

34th ANNUAL REPORT
2018-2019

MUKESH BABU FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Mr. Mukesh Babu Chairman & Managing Director
Mr. Pankaj Majithia Independent Director
Mr. Vijay Vora Independent Director
Mrs.Meena Babu Director

CHIEF FINANCIAL OFFICER

Mr. Mahesh Thakar

COMPANY SECRETARY

Ms. Manasi N. Dalal

MAIN BANKERS

HDFC Bank
ICICI Bank

STATURORY AUDITORS

Chaitanya C. Dalal & Co.

2, Giri Chhaya, 1st Floor,
Loyalka Estate,
Chowpatty Band Stand,
Mumbai 400006.

SECRETARIAL AUDITOR

V. V. Chakradeo & Co.

B-301, Matoshree Residency, F.P.No.65
Opp. Prarthana Samaj High School,
Vile Parle (E), Mumbai – 400 057.

REGISTERED OFFICE

111, Maker Chamber - III,
223 Nariman Point, Mumbai – 400021
Tel.: 022 - 22834462 /22844015

REGISTRARS AND TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.
C-101, 247 Park, LBS Marg, Vikhroli (West),
Mumbai 400 083,
Tel.: 022- 49186000

MUKESH BABU FINANCIAL SERVICES LIMITED

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NOTICE

NOTICE is hereby given that the **THIRTY-FOURTH ANNUAL GENERAL MEETING** of the Members of **MUKESH BABU FINANCIAL SERVICES LIMITED** (the “Company”) will be held on **Monday, 30th September, 2019 at 4.00 p.m.** at Café Ista, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022 to transact the following business:

ORDINARY BUSINESS:

- 1. Adoption of Audited Financial Statements and Reports of the Directors and the Auditors thereon for the financial year ended 31st March, 2019:**
To receive, consider and adopt the audited financial statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2019, together with the Reports of the Board of Directors and the Auditors thereon.
- 2. Declaration of dividend for the Financial Year 2018 - 19:**
To declare dividend @ Rs.1.20 (Rupee One and Paise Twenty only) per Equity Share for the year ended 31st March, 2019.
- 3. Re - appointment of a Director:**
To appoint a Director in place of Mrs. Meena Babu (DIN:00799732) as Director, who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

- 4. Re-appointment of Mr. Pankaj Majithia as an Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV to the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment, modification, variation or re-enactment thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Pankaj Majithia (DIN:00224833) whose existing tenure as an Independent Director is up to 29th September, 2019 and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Corporation to hold office for another term of 5 (five) consecutive years with effect from 30th September, 2019 up to 29th September, 2024.”

“**RESOLVED FURTHER THAT** the Directors and the Company Secretary of the Company be and are hereby authorised severally to do all such acts, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

- 5. Re-appointment of Mr. Vijay Vora as an Independent Director of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 Schedule IV to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as ‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014, and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, (including any amendment, modification, variation or re-enactment thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Vijay Vora (DIN: 00224394) whose existing tenure as an Independent Director is up to 29th September, 2019 and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director be and is hereby re-appointed as an Independent Director of the Corporation to hold office for another term of 5 (five) consecutive years with effect from 30th September, 2019 up to 29th September, 2024 and that he shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby authorised severally to do all such acts, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. Increase in Borrowing powers of the Board of Directors of the Company:

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

“RESOLVED THAT in supersession of all the Special resolution passed by the Members of the Company at the 33rd Annual General Meeting held on 28th September, 2018 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the relevant provisions of the Memorandum and Articles of Association of the Company, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which shall be deemed to include any existing Board Committee(s) or any other Committee which the Board may constitute for this purpose), to raise or borrow any sum or sums of money (including non-fund based facilities) through loans, bonds, debentures or otherwise whether from India or abroad, in one or more tranches, from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount so borrowed shall not exceed Rs.1000,00,00,000/- (Rupees One Thousand Crores only) and that the Board be and is hereby empowered and authorised to arrange or finalize the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, deem fit.”

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, expedient or desirable and incidental there and to delegate all or any of its powers herein conferred by this resolution to any Committee of Directors and/or Directors and/or officers of the Company to give effect to this resolution.”

7. Authority to create charge, pledge, hypothecation and/or mortgages on the assets of the Company

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

“RESOLVED THAT in supersession of the Special Resolution passed by the Members of the Company at the 33rd Annual General Meeting held on 28th September, 2018, and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force) and as per the relevant provisions of the Memorandum of Association and Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any existing Board Committee(s) or any other Committee which the Board may constitute for this purpose), to create such

mortgages, charges, pledges and/or hypothecations, in addition to the existing mortgages, charges, pledges and/or hypothecations created by the Company, in such form and manner and with such ranking and at such time and at such term(s) as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company, in favour of the Banks/ Financial Institution(s) /other Lender(s)/ Agent(s)/ Trustee(s), for securing the borrowings by whatever name called, availed/to be availed by way of loan(s) in foreign currency and/or rupee currency and securities comprising of Secured/Unsecured, Fully/ Partly paid-up, Convertible and/or Non-Convertible Debentures and/or Bonds and/or other securities with or without detachable or non-detachable warrants and/or secured premium notes/bonds and/or fixed/floating rate notes/ bonds or any other debt instruments, issued/to be issued by the Company in India or abroad, in one or more tranches, from time to time, subject to the overall limits approved under Section 180(1)(c) of the Companies Act, 2013 i.e. Rs.1000,00,00,000/- (Rupees One Thousand Crores Only) together with interest and in case of default with accumulated interest, liquidated damages and commitment charges, premium on repayment (if any) or on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of their respective loan agreement(s), Debenture Trust Deed(s) or any other documents entered into between the Company and the Bank(s)/ Financial Institution(s)/ other Lender(s)/ Agent(s)/ Trustee(s) on such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to, between the Board and Bank(s)/ Financial Institution(s) /other Lender(s)/ Agent(s)/ Trustee(s).”

“RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, expedient or desirable and incidental there and to delegate all or any of its powers herein conferred by this resolution to any Committee of Directors and/or Directors and/or officers of the Company to give effect to this resolution.”

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

Manasi Dalal
Company Secretary

Mumbai, 13th August, 2019

Registered Office:

Mukesh Babu Financial Services Limited

111, Maker Chamber III,

223, Nariman Point,

Mumbai – 400021.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
 - (a) A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company. 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 shareholder. The proxy form, to be valid and effective, should be lodged with the Company at its Registered Office, duly stamped, completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting.
 - (b) Corporate members of the Company are requested to send duly certified copy of the Board Resolution in terms of Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote at the Meeting
 - (c) 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.
 - (d) A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on a poll.
2. An explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out details relating to the special business under Item Nos. 4 & 5 is annexed hereto and forms part of this Notice.
3. Pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ('ICSI'), information in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished as an Annexure to the Notice.
4. Every member entitled to vote at a meeting of the company or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
5. Members/ Proxies/ Authorised Representatives should bring the enclosed attendance slip duly filled in, for attending the Meeting. Members who hold shares in dematerialized form are requested to write their DP ID and Client ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from 13th September, 2019 to 30th September, 2019 (both days inclusive).
7. The dividend for the year ended March 31, 2019 as recommended by the Board, if approved at the ensuing Annual General Meeting will be paid to those Members whose names appear on the Company's Register of Members as on the cutoff date i.e. 12th September, 2019. In respect of shares held in demat form; the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories for the purpose. The dividend will be paid within 30 days from the date of Annual General Meeting i.e. 30th September, 2019.
8. Pursuant to Section 124 & 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended any dividend which remains unpaid or unclaimed for a period of 7 (Seven) years from the date of its transfer to Unpaid Dividend Account is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government. The Company has therefore transferred unpaid or unclaimed dividends amounting to Rs.2,13,348/- for the financial year ended March 31, 2011 on 15th November, 2018 to the IEPF Authority.

9. i) The unclaimed dividend in respect to the financial year 2011-12 is due for transfer to the IEPF on 03rd November, 2019. Members who have not as yet encashed their dividend warrants for the financial year ended March 31, 2012 thereafter are requested to write to the Company / Registrar and Share Transfer Agents. Members are requested to note that no claims shall lie against the Company or the IEPF in respect of any amounts which were unclaimed or unpaid for a period of 7 (Seven) years from the dates they first became due for payment and no payment shall be made in respect of such claim.
- ii) The dividends not claimed or encashed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund as per Section 124 of the Act.
- iii) Additionally, pursuant to Section 124 (6) of the Companies Act, 2013 read with the IEPF Rules, all shares in respect of which dividend has not been claimed for past seven consecutive years shall be transferred by the Company in the name of IEPF by way of credit to the Demat Account established by the IEPF Authority within 30 days from 03rd November, 2019. Any person whose shares are thus transferred to IEPF may claim his/her/its shares under proviso to Section 124(6) of the Act by following the process given under Rule 7 of the IEPF Rules.
- iv) In terms of the relevant IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends for the financial years 2011-12 to 2017-18 under Unclaimed Dividend on the website of the Company at www.mukeshbabu.com
10. Members holding shares in electronic share accounts are requested to notify immediately any change in their Bank account details, addresses, nomination, PAN, e-mail address etc. to their Depository Participants (DPs) quoting Client ID Number. Members holding shares in physical form are requested to notify above particulars to M/s. Link Intime India Private Limited, the Company's Registrars and Transfer Agents quoting Folio No.
11. Bank Mandates: In order to avoid fraudulent encashment of the dividend warrants, Members holding shares in physical form are requested to intimate the Registrar & Share Transfer Agent under the signature of the Sole/First holder, the following information to be incorporated on the Dividend Warrants:
- I. Name of the Sole/First holder and the folio number
- II. Particulars of Bank Account viz.
- a) Name of the Bank
- b) Name of the Branch
- c) Complete address of the Branch with Pin code
- d) Bank Account Number allotted by the Bank.
12. Nomination Facility
The Members holding the shares in physical form may obtain the Nomination Form from the Company's Registrar & Share Transfer Agent.
13. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report is being sent.
14. Electronic copy of the Notice of the 34th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Notice along with Attendance Slip and Proxy Form is being sent.
15. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website www.mukeshbabu.com for being downloaded. Relevant documents referred to in the Notice and the Explanatory Statement pursuant to Section 102 of the Act, are open for inspection at the Registered Office of the Company during normal business hours on working days, except Saturdays, Sundays and other holidays between 11.00 A.M. to 4.00 P.M. up to the date of the Annual General Meeting and also at the venue of the ensuing Annual General Meeting.

16. Members desirous of getting any information in respect of the contents of the Annual Report are requested to forward the same to the Company Secretary at least 10 days prior to the AGM so that the required information can be made available.
17. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode on the Stock Exchange.
18. Members are hereby informed that pursuant to the SEBI Circular relating to 'Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating transfer of securities in dematerialized form with a depository', shares are to be transferred only in demat form. The amendment does not prohibit the investor from holding the shares in physical form, investor has the option of holding shares in physical form but any investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only once after the shares are dematerialized.
19. **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.**
20. E-voting:
Voting through electronic means:
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the Members using an electronic voting system ('remote e-voting') will be provided by Link Intime India Private Limited (LIPL).
 - II. The facility for casting vote through polling paper shall be made available at the Meeting and the Members attending the meeting who have not already cast their vote by remote e-voting shall ONLY be able to exercise their voting right at the meeting.
 - III. The Members who had cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

1. The e-voting period begins on 25th September, 2019 at 10.00 A.M. and ends on 29th September, 2019 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 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited (LIPL) for voting thereafter.
2. The shareholders should log on to the e-voting website <https://instavote.linkintime.co.in>
3. Click on "Login" tab, available under 'Shareholders' section.
4. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
5. Your User ID details are given below:
 - (i) Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - (ii) Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID

- (iii) Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
- (iv) Your Password details are given below:
If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	<p>Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> • Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv).

- (i) After entering these details appropriately, click on “SUBMIT” tab.
- (ii) If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.
- (iii) If Shareholders holding shares in Demat Form or Physical Form have forgotten password: Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (iv) Cast your vote electronically:
After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
- (v) On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.
- (vi) If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
- (vii) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- (ix) You can also take the printout of the votes cast by you by clicking on “PRINT” option on the Voting page.
- (x) General Guidelines for shareholders:
Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’.

They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please click here or you may refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to insta.vote@linkintime.co.in or Call us :- Tel : 022 - 49186000.

Other Instructions:-

The e-voting period begins on 25th September, 2019 at 10.00 A.M. and ends on 29th September, 2019 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) 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited (LIPL) 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.

When a Member produces his/her attendance slip at the venue of the annual general meeting, a ballot paper will be given to the member, if he/she has not cast his/her vote through remote e-voting. The Member can cast his/her vote in the course of the annual general meeting by using the ballot paper.

- i. Mr. V. V. Chakradeo, Practicing Company Secretary (Membership No.FCS3382/ COP No.1705), has been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner.

The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company.

