition	289,054,418	-	-	289,054,418
• Reduction	292,966,072	3,142,100	-	296,108,172
Net Change	(3,911,654)	(3,142,100)	-	(7,053,754)
Indebtedness at the end of the financial year				
i) Principal Amount	128,413,369	18,635,129	-	147,048,498
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	744,406	-	-	744,406
Total (i+ii+iii)	129,157,775	18,635,129	-	147,792,904

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr.NO.	Particulars of Remunerations	Name of MD / WTD / Manager			Total
		Mukesh Babu	Dipali Shah	----	Rs.
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,200,000	420,000		1,620,000
	(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 percentage of profit				
	Others				
5	Others , Please specify				
	Total (A)	1,200,000	420,000	-	1,620,000
	Ceiling as per Act				N.A.

B. Remuneration to other directors:

Sr.NO.	Particulars of Remunerations	Name of Directors			Total
		Pankaj Majithia	Vijay Vora	----	Rs.
1	Independent Directors				
	(a) For Attending Board / Committee meeting	20,000	10,000		30,000
	(b) As Commission	.			
	(c) Other , please specify				
	Total (1)	20,000	10,000	-	30,000
2	Other Non-Executive Directors				
	(a) For Attending Board / Committee meeting				
	(b) As Commission				
	(c) Other , please specify				
	Total (2)	-	-	-	-
	Total (B) = (1)+(2)	20,000	10,000	-	30,000
	Total Managerial Remuneration (A+B)	1,220,000	430,000	-	1,650,000
	Overall Ceiling As per Act : 11% of Net Profit as per section 198 of the Companies Act, 2013				2,979,024
	Ceiling as per Act : 5% of Net Profit as per section 198 of the Companies Act, 2013				1,354,102

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

Sr.NO.	Particulars of Remunerations	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	Rs.
1	Gross Salary				
	(a) Salary as per provisions contained in section				
	(b) Value of perquisites u/s 17(2) Income-tax Act,	.			
	(c) Profits in lieu of salary under section 17(3)				
2	Stock Option				
3	Sweat Equity				
4	Commission :				
	as percentage of profit				
	Others				
5	Others , Please specify				
	Total				Nii

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	Nil		Nil	Nil	Nil
Punishment	Nil		Nil	Nil	Nil
Compounding	Nil		Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil		Nil	Nil	Nil
Punishment	Nil		Nil	Nil	Nil
Compounding	Nil		Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil		Nil	Nil	Nil
Punishment	Nil		Nil	Nil	Nil
Compounding	Nil		Nil	Nil	Nil

ANNEXURE – B

**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) Indian Contract Act,1872
- ix) Bombay Shop & Establishment Act,1948
- x) 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.

FOR V. V. CHAKRADEO & CO.

Place : Mumbai
Date : 12/08/2016

V. V. CHAKRADEO
COP 1705. FCS 3382

ANNEXTURE A

To,
The Members,
Mukesh Babu Financial Services Limited,
Mumbai

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
5. The compliance of the provisions of the Corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. I have reported in my audit report, only those non compliances, especially in respect of filing of applicable forms/ documents, which in my opinion are material and having major bearing on the financials of the Company.

Place : Mumbai
Date :12/08/2016

FOR V. V. CHAKRADEO & CO.

V. V. CHAKRADEO
COP 1705. FCS 3382

ANNEXURE C

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 Amount Rs.	Previous Year Amount Rs.
Income From Operations	60,156,235	63,947,540
Other Income	871,596	621,372
Total Income	61,027,831	64,568,912
Profit before Interest, Depreciation & Tax	53,695,877	56,630,500
Less : Interest	19,090,860	20,533,770
Profit Before Depreciation	34,605,017	36,096,730
Less : Depreciation	700,963	855,284
Profit After Depreciation and Interest	33,904,054	35,241,446
Less: Current Income Tax	6,300,000	8,175,000
Less: Previous year Adjustment of Income Tax	587,566	22,120
Less: Deferred Tax	(65,549)	(81,127)
Net Profit After Taxation	27,082,037	27,125,453
Less: Dividend	6,970,900	6,970,900
Less: Dividend Distribution Tax	1,419,111	1,419,111
Less: Transfer to Statutory Reserve	5,416,407	5,425,091
Less: Provision for Standard Assets	(33,558)	(52,249)
Balance carried to Balance Sheet	13,309,176	13,362,600
Earning Per Share (Basic/Diluted)	3.89	3.89

B. FINANCIAL REVIEW :

Your Company earned a net profit of Rs. 270.82 Lakhs for the financial year ended 31st March, 2016 as compared to previous year's net profit of Rs.271.25 Lakhs. Depreciation during the year was Rs.7.01 Lakhs as compared to Rs. 8.55 Lakhs in the previous year. Provision for taxation during the year is Rs. 68.22 Lakhs including Deferred Tax Provision as compared to Rs 81.16 Lakhs in previous year.

C. OPPORTUNITIES AND MARKET ENVIRONMENT:

Though during the Financial Year 2015-16, Indian GDP grew by only 7.5% and economy expects 8%+ by fiscal year 2016-17. 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 NBFC sector recorded a loan growth of 16.3% as compared to single-digit credit growth by banks in FY15. Strong growth in credit extended by infrastructure finance companies, microfinance companies and loan companies contributed to the sturdy growth in the loan portfolio of large NBFCs. This translated into overall balance sheet growth of 16.8% in FY15. 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. 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 - D

CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) on September 2, 2015, replacing the earlier listing agreement(w.e.f. December 1, 2015) and is aimed to consolidate and streamline the provisions of earlier listing agreements for different segments of the capital market viz. equity, debentures, debt instruments, etc.

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.

1. Board of Directors

As on 31st March, 2016 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.

Every independent Director at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in each financial year, gives a declaration under section 149(7) of the Act that he meets the criteria of independence as required under Section 149(6) of the Act.

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, 2016 are given below:

Name of Director	Category	No. of other Director ships	No. of other Board Committee of which he/she is a member	No. of other Board Committees of which he/she is a Chairperson	Relation ship with other director	Shares held (No. of Equity Shares)
Mr.Mukesh Babu	Promoter Director	4	0	0	None	34,31,600
Mr. K. Chandrasekhar	Non – Executive Director	3	6	2	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

2. 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. Corporate Social Responsibility activities.
7. Other matters as set out in the Listing Regulations , 2015 (SEBI LODR)

3. 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 6th, 2016 without the attendance of Non- Independent Directors and members of management.

4. Board Meetings

The Board of Directors held four meetings during the year on 29th May 2015, 14th August 2015, 6th November 2015 and 15th February 2016.

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

Name of the Director	Qualification	Board Meetings		Annual General Meeting
		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.,L.L.B.	4	3	Yes
Mr. Vijay Vora.	B.Com	4	4	Yes
Mrs. Dipali Shah.	M.Com, C.S, L.L.B	4	4	Yes

The Company Secretary is Secretary for the Board Meeting.

5. 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 62 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.

6. Code of conduct for the prevention of insider trading

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company, as well as the consequences of violation. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website.

7. Listing Agreement

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited.

8. Policies

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All our corporate governance policies are available on our website. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to its Code of Conduct and Ethics, key policies that have been adopted by the Company are as follows :

- a. Whistleblower Policy (Policy on vigil mechanism) : The Company has adopted the whistleblower mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2016. 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.
- b. Nomination and Remuneration Policy : This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.
- c. Corporate Social Responsibility Policy : The policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, healthcare, environment and lowering its resource footprint.
- d. Policy on Material Subsidiaries : The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.
- e. Insider Trading Policy : The policy provides the framework in dealing with securities of the Company.
- f. Policy for Determining Materiality for Disclosures : This policy applies to disclosures of material events affecting Company and its subsidiaries.
- g. Document Retention and Archival Policy : The policy deals with the retention and archival of corporate records of MukeshBabu Financial Services Limited and all its subsidiary.

9. 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 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.

Sr. No	Name of the Member	Designation	No. of Committee Meetings held	No. of Committee Meetings attended
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 2015-16, 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 Listing Regulations, 2015.

The committee reviews in consultation with our Registrar and Share Transfer Agents- LinkIntime 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.

Sr. No	Name of the Member	Designation	No. of Committee Meetings held	No. of Committee Meetings attended
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 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. This fiscal year 2015-16 Company doesn't fall in norms of CSR under section 135 of Companies Act, 2013.

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 15th February, 2016 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 the 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, 2016 and the meeting was attended by all the members.

e) Sexual Harassment Committee

Your Company has only one women employee hence the requirements of constituting a Sexual Harassment Committee is not applicable.

10. Remuneration to Directors during the year 2015-2016

A) Executive Directors

Name of Director	Salary and Bonus (Rs.)	Provident Fund Contribution (Rs.)	Perquisites / other benefits (Rs.)	Commission Payable (Rs.)	Total (Rs.)
Mukesh Babu	12,00,000	0	0	0	12,00,000
Dipali Shah	4,20,000	0	0	0	4,20,000

B) Non-Executive Directors

Name of Director	Salary and Bonus (Rs.)	Provident Fund Contribution (Rs.)	Sitting Fees (Rs.)	Commission Payable (Rs.)	Total (Rs.)
VIJAY VORA	0	0	10,000	0	10,000
PANKAJ MAJITHIA	0	0	20,000	0	20,000

* 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.

11. 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.

12. CEO and CFO certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is provided in this Annual Report.

13. Code of conduct

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiary.

All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2016.

A declaration to this effect, signed by the CEO and MD and the CFO, forms part of the CEO and CFO certification.

14. Prevention of insider trading

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on a need basis. The policy is available on our website

15. 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>
Thirtieth	30.09.2015	5.00 p.m.	12-A/4 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.
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.

16. 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.

17. 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.

18. 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.

19. 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 L65920MH1985PLC035504.

b) Annual General Meeting

The Thirty First Meeting will be held as per the following schedule:

Day :Friday

Date :30th September, 2016

Time :5.00 p.m.

Venue :Serai Hall, 11A/1, New Sion Co-op Hsg. Soc. Ltd., Sion (West), Mumbai 400022.

c) Book closure

The dates of Book Closure are from Friday 23rd September, 2016 to Friday 30thSeptember, 2016both 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, 2016

f) Financial Calendar (Tentative)

First Quarter : August, 2016

Second Quarter & Half-Yearly : November, 2016

Third Quarter: February, 2017

Fourth Quarter & Annual : May, 2017

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: 530341	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 2015-2016 (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 31stMarch 2016, **63,38,700 equity shares** forming **90.93%** 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](http://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, Nariman Point, Mumbai 400021.
Phone: (022) 22834462,(022) 22844015 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 2015-2016. The monthly high & low quotation as well as the volume of shares traded during the year 2015-2016 at, Bombay Stock Exchange Limited, is as below:

Month	Year	High Rs.	Low Rs.	No. of (Shares)
April	2015	34.90	24.15	29,599
May	2015	36.00	28.00	22,905
June	2015	32.95	24.00	35,027
July	2015	41.80	28.00	37,889
August	2015	40.05	28.00	27,324
September	2015	41.45	25.25	10,932
October	2015	37.85	28.00	20,302
November	2015	38.55	28.00	04,723
December	2015	40.50	31.30	27,555
January	2016	42.45	33.45	03,211
February	2016	39.25	32.65	21,514
March	2016	42.15	34.00	27,074

n) The Share Holding Pattern and Distribution of Shareholding as on 31st March, 2016

SHAREHOLDING PATTERN AS ON 31.03.2016			DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2016					
Category Shareholding	No. of Shares	%to the total paid up Capital	No. of Shares		Shareholders		Shares	
					Number	%	Amount (Rs.)	% to Equity
Promoters	4381600	62.86	Up to- 500	1476	81.55	310287	04.45	
Mutual Funds, UTI	197500	02.83	501-1000	157	08.67	126334	01.81	
Financial Institutions & Banks	11700	00.17	1001- 2000	69	03.81	100596	01.44	
Bodies Corporate	818462	11.74	2001- 3000	25	01.38	65492	00.94	
Individuals	1286563	18.45	3001- 4000	20	01.11	73553	01.06	
Clearing Member	13327	00.20	4001- 5000	13	00.72	63400	00.91	
Market Maker	00.00	00.00	5001- 10000	15	00.83	129781	01.86	
NRIs and NRN	150650	2.16	10001- Above	35	01.93	6101457	87.53	
Overseas Bodies corporate	32900	00.47						
HUF	78198	01.12						
Total	6970900	100.00	Total	1810	100.00	6970900	100.00	

20. Details of non-compliance

No penalty has been imposed by any stock exchange, SEBI or SEC, nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years