- ii. 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 Link Intime India Private Limited (LIPL) within two days of the passing of the resolutions at the Thirty-Fourth AGM of the Company on 30th September, 2019 and communicated to BSE Limited where the shares of the Company are listed.
- iii. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.
- iv. 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 Detail:

Company	M/s. Mukesh Babu Financial Services Limited CIN: L65920MH1985PLC035504 Registered Office:- 111, Maker Chambers III, 223, Nariman Point, Mumbai – 400021. ☎Phone: +91 22 22834462, 22844015 ☎Fax: +91 22 24082687 ✉secretarial@mukeshbabu.com
Registrar and Share Transfer Agent	M/s. Link Intime India Private Limited C-101, 247 Park, L.B.S. Road, Vikhroli (West), Mumbai – 400083. ☎Phone: +91 22 49186000 ☎Fax: +91 22 49186060 ✉manohar.shirwadkar@linkintime.co.in
E-Voting Agency	M/s. Link Intime India Private Limited C-101, 247 Park, L.B.S. Road, Vikhroli (West), Mumbai – 400083. ☎Phone: +91 22 49186000 ☎Fax: +91 22 49186060 ✉enotices@linkintime.co.in
Scrutinizer	CS V.V. Chakradeo (Practicing Company Secretary) ✉vvchakra@gmail.com

Detailed profile of Director seeking re-appointment in the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 20 15:

Name of the Director	Mrs. Meena Babu	Mr. Pankaj Majithia	Mr. Vijay Vora
Date of Birth	10.11.1957	01.03.1955	12.02.1954
Age	61	64	65
Qualifications	B. Com., M. Com.	B.Com., CA, CS, LL.B, DISA, IRP	B. Com.
Expertise in specific functional areas	Stocks & Shares, Investment Banking & Merchant Banking	Accounting, Finance, Investments and Project Financing	Stocks & Shares and Investment Banking
Experience	Over 3 decades	Over 3 decades	Over 3 decades
Directorship in Other Companies	1. Mukesh Babu Securities Ltd.-MD 2. Sagar Systech Ltd.-MD 3. Bhakti Vedanta Infratech Pvt. Ltd. 4. Ashtavinayak Infra Tech Pvt. Ltd. 5. Istaa Fashions Pvt. Ltd.	None	1. Mukesh Babu Securities Limited 2. Sagar Systech Limited
Other Companies in which Committee membership/ chairmanship held	None	None	Member of - Audit Committee & Stakeholders Relationship Committee of Sagar Systech Ltd.
No. of shares held in the Company as on 31st March, 2019	9,50,000 (13.63%)	1,800 (0.03%)	-
Relationship with other Directors and/or other KMPs	Wife of Mr. Mukesh Babu, M. D. of the Company. She is also one of the promoters of Mukesh Babu Financial Services Ltd.	None	None

For other details such as number of Meetings of the Board attended during the year, remuneration appointee Directors please refer to the Corporate Governance Report.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Re-appointment of Mr. Pankaj Majithia as an Independent Director of the Company:

Mr. Pankaj Majithia (DIN: 00224833), aged 64 years, was appointed as an Independent Director of the Company for a term of five consecutive years, effective from 30th September, 2014 by the Members of the Company at 29th Annual General Meeting held on 30th September, 2014 and he presently holds office upto 29th September, 2019. Mr. Pankaj Majithia is Chairman of the Audit Committee, Stakeholders Relationship Committee and a Member of Nomination & Remuneration Committee, of the Board of Directors of the Company.

Brief details of Mr. Pankaj Majithia, the nature of his expertise, his shareholding in the Company, relationship between the Directors inter-se and other details are annexed to this Notice.

Pursuant to the provisions of Section 160 of the Companies Act, 2013 (“the Act”), the Company has received notice in writing from a Member proposing candidature of Mr. Pankaj Majithia for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 of the Act for the second term. The Company has received from Mr. Pankaj Majithia, his consent to act as Director of the Company along with a declaration to the effect that he meets the criteria of independence as provided in Section 149 of the Act and

Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time including by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018) (“SEBI Listing Regulations”) and an intimation to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act.

The Nomination and Remuneration Committee (NRC) of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Pankaj Majithia, as an Independent Director for the second term of 5 (five) consecutive years on the Board of the Company with effect from 30th September, 2019.

The Board, based on the reports of performance evaluation and as per the recommendation of the NRC, considers that, keeping in view his vast experience in the financial service industry and insurance sector, deep knowledge of various aspects and nuances of business of the Company and the contribution being made by him as an Independent Director, his continued association as an Independent Director on the Board of Directors of the Company would be of immense benefit to the Company and therefore the Board recommends to Members of the Company for their approval the re-appointment of Mr. Pankaj Majithia as an Independent Director of the Company for the second term of 5 consecutive years as mentioned above.

In accordance with the provisions of Section 149 read with Schedule IV to the Act and SEBI Listing Regulations, re-appointment of Independent Directors for the second term requires approval of Members by way of a Special Resolution. Since Mr. Pankaj Majithia is proposed to be reappointed as an Independent Director of the Company for the second term of 5 consecutive years with effect from 30th September, 2019 up to 29th September, 2024, during which term he shall not be liable to retire by rotation, the approval of the Members of the Company is being sought by way of a Special Resolution.

In the opinion of the Board, Mr. Pankaj Majithia fulfils the conditions specified in the Act and the Rules made thereunder for his appointment as an Independent Director of the Company, he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority; and he is independent of the management.

Copy of the draft letter of appointment of Mr. Pankaj Majithia as an Independent Director setting out terms and conditions is available for inspection without any fee by the Members at the Registered Office, Corporate Office and National Office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11.00 a.m. to 5.00 p.m. upto the date of Annual General Meeting.

The Board recommends the Special Resolution set out under Item No.4 of the Notice for approval by the Shareholders.

Except for Mr. Pankaj Majithia to whom the resolution relates, none of the other Directors, Promoters and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

This explanatory statement along with the additional information as per Regulation 36 of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings issued by Institute of Company Secretaries of India (ICSI), as annexed herewith may also be regarded as disclosure under the provisions of the Act and SEBI Listing Regulations.

Item No. 5

Re-appointment of Mr. Vijay Vora as an Independent Director of the Company:

Mr. Vijay Vora (DIN: 00224394), aged 65 years, was appointed as an Independent Director of the Company for a term of five consecutive years, effective from 30th September, 2014 by the Members of the Company at 29th Annual General Meeting held on 30th September, 2014 and he presently holds office upto 29th September, 2019. Mr. Vijay Vora is Chairman of the Corporate Social Responsibility Committee and a member of Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, of the Board of Directors of the Company.

Brief details of Mr. Vijay Vora, the nature of his expertise and the names of companies he holds directorship along with the details of membership / chairmanship on various committees of the Board of other Companies, shareholding in the Company, relationship between the directors inter-se and other details are annexed to this Notice.

Pursuant to the provisions of Section 160 of the Companies Act, 2013 (“the Act”), the Company has received notice in writing from a Member proposing candidature of Mr. Vijay Vora for the office of Independent Director of the Company, to be appointed as such under the provisions of Section 149 of the Act for the second term. The Company has received from Mr. Vijay Vora, his consent to act as Director of the Company along with a declaration to the effect that he meets the criteria of independence as provided in Section 149 of the Act and Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time including by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018) (“SEBI Listing Regulations”) and an intimation to the effect that he is not disqualified from being appointed as a Director in terms of Section 164(2) of the Act.

The Nomination and Remuneration Committee (NRC) of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Vijay Vora, as an Independent Director for the second term of 5 (five) consecutive years on the Board of the Company with effect from 30th September, 2019.

The Board, based on the reports of performance evaluation and as per the recommendation of the NRC, considers that, keeping in view his vast experience in the financial service industry and insurance sector, deep knowledge of various aspects and nuances of business of the Company and the contribution being made by him as an Independent Director, his continued association as an Independent Director on the Board of Directors of the Company would be of immense benefit to the Company and therefore the Board recommends to Members of the Company for their approval the re-appointment of Mr. Vijay Vora as an Independent Director of the Company for the second term of 5 consecutive years as mentioned above.

In accordance with the provisions of Section 149 read with Schedule IV to the Act and SEBI Listing Regulations, re-appointment of Independent Directors for the second term requires approval of Members by way of a Special Resolution. Since Mr. Vijay Vora is proposed to be reappointed as an Independent Director of the Company for the second term of 5 consecutive years with effect from 30th September, 2019 up to 29th September, 2024, during which term he shall not be liable to retire by rotation, the approval of the Members of the Company is being sought by way of a Special Resolution.

In the opinion of the Board, Mr. Vijay Vora fulfils the conditions specified in the Act and rules made thereunder for his appointment as an Independent Director of the Company, he is not debarred from holding the office of director by virtue of any SEBI order or any other such authority; and he is independent of the management.

Copy of the draft letter of appointment of Mr. Vijay Vora as an Independent Director setting out terms and conditions is available for inspection without any fee by the Members at the Registered Office, Corporate Office and National Office of the Company on all working days (except Saturdays, Sundays and public holidays) between 11.00 a.m. to 5.00 p.m. upto the date of Annual General Meeting.

The Board recommends the Special Resolution set out under Item No.5 of the Notice for approval by the Shareholders.

Except for Mr. Vijay Vora to whom the resolution relates, none of the other Directors, Promoters and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

This explanatory statement along with the additional information as per Regulation 36 of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings issued by Institute of Company Secretaries of India (ICSI), as annexed herewith may also be regarded as disclosure under the provisions of the Act and SEBI Listing Regulations.

ITEM NO.6 & 7

Increase in borrowing powers of the Board of Directors of the Company & Authority to create charge and/or mortgages on the assets of the Company

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013, the Members of the Company pursuant to Special Resolution passed at the 33rd Annual General Meeting held on 28th September, 2018, had authorized the Board of Directors of the Company (including Board / Committees thereof) to borrow, from time to time, in excess of the paid up share capital and its free reserves (that is to say the reserves not set apart for any specific purpose) to the extent of Rs.500,00,00,000/- (Rupees Five Hundred Crores Only). Further, the Members of the Company at the same meeting by way of passing Special Resolution had authorized the Board of Directors including (Board / Committees thereof) under Section 180(1)(a) of the Companies Act, 2013 to create charge and/or mortgage on the assets of the Company for securing the borrowings made by the Company.

Keeping in view the Company's business requirements and its growth plans, it is considered desirable to increase the said borrowing limits from the existing limit of Rs.500,00,00,000/- (Rupees Five Hundred Crores Only) to Rs.1000,00,00,000/- (Rupees One Thousand Crores Only).

Provisions of Section 180(1)(a) and 180(1)(c) of the Companies Act, 2013, stipulates that the Board of Directors shall not borrow money in excess of the paid up share capital of the Company and its free reserves, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business and shall not, create charge, hypothecation, pledge or mortgage the undertakings/properties of the Company (movable and/or immovable) to secure its borrowings except with the consent of the Members accorded by way of a Special Resolution. It is, therefore necessary, for the Company to obtain Member's approval by way of a Special Resolution as set out at Item No.6 of this Notice for enabling the Board to borrow (together with the money already borrowed) through loans, bonds, debentures or otherwise whether from India or abroad in one or more tranches, in excess of aggregate of the paid up share capital of the Company and its free reserves upto an amount of Rs.1000,00,00,000/- (Rupees One Thousand Crores Only).

It is also pertinent to simultaneously seek approval of the Members of the Company by way of special resolution as set out at Item No.7 of this Notice to create charge/hypothecation and/or mortgage on the immovable and/or movable properties of the Company, present and future, to secure the borrowings of the Company.

The above proposals are in the interest of the Company and the Board of Directors recommends the resolutions as set out at Item Nos. 6 & 7 of this Notice for the approval of the Members as Special resolutions.

None of the Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested, financially or otherwise in the resolutions set out at Item Nos.6 &7 of this Notice.

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

Manasi Dalal
Company Secretary

Mumbai, 13th August, 2019
Registered Office:
Mukesh Babu Financial Services Limited
111, Maker Chamber III,
223, Nariman Point,
Mumbai – 400021.

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the **Thirty-Fourth Annual Report** on the business, operations and state of affairs of the Company together with the Standalone and Consolidated Audited Financial Statements for the financial year ended **31st March, 2019**:

1. FINANCIAL HIGHLIGHTS

The Company's standalone financial performance under review along with previous year's figures is given hereunder:

Particulars	2018-19	2017-18
	Amount Rs.	Amount Rs.
Income From Operations	111,938,394	104,164,148
Other Income	934,105	2,308,921
Total Income	112,872,499	106,473,069
Profit before Interest, Depreciation & Tax	102,282,011	97,014,729
Less : Interest	63,326,767	9,376,121
Profit Before Depreciation	38,955,244	87,638,608
Less : Depreciation	861,228	787,419
Profit After Depreciation and Interest	38,094,016	86,851,189
Less: Current Income Tax	3,100,000	9,500,000
Less: Previous year Adjustment of Income Tax	(95,178)	184,177
Less: Deferred Tax	(1,333,600)	(117,866)
Net Profit After Taxation	36,422,794	77,284,878
Less: Dividend	8,365,080	6,970,900
Less: Dividend Distribution Tax	1,719,467	1,419,111
Less: Transfer to Statutory Reserve	7,284,559	15,456,975
Less: Provision for Standard Assets	472,589	103,274
Balance carried to Balance Sheet	18,581,099	53,334,618
Earning Per Share (Basic/Diluted)	5.22	11.09

2. TRANSFER TO RESERVE

A sum of Rs.7,284,559/- 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.18,581,099/- is proposed to be retained in the Profit & Loss account.

3. DIVIDEND

The Board of Directors has recommended a dividend of Re.1.20 (Rupee One and Twenty Paise Only) per equity share on face value of Rs.10/- (Rupees Ten each) i.e.12% for the financial year ended 31st March, 2019.

The payment of dividend is subject to approval of Members at the forthcoming Annual General Meeting (AGM), would result a Dividend outflow of Rs.83,65,080/- and Dividend Distribution Tax of Rs.17,19,467/- aggregating a total outflow of Rs.100,84,547/-.

Dividend will be paid to those Members whose names appear in the Register of Members as on 12th September, 2019.

4. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on 31st March, 2019 is Rs.6,96,75,000/-. During the year under review, the Company has neither issued any shares with differential voting rights nor granted any stock options nor any sweat equity.

The Company's equity share capital is listed on BSE Limited. The shares are actively traded on BSE and have not been suspended from trading.

5. PERFORMANCE REVIEW / OPERATIONS

During the year under review Income from Operations increased from Rs.1041.64 Lakh to Rs.1119.38 Lakh (Increase of 7.46%). Profit before Interest, Depreciation and Tax increased from Rs.970.15 Lakh to Rs.1022.82 Lakh (Increase of 5.43%) and Profit after Tax decreased from Rs.772.85 Lakh to Rs.364.23 Lakh (Decrease of 52.87%) Provision for taxation for the year is Rs.16.71 Lakh (including Deferred Tax Provision) as compared to Rs.95.66 Lakh in the previous financial year.

6. PERFORMANCE OF SUBSIDIARY COMPANIES

During the year under review the Company has only one subsidiary – Mukesh Babu Securities Limited (CIN: U67120MH1994PLC076455) and the Highlights of the financial performance during Financial Year 2018-19 are as follows:

As on 31st March, 2019, the Authorised & Paid up Share Capital of the Company is Rs.500,00,000/- (Rupees Five Crores Only) The net profit of the Company for the year ended 31st March, 2019 is Rs.96.69 Lakh as compared to net loss of Rs.10.10 Lakh in previous year.

Accounts of Subsidiary:

The Consolidated Financial Statements of the Company are prepared in accordance with the provisions of Section 129(3) of the Companies Act, 2013 and as per the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

Pursuant to proviso (b) to Section 136(1) of the Companies Act, 2013, a copy of the Audited Financial statements for the year ended 31st March, 2019 alongwith the Reports of the Board of Directors and the Auditors of the Company's subsidiary - Mukesh Babu Securities Limited shall be furnished to any shareholder on demand.

These are also available for inspection at the Registered Office of the Company and are also being posted on the Company's website www.mukeshbabu.com

7. CONSOLIDATED FINANCIAL STATEMENTS

As required under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") and applicable provisions of Companies Act, 2013 ("the Act"), the Consolidated Financial Statements of the Company have been prepared in accordance with the applicable Accounting Standards and forms part of the Annual Report. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of The Companies (Accounts) Rules, 2014, Statement containing salient features of the Financial Statements of subsidiary is annexed to this report as **Annexure -A**.

8. 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.

9. PUBLIC DEPOSITS

No disclosure is required for the year under review since the Company has neither accepted nor renewed any deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules 2014.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The provisions of Section 186 of the Act pertaining to investment and lending activities is not applicable to the Company since the Company is a Non - Banking Financial Company registered with the Reserve Bank of India. The details of loan given, investments made and guarantees and security provided during the financial year are furnished in the Notes to the financial statements.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All the related party transactions/ contracts / arrangements entered by the Company during the financial year were on an arms' length basis and were carried out in the ordinary course of business.

All related party transactions were placed before the Audit Committee for their approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of repetitive nature. The transactions entered into pursuant to the omnibus and specific approvals are reviewed periodically by the Audit Committee.

There were no materially significant related party transactions made by the Company during the year under consideration with the Promoters, Directors or Key Managerial Personnel which have a potential conflict with the interest of the Company at large.

In accordance with the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Policy on Materiality of Related Party Transactions and a Policy on dealing with Related Party Transactions. The Policy is available on the Company's Website at www.mukeshbabu.com

The particulars as required under Section 188 of the Companies Act, 2013 are furnished in Form AOC-2 which is annexed as **Annexure – B** to this report.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the financial year 2018-19, the Company made a contribution towards CSR amounting to Rs.10,52,000/-. The CSR initiatives undertaken by the Company were mainly focused on providing education especially among children, women, elderly and the differently-abled; eradicating hunger, poverty and malnutrition; promoting health care.

A detailed list of the CSR contribution made, brief outline of the CSR policy is set out in "**Annexure C**" in the format prescribed in the Companies (Corporate Social Responsibility) Rules, 2014. For details regarding the composition of the CSR Committee and other information, please refer the Corporate Governance Report which forms part of this Report. The CSR policy of the Company can be accessed on the Company's website at www.mukeshbabu.com

13. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system, commensurate with the size of its operations and nature of its business activities. The Internal Auditor of the Company monitors and evaluates the efficacy and adequacy of its internal control system, its compliance with operating systems, accounting procedures and policies of the Company.

14. RISK MANAGEMENT

The Company being a Non- Banking Financial Company is regulated by Reserve Bank of India (RBI) and the Board of Directors of the Company has constituted the Risk Management Committee to frame, implement and monitor the Risk Management Policy of the Company. The Committee is responsible for reviewing the risk management plan and ensuring its efficiency. The policy is available on the Company's website at www.mukeshbabu.com

15. WHISTLE BLOWER POLICY / VIGIL MECHANISM

As required under Regulation 22 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has an effective Whistle Blower Policy to deal with the instances of fraud and mismanagement. The details of the policy are enumerated in the Corporate Governance Report. The policy is available on the Company's website at www.mukeshbabu.com

The policy provides for adequate safeguard against the victimization of the 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. The functioning of Vigil Mechanism is overseen by the Audit Committee.

16. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has voluntarily set up an Internal Complaints Committee to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no cases reported during the financial year ended 31st March, 2019. The policy is available on the Company's website at www.mukeshbabu.com

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

(a) Board of Directors:

The Board of Directors of the Company has not undergone any change post the appointment of Mrs. Meena Mukesh Babu on 29th May, 2018. Presently the Board consists of four Directors namely:

Mr. Mukesh C. Babu - Chairman and Managing Director

As a Chairman and Managing Director, Mr. Mukesh C. Babu has always led from the front. He is always firmly committed to the way of working - building consensus and democratic processes. He has been serving the Company since its incorporation. He is on the Board of several other companies & his has been fairly experienced in the Industry.

Mr. Pankaj Majithia - Independent Director

Mr. Pankaj Majithia is a Chartered Accountant by profession and a highly respected professional in corporate India. He is a founder Partner of M/s. Majithia & Associates, Chartered Accountants and has vast experience in the field of Accounting, Audit, Finance, Taxation, Corporate Governance and Company Law. He is also Chairman of the Audit Committee, Stakeholders Relationship Committee, and Nomination & Remuneration Committee.

Mr. Vijay Vora - Independent Director

Mr. Vijay L. Vora is a business entrepreneur and an Independent Director on the Board of Directors of the Company. He has more than two decades of experience in the field of investment, with his keen & insightful perspective on the Indian Economy, Macro Economic conditions of Industry as a whole; he has furthered Company's advancements on the Investments front. He is a Chairman of Corporate Social Responsibility Committee. He is a member of the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee.

Mrs. Meena Mukesh Babu, Non-Executive Director

She is one of the Promoters of the Company and she is appointed as the Non-Executive Director of the Company with effect from 29th May, 2018. She is also the Managing Director of Mukesh Babu Securities Limited, Company's Subsidiary since 1997 & has extensive expertise and experience over 3 decades in the field of Stocks & Shares, Investment Banking and Merchant Banking. She is a member of the Nomination & Remuneration Committee.

(b) Retirement by rotation:

In terms of the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Meena Babu, Director (DIN: 00799732) retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment. The Board recommends her re-appointment.

(c) Re-appointment of Independent Directors:

The existing tenure of Mr. Pankaj Majithia (DIN: 00224833) as an Independent Director of the Company is upto 29th September, 2019.

Also, Mr. Vijay Vora (DIN: 00224394), Independent Director whose tenure is upto 29th September, 2019.

The Company has received Notice in writing under Section 160 of the Companies Act, 2013 from its Members proposing their candidature for the office of Independent Director for further tenure of 5 years.

The Company has also received their consent & intimation by Director pursuant to Section 164(2) and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014 in Form DIR-8.

(d) Key Managerial Personnel:

There has been no change in the Key Managerial Personnel (KMPs) of the Company since the last Annual Report.

Pursuant to the provisions of Section 203 of the Act read with the rules made there under, the following employees are the whole time key managerial personnel of the Company:

1. Mr. Mukesh Babu – Managing Director
2. Mr. Mahesh Thakar – Chief Financial Officer
3. Ms. Manasi Dalal – Company Secretary & Compliance Officer

18. BOARD AND COMMITTEES

During the year ended 31st March, 2019, **Five** Board meetings were held and the gap between two consecutive Board Meetings did not exceed 120 days and atleast one meeting was held in each quarter.

The details of the constitution and meetings of the Board and its Committees held during the year are provided in the Corporate Governance Report which forms part of this Annual Report.

19. INDEPENDENT DIRECTORS

(i) Declaration from Independent Directors

The Board has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ii) Criteria for Performance Evaluation

Nomination and Remuneration Committee has laid down various criteria for performance evaluation of Independent Directors which, inter-alia, includes preparedness and attendance at the meetings, understanding of Company's operations and business and contribution at Board Meetings.

(iii) Details of Familiarization Programme

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every Independent Director on the Board is familiarized by the Executive Directors/Senior Managerial Personnel about the Company's strategy, operations, organization structure, human resources, quality, finance and risk management at each Board Meeting before taking up the Agenda items for discussion.

Further, at the time of appointment of an independent director, the Company issues a formal letter of appointment outlining his/ her role, functions, duties and responsibilities as a director. The terms and conditions of letter of appointment is available on the Company's website at www.mukeshbabu.com

20. EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES & INDIVIDUAL DIRECTORS

Pursuant to the provisions of Section 178(2) of the Companies Act, 2013 read with under Clause VIII of Schedule IV to the Companies Act, 2013 and the requirements laid down under Schedule II on Corporate Governance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Nomination and Remuneration Committee has framed Policy for evaluation of performance of the Board, its committees and individual Directors. The Policy inter alia provides the criteria for evaluation of performance such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, and relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

During the year under review, a meeting of Independent Directors was held on 29th May, 2018 to carry out annual evaluation of the performance of the Board, its Committees and of individual directors. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

21. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SECTION 178 OF THE COMPANIES ACT, 2013

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Nomination & Remuneration Policy on directors' appointment and remuneration criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178. The Nomination & Remuneration Policy of the Company is available on the Company's website: www.mukeshbabu.com.

22. POLICIES OF THE COMPANY

The Company is determined in maintaining a good corporate governance practice and has a robust system for smooth and effective functioning of the Board. Various policies have been framed by the Board of

Directors as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in order to follow a uniform system of procedures. These policies are periodically reviewed and updated by the Board of Directors of the Company from time to time. Following are some of the major policies adopted by the Company:

1. Code for Insider Trading Policy
2. Nomination & Remuneration Policy
3. Policy for determination of Material Subsidiary
4. Policy on materiality of Related Party Transactions
5. Policy on dealing with Related Party Transactions
6. Whistle Blower Policy
7. Document Retention and Archival Policy
8. Code for Directors and Senior Managerial Personnel
9. Policy on evaluation of Directors
10. Policy on prevention of Sexual Harassment of Women at Workplace

The aforementioned policies are available on the website of the Company and can be accessed at www.mukeshbabu.com

23. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors to the best of their ability & knowledge hereby confirms that-

- (a) in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed from time to time and no material departures have been made from the same;
- (b) they have 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 as at 31st March, 2019 and of the profit and loss of the Company for that period;
- (c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they, have laid down internal financial controls to be followed by the Company and that they are adequate and are operating effectively and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

25. AUDITORS AND AUDITORS' REPORT

Statutory Auditors

At the 33rd Annual General Meeting of the Company held on 28th September, 2018, the members of the Company ratified the appointment of M/s. Chaitanya C. Dalal & Co., Chartered Accountants (FRN.101632W) as the Statutory Auditors of the Company for a term of period of 5 (five) years up to the conclusion of 37th Annual General Meeting to be held in year 2022 without further ratification of such appointment by the members.

The Auditors Report annexed to the Financial Statements does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors in its meeting 29th May, 2018 appointed CS V. V. Chakradeo of M/s. V. V. Chakradeo & Co., Practicing Company Secretaries (FCS: 3382/ COP: 1705) to carry out the audit of secretarial records of the Company for the financial year 2018-19. The consent of the Secretarial Auditor to undertake the secretarial audit for the financial year ended 31st March, 2019 has been received by the Company.

The Secretarial Audit Report is annexed to this report as **Annexure – D**.

The Secretarial Auditors Report does not contain any qualification, reservation or adverse remark or disclaimer.

As required under the Regulation 24A of SEBI (Listing Obligations and Disclosure & Requirements) Regulations, 2015, the Secretarial Audit Report of Mukesh Babu Securities Limited, the material unlisted subsidiary of the Company for the financial year ended 31st March, 2019 is provided as **Annexure – E**.

Reporting of Frauds by Statutory Auditors

The Statutory Auditors of the Company have not reported any instances of fraud in the Company during the year under review as specified under the Section 143(12) of the Companies Act, 2013.

26. SECRETARIAL STANDARDS

The Directors state that all the applicable Secretarial Standards have been duly followed by the Company. The Secretarial Auditor in his Secretarial Audit report confirms the same.

27. ANNUAL RETURN

In compliance with section 92(3) of the Companies Act, 2013, the extract of Annual Return is given in the prescribed Form MGT-9 is provided under **Annexure –F**

28. COST RECORDS AND COST AUDIT

Maintenance of Cost Records and requirement of Cost Audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013, are not applicable to our Company.

29. PARTICULARS OF EMPLOYEES

Pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, a Statement showing names & other particulars of the employees are provided under **Annexure - G** to this report.

During the year under review, the Company does not have any employee who is drawing remuneration of Rs.1,02,00,000/- per annum or Rs.850,000/- per month as stipulated in the Act and the rules made thereunder. Hence, disclosures required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have not been provided.

30. CORPORATE GOVERNANCE

In compliance with Regulations 17 to 27 and 34 read with Schedule V of SEBI (Listing Obligations and Disclosure & Requirements) Regulations, 2015, as applicable, the Corporate Governance Report is given in **Annexure – H** and forms part of the Annual Report. The report is duly certified by the Statutory Auditors of the Company.

The certificate duly signed by the Managing Director on the Financial Statements of the Company for the year ended 31st March, 2019 as submitted to the Board of Directors regarding compliance by the Board members and senior management personnel with Company's Code of Conduct is also enclosed therewith.

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

The particulars regarding Conservation of Energy and Technology Absorption are not furnished since the Company is not a manufacturing entity.

During the financial year under review, the Company did not have any foreign exchange earnings and outgo.

32. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

33. OTHER DISCLOSURES

- a. The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
- b. The Statutory auditors and the Secretarial auditors of the Company have not reported any instances of fraud or irregularities as specified under Section 143(12) of the Act read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014;
- c. There were no significant and material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operation;
- d. Maintenance of cost records u/s 148 of the Act is not required for the Company;
- e. The Company does not have any scheme or provision of money for the purchase of or subscription to its own shares by the employees/ Directors or by trustees for the benefit of the employees/ Directors.

34. 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 2018-19 and Notice of the 34th 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.

35. ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their gratitude for the valuable guidance and continued support extended by the Securities Exchange Board of India, Reserve Bank of India, Stock Exchanges, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, other government authorities, Banks and other stakeholders. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman & Managing Director
DIN: 00224300

Meena Babu
Director
DIN: 00799732

Date: 13th August 2019

Place: Mumbai

ANNEXURE-A

FORM AOC-1

[Pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of Subsidiary	
	(Amt. In Rs.)
Name of the Subsidiary	Mukesh Babu Securities Limited
Reporting Period of the subsidiary	April 01, 2018 to March 31, 2019
Reporting currency	Rupees
Share Capital	500,00,000
Reserves & Surplus	180,426,398
Total Assets	382,242,389
Total Liabilities	151,815,991
Investments	59,874,761
Turnover (Gross Receipt)	91,959,968
Profit Before Taxation	10,726,173
Profit After Taxation	9,669,326
Proposed Dividend	0
% shareholding	51.62%

ANNEXURE -B

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis -

The Company has not entered into any transaction with related parties which were not on an arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The Company has not entered into any material contracts or transactions with related parties during the financial year 2018-19.

**For and on behalf of the Board of Directors of
MUKESH BABU FINANCIAL SERVICES LIMITED**

**MUKESH BABU
Managing Director
(DIN:00224300)**

**MEENA BABU
Director
(DIN:00799732)**

Date: 13th August, 2019

Place: Mumbai

Annual Report on Corporate Social Responsibility (CSR) Activities

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

The CSR policy of the Company primarily aims to positively impact the economic and social conditions of the communities in which it operates, take initiatives on sustainability of the environment.

The major areas covered under the CSR are:

1. Eradicating hunger, poverty and malnutrition;
2. Promoting Health care;
3. Promotion of education especially among children, women, elderly and the differently-abled;
4. Promoting gender equality and empowering women including;
5. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
6. Rural Development Projects.

The detailed policy is available on the Company's website and can be accessed at www.mukeshbabu.com

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Category
1	Mr. Vijay Vora	Chairman
2	Mr. Mukesh Babu	Member
3	Mrs. Meena Mukesh Babu	Member

3. Average net profit of the Company for last three financial years:

The average net profit of the Company for the last three financial years calculated as specified under the Companies Act, 2013 is Rs.525.87 lacs.

4. Prescribed CSR Expenditure (two percent of the average net profit as in item 3 above):

The prescribed CSR expenditure requirement for the Financial Year 2018-19 – Rs.10.52 lacs

5. Details of CSR spent during the Financial Year:

a. Total amount spent for the Financial Year 2018-19:

The amount spent towards CSR during the financial year 2018-19 was Rs.10.52 lacs.

b. Amount unspent, if any: Nil

Manner in which the amount spent during the financial year is detailed below: (Rs. In Lacs)

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs & the state where projects or program was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent Direct or through Implementing Agency*
					Direct Expenditure on project or programme	Overheads		
1.	Imparting education to children in rural areas	Promoting education	Dahanu, Maharashtra	1.51	1.51	0	1.51	1.51
2.	Promoting health care including preventive health care.	Eradicating hunger, poverty and malnutrition	Mumbai, Maharashtra	9.01	9.01	0	9.01	9.01

*** Implementing Agency Details:**

- i. Tamarind Tree Trust – Dahanu, Maharashtra
- ii. C. L. Babu Foundation – Mumbai, Maharashtra

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: N.A.

7. A responsibility statement of the CSR committee:

The CSR Committee confirms that the implementation and monitoring of CSR policy is in compliance with CSR objectives and policy of the Company.

**For and on behalf of the Board of Directors of
MUKESH BABU FINANCIAL SERVICES LIMITED**

**MUKESH BABU
Managing Director
(DIN:00224300)**

**MEENA BABU
Director
(DIN:00799732)**

Date: 13th August, 2019

Place: Mumbai

**SECRETARIAL AUDIT REPORT
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

[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 corporate practices by **Mukesh Babu Financial Services Limited** (hereinafter called 'the Company') for the audit period covering the Financial Year ended 31st March, 2019. 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 has during the audit period covering the financial year ended on 31st March 2019 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 2019 according to the provisions of:

- i) The Companies Act, 2013 ('the Act') and the rules thereunder;
- ii) The 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;
 - c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.

- vi) All applicable Labour Laws;
- vii) Bombay Shop & Establishment Act,1948;
- viii) Indian Contract Act,1872;
- ix) 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

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

Place: Mumbai

Date: 13th August 2019

**FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES**

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

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE 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: 13th August 2019

FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES

V. V. CHAKRADEO
COP 1705 FCS 3382

**SECRETARIAL AUDIT REPORT
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019**

[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 Securities Limited,
Mumbai.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Mukesh Babu Securities Limited** (hereinafter called 'the Company') for the audit period covering the Financial Year ended 31st March, 2019. 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 has during the audit period covering the financial year ended on 31st March 2019 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 2019 according to the provisions of:

- i) The Companies Act, 2013 ('the Act') and the rules thereunder;
- ii) The 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;
 - c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d. The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.

- vi) All applicable Labour Laws;
- vii) Bombay Shop & Establishment Act,1948;
- viii) Indian Contract Act,1872;
- ix) 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.

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 and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

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

Place: Mumbai

Date: 13th August 2019

**FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES**

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

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Mukesh Babu Securities 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: 13th August 2019

FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES

V. V. CHAKRADEO
COP 1705 FCS 3382

ANNEXURE - F

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
Financial Year ended 31st March, 2019
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 of the Company	Company Limited by Shares
	Sub-category of the Company	Non-Government Company
v	Address of the Registered office & contact details	111, Maker Chambers III, 223, Nariman Point, Mumbai 400021
vi	Whether listed company	Listed
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikroli (W), Mumbai-400 083

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

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

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

Sr. 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 - 2018				Shareholding at the end of the year - 2019				% 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	'0.0000
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	4381600	0	4381600	'62.8556	4381600	0	4381600	'62.8556	'0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	4381600	0	4381600	'62.8556	4381600	0	4381600	'62.8556	'0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0.0000
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(f)	Financial Institutions / Banks	0	1300	1300	0.0186	0	0	0	0	-0.0186
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	1300	1300	0.0186	0	0	0	0	-0.0186
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	73700	0	73700	1.0573	0	0	0	0	-1.0573
	Sub Total (B)(2)	73700	0	73700	1.0573	0	0	0	0	-1.0573
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	314407	226900	541307	7.7652	314090	190200	504290	7.2342	-0.5310
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	683223	132800	816023	11.7061	644667	161100	805767	11.55901	-0.1471
(b)	NBFCs registered with RBI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Employee Trusts	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	0	0	0	0	82600	0	82600	1.1849259	1.1849
	Hindu Undivided Family	70490	0	70490	1.0112	69212	0	69212	0.9928704	-0.0183
	Non Resident Indians (Non Repat)	14200	0	14200	0.2037	14301	0	14301	0.2051528	0.0015
	Non Resident Indians (Repat)	3280	77600	80880	1.1603	3280	64300	67580	0.9694587	-0.1908
	Overseas Bodies Corporates	0	32900	32900	0.472	0	32900	32900	0.471962	0.0000
	Clearing Member	839	0	839	0.012	21	0	21	0.0003013	-0.0117
	Bodies Corporate	954361	3300	957661	13.738	1010729	1900	1012629	14.526517	0.7885
	Sub Total (B)(3)	2040800	473500	2514300	36.0685	2138900	450400	2589300	37.144415	1.0759
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	2114500	474800	2589300	37.1444	2138900	450400	2589300	37.144415	0.0000
	Total (A)+(B)	6496100	474800	6970900	100	6520500	450400	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)	6496100	474800	6970900	100	6520500	450400	6970900	100	0

Mukesh Babu Financial Services Limited								
Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% 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	3,431,600	'49.2275	'0.0000	3,431,600	'49.2275	'0.0000	'0.0000
2	MEENA MUKESH BABU	950,000	'13.6281	'0.0000	950,000	'13.6281	'0.0000	'0.0000
	Total	4,381,600	'62.8556	'0.0000	4,381,600	'62.8556	'0.0000	'0.0000

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE) - There is no change in PROMOTERS' SHAREHOLDING**

Sr. No.		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	/			
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/ bonus/sweat equity etc)				
3	At the end of the year				

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 - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		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	SAURASHTRA SOLID INDUST PVT LTD	245112	3.5162			245112	3.5162
	Transfer			06 Apr 2018	1600	246712	3.5392
	Transfer			13 Apr 2018	1825	248537	3.5654
	Transfer			20 Apr 2018	3290	251827	3.6125
	Transfer			27 Apr 2018	1900	253727	3.6398
	Transfer			18 May 2018	2419	256146	3.6745
	Transfer			25 May 2018	5250	261396	3.7498
	Transfer			01 Jun 2018	3222	264618	3.7960
	Transfer			30 Jun 2018	235	264853	3.7994
	Transfer			20 Jul 2018	1400	266253	3.8195
	Transfer			27 Jul 2018	1000	267253	3.8338
	Transfer			03 Aug 2018	1000	268253	3.8482
	Transfer			10 Aug 2018	250	268503	3.8518
	Transfer			17 Aug 2018	3850	272353	3.9070
	Transfer			24 Aug 2018	1800	274153	3.9328
	Transfer			31 Aug 2018	2100	276253	3.9629
	Transfer			30 Nov 2018	(4)	276249	3.9629
	Transfer			18 Jan 2019	656	276905	3.9723
	Transfer			08 Feb 2019	2000	278905	4.0010
	Transfer			15 Feb 2019	404	279309	4.0068
	AT THE END OF THE YEAR					279309	4.0068
3	THANKI BHARATBHAI TRIKAMJI	249025	3.5724			249025	3.5724
	Transfer			18 May 2018	(225)	248800	3.5691
	Transfer			25 May 2018	(10)	248790	3.5690
	Transfer			08 Jun 2018	(190)	248600	3.5663
	Transfer			15 Jun 2018	(104)	248496	3.5648
	Transfer			30 Jun 2018	521	249017	3.5722
	Transfer			11 Jan 2019	(1000)	248017	3.5579
	Transfer			18 Jan 2019	(4625)	243392	3.4915
	Transfer			01 Feb 2019	(5000)	238392	3.4198
	AT THE END OF THE YEAR					238392	3.4198
4	SUBRAMANIAN P	100150	1.4367			100150	1.4367
	AT THE END OF THE YEAR					100150	1.4367
5	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	0	0.0000			0	0.0000
	AT THE END OF THE YEAR					0	0.0000
6	ALOK YOGENDRA BABU	42000	0.6025			42000	0.6025
	Transfer			22 Feb 2019	28300	70300	1.0085
	AT THE END OF THE YEAR					70300	1.0085
7	HEMANT CHAMPAKLAL BABU	69700	0.9999			69700	0.9999
	AT THE END OF THE YEAR					69700	0.9999
8	HIRAL DIVYESH SEJPAL	63128	0.9056			63128	0.9056
	AT THE END OF THE YEAR					63128	0.9056
9	ISTAA FASHIONS PRIVATE LIMITED	50000	0.7173			50000	0.7173
	AT THE END OF THE YEAR					50000	0.7173
10	MUKESH CHAMPAKLAL BABU HUF	50000	0.7173			50000	0.7173
	AT THE END OF THE YEAR					50000	0.7173

- 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	FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1204720013676780		73700	31/03/2018
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1204720013676780		82600	31/03/2019
3	SAGAR SYSTECH LIMITED	IN30154939547367	AAACS8115M	604500	31/03/2018
4	SAGAR SYSTECH LIMITED	IN30154939547367	AAACS8115M	604500	31/03/2019
5	ISTAA FASHIONS PRIVATE LIMITED	1203370000025502	AABCN9189P	50000	31/03/2018
6	ISTAA FASHIONS PRIVATE LIMITED	1208510000000155	AABCN9189P	50000	31/03/2019
7	MUKESH CHAMPAKLAL BABU	IN30267937138520	AADHM1722N	50000	31/03/2018
8	MUKESH CHAMPAKLAL BABU	IN30267937138520	AADHM1722N	50000	31/03/2019
9	SAURASHTRA SOLID INDUST PVT LTD	1205660000020974	AAECS9355D	245112	31/03/2018
10	SAURASHTRA SOLID INDUST PVT LTD	1205660000020974	AAECS9355D	279309	31/03/2019
11	THANKI BHARATBHAI TRIKAMJI	1301670000689844	AAWPT3642B	249025	31/03/2018
12	THANKI BHARATBHAI TRIKAMJI	1301670000689844	AAWPT3642B	238392	31/03/2019
13	HEMANT CHAMPAKLAL BABU	1203360000036171	ACCPB7667E	69700	31/03/2018
14	HEMANT CHAMPAKLAL BABU	1208510000000043	ACCPB7667E	69700	31/03/2019
15	ADITYA YOGENDRA BABU	0005942	AITPB3368D	28300	31/03/2019
16	ALOK YOGENDRA BABU	1208510000000039	AITPB3368D	42000	31/03/2019
17	ALOK YOGENDRA BABU	IN30115126665657	AITPB3368D	42000	31/03/2018
18	SUBRAMANIAN P	IN30131320493031	AMBPS8931K	100150	31/03/2018
19	SUBRAMANIAN P	IN30131320493031	AMBPS8931K	100150	31/03/2019
20	HIRAL DIVYESH SEJPAL	IN30040910126886	BFMPS9617B	63128	31/03/2018
21	HIRAL DIVYESH SEJPAL	IN30040910126886	BFMPS9617B	63128	31/03/2019

V. INDEBTNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans excluding	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	73,500,000	-	-	73,500,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	496,670	-	-	496,670
Total (i+ii+iii)	73,996,670	-	-	73,996,670
Change in Indebtedness during the financial year				
• Addition	1,417,781,794	929,672,603	-	2,347,454,397
• Reduction	1,178,271,250	929,672,603	-	2,107,943,853
Net Change	239,510,544	-	-	239,510,544
Indebtedness at the end of the financial year				
i) Principal Amount	311,652,888	-	-	311,652,888
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,926,039	-	-	1,926,039
Total (i+ii+iii)	313,578,927	-	-	313,578,927

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

		Name of MD / WTD / Manager	Total
		Managing Director	
Sr. No.	Particulars of Remunerations	Mukesh Babu	Rs.
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,200,000	1,200,000
	(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	1,200,000
	Ceiling as per Act		1,904,701

B. Remuneration to other Directors:

Sr. No.	Particulars of Remunerations	Name of Directors			Total
		Pankaj Majithia	Vijay Vora	Meena Babu	Rs.
1	Independent Directors				
	(a) For Attending Board / Committee meeting	20,556	25,556	-	46,112
	(b) As Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	20,556	25,556	-	46,112
2	Other Non-Executive Directors				
	(a) For Attending Board / Committee meeting	-	-	20,000	20,000
	(b) As Commission	-	-	-	-
	(c) Other , please specify	-	-	-	-
	Total (2)	-	-	20,000	20,000
	Total (B) = (1)+(2)	20,556	25,556	20,000	66,112
	Total Managerial Remuneration (A+B)			-	1,266,112
	Overall Ceiling As per Act: 11% of Net Profit as per section 198 of the Companies Act, 2013				4,190,342
	Ceiling as per Act: 5% of Net Profit as per section 198 of the Companies Act, 2013				1,904,701

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remunerations	Key Managerial Personnel		Total
		Chief Financial Officer Mahesh Thakar	Company Secretary Manasi Dalal	Rs.
1	Gross Salary			
	(a) Salary as per provisions contained in section	229,900	487,500	717,400
	(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	229,900	487,500	717,400

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL

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

ANNEXURE- G

Disclosures under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. The Board affirms that the remuneration paid is as per the Remuneration Policy of the Company.
2. The ratio of the remuneration of each Director to the median remuneration of employees of the Company for the Financial Year 2018-19:

Sr. No.	Name of Directors	Ratio of Remuneration of Director to Remuneration of Employees
1.	Mr. Mukesh Babu	0.785:1
2.	Mr. Vijay Vora	0.013:1
3.	Mr. Pankaj Majithia	0.017:1
4.	Mrs. Meena Babu	0.013:1

3. The percentage increase in remuneration of each Director, CFO, CEO, CS or manager, if any, in the Financial Year.

Sr. No.	Name of Directors & Key Managerial Personnel	Percentage increase in Remuneration of Each Director
1.	Mr. Mukesh Babu	0.00%
2.	Mr. Pankaj Majithia	-7.51%
3.	Mr. Vijay Vora	14.99%
4.	Mrs. Meena Babu	Not Applicable
5.	Mr. Mahesh Thakkar	Not Applicable
6.	Ms. Manasi Dalal	Not Applicable

4. The percentage increase in the median remuneration of employees in the Financial Year is -114.56 %.
5. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstance for increase in the managerial remuneration.
6. The number of permanent employees on the rolls of the company: **SIX**.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Governance is a key to sustainable growth and development and at Mukesh Babu Financial Services Limited, we believe in maintaining high standards of governance, integrity and transparency in our system and abiding by the law not only in letter but also in spirit. We believe that a robust Corporate Governance system lays down a strong foundation for the attainment of the long term vision and goals of the Company. Our philosophy on Corporate Governance is the reflection of our values and the continued commitment towards following good and ethical practices in our organisation. A good Corporate Governance is an integral and ongoing system to retain and maintain the trust and confidence of stakeholders and creating a long term value for our shareholders.

At Mukesh Babu Financial Services Limited, the Corporate Governance system aims to promote and maintain integrity, transparency and accountability at all the levels of the organisation. The Board of Directors is responsible and committed for sound principles of Corporate Governance in the organisation. The Board plays a very crucial role in upgrading the systems, policies, processes and frameworks in order to effectively meet the challenges of rapid growth in a dynamic business environment.

The Company is a Non-Banking Finance Company registered with the Reserve Bank of India and is engaged in lending & investment activities. Our disclosure always seeks to attain the best practices in Corporate Governance. We endeavour to enhance the shareholder's value and respect the rights of the smallest shareholder in all our business decisions.

I. Board of Directors

A. Composition of the Board:

The Board of Directors of your Company has an optimal combination of expertise, talent, experience, knowledge and independence. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes that where the Company is having an executive chairperson, the Board should have at least one-half of the board of directors as independent directors.

As on 31st March, 2019, the Board had four members, out of which one is Executive Director and three are Non-Executive Directors (including one Woman Director) out of which two are Independent Directors.

The composition of the Board of Directors is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. The Board of Directors is chaired by an Executive Chairman who is the Managing Director of the Company.

Matrix setting out the skills/expertise/competence of the Board of Directors:

The Company requires skills/expertise/competencies in the areas of strategic planning, finance, accounting, economics, legal and regulatory matters, mergers and acquisitions, green technologies, sustainability to efficiently carry on the businesses of the Company. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence. The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the

management adheres to high standards of ethics, transparency and disclosure. The Board periodically reviews and evaluates the need for change in its composition and size.

None of the Directors of the Company hold directorship in more than 10 public companies. Further, none of them is a member of more than 10 committees or chairman of more than 5 committees across all the public companies in which he or she is a Director.

The composition and category of the Board of Directors and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March, 2019 are given herein below:

Name	Designation	Category	No. of other directorships and committee memberships/chairmanships		
			* Other Directorships	** Committee Memberships	** Committee Chairmanships
Mr. Mukesh Babu (DIN:00224300)	Managing Director	Executive (CEO)	4	2	0
Mr. Pankaj Majithia (DIN:00224833)	Director	Independent	0	0	0
Mr. Vijay Vora (DIN:00224394)	Director	Independent	1	0	0
Mrs. Meena Babu (DIN:00799732) #	Director	Non-Executive	5	0	0

* Excludes directorship in Mukesh Babu Financial Services Limited, Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Government Bodies.

** For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 however it excludes the Memberships and Chairmanships in Mukesh Babu Financial Services Limited.

Mrs. Meena Mukesh Babu was appointed as Director w.e.f. 29th May, 2018.

B. Independent Directors:

The Independent Directors fulfil the criteria of independence specified in Section 149(6) of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and meet with the requirements of Regulation 16(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A formal letter of appointment to the Independent Director as provided in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been issued to them. The terms and conditions of appointment of Independent Directors are uploaded on the website of the Company www.mukeshbabu.com

Independent Directors have an independent standing in their respective field / profession and they effectively contribute to the Company's business and policy decisions of the Company. 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 every financial year, gives a declaration that he meets with the criteria of independence as provided under the Companies Act, 2013.

Independent Directors meet at least once in every financial year without the presence of Executive Directors or Management Personnel. Such meetings are conducted informally to enable Independent Directors to discuss, review and assess performance of Executive Directors, Chairman and that of the Board as a whole. It also enables to ascertain communication and coordination processes being followed at Board and management levels so that lapses, if any, can be rectified.

A separate meeting of the Independent Directors was held on 29th May, 2018 to discuss inter alia:

- a) The performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors;
- b) The performance of the Non-Independent Directors and the Board as a whole;
- c) The quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

There are no material pecuniary relationships or transactions between the Independent Directors and the Company, except for the sitting fees drawn by them for attending the meeting of the Board.

C. Familiarisation Programme for Board Members:

The Board members are updated on a quarterly basis on the relevant statutory changes. They are also updated on all business related issues and new initiatives. At the time of appointment of a Director, a formal letter of appointment is given to him / her, which inter alia explains their roles, functions, duties and responsibilities as a Director of the Company. The Director is explained in detail the compliance required from him / her under the Companies Act, 2013, relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations.

The Managing Director personally interacts with the newly appointed Director to familiarise him / her with the Company's operations. Further, the Company has put in place a system to familiarise the Independent Directors about the Company, its business and the on-going events relating to the Company.

Board Meetings and Annual General Meeting:

During the financial year 2018-19, 5 (five) meetings of the Board of Directors of the Company were held and the maximum gap between two consecutive meetings did not exceed one hundred and twenty days as mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board meets at least once in every quarter to review the quarterly results and other items on the Agenda.

The dates of the meetings of the Board of Directors are as under:

Sr. No.	Period	Date of the Board meeting
1.	1 st Quarter	29/05/2018
2.	2 nd Quarter	19/07/2018, 10/08/2018
3.	3 rd Quarter	13/11/2018
4.	4 th Quarter	14/02/2019

The Company adheres to the provisions of the Companies Act, 2013 read with the Rules issued thereunder, Secretarial Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to convening and holding of the meetings of the Board of Directors and its Committees.

The attendance of the Directors at the Board Meetings and the Annual General Meeting held during the financial year 2018-19 is as under:

Name of Directors	Number of Board Meetings Held	Number of Board Meetings Attended	Last Annual General Meeting Attended
Mr. Mukesh Babu	5	5	YES
Mr. Vijay Vora	5	5	NO
Mr. Pankaj Majithia	5	4	YES
Mrs. Meena Babu	5	4	NO

The necessary quorum was present for all the meetings.

Code of Conduct:

The Board has laid down the Code of Conduct for all the Board members and the senior managerial personnel of the Company, which is in compliance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 & Regulation 8(2) of the SEBI(Prohibition of Insider Trading) Regulations, 2015, the Company has amended its Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) ("the Code").

The revised Code is effective from 1st April, 2019. Further, the Code of Practice and Procedure for Fair Disclosure of UPSI is also available on the website of the Company www.mukeshbabu.com

All the Board members and senior managerial personnel of the Company have affirmed compliance with the Code of Conduct framed by the Board and a declaration signed by the Managing Director to this effect as required under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Annual Report for the financial year 2018-19.

II. AUDIT COMMITTEE**A. Constitution of the Audit Committee**

The Audit Committee of the Company is in alignment with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has an Audit Committee consisting of qualified members. The Committee comprises of three Directors out of which two are Independent Directors & an Independent Director as it's Chairman as on 31st March, 2019.

The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the members of the Audit Committee are financially literate and have experience in financial management.

The Company Secretary acts as Secretary to the Committee.

The Committee met 4 (four) times during the financial year 2018-19 i.e. on 29th May, 2018, 10th August, 2018, 13th November, 2018 and 14th February, 2019.

The gap between two meetings did not exceed one hundred and twenty days and the necessary quorum was present for all the meetings held during the year.

The composition of the Audit Committee and the details of meetings attended by members of the committee are given below:

Sr. No.	Name of the Member And Qualification	Position	Category	No. of Meetings during the year 2018-19	
				Meetings Held	Meetings attended
1.	Mr. Pankaj Majithia F.C.A., A.C.S., LL.B.	Chairman	Independent Director	4	4
2.	Mr. Vijay Vora B.Com.	Member	Independent Director	4	4
3.	Mr. Mukesh Babu* F.C.A.	Member	Executive Director	4	4

* Appointed as member of Audit Committee at the Meeting of the Board of Directors held on 29th May, 2018.

The Audit Committee is responsible for monitoring the financial reporting, audit process, supervision of the internal controls and, inter alia, performs the following functions:

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
 - i. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
 - ii. changes, if any, in accounting policies and practices and reasons for the same.
 - iii. major accounting entries involving estimates based on the exercise of judgment by Management.
 - iv. significant adjustments made in the financial statements arising out of audit findings.
 - v. compliance with listing and other legal requirements relating to financial statements disclosure of any related party transactions.
 - vi. disclosure of any related party transactions,
 - vii. modified opinion(s) in the draft audit report.
- e. Reviewing the quarterly financial results with the management before submission to the Board;
- f. Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
- g. Approval or any subsequent modification of transactions of the Company with related parties;
- h. Scrutiny of inter - corporate loans and investments;
- i. Evaluation of internal financial controls and risk management systems;
- j. Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems;
- k. to review the functioning of the whistle blower mechanism;
- l. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The Audit Committee shall review the information required as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee meetings are attended by the Chief Financial Officer, senior finance and accounts executives also the Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), the statutory auditors and , Internal Auditors and/or their representatives to be present at its meetings.

In terms of the Insider Trading Code adopted by the Company, the Committee also considers approval of policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the Insider Trading Code. The Company Secretary was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

The previous Annual General Meeting ("AGM") of the Company was held on 28th September, 2018 and was attended by Mr. Pankaj Majithia, Chairman of the Audit Committee to answer shareholders queries.

III. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The broad terms of reference of the nomination and remuneration committee are as under:

- i) To identify and recommend to the Board in accordance with the criteria as laid down, appointment/reappointment/ removal of the Executive/ Non-executive Directors and the senior management of the Company;
- ii) To formulate the criteria and specify the manner for effective evaluation of performance of Board, its committees and individual Directors, to be carried out either by the Board, by the Committee or by the independent external agency and review its implementation and compliance;
- iii) To formulate criteria for determining qualifications, positive attributes and independence of a Directors;
- iv) To recommend to the Board of Directors a remuneration policy for the Directors, Key Managerial Personnel and other employees;
- v) To devise a Policy on Board Diversity of the Company;
- vi) To recommend to the Board all remuneration in whatever form payable to Senior Management;
- vii) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time

Meeting and Attendance:

The Nomination and Remuneration Committee met twice during the financial year 2018-19 on 29th May, 2018 & 10th August, 2018 and the necessary quorum was present at the meeting.

The Company Secretary acts as Secretary to the Committee.