21. Auditors' certificate on corporate governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Auditors' certificate on corporate governance is annexed to the Board's report. In addition to the certificate by the auditors, the Practicing Company Secretary has also issued a certificate on corporate governance as part of the secretarial audit.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman
DIN: 00224300

K. Chandrasekhar
Director
DIN:00138951

Date: 12th August, 2016

Place: Mumbai

Auditor's Certificate on Corporate Governance

To the Members 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 2016**, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 respects with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the following:

a) The Company Secretary did not act as compliance officer and Secretary to the Audit Committee Meetings held during the year. (Para 6 (1) of Chapter III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

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

**Place :Mumbai
Date: 12/08/2016**

Declaration

It is hereby confirmed pursuant to Listing Regulations, 2015 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, 2016.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman & Managing Director
DIN: 00224300

K. Chandrasekhar
Director
DIN:00138951

Date: 12th August 2016

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, 2016, 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 there under. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion 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, 2016.
- (ii) in case of statement of Profit and Loss , of the 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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. 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 the date of balance sheet, and taken on record by the board of directors, we report that none of the directors is disqualified as on the said date from being appointed as a director in terms of Section 164 (2) of the Act.

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(g) 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**

**Place : Mumbai
Date : 25/05/2016**

ANNEXURE "A:" 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.

(c) As per records presented before us, the title deeds of immovable properties are held in name of the Company. As

(ii) As per the records maintained, the management has conducted physical verification of inventory at reasonable intervals. We have been informed that, no material discrepancies on such verification have been noticed. The

(iii) The Company has granted unsecured loan to a company (subsidiary) covered in the register maintained under section 189 of the Companies Act, 2013.

(a) As explained to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest;

(b) The schedule of repayment of principal and payment of interest has not been stipulated;

(c) Since there is no schedule prescribed, determining the amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest is not possible; although we find that the subsidiary has been repaying the amount periodically.

(iv) As per records maintained and explanation given to us, in respect of loans, investments, guarantees, and security given / made by the Company, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(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 under section 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, or Value Added Tax as applicable to it which have not been deposited on account of any dispute.

(viii) 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.

(ix) We have been informed by the management that no money was raised by way of Initial Public offer or Further Public offer(including Debt instrument), and in case of term Loans the amount was applied for the purpose for which they are taken.

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

(xi) We have been informed by the management that managerial remuneration has been paid or provided in (xi) accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the (xi) Companies Act, 2013.

(xii) Since the Company is not a Nidhi Company, the provisions of this clause are not applicable to the Company

(xiii) In our view, and as per the explanation given to us by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable, and details have been disclosed in the Financial statements as required by the applicable accounting standard.

(xiv) we have been informed by the management that Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) As per the explanation given to us by the management, and as per records maintained, the Company has not entered into any non-cash transactions with directors or any persons connected with him as prescribed by section 192 of the Companies Act 2013.

(xvi) In our view, the Company has carried out any activities in nature of activities carried out by non banking financial companies, and thus is required to get registered under section 45-IA of the Reserve Bank of India Act, 1934, and has obtained the required registration.

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

Mehul Shah
Partner
FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 25/05/2016

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

IN CASE OF MUKESH BABU FINANCIAL SERVICES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Mukesh Babu Financial Services Limited** ("the Company") as of **31 March 2016** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at **31 March 2016**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Mehul Shah
Partner
FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 25/05/2016**

MUKESH BABU FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	March 31, 2016		March 31, 2015	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	406,237,245		387,511,662	
(c) Money received against share warrants		-	475,912,245	-	457,186,662
2 Share application money pending allotment					
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)	10	882,239		947,788	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	373,300	1,255,539	406,858	1,354,646
4 Current liabilities					
(a) Short-term borrowings	4	147,792,904		154,846,658	
(b) Trade payables	5	26,251,278		17,726,312	
(c) Other current liabilities	6	2,629,234		2,178,048	
(d) Short-term provisions	7	15,235,505	191,908,921	12,916,851	187,667,869
TOTAL			669,076,705		646,209,177
II. ASSETS					
1 Non-current assets					
(a) Fixed assets					
(i) Tangible assets	8	7,237,842		7,914,550	
(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	44,454,400		52,054,400	
(e) Other non-current assets	12	998,127	382,500,329	998,127	390,777,037
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	130,599,626		110,311,178	
(c) Trade receivables		-		-	
(d) Cash and Bank Balances	14	22,360,045		14,114,960	
(e) Short-term loans and advances	15	104,865,428		110,698,980	
(f) Other current assets	16	28,751,277	286,576,376	20,307,022	255,432,140
TOTAL			669,076,705		646,209,177

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 : 25/05/2016

Mukesh Babu
Managing Director
DIN:00224300

K. Chandrasekhar
Director
DIN:00138951

Dipali Shah
Director & Company Secretary
DIN:7141559 ACS:25422

Place : Mumbai
Date : 25/05/2016

MUKESH BABU FINANCIAL SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	March 31, 2016		March 31, 2015	
		₹	₹	₹	₹
I Revenue from operations	18		60,156,235		63,947,540
II Other income	19		871,596		621,372
III Total Revenue (I + II)			61,027,831		64,568,912
IV Expenses:					
Employee benefits expense	21	2,425,882		2,186,694	
Finance costs	22	19,090,860		20,533,770	
Depreciation	8	700,963		855,284	
Other expenses	23	4,906,072		5,751,718	
Total expenses			27,123,777		29,327,466
V Profit before exceptional and extraordinary items and tax (III-IV)			33,904,054		35,241,446
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			33,904,054		35,241,446
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			33,904,054		35,241,446
X Tax expense:					
(1) Current tax		6,300,000		8,175,000	
(2) Taxation of earlier years		587,566		22,120	
(3) Deferred tax		(65,549)	6,822,017	(81,127)	8,115,993
XI Profit (Loss) for the period from continuing operations (VII-VIII)			27,082,037		27,125,453
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)			27,082,037		27,125,453
XVI Earnings per equity share:					
(1) Basic			3.89		3.89
(2) Diluted			3.89		3.89