The composition of the Committee and the attendance of members of the Nomination and Remuneration Committee is as follows:

Sr. No.	Name of the Member And Qualification	Position	Category	No. of Meetings during the year 2018-19	
				Meetings Held	Meetings attended
1.	Mr. Pankaj Majithia	Chairman	Independent Director	2	2
2.	Mr. Vijay Vora	Member	Independent Director	2	2
3.	Mrs. Meena Mukesh Babu*	Member	Non-executive Director	2	2

* Appointed as member of Nomination and Remuneration Committee at the Meeting of the Board of Directors held on 29th May, 2018.

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted the Stakeholders Relationship Committee comprising of three members of whom two are Independent Directors. The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Meeting and Attendance:

The Stakeholders Relationship Committee met once during the financial year 2018-19 on 18th March, 2019 and the necessary quorum was present at the meeting.

Ms. Manasi Dalal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

The composition of the Committee and the attendance of the members of the Stakeholders Relationship Committee during the financial year 2018-19 are as given below:

Sr. No.	Name of the Member	Position	Category	No. of Meetings during the year 2018-19	
				Meetings Held	Meetings attended
1.	Mr. Pankaj Majithia	Chairman	Independent Director	1	1
2.	Mr. Vijay Vora	Member	Independent Director	1	1
3.	Mr. Mukesh Babu	Member	Executive Director	1	1

The Company has appointed “Link Intime India Private Limited” as its Registrar and Share Transfer Agent (RTA). The Company Secretary acts as a Compliance Officer of the Company for complying with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and oversees the functioning of the RTA.

During the year under review, there were no investor complaints received as per the statement furnished the RTA.

The status of complaints is reported to the Board on a quarterly basis. Details pertaining to the number of complaints received and responded and the status thereof during the financial year 2018-19 are given below as on 31st March, 2019:

	No. of complaints received during the year	No. of complaints resolved during the year	No. of complaints pending at the end of the year
Non-Receipt of Dividend Warrants	0	0	0
Issue of Duplicate share certificates	0	0	0

However, the Company has received 20 request letters from the shareholders. these requests were in the nature of issue of duplicate certificate, stop transfer, enquiries for procedure for issue of duplicate certificate, change of address, non-receipt of demat credit / remat certificates, bank mandate, revalidation of dividend warrant, procedure for transfer/transmission/name deletion, certificate not existing in master, PAN, claim of shares transferred to IEPF etc.

All Shareholder / Investor complaints were redressed within the time frame prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there were no pending requests for the financial year ended 31st March, 2019.

The Secretarial Department of the Company together with Link Intime India Private Limited (RTA) attend all the grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc.

The Company obtains a half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation etc. and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the Listing Regulations. Further, the Compliance Certificate under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent is also submitted to the Stock Exchanges on half yearly basis.

The minutes of the Stakeholders Relationship Committee meetings are circulated to the Board of Directors and noted by them at their meetings.

Mr. Pankaj Majithia, Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting held on 28th September, 2018 to answer the queries of the Shareholders.

V. 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.

Meeting and Attendance:

The Corporate Social Responsibility Committee met twice during the financial year 2018-19 on 1st February, 2019 & 18th March, 2019 and the necessary quorum was present at the meetings.

The composition of the Committee and the attendance of the members of the Corporate Social Responsibility Committee during the financial year 2018-19 is as given below:

Sr. No.	Name of the Member	Position	Category	No. of Meetings during the year 2018-19	
				Meetings Held	Meetings attended
1.	Mr. Vijay Vora	Chairman	Independent Director	2	2
2.	Mr. Mukesh Babu	Member	Executive Director	2	2
3.	Mrs. Meena Mukesh Babu	Member	Non-executive Director	2	1

VI. PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration has laid down the evaluation criteria of every Director including the Independent Director and the Board. The Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. Structures, questionnaires were prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board's culture, level of contribution in Board processes, safeguarding and promoting interests of the Company and shareholders, execution and performance of specific duties, obligations and governance.

The performance of the Independent Directors was also evaluated taking into account the time devoted and attention given to professional obligations for independent decision making and acting in the best interest of the Company, strategic guidance to the Company and help determine important policies, external expertise provided and independent judgment that contributes objectively in the Board's deliberation, particularly on issues of strategy, performance and conflict management.

The performance evaluation of the Chairman and the Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

VII. DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019:

(a) Non-executive Directors

Sr. No.	Name of Director	Sitting Fees (in Rs.)
1.	Mr. Pankaj Majithia	20,556.00
2.	Mr. Vijay Vora	25,556.00
3.	Mrs. Meena Babu	20,000.00

Except for Mrs. Meena Babu, wife of Mr. Mukesh Babu, the Managing Director; none of the other Non-Executive Directors of the Company have any pecuniary relationship with the Company during the Financial Year 2018-19.

(b) Executive Directors: (in Rs.)

Name of Director Designation	Mr. Mukesh Babu Managing Director
Salary p.a.	12,00,000
Benefits & perquisites	Nil
Allowances	Nil
Performance linked incentives	Nil
Stock options	Nil

VIII. AFFIRMATIONS AND DISCLOSURES

a) Related party transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were entered in the ordinary course of business and on arms' length basis.

Related party transactions have been disclosed under the significant accounting policies and Notes forming part of the financial statements in accordance with "Accounting Standard – 18". The transactions entered into pursuant to the omnibus and specific approvals are reviewed periodically & placed before the Audit Committee for its review and recommendation to the Board for their approval.

None of the transactions with related parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of the business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length basis.

The Company has formulated a policy on dealing with related party transactions and a policy on materiality of related party transactions and the same has been uploaded on the website of the Company at www.mukeshbabu.com

b) Prevention of Insider Trading:

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has formulated a Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) ('the Code'). The Company has revised the Code with effect from 1st April, 2019 and is available on its website at www.mukeshbabu.com

Details of the shareholding of the Non-Executive Directors as on 31st March, 2019 is as under:

Name of the Non-executive Directors	No. Of Equity shares held
Mr. Pankaj Majithia	1800 (0.03%)
Mr. Vijay Vora	NIL
Mrs. Meena Babu	9,50,000 (13.63%)

- c) **Whistle Blower Policy/ Vigil Mechanism:**
Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee and no personnel of the Company have been denied access to the Audit Committee.
The Policy is available on the website of the Company at www.mukeshbabu.com
- d) **Disclosure of Accounting Treatment:**
In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

Ind-AS shall be applicable to your Company with effect from 01st April, 2019.
- e) **Risk Management:**
Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Risk Management Committee.
- f) **Non-mandatory requirements:**
i. During the year under review, there is no audit qualification on the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
ii. The Internal Auditors report to the Managing Director and has direct access to the Audit Committee and presents his internal audit observations to the Audit Committee.
- g) **Compliance with Corporate Governance Code / Regulations:**
The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance from time to time.

IX. DIVIDEND

The Board of Directors at their meeting held on 30th May, 2019 recommended a dividend payout, subject to approval of the Shareholders at the ensuing Annual General Meeting of Re.1.20 (Rupee One and Paise Twenty Only) per share, on equity shares of the Company for the Financial Year 2018-19. The dividend shall be paid to the Members whose names appear on the Company's Register of Members as on 12th September, 2019 respect of physical shareholders. In respect of demat Shareholders dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL / CDSL. The dividend, if declared at the Annual General Meeting will be paid within 30 days from the date of AGM i.e. 30th September, 2019.

Unclaimed Dividend:

Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred by the Company, to the Investor Education and Protection Fund ("IEPF"), a fund established by the Central Government. The Company had, accordingly, transferred Rs.2,13,348/- pertaining to the financial year 2010-11 to the IEPF of the Central Government. The Members, who have not yet encashed the dividend warrants up to the said period, are requested to claim the amount from the Ministry of Corporate Affairs, Mumbai. During the Financial Year 2019-20, the Company would be transferring unclaimed final dividend amount for the

Financial Year 2011-12 within 30 days from 03rd November, 2019. Details of shares/shareholders in respect of which dividend has not been claimed, are provided under the tab “Unclaimed Dividend” on the Company’s website www.mukeshbabu.com

The shareholders are requested to verify their records and claim their unclaimed dividends for the past years, if not claimed.

X. SUBSIDIARY COMPANIES

During the year under review, the Company has only one unlisted subsidiary namely:

Mukesh Babu Securities Limited:

The subsidiary of the Company is managed with its Board having the rights and obligations to manage the said Company in the best interest of their stakeholders. As a majority shareholder, the Company nominates its representatives on the Board of material unlisted subsidiary company and monitors the performance of the said Company inter alia by the following means:

- i. Financial Statements of the unlisted subsidiary are reviewed quarterly by the Audit Committee of the Company.
- ii. The minutes of the subsidiary company are periodically placed before and reviewed by the Board of Directors of the Company.
- iii. Mr. Vijay Vora (DIN: 00224394), Independent Director of the Company is also a Director on the Board of Mukesh Babu Securities Limited.

XI. COMPLIANCE OFFICER

The Company Secretary is the Compliance Officer for complying with the requirements of the Securities Laws and the SEBI Listing Regulations.

XII. 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 31st March, 2019.

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

XIII. GENERAL BODY MEETINGS

Details of last three Annual General Meetings held:

Financial Year	Description of the Meeting	No. of Special Resolutions passed	Venue	Date	Time
2017-18	33 rd AGM	5*	Café Ista, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022	28 th September, 2018	4.00 p.m.
2016-17	32 nd AGM	0	Café Ista, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022	29 th September, 2017	5.00 p.m.
2015-16	31 st AGM	0	Serai Hall, 11A/1, New Sion Co-op Hsg. Soc. Ltd., Sion (West), Mumbai 400022.	30 th September, 2016	5.00 p.m.

* The special resolutions set out in the notice of AGM of 2017-18 were passed by the shareholders with requisite majority.

XIV. Means of Communication

- (i) The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.
- (ii) Quarterly, half-yearly and annual financial results of the Company are published in leading English national Free Press Journal and one vernacular daily newspaper Navshakti.
- (iii) In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under “Investor Center” on the Company’s website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company. The Company’s official news releases are also available on the Company’s website viz. www.mukeshbabu.com
- (iv) The Management Discussion and Analysis Report forms part of this Annual Report.
- (v) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communications to BSE Limited are filed electronically. The Company has complied with filing submissions through BSE Listing Centre.
- (vi) A separate dedicated section under “Investor Center”, on the Company’s website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

XV. GENERAL SHAREHOLDER INFORMATION

1.	Annual general meeting	34 th Annual General Meeting
	Date	Monday, 30 th day, of September, 2019
	Time	04:00 p.m.
	Venue	Café Ista, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022
2.	Financial year	1 April to 31 March
3.	Date of book closure	13 th September, 2019 to 30 th September, 2019 (both days inclusive)
4.	Dividend payment date Final dividend for the F.Y.2018 -19 of Rs.1.20 per equity share has been recommended by the Board of Directors at its meeting held on 30 th May, 2019	Within 30 days from the date of AGM i.e. 30 th September, 2019 (Subject to approval of Shareholders)
5.	Listing on stock exchanges	BSE Limited
6.	Security Code	530341
7.	Listing Fees	The annual listing fees for the financial year 2018 – 19 have been paid to BSE Limited
8.	Demat ISIN in NSDL & CDSL for equity shares	INE596B01017

9.	Market price data			
	Month	BSE		
		High	Low	
	April	2018	123.40	90.00
	May	2018	106.00	85.75
	June	2018	99.50	82.05
	July	2018	109.55	75.00
	August	2018	99.00	82.00
	September	2018	99.50	77.40
	October	2018	92.15	79.00
	November	2018	88.05	68.70
	December	2018	92.65	72.00
	January	2019	84.00	72.00
	February	2019	85.75	72.00
	March	2019	85.50	72.00
10.	Registrar and share transfer agent	<p>Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West) – 400083 ☎Phone: +91 22 49186000 Extn: 2352 ☎Fax: +91 22 49186060 ✉manohar.shirwadkar@linkintime.co.in Website: www.linkintime.co.in</p>		
11.	Details of the newspapers where Quarterly Results of the Company were published	<p>Quarterly, half-yearly and annual financial results of the Company are published in leading English national Free Press Journal and one vernacular daily newspaper Navshakti.</p>		
12.	Share transfer system	<ol style="list-style-type: none"> 1. The share transfer work is handled by the registrar and share transfer agent of the Company i.e. Link Intime India Private Ltd. who are also having connectivity with the depositories viz. NSDL & CDSL. 2. The enquiries of the shareholders are attended to on an immediate basis. Shares lodged for transfers are processed by the registrars & share transfer agent on fortnightly basis. Where requests for dematerialization are received simultaneously, the same are also processed separately. However, where no specific request for dematerialization is received, the physical certificates are sent back duly endorsed within a period of 30 days from the date of lodgment. 		