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 ACS:25422

FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 25/05/2016

Place : Mumbai
Date : 25/05/2016

MUKESH BABU FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		33,904,054		35,241,446
Adjustments for :				
Depreciation & Misc. Exp. Written off	700,963		855,284	
Bad Debts written off			-	
Excess Provision for Taxation		700,963	-	855,284
Operating Profit Before Working Capital Changes		34,605,017		36,096,730
Changes in Working Capital:				
Inventories	(20,288,448)		(3,729,350)	
Sundry Debtors	-		-	
Loans and Advances	13,041,879		7,264,924	
Other Current Assets	(8,444,255)		10,150,830	
Sundry Creditors	8,524,966		(16,457,810)	
Other Liabilities	2,670,734	(4,495,125)	(8,757,273)	(11,528,678)
Cash Generated from Operations		30,109,892		24,568,051
Direct Taxes Paid		(8,241,129)		(9,535,102)
Cash Flow Before Extraordinary Items		21,868,763		15,032,949
Extraordinary Items		33,558		52,249
Net Cash From Operating Activities		21,902,321		15,085,198
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(24,255)		(569,990)	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
Sale of Investments	-	(24,255)	-	(569,990)
Net cash used in Investing Activities		(24,255)		(569,990)
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings	(7,053,754)		(8,033,662)	
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	-	(14,024,654)	-	(15,004,562)
Net cash used in Financing Activities		(14,024,654)		(15,004,562)
Net Increase / (Decrease) in Cash & Cash Equivalents		7,853,412		(489,354)
Cash & Cash Equivalents at the Beginning of the Year		1,263,083		1,752,437
Cash & Cash Equivalents at th Closing of the Year		9,116,495		1,263,083

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 : 25/05/2016

Mukesh Babu
Managing Director
DIN:00224300

Place : Mumbai
Date : 25/05/2016

K. Chandrasekhar
Director
DIN:00138951

Dipali Shah
Director & Company Secretary
DIN:7141559 ACS:25422

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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 2016

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, 2016	March 31, 2015
	₹	₹
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	67,976,457	62,551,366
(+) Current Year Transfer	5,416,407	5,425,091
	-	-
Closing Balance	73,392,864	67,976,457
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	217,811,334	204,448,734
(+) Net Profit/(Net Loss) For the current year	27,082,037	27,125,453
(-) Provision for Dividends	6,970,900	6,970,900
(-) Provision for Dividend Tax	1,419,111	1,419,111
(-) Transfer to Statutory Reserves (As per RBI Regulations)	5,416,407	5,425,091
(-) Provision for Standard Assets (As per RBI Regulations)	-33,558	-52,249
Closing Balance	231,120,510	217,811,334
Total Reserves & Surplus	406,237,245	387,511,662

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, 2016	March 31, 2015
	₹	₹
(a) Provision for Long Term Liabilities	-	-
Total (a)	-	-
(b) Others	-	-
Contingent Provision against Standard Assets (As per RBI Regulations)	373,300	406,858
Total (b)	373,300	406,858
Total Long Term Provisions	373,300	406,858

MUKESH BABU FINANCIAL SERVICES LIMITED

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016	March 31, 2015
	₹	₹
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	129,157,775	131,493,753
(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	129,157,775	133,069,429
Unsecured		
(a) Loans repayable on demand		
from banks (Refer note no. 3. of	18,635,129	21,777,229
Other Notes to Accounts)		
Total Unsecured Short Term Borrowings	18,635,129	21,777,229
Total Short Term Borrowings	147,792,904	154,846,658

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, 2016	March 31, 2015
	₹	₹
(a) Trade Payables	26,251,278	17,726,312
Total Trade Payables	26,251,278	17,726,312

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, 2016	March 31, 2015
	₹	₹
(a) Unclaimed Dividends	2,629,234	2,178,048
Total Trade Payables	2,629,234	2,178,048

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, 2016	March 31, 2015
	₹	₹
(a) Provision for Short Term Liabilities	-	-
(b) Provision for Expenses	180,508	246,580
(c) Others (Specify nature)		
Provision for Taxation (Net of Pre-paid Taxes)	6,628,932	4,822,371
Other Provisions	1,455,165	877,000
Provision for Dividend	6,970,900	6,970,900
Total Short Term Provisions	15,235,505	12,916,851

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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	
	01/04/2015	Additions/ (Disposals)	31/03/2016	01/04/2015	Depreciation for the year	On disposals	31/03/2016	01/04/2015	31/03/2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a Tangible Assets									
Office Premises	14,883,250	-	14,883,250	10,020,733	236,805	-	10,257,538	4,862,517	4,625,712
Guest House	2,669,990	-	2,669,990	847,471	88,757	-	936,228	1,822,519	1,733,762
Furniture and Fixtures	3,729,511	-	3,729,511	3,179,783	142,325	-	3,322,108	549,728	407,403
Electrical Fittings	312,776	-	312,776	253,364	15,382	-	268,746	59,412	44,030
Office equipment	1,477,654	-	1,477,654	1,406,149	32,227	-	1,438,376	71,505	39,278
Computers	591,226	24,255	615,481	515,497	37,705	-	553,202	75,729	62,279
Vehicle	3,005,288	-	3,005,288	2,532,148	147,762	-	2,679,910	473,140	325,378
Total (Current Year)	26,669,695	24,255	26,693,950	18,755,145	700,963	-	19,456,108	7,914,550	7,237,842
Total (Previous Year)	26,099,705	569,990	26,669,695	17,899,861	855,284	-	18,755,145	8,199,844	7,914,550

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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
			31/03/2015	30/03/2016			31/03/2015	30/03/2016	31/03/2015	30/03/2016		
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		

54

Particulars	42,094	42,459
	₹	₹
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 2016

Note 10 DEFERRED TAX ASSET / 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, 2016	March 31, 2015
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	882,239	947,788
Gross deferred tax liability	882,239	947,788
Deferred tax asset	-	-
Net deferred tax liability / (asset)	882,239	947,788

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, 2016		March 31, 2015	
	₹	₹	₹	₹
a. Loans and advances to related parties	-		-	
Total (a)	-	-	-	-
b. Other loans and advances				
Unsecured, considered good:- Advances Against Projects	44,454,400	44,454,400	52,054,400	52,054,400
Total (b)		44,454,400		52,054,400
Total Long Term Loans and Advances (a)+(b)		44,454,400		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, 2016		March 31, 2015	
	₹	₹	₹	₹
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 2016

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, 2016		March 31, 2015	
	₹	₹	₹	₹
a. Stock of Shares (Trading Stock of shares Valued at lower of cost or net realisable value)	130,599,626		110,311,178	
		130,599,626		110,311,178
Total Inventories		130,599,626		110,311,178