13.	Distribution of shareholding as on 31 st March, 2019 as well as shareholding pattern:				
Distribution of shareholding as on 31st March, 2019					
	No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
	1 to 500	1077	82.97	203,356	2.92
	501 to 1000	104	8.01	85,893	1.23
	1001 to 2000	42	3.24	61,584	0.88
	2001 to 3000	12	0.92	31,439	0.45
	3001 to 4000	11	0.85	39,464	0.57
	4001 to 5000	10	0.77	47,278	0.68
	5001 to 10000	10	0.77	82,801	1.19
	10001 and above	32	2.47	64,19,085	92.08
	Total:	1298	100.00	69,70,900	100.00
Shareholding Pattern as on 31st March, 2019					
			No. of Shares	% of Shareholding	
	Promoters & persons acting in concert		43,81,600	62.86	
	Banks / FI / Insurance companies		0	0.00	
	FII / NRIs / OCBs		1,14,781	1.65	
	Private corporate bodies		10,12,629	14.53	
	Public		13,10,057	18.79	
	Others (Clearing Members)		839	0.01	
	IEPF		82,600	1.18	
			Total	69,70,900	100.00
14.	Outstanding GDRs / ADRs	Nil			
15.	Dematerialization of shares and liquidity	<p>As on 31st March, 2019 – 65,20,500 shares out of 69,70,900 shares of the Company have been dematerialized representing 93.19%. The Company has entered into an agreement with NSDL and CDSL whereby shareholders have an option to dematerialize their shares with the depositories.</p> <p>Shareholders who continue to hold shares in physical form are advised to dematerialize their shares at the earliest since it helps in immediate transfer without any payment of stamp duty. The risks pertaining to physical certificates like loss, theft, forgery, damage are eliminated when shares are held in electronic form. For any clarification, assistance or information, relating to dematerialization of shares please contact the Company's RTA.</p> <p>Also, with the SEBI Circular Notification No. SEBI/LAD-NRO/GN/2018/24 dt.08th June, 2018 coming into effect, except in case of transmission or transposition of securities, requests for executing transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In other words, there will not be any transfer of physical share after 1st April, 2019.</p> <p>Members are thereby informed that pursuant to the SEBI Circular relating to 'Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating transfer of securities in dematerialized form with a depository', shares are to be transferred only in demat form. The amendment does not prohibit the investor from holding the shares in physical form, investor has the option of holding shares in physical form but any investor who is desirous of transferring shares (which are held in physical form) after 1st April 2019 can do so only once after the shares are dematerialized.</p>			

16.	Reconciliation of share capital audit report	As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges on which the shares of the Company are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.
17.	Plant Locations	The Company is in service industry and hence does not have any plant base.
18.	Address for correspondence	Shareholders can correspond at the registered office of the Company at 111, Maker Chambers III, 223, Nariman Point, Mumbai – 400 021 and/or at Company’s Registrar and Transfer Agents.
Company		Registrars and share transfer agents
Ms. Manasi Dalal Company Secretary & Compliance Officer ☎ Phone: 022 – 26232051 ✉ secretarial@mukeshbabu.com		Mr. Manohar Shirwadkar-Senior Associate-Client Relation ☎ Phone: +91 22 49186000 Extn: 2352 ☎ Fax: +91 22 49186060 ✉ manohar.shirwadkar@linkintime.co.in

XVI. COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated under Regulation 34 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and the same forms part of this Report.

XVII. CODE OF CONDUCT

The confirmation from the Managing Director regarding compliance with the code by all the Board Members and Senior Management forms part of the Report. The Code of Conduct is displayed on the website of the Company at www.mukeshbabu.com

XVIII. CEO/ CFO CERTIFICATION

The Certificate required under SEBI Listing Regulations, 2015 duly signed by the CEO and CFO was submitted to the Board and the same is annexed to this Report.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman
DIN: 00224300

Date: 13th August, 2019
Place: Mumbai

V. V. CHAKRADEO & CO.

COMPANY SECRETARIES.

B – 301. MATOSHREE RESIDENCY CHS., 65, PRARTHANA SAMAJ ROAD,
VILE PARLE EAST, MUMBAI 400 057.

TEL NO.:022-26116821

EMAIL: vvchakra@gmail.com

CELL NO.: 98200 48732

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of

Mukesh Babu Financial Services Limited

111, Maker Chambers III,

223, Nariman Point,

Mumbai 400021

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of MUKESH BABU FINANCIAL SERVICES LIMITED having CIN:L65920MH1985PLC035504 and having registered office at 111, Maker Chambers III, 223, Nariman Point, Mumbai 400021 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mukesh Champaklal Babu	00224300	27/02/1985
2	Meena Mukesh Babu	00799732	29/05/2018
3	Vijay Lavchand Vora	00224394	22/12/2005
4	Pankaj Ramandas Majithia	00224833	22/12/2005

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

Place: Mumbai

Date: 13th August 2019

FOR V. V. CHAKRADEO & CO.

COMPANY SECRETARIES

Sd/-

V. V. CHAKRADEO

COP 1705 FCS 3382

MANAGEMENT DISCUSSION AND ANALYSIS

The management is pleased to present its Analysis Report.

A. FINANCIAL REVIEW:

Your Company earned a net profit of Rs.364.23 Lakh for the financial year ended 31st March, 2019 as compared to previous year's net profit of Rs.772.85 Lakh (Decrease of 52.87%). Provision for taxation for the year is Rs.16.71 Lakh (including Deferred Tax Provision) as compared to Rs.95.66 Lakh in the previous financial year. Details of Changes in key financial ratio is as follows:

Sr.	Particulars	31/03/2019	31/03/2018	% change
A	Interest Coverage Ratio	1.602	10.263	-84.39
B	Current Ratio	1.701	2.995	-43.22
C	Debt Equity Ratio	1.535	1.174	30.74
D	Net Profit Margin (%)	-105.31	74.61	-241.14

The Company being in the financial services industry, had to bear higher borrowing cost in line with the industry which led to reduction in net interest income resulting in lower profit margin.

During the year under review, return on net worth is 0.06 as compared to 0.13 in the previous financial year (decrease of 54.91%) due to corresponding decrease in net profit in the current financial year.

B. MACRO ECONOMY: REVIEW AND OUTLOOK:

Financial Year 2018-19 was one of the positive years for global economy and markets. With the accelerating of growth, liquidity, and contained inflation has resulted in strong rally in risk assets with low volatility.

For India, Financial Year 2018-19 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future with reforms continuing to take place and an improving export performance. The much awaited GST roll out in the year 2017 had smoothed further during 2018 and though the implementation did lead to initial hiccups, things settled down quicker than expected and getting better now.

The continued liquidity crunch in markets, followed by defaults by IL&FS and its group entities, eroded the credit profile of non-banking financial companies (NBFCs) in the Industry. The regulators took steps to limit the scope and duration of the liquidity crisis and however, the prolonged liquidity distress significantly eroded the NBFIs' credit standing, and proved negative for the broader economy and structured finance sector.

This liquidity tightness led to a sharp increase in financing costs for NBFIs. Apart from which they even faced difficulty in rolling over their liabilities because these companies had relied heavily on market borrowing to fund their asset growth.

A study of the Indian NBFIs' liquidity management practices suggests that these companies are capable of coping with multi-week liquidity distress. But a prolonged period of liquidity stress — which does not represent Moody's base case scenario — severely weakened the NBFIs' credit standings.

The biggest challenges for 2019 are as to how the economy can maintain its recovery in the face of increasing inflationary pressures, coupled with a higher fiscal deficit as well as an increasing debt burden. To begin with, Non-Banking Financial Companies (NBFCs) & Housing Finance Companies (HFCs) would have to put up with higher funding costs. In the October-December quarter, better-run NBFCs and HFCs got easier access to money compared to smaller or weaker NBFCs with poor track record and underwriting capabilities. In the past, robust growth of over 20% gave NBFCs access to debt capital regardless of stringent quality.

C. OPPORTUNITIES AND MARKET ENVIRONMENT:

The overall GDP growth seen by the Indian economy during the financial year that ended on 31st March, 2019, stood at 6.7 per cent, according to the government data. India's economy is set to grow at 7.0 percent in 2019, picking up to 7.2 percent in 2020. The downward revision of 0.3 percentage point for both years reflects a weaker-than expected outlook for domestic demand.

Even with the drop in GDP projections, on the positive side, our country remains the fastest growing major economy in the world. During the year, there was significant improvement on the 'twin deficit' front. 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:

Hopefully, the NBFC sector which saw significant pressure in October-November is beginning to breathe a little better now. However, the NBFC sector is more fragile than what it was one year ago and, therefore, one has to watch that space carefully in the New Year.

The mismatch between long term lending and borrowings will have to be addressed. The flip side of lower reliance on market borrowing will lead to increase in cost of funds. NBFCs, with 25-30% borrowing from mutual funds, will have to diversify their borrowings.

**To Members of
Mukesh Babu Financial Services Limited**

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. We, Chaitanya C. Dalal & Co., Chartered Accountants, the Statutory Auditors of Mukesh Babu Financial Services Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India ("the ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations as applicable for the ended March 31, 2019.
8. We 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.

UDIN: 19035809AAAACU4048

For Chaitanya C. Dalal & Co.

Chartered Accountants

Firm Reg. No. 101632W

Chaitanya C. Dalal

Partner

Membership No: 35809

Place: Mumbai

Date: 20/08/2019

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

[Issued in accordance with the provisions of Regulation 17(8) of the SEBI
(Listing Obligations & Disclosure Requirements) Regulations, 2015]

**To the Board of Directors of
Mukesh Babu Financial Services Limited**

We have reviewed the financial statements read with the cash flow statement of Mukesh Babu Financial Services Limited for the year ended March 31, 2019 and to the best of our knowledge and belief, we state that;

- a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or in violation of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal controls of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - (i) that there were no significant changes in internal controls over financial reporting during the period;
 - (ii) that there were no significant changes in accounting policies made during the period; and
 - (iii) that there were no instances of significant fraud of which we have become aware.

Yours Sincerely

Mukesh Babu
Chairman & Managing Director

Mahesh Thakar
Chief Financial Officer

Place: Mumbai

Date: 13/08/2019

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
MUKESH BABU FINANCIAL SERVICES LIMITED**

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of **MUKESH BABU FINANCIAL SERVICES LIMITED** ("the company"), having CIN: L65920MH1985PLC035504 which comprise the Balance Sheet as at 31 March 2019, 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 STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters 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 and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone 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, the Rules made thereunder, and the Order issued under section 143(11) of the Act.

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 standalone financial statements are free from material misstatement.

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows 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.
- 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, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone 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 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

ii. the Company has made provision, as required by applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. M/s Mukesh Babu Financial Services Limited has transferred the required amount of Rs. 2,13,348/-, to the Investor Education and Protection Fund on 31st December 2018.

For Chaitanya C. Dalal & Co.

Chartered Accountants

Firm Reg. No. 101632W

Chaitanya C. Dalal

Partner

Membership No: 35809

Place: Mumbai

Date: 30th May, 2019

Annexure A to the Independent Auditors' Report

Re: Mukesh Babu Financial Services Limited

The Annexure referred to in our Independent Auditors' Report with reference to the Companies (Auditor's Report) Order, 2016 ("the Order") to the members of the Company on the Standalone Financial Statement for the year ended 31st March 2019, we report that:

- (i)
 - (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) According to the information and explanations given to us, fixed assets of the company have been physically verified by the management at the reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the company has proper titles in case of the immoveable property it owns and is found to be in order.

- (ii) In our opinion and according to information and explanations given to us, physical verification of inventory has been done by the management at the regular intervals. No material discrepancies were observed during such verification.

- (iii) In our opinion and according to information and explanations given to us, the Company has granted unsecured loan to its subsidiary company covered in the register maintained under section 189 of the Act. The terms and conditions are not prejudicial to the interest of the company. Repayment schedule is not stipulated and therefore sub-clause dealing with overdue amount for more than 90 days is not applicable.

- (iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act 2013. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans given or guarantee, or security provided to the parties covered under Section 186.

- (v) The company has not accepted any deposits during the year ended 31st March 2019.

- (vi) The Central Government has not prescribed the maintenance of cost records u/s 148(1) of the Act.

- (vii)
 - (a) According to the information and explanations given to us and on the basis of examination of the records of the company, amount deducted and accrued in the books of accounts in respect of undisputed statutory dues including of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess, and any other statutory dues with the appropriate authorities have regularly deposited during the year by the company. Further as per the explanations given to us the company does not have any dues on account of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty and Cess.

Further according to the information and explanations given to us, no undisputed amount payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, Cess, and any other statutory dues were in arrears as on 31st March 2019 for a period of more than 6 months from the date of become payable.

- (viii) On the basis of the books and records produced before us and as per the information and explanations to us the Company has not defaulted in repayment of any dues to any financial institution, bank or debenture holders.

- (ix) During the year ended 31st March 2019, the company has not raised any money either through public deposit or through term loan therefore para 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us and on the basis of the audit conducted by us, no fraud on or by the company has been noticed or reported during the year.
- (xi) On the basis of the information and explanations given to us the company has paid Managerial Remuneration during the year ended which has been in accordance of the provisions of Section 197 read with Schedule V to the Companies Act.
- (xii) The company is not a Nidhi Company hence para 3(xii) of the order is not applicable.
- (xiii) Based on our audit procedures and according to the information and explanations given to us, the 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 standards.
- (xiv) According to the information and explanation given to us, the company has neither made any preferential allotment nor any private placement of shares or fully or partly convertible debentures during the year ended 31st March 2019.
- (xv) During the year ended 31st March 2019 the company has not entered into any non-cash transactions with the directors or persons connected with him.
- (xvi) The company has carried out activities in nature of activities carried out by non- banking financial companies and is required to obtain registered under section 45-IA of the Reserve Bank of India Act, 1934 and the same has been obtained.

For Chaitanya C. Dalal & Co.
Chartered Accountants
Firm Registration No.: 101632W

Chaitanya C. Dalal
Partner
Membership No.: 035809

Place: Mumbai
Date: 30th May, 2019

Annexure B to the Independent Auditors' Report

Re: Mukesh Babu Financial Services Limited

The Annexure referred to in our Independent Auditors' Report with reference to the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of the Company on the Standalone Financial Statement for the year ended 31st March 2019.

We have audited the internal financial controls over financial reporting of **Mukesh Babu Financial Services Limited** ("the Company") as of March 31, 2019 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 issued by the Institute of Chartered Accountants of India.

These responsibilities includes 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 The Institute of Chartered Accountants of India 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, the guidelines 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 depends 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

- (a) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) 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;
- (c) 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 on 31st March 2019, 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 issued by the Institute of Chartered Accountants of India.

For Chaitanya C Dalal & Co.