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, 2016		March 31, 2015	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks In Current Accounts with Scheduled Banks	7,721,140		170,344	
		7,721,140		170,344
B. Cash on hand Cash and Cash Equivalents		1,395,355		1,092,739
		9,116,495		1,263,083
C. Other Bank Balances In Fixed Deposits with Scheduled Banks	10,125,000		10,125,000	
In Unclaimed Dividends Account	2,629,234		2,178,048	
Interest Accrued not due on Fixed Deposits	489,316	13,243,550	548,829	12,851,877
Total Cash and Bank Balances (A+B+C)		22,360,045		14,114,960

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, 2016		March 31, 2015	
	₹	₹	₹	₹
A. Loans and advances to related parties		32,256,902		44,837,827
Sub Total (A)		32,256,902		44,837,827
B. Others				
Unsecured, considered good		68,519,526		63,283,353
Prepaid Expenses		-		10,300
Staff & Associates		4,089,000		2,567,500
Sub Total (B)		72,608,526		65,861,153
Total Short-term loans and advances (A+B)		104,865,428		110,698,980

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016		March 31, 2015	
	₹	₹	₹	₹
a. Taxation	-	-	-	-
b. Non-Taxation				
Margin Money with Brokers	28,751,277		20,307,022	
		28,751,277		20,307,022
Total Other Current Assets		28,751,277		20,307,022

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, 2016		March 31, 2015	
	₹	₹	₹	₹
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)		-		-

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016		March 31, 2015	
	₹	₹	₹	₹
Interest Income		13,695,285		42,248,528
Dividend Income		18,450,564		14,708,043
Profit on Shares and Securities		28,010,386		6,990,969
Net Revenue From Operations		60,156,235		63,947,540

Note 19 OTHER INCOME

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

Particulars	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
Interest on Term Deposits		871,596		621,372
Total Other Income		871,596		621,372

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, 2016		March 31, 2015	
	₹	₹	₹	₹
Inventories at the end of the year				
Stock of Shares	130,599,626	130,599,626	110,311,178	110,311,178
Inventories at the beginning of the year				
Stock of Shares	110,311,178	110,311,178	106,581,828	106,581,828
Net Increase / (Decrease) in Inventories		20,288,448		3,729,350

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016		March 31, 2015	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries	490,000		697,400	
Bonus	87,000		67,000	
Stipend	132,000		94,666	
Directors' Remuneration	1,650,000	2,359,000	1,281,600	2,140,666
(b) Staff welfare expenses		66,882		46,028
Total Employee Benefit Expenses		2,425,882		2,186,694

Note 22 FINANCE COST

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

Particulars	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
Interest expense				
Interest on Loans	19,009,769		20,422,819	
Interest on Bank Overdraft	81,091	19,090,860	110,951	20,533,770
Total Finance Cost		19,090,860		20,533,770

Note 23 OTHER EXPENSES

Particulars	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
Auditors' Remuneration		38,677		45,506
Business Promotion Expenses		1,724,171		405,948
Conveyance & Travelling Expenses		641,549		164,812
Donation given		-		2,957,000
Electricity Expenses		341,825		330,570
Professional & Consultancy Fees		748,683		616,971
Listing Fees		236,120		123,596
Membership & Subscriptions		60,450		60,904
Motor Car Expenses		75,774		72,735
Office Expenses		35,369		36,377
Postage and Courier Expenses		62,495		64,419
Printing and Stationery Expenses		151,829		144,549
Publishing Expenses		68,878		73,554
Rent, Rates & Taxes		294,642		245,908
Repairs and Maintenance Expenses		208,168		267,304
Telephone Expenses		74,322		69,952
Sundry Expenses		143,120		71,613
Total Other Expenses		4,906,072		5,751,718

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

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

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.

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

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.

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.

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

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

Particulars	March 31, 2016	March 31, 2015
As Auditors	33,147	33,147
Other Professional Services	5,530	12,359
	38,677	45,506

- 5 Earning per share is calculated as under:

Particulars	March 31, 2016	March 31, 2015
Basic earning per share		
Net profit after Taxation	27,082,037	27,125,453
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	3.89	3.89
Diluted earning per share		
Net profit after Taxation	27,082,037	27,125,453
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	3.89	3.89

- 6 Directors' Remuneration
- | | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Within the limits of Schedule V to the Companies Act 2013. | 1,650,000 | 1,281,600 |

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	4,822,371	6,822,017	5,015,456	6,628,932

- 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	March 31, 2016	March 31, 2015
Mukesh Babu Securities Limited (Subsidiary)	32,256,902	44,837,827

Maximum outstanding during the Year

NAME OF THE COMPANY	March 31, 2016	March 31, 2015
Mukesh Babu Securities Limited (Subsidiary)	44,837,827	87,717,229

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

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	March 31, 2016	March 31, 2015
Opening Balances	Subsidiary Company	44,837,827	87,717,229
	Associates	-	-
Loans & Advances given during the year	Subsidiary Company	12,005,856	34,010,632
Interest Charged during the Year	Subsidiary Company	3,570,244	6,011,073
	Associates	-	-
Amounts received back during the year	Subsidiary Company	28,157,025	82,901,107
	Associates	-	-
Remuneration & Sitting Fees	Key Managerial Persons	1,650,000	1,281,600
Closing Balances	Subsidiary Company	32,256,902	44,837,827
	Associates	-	-

13 Income and Expenses in Foreign Currency:

March 31, 2016	March 31, 2015
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.)	6318515	189275	134504	6373286
Value (in ₹)	110,311,178	26,752,873	30,191,062	130,599,626

(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 ₹ 3,744,950,333/- (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, 2016

15 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)	129,157,775	NIL
	b. Loans from Banks (Unsecured)	18,635,129	
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	149,319,828	
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	NIL	
5	Break-up of Investments :		
	Current Investments :		
	Long Term Investments :		
	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	301,596,250	304,000,000
	Total	327,406,210	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, 2016

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

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

(Mukesh Babu)
Managing Director
DIN:00224300

(K. Chandrasekhar)
Director
DIN:00138951

(Dipali Shah)
Director &
Company Secretary
DIN:7141559 ACS:25422

Mehul Shah
Partner
FRN: 116457W
M. No.: 049361

Place : Mumbai
Date : 25/05/2016

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

Bank of India
HDFC Bank
ICICI Bank

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Registered Office

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

Auditors

67	Shah, Shah & Shah
72	Chartered Accountants
73	502, Damji Shamji Trade Centre,
74	Vidyavihar - West, Mumbai - 400086.
75	
87	

**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, 2016**, 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 the consolidated financial statements in terms of the requirements 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 Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 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, which 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 the 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 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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. An audit also includes evaluating the appropriateness of the 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, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31st March, 2016; 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books

(c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated 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 the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

(g) 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. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.

Other Matters

(a) The accompanying consolidated financial statements include total assets of RS. 4,554.43 Lac as at March 31, 2016, and total revenues of RS. 339.64 Lac and net cash outflows of RS. 0.80 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 : 25/05/2016**

ANNEXURE "A:" REFERRED TO IN REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
OF OUR REPORT OF EVEN DATE
Mukesh Babu Financial Services Limited
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Mukesh Babu Financial Services Limited Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls

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

**(Mehul Shah)
PARTNER
M. No. 049361
FRN: 116457W**

**Place : Mumbai
Date : 25/05/2016**

MUKESH BABU FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016

Particulars	Note No.	March 31, 2016		March 31, 2015	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	493,299,671		466,282,191	
(c) Money received against share warrants			562,974,671		535,957,191
2 Mionority Interest			105,787,870		98,016,427
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)	10	802,053		920,873	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	373,300	1,175,353	406,858	1,327,731
4 Current liabilities					
(a) Short-term borrowings	4	199,937,007		205,531,116	
(b) Trade payables	5	26,564,538		18,039,573	
(c) Other Current Liabilities	6	152,629,234		152,178,048	
(d) Short-term provisions	7	17,303,716	396,434,495	11,615,242	387,363,979
TOTAL			1,066,372,389		1,022,665,328
II. ASSETS					
1 Non-current assets					
(a) Fixed assets	8	24,252,980		22,703,152	
(i) Tangible assets		-		-	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	9	361,732,019		361,184,908	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances	11	44,454,400		52,054,400	
(e) Other non-current assets	12	24,338,344	454,777,743	24,338,344	460,280,804
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	130,599,626		110,311,178	
(c) Trade receivables	14	8,762,667		8,419,667	
(d) Cash and Bank Balances	15	123,137,364		115,397,303	
(e) Short-term loans and advances	16	320,343,712		307,949,354	
(f) Other current assets	17	28,751,277	611,594,646	20,307,022	562,384,524
TOTAL			1,066,372,389		1,022,665,328

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 : 25/05/2016

Mukesh Babu
Managing Director
DIN:00224300

K. Chandrasekhar
Director
DIN:00138951

Dipali Shah
Director & Company Secretary
DIN:7141559 ACS:25422

Place : Mumbai
Date : 25/05/2016

MUKESH BABU FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2016

Particulars	Note No.	March 31, 2016		March 31, 2015	
		₹	₹	₹	₹
I Revenue from operations	19		56,585,991		57,936,467
II Other income	20		34,836,034		24,755,194
III Total Revenue (I + II)			91,422,025		82,691,661
IV Expenses:					
Employee benefits expense	21	6,377,683		5,976,705	
Finance costs	22	21,809,242		21,378,520	
Depreciation	8	1,174,427		966,470	
Other expenses	23	9,772,046		9,671,596	
Total expenses			39,133,398		37,993,291
V Profit before exceptional and extraordinary items and tax (III-IV)			52,288,627		44,698,370
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			52,288,627		44,698,370
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			52,288,627		44,698,370
X Tax expense:					
(1) Current tax		8,800,000		9,155,000	
(2) Taxation for Earlier Years		462,070		22,120	
(2) Deferred tax		(118,820)	9,143,250	(88,480)	9,088,640
XI Profit (Loss) for the period from continuing operations (VII-VIII)			43,145,377		35,609,730
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)			43,145,377		35,609,730
XVI Earnings per equity share:					
(1) Basic			6.19		5.11
(2) Diluted			6.19		5.11

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

Mukesh Babu
Managing Director
DIN:00224300

K. Chandrasekhar
Director
DIN:00138951

Dipali Shah
Director & Company Secretary
DIN:7141559 ACS:25422

FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 25/05/2016

Place : Mumbai
Date : 25/05/2016

MUKESH BABU FINANCIAL SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016.

	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		52,288,627		44,698,370
Adjustments for :				
Depreciation & Misc. Exp. Written off	1,174,427		966,470	
Non Operating Interest / Dividend Received	(7,296,859)		(4,683,885)	
Interest Paid	21,809,242		21,378,520	
Excess Provision for Taxation	-	15,686,810	-	17,661,105
Operating Profit Before Working Capital Changes		67,975,437		62,359,475
Changes in Working Capital:				
Inventories	(20,288,448)		(3,729,350)	
Sundry Debtors	(343,000)		1,956,076	
Loans and Advances	(4,794,358)		25,210,803	
Other Current Assets	(8,411,118)		(700,846)	
Sundry Creditors	8,524,965		(16,457,809)	
Other Liabilities	5,987,282	(19,324,677)	(16,242,722)	(9,963,848)
Cash Generated from Operations		48,650,760		52,395,627
Interest Paid		(21,809,242)		(21,378,520)
Direct Taxes Paid		(10,562,361)		(10,507,750)
Cash Flow Before Extraordinary Items		16,279,157		20,509,357
Extraordinary Items		33,558		52,249
Net Cash From Operating Activities		16,312,715		20,561,606
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(2,724,255)		(1,198,230)	
Sale of Fixed Assets			-	
Purchase of Investments	(1,350,000)		-	
Dividend and Interest	7,296,859		4,683,885	
Sale of Investments	802,889	4,025,493		3,485,655
Net cash used in Investing Activities		4,025,493		3,485,655
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings			-	
Proceeds from Long term Borrowings				
Repayment of Loan Short Term Borrowings	(5,594,109)		(16,429,063)	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid	(6,970,900)		(6,970,900)	
Increase in Misc. & Public Issue Expenses	-	(12,565,009)	-	(23,399,963)
Net cash used in Financing Activities		(12,565,009)		(23,399,963)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		7,773,198		647,298
Cash & Cash Equivalents at the Beginning of the Year		4,941,173		4,293,875
Cash & Cash Equivalents at th Closing of the Year		12,714,371		4,941,173

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 : 25/05/2016

Mukesh Babu
Managing Director
DIN:00224300
Place : Mumbai
Date : 25/05/2016

K. Chandrasekhar
Director
DIN:00138951

Dipali Shah
Director & Company Secretary
DIN:7141559 ACS:25422

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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, 2016		March 31, 2015	
	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 2016

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, 2016	March 31, 2015
	₹	₹
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	69,673,312	62,551,366
(+) Current Year Transfer	5,416,407	7,121,946
	-	-
Closing Balance	75,089,719	69,673,312
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	294,885,008	278,839,679
(+) Net Profit/(Net Loss) For the current year	43,145,377	35,609,730
(-) Transferred to Minority Interest	7,771,443	4,104,693
(-) Provision for Dividends	6,970,900	6,970,900
(-) Provision for Dividend Tax	1,419,111	1,419,111
(-) Transfer to Statutory Reserves (As per RBI Regulations)	5,416,407	7,121,946
(-) Provision for Standard Assets (As per RBI Regulations)	-33,558	-52,249
Closing Balance	316,486,081	294,885,008
Total Reserves & Surplus	493,299,671	466,282,191

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016	March 31, 2015
	₹	₹
(a) Provision for Long Term Liabilities	-	-
Total (a)	-	-
(b) Others	-	-
Contingent Provisions against Standard Assets (As per RBI Regulations)	373,300	406,858
	373,300	406,858
Total Long Term Provisions (a+b)	373,300	406,858

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, 2016	March 31, 2015
	₹	₹
Secured		
<u>From Banks (Cash Credit Facility)</u>	23,947,113	24,063,144
(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>	129,157,775	131,493,753
(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	153,104,888	155,556,897
Unsecured		
(a) Loans repayable on demand		
from banks (Refer note no. 3. of	46,832,119	49,974,219
Other Notes to Accounts)		
Total Unsecured Short Term Borrowings	46,832,119	49,974,219
Total Short Term Borrowings	199,937,007	205,531,116

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, 2016	March 31, 2015
	₹	₹
(a) Trade Payables	26,564,538	18,039,573
Total Trade Payables	26,564,538	18,039,573

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016	March 31, 2015
	₹	₹
(a) Unclaimed Dividends	2,629,234	2,178,048
(b) Deposits		
Margin Accounts	150,000,000	150,000,000
Total Current Liabilities	152,629,234	152,178,048

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, 2016	March 31, 2015
	₹	₹
(a) Provision for Short Term Liabilities		-
(b) Provision for Expenses	384,896	433,863
(c) Others (Specify nature)		
Provision for Taxation (Net of Pre-paid Taxes)	8,135,730	2,732,372
TDS payable	357,025	601,107
Other Provisions	1,455,165	877,000
Provision for Dividend	6,970,900	6,970,900
Total Short Term Provisions	17,303,716	11,615,242

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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	
	01/04/2015	Additions/ (Disposals)	31/03/2016	01/04/2015	Depreciation for the year	On disposals	31/03/2016	01/04/2015	31/03/2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a. Tangible Assets									
Office Premises	26,313,640	-	26,313,640	10,020,733	236,805	-	10,257,538	16,292,907	16,056,102
Premises	2,797,490	-	2,797,490	-	-	-	-	2,797,490	2,797,490
Guest House	2,669,990	-	2,669,990	847,471	88,757	-	936,228	1,822,519	1,733,762
Furniture and Fixtures	5,470,953	-	5,470,953	4,848,852	161,062	-	5,009,914	622,101	461,039
Electrical Fittings	948,749	200,000	1,148,749	752,018	70,783	-	822,801	196,731	325,948
Office equipment	3,680,931	-	3,680,931	3,359,620	144,814	-	3,504,434	321,311	176,497
Computers	7,100,305	24,255	7,124,560	6,947,462	48,514	-	6,995,976	152,843	128,584
Vehicals	5,302,023	2,500,000	7,802,023	4,804,773	423,692	-	5,228,465	497,250	2,573,558
Total (Current Year)	54,284,081	2,724,255	57,008,336	31,580,929	1,174,427	-	32,755,356	22,703,152	24,252,980
Total (Previous Year)	53,085,851	1,198,230	54,284,081	30,614,459	966,470	-	31,580,929	22,471,392	22,703,152

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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
			31/03/2016	31/03/2015			31/03/2016	31/03/2015	31/03/2016	31/03/2015		
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	240,000	250,000	Quoted	Fully Paid	Not known	Not known	6,858,642	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 2016

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
			31/03/2016	31/03/2015			31/03/2016	31/03/2015	31/03/2016	31/03/2015		
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	53,000	50,000	Quoted	Fully Paid	Not known	Not known	4,361,238	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	60,000	66,504	Quoted	Fully Paid	Not known	Not known	4,770,402	5,287,514	Yes	N.A.
	Zee Learn Ltd	Others	7,500	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								66,882,019	66,334,908		

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

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
			31/03/2016	31/03/2015			31/03/2016	31/03/2015	31/03/2016	31/03/2015		
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								15,000,000	15,000,000		
	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								361,732,019	361,184,908		

Note: Market Value of Quoted Investment as of 31st March, 2015 is ₹ 600,119,280/- (Previous Year ₹ 353,763,376/-)

MUKESH BABU FINANCIL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

Note 10 DEFERRED TAX ASSETS / 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, 2016	March 31, 2015
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	882,239	947,788
Gross deferred tax liability	882,239	947,788
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	80,186	26,915
Deferred tax asset	80,186	26,915
Net deferred tax liability / (asset)	802,053	920,873

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, 2016		March 31, 2015	
	₹	₹	₹	₹
a. Loans and advances to related parties	-		-	
Total (a)		-		-
b. Other loans and advances				
Unsecured, considered good:- Advances Against Projects	44,454,400	44,454,400	52,054,400	52,054,400
Total (b)		44,454,400		52,054,400
Total Long Term Loans and Advances		44,454,400		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, 2016		March 31, 2015	
	₹	₹	₹	₹
Security Deposits :				
Unsecured, considered good		998,127		998,127
Interest Free Deposits		23,340,217		23,340,217
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 2016

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, 2016		March 31, 2015	
	₹	₹	₹	₹
a. Stock of Shares <i>(Trading Stock Valued at lower of cost or net realisable value)</i>		130,599,626		110,311,178
Total Inventories		130,599,626		110,311,178

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, 2016		March 31, 2015	
	₹	₹	₹	₹
a. Trade receivables outstanding for a period exceeding six months from the date they are due. Unsecured, considered good	8,762,667	8,762,667	8,419,667	8,419,667
Total Trade Receivables (A+B)		8,762,667		8,419,667

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, 2016		March 31, 2015	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks In Current Accounts with Scheduled Banks	10,054,260	10,054,260	2,200,854	2,200,854
B. Cash on hand Cash and Cash Equivalents		2,660,111 12,714,371		2,740,319 4,941,173
C. Other Bank Balances In Fixed Deposits with Scheduled Banks In Unclaimed Dividends Accounts Interest Accrued not due on Fixed Deposits	105,541,634 2,629,234 2,252,125	110,422,993	105,541,634 2,178,048 2,736,448	110,456,130
Total Cash and Bank Balances (A+B+C+D)		123,137,364		115,397,303

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, 2016		March 31, 2015	
	₹	₹	₹	₹
A. Loans and advances to related parties		-		-
B. Others Unsecured, considered good Prepaid Expenses Staff & Associates	316,043,632 - 4,300,080	320,343,712	305,121,974 10,300 2,817,080	307,949,354
Total Short-term loans and advances		320,343,712		307,949,354

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, 2016		March 31, 2015	
	₹	₹	₹	₹
A. Taxation		-		-
B. Non-Taxation				
Margin Money with Brokers	28,751,277	28,751,277	20,307,022	20,307,022
Total Other Current Assets		28,751,277		20,307,022

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016		March 31, 2015	
	₹	₹	₹	₹
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, 2016		March 31, 2015	
	₹	₹	₹	₹
Interest Income	10,125,041		36,237,455	
Dividend Income - Holding Company	18,450,564		14,708,043	
Profit on Shares and Securities	28,010,386		6,990,969	
		56,585,991		57,936,467
Net Revenue From Operations		56,585,991		57,936,467

Note 20 OTHER INCOME

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

Particulars	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
Expenses written Back		-	-	
Dividend Income-Subsidiary Company	7,031,513		4,683,885	
Rent Income	75,000		900,000	
Profit on Sale of Investment	13,185,119		-	
Interest Income - Others	4,817,294		9,717,555	
Interest on Term Deposits	9,461,762		9,453,754	
Interest on Income Tax Refund	265,346	34,836,034	-	24,755,194
Total Other Income		34,836,034		24,755,194

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2016

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, 2016		March 31, 2015	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries	1,555,600		1,689,200	
Bonus	214,100		185,275	
Stipend	132,000		94,666	
Dearness Allowances	98,400		93,300	
House Rent Allowances	348,000		324,000	
Directors' Remuneration	2,850,000	5,198,100	2,481,600	4,868,041
(b) Contribution to Provident Fund		233,520		224,179
(b) Staff welfare expenses		946,063		884,485
Total Employee Benefit Expenses		6,377,683		5,976,705

Note 22 FINANCE COST

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

Particulars	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
Interest expense				
Interest on Loans other than bank	19,009,769		20,422,819	
Interest on Bank Limits	2,799,473	21,809,242	955,701	21,378,520
Total Finance Cost		21,809,242		21,378,520

Note 23 OTHER EXPENSES

Particulars	March 31, 2016		March 31, 2015	
	₹	₹	₹	₹
Auditors' Remuneration		85,333		90,450
Business Promotion Expenses		2,553,087		405,948
Conveyance		864,010		327,358
Donation given		-		3,257,000
Electricity Expenses		788,458		786,942
Professional & Consultancy Fees		1,021,583		890,771
Listing Fees		236,120		123,596
Membership & Subscription		60,450		60,904
Motor Car Expenses		483,507		388,726
Office Expenses		262,737		84,609
Printing and Stationery Expenses		295,549		188,770
Publishing Expenses		68,878		73,554
Rent, Rates & Taxes		794,274		672,055
Repairs and Maintenance Expenses		704,184		576,110
Telephone & Courier Expenses		498,863		324,924
Sundry Expenses		459,633		343,619
Stock Exchange Expenses		345,469		189,997
Travelling Expenses		249,911		886,263
Total Other Expenses		9,772,046		9,671,596

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2016

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, 2016

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	March 31, 2016	March 31, 2015
As Auditors	79,803	78,091
Other Professional Services	5,530	12,359
	85,333	90,450

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2016

5 Earning per share is calculated as under:

Particulars	March 31, 2016	March 31, 2015
Basic earning per share		
Net profit after Taxation	43,145,377	35,609,730
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	6.19	5.11
Diluted earning per share		
Net profit after Taxation	43,145,377	35,609,730
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	6.19	5.11

Directors' Remuneration	March 31, 2016	March 31, 2015
Within the limits of Schedule V to the Companies Act 2013.	2,850,000	2,481,600

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	2,732,372	9,143,250	3,739,892	8,135,730

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	March 31, 2016	March 31, 2015
Remuneration & Sitting Fees	Key Managerial Persons	2,850,000	2,481,600

11 Income and Expenses in Foreign Currency:

March 31, 2016	March 31, 2015
NIL	NIL

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2016

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

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	6318515	189275	134504	6373286
Value (in ₹)	110,311,178	26,752,873	30,191,062	130,599,626

(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 ₹ 3,744,950,333/- (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)	129,157,775	NIL
	b. Loans from Banks (Unsecured)	18,635,129	
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	149,319,828	
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, 2016

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	301,596,250	304,000,000	
	Total	327,406,210	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

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

(Mukesh Babu)
Managing Director
DIN:00224300
Place : Mumbai
Date : 25/05/2016

(K. Chandrasekhar)
Director
DIN:00138951

(Dipali Shah)
Director & Company Secretary
DIN:7141559 ACS:25422

Mehul Shah
Partner
FRN: 116457W
M. No.: 049361

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 31st Annual General Meeting of the Company held at Serai Hall, 11A/1, New Sion C.H.S. Ltd., Sion – West, Mumbai 400022. at 05.00 p.m. on Friday, the 30th day of September, 2016.

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

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

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 31st Annual General Meeting of the company, to be held on the 30th day of September, 2016 at 05.00 p.m. at Serai Hall, 11A/1, 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
<i>Ordinary Business:</i>			
1	Adoption of the Audited Balance Sheet as at and Profit and Loss for the financial year ended on March 31, 2016 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		

Signed this _____ day of _____, 2016

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