Chartered Accountants

Firm Registration No.: 101632W

Chaitanya C. Dalal

Partner

Membership No.: 035809

Place: Mumbai

Date: 30th May, 2019

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	31/03/2019		31/03/2018	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	529,066,369		503,200,711	
(c) Money received against share warrants		-	598,741,369	0	572,875,711
2 Share application money pending allotment					
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	842,912	842,912	370,323	370,323
4 Current liabilities					
(a) Short-term borrowings	4	313,578,927		73,996,671	
(b) Trade payables	5	0		16,350,467	
(c) Other current liabilities	6	1,707,646		1,615,103	
(d) Short-term provisions	7	4,297,511	319,584,084	7,454,360	99,416,601
TOTAL			919,168,365		672,662,635
II. ASSETS					
1 Non-current assets					
(a) Property Plant & Equipments					
(i) Tangible assets	8	8,056,387		8,639,409	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	9	323,909,960		323,909,960	
(c) Deferred tax assets (net)	10	3,644,650		2,311,050	
(d) Long-term loans and advances	11	39,054,400		39,054,400	
(e) Other non-current assets	12	998,127	375,663,524	998,127	374,912,946
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	133,389,643		139,463,733	
(c) Trade receivables	14	26,496,276		-	
(d) Cash and Bank Balances	15	33,849,328		12,548,029	
(e) Short-term loans and advances	16	337,486,573		118,061,533	
(f) Other current assets	17	12,283,021	543,504,841	27,676,394	297,749,689
TOTAL			919,168,365		672,662,635

Contingent Liabilities & Commitments 18
Notes to Accounts 25

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

**AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & COMPANY
CHARTERED ACCOUNTANTS**

**Mukesh Babu
Managing Director
DIN:00224300**

**Meena Babu
Director
DIN:00799732**

**CHAITANYA C. DALAL
Partner
Membership No.35809
FRN NO. 101632W**

**Mahesh Thakar
Chief Financial Officer**

**Manasi Dalal
Company Secretary
ACS: 54690**

Place : Mumbai
Date : 30/05/2019

Place : Mumbai
Date : 30/05/2019

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Note No.	31.03.2019		31.03.2018	
		₹	₹	₹	₹
I Revenue from operations	19		111,938,394		104,164,148
II Other income	20		934,105		2,308,921
III Total Revenue (I + II)			112,872,499		106,473,069
IV Expenses:					
Employee benefits expense	22	2,902,353		2,982,799	
Finance costs	23	63,326,767		9,376,121	
Depreciation	8	861,228		787,419	
Other expenses	24	7,688,135		6,475,541	
Total expenses			74,778,483		19,621,880
V Profit before exceptional and extraordinary items and tax (III-IV)			38,094,016		86,851,189
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			38,094,016		86,851,189
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			38,094,016		86,851,189
X Tax expense:					
(1) Current tax		3,100,000		9,500,000	
(2) Taxation of earlier years		(95,178)		184,177	
(3) Deferred tax		(1,333,600)	1,671,222	(117,866)	9,566,311
XI Profit (Loss) for the period from continuing operations (VII-VIII)			36,422,794		77,284,878
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)			36,422,794		77,284,878
XVI Earnings per equity share:					
(1) Basic			5.22		11.09
(2) Diluted			5.22		11.09

Contingent Liabilities & Commitments 18
Notes to Accounts 25

**AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & COMPANY
CHARTERED ACCOUNTANTS**

**CHAITANYA C. DALAL
Partner
Membership No.35809
FRN NO. 101632W**

Place : Mumbai
Date : 30/05/2019

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

**Mukesh Babu
Managing Director
DIN:00224300**

**Mahesh Thakar
Chief Financial Officer**

Place : Mumbai
Date : 30/05/2019

**Meena Babu
Director
DIN:00799732**

**Manasi Dalal
Company Secretary
ACS: 54690**

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019

	31.03.2019		31.03.2018	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		38,094,016		86,851,189
Adjustments for :				
Depreciation & Misc. Exp. Written off	861,228		787,419	
Bad Debts written off	-		-	
Profit on sale of Investment	176,712			
Excess Provision for Taxation	-	1,037,940	-	787,419
Operating Profit Before Working Capital Changes		39,131,956		87,638,608
Changes in Working Capital:				
Inventories	6,074,090		(7,477,377)	
Sundry Debtors	(26,496,276)		-	
Loans and Advances	(219,529,707)		(49,602,953)	
Other Current Assets	15,393,373		21,349,028	
Sundry Creditors	(16,350,467)		(25,155,042)	
Other Liabilities	(2,591,717)	(243,500,702)	(11,198,457)	(72,084,801)
Cash Generated from Operations		(204,368,746)		15,553,807
Direct Taxes Paid		(4,724,289)		(11,103,288)
Cash Flow Before Extraordinary Items		(209,093,035)		4,450,519
Extraordinary Items		(472,589)		(103,274)
Net Cash From Operating Activities		(209,565,624)		4,347,245
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(278,206)		(919,871)	
Sale of Fixed Assets	-		-	
Purchase of Investments	(104,976,370)		-	
Sale of Investments	104,799,658	(454,918)	1,500,000	580,129
Net cash used in Investing Activities		(454,918)		580,129
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings	239,582,256		1,479,515	
Repayment of Loan Short Term Borrowings	-		-	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid	(8,365,080)		(6,970,900)	
Increase in Misc. & Public Issue Expenses	-	231,217,176	-	(5,491,385)
Net cash used in Financing Activities		231,217,176		(5,491,385)
Net Increase / (Decrease) in Cash & Cash Equivalents		21,196,633		(564,011)
Cash & Cash Equivalents at the Beginning of the Year		698,428		1,262,439
Cash & Cash Equivalents at th Closing of the Year		21,895,061		698,428

**FOR CHAITANYA C. DALAL & COMPANY
CHARTERED ACCOUNTANTS**

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

**CHAITANYA C. DALAL
Partner
Membership No.35809
FRN NO. 101632W**

**Mukesh Babu
Managing Director
DIN:00224300**

**Meena Babu
Director
DIN:00799732**

**Mahesh Thakar
Chief Financial Officer**

**Manasi Dalal
Company Secretary**

**Place : Mumbai
Date : 30/05/2019**

**Place : Mumbai
Date : 30/05/2019**

ACS: 54690

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31.03.2019		31.03.2018	
	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	31.03.2019		31.03.2018	
	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	31.03.2019		31.03.2018	
	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	31.03.2019		31.03.2018	
	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

CIN:L65920MH1985PLC035504

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 2 RESERVES AND SURPLUS

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

Particulars	31.03.2019	31.03.2018
	₹	₹
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	94,462,963	79,005,988
(+) Current Year Transfer	7,284,559	15,456,975
	-	-
Closing Balance	101,747,522	94,462,963
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	307,013,877	253,679,259
(+) Net Profit/(Net Loss) For the current year	36,422,794	77,284,878
(-) Dividends Payment	8,365,080	6,970,900
(-) Dividend Tax Payment	1,719,467	1,419,111
(-) Transfer to Statutory Reserves (As per RBI Regulations)	7,284,559	15,456,975
(-) Provision for Standard Assets (As per RBI Regulations)	472,589	103,274
Closing Balance	325,594,976	307,013,877
Total Reserves & Surplus	529,066,369	503,200,711

Note 3 LONG TERM PROVISIONS

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

Particulars	31.03.2019	31.03.2018
	₹	₹
(a) Provision for Long Term Liabilities	-	-
Total (a)	-	-
(b) Others	-	-
Contingent Provision against Standard Assets (As per RBI Regulations)	842,912	370,323
Total (b)	842,912	370,323
Total Long Term Provisions	842,912	370,323

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 4 SHORT-TERM BORROWINGS

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

Particulars	31.03.2019	31.03.2018
	₹	₹
Secured		
From Banks (Bank Overdraft)	-	-
(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	313,578,927	73,996,671
(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 10% to 12%		
Total Secured Short Term Borrowings	313,578,927	73,996,671
Unsecured		
(a) Loans repayable on demand	-	-
Total Unsecured Short Term Borrowings	-	-
Total Short Term Borrowings	313,578,927	73,996,671

Note 5 TRADE PAYABLES

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

Particulars	31.03.2019	31.03.2018
	₹	₹
(a) Trade Payables	-	16,350,467
Total Trade Payables	-	16,350,467

Note 6 OTHER CURRENT LIABILITIES

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

Particulars	31.03.2019	31.03.2018
	₹	₹
(a) Unclaimed Dividends	1,707,646	1,615,103
Total Trade Payables	1,707,646	1,615,103

Note 7 SHORT TERM PROVISIONS

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

Particulars	31.03.2019	31.03.2018
	₹	₹
(a) Provision for Short Term Liabilities	-	-
(b) Provision for Expenses	269,793	239,090
(c) Others (Specify nature)		
TDS payable	3,921,388	-
Other Provisions	106,330	7,215,270
	-	-
Total Short Term Provisions	4,297,511	7,454,360

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 8 PROPERTY, PLANT AND EQUIPMNETS

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	
	01.04.2018	Additions/ (Disposals)	31.03.2019	01.04.2018	Depreciation for the year	On disposals	31.03.2019	01.04.2018	31.03.2019
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a Tangible Assets									
Office Premises	14,883,250	-	14,883,250	10,697,111	203,865	-	10,900,976	4,186,139	3,982,274
Guest House	3,690,116	-	3,690,116	1,154,603	123,479	-	1,278,082	2,535,513	2,412,034
Furniture and Fixtures	4,453,982	-	4,453,982	3,521,384	241,450	-	3,762,834	932,598	691,148
Electrical Fittings & Equipment	1,382,776	-	1,382,776	650,451	189,599	-	840,050	732,325	542,726
Office equipment	1,477,654	-	1,477,654	1,465,803	5,341	-	1,471,144	11,851	6,510
Computers	710,881	278,206	989,087	623,779	49,437	-	673,216	87,102	315,871
Vehicals	3,005,288	-	3,005,288	2,851,407	48,057	-	2,899,464	153,881	105,824
Total (Current Year)	29,603,947	278,206	29,882,153	20,964,538	861,228	-	21,825,766	8,639,409	8,056,387
Total (Previous Year)	28,684,076	919,871	29,603,947	20,177,119	787,419	-	20,964,538	8,506,957	8,639,409

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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
			31.03.2019	31.03.2018			31.03.2019	31.03.2018	31.03.2019	31.03.2018		
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	40,000	40,000	Quoted	Fully Paid	-	-	450,000	450,000	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	36,000	36,000	Quoted	Fully Paid	-	-	3,600,000	3,600,000	Yes	N.A.
									29,859,960	29,859,960		
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								323,909,960	323,909,960		

Particulars	31.03.2019	31.03.2018
	₹	₹
Aggregate amount of quoted investments (Market Value ₹ 85,75,150/- - (Previous Year ₹ 95,57,150/-)	4,100,000	4,100,000
Aggregate amount of unquoted investments	319,809,960	319,809,960
TOTAL	323,909,960	323,909,960

MUKESH BABU FINANCIL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31.03.2019	31.03.2018
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	625,516	684,669
Gross deferred tax liability	625,516	684,669
Deferred tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	4,270,166	2,995,719
Gross Deferred tax asset	4,270,166	2,995,719
Net deferred tax liability / (asset)	3,644,650	2,311,050

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	31.03.2019		31.03.2018	
	₹	₹	₹	₹
a. Loans and advances to related parties	-		-	
Total (a)	-	-	-	-
b. Other loans and advances				
Unsecured, considered good:- Advances Against Projects	39,054,400	39,054,400	39,054,400	39,054,400
Total (b)		39,054,400		39,054,400
Total Long Term Loans and Advances (a)+(b)		39,054,400		39,054,400

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	31.03.2019		31.03.2018	
	₹	₹	₹	₹
Security Deposits :				
Unsecured, considered good		998,127		998,127
Total Other Non-Current Assets		998,127		998,127

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31.03.2019		31.03.2018	
	₹	₹	₹	₹
a. Stock of Shares (Trading Stock of shares Valued at lower of cost or net realisable value)	133,389,643		139,463,733	
		133,389,643		139,463,733
Total Inventories		133,389,643		139,463,733

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	31.03.2019		31.03.2018	
	₹	₹	₹	₹
A. Trade receivables outstanding for a period less than six months from the date they are due for payment	-		-	
i. Related Party	-		-	
ii. Others	26,496,276	26,496,276	-	-
Sub Total (A)		26,496,276		-
B. Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-		-	
i. Related Party	-		-	
ii. Others	-	-	-	-
Sub Total (B)	-	-	-	-
Total Trade Receivables (A+B)	-	26,496,276	-	-

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	31.03.2019		31.03.2018	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks In Current Accounts with Scheduled Banks	21,374,608		480,842	
		21,374,608		480,842
B. Cash on hand Cash and Cash Equivalents		520,453		217,586
		21,895,061		698,428
C. Other Bank Balances In Fixed Deposits with Scheduled Banks In Unclaimed Dividends Account Interest Accrued not due on Fixed Deposits	10,125,000 1,707,646 121,621		10,125,000 1,615,103 109,498	
		11,954,267		11,849,601
Total Cash and Bank Balances (A+B+C)		33,849,328		12,548,029

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31.03.2019		31.03.2018	
	₹	₹	₹	₹
A. Loans and advances to related parties		89,753,210		8,973,871
Sub Total (A)		89,753,210		8,973,871
B. Others				
ICD Loans Unsecured, considered good		195,106,391		106,715,724
Easy Finance Consumer loans		50,366,447		-
Prepaid Expenses		91,525		12,938
Staff & Associates		1,992,000		2,359,000
Advance for Expenses		177,000		-
Sub Total (B)		247,733,363		109,087,662
Total Short-term loans and advances (A+B)		337,486,573		118,061,533

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	31.03.2019		31.03.2018	
	₹	₹	₹	₹
a. Taxation				
Advance Tax and TDS (Net)		5,352,413		1,152,606
b. Non-Taxation				
Margin Money with Brokers	6,861,896		26,523,788	
Other Receivable	68,712	6,930,608	-	26,523,788
Total Other Current Assets		12,283,021		27,676,394

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	31.03.2019		31.03.2018	
	₹	₹	₹	₹
A. Contingent Liabilities				
(1) Claims against the company not acknowledged as debt	-		-	
(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
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NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31.03.2019		31.03.2018	
	₹	₹	₹	₹
Interest Income		71,540,567		40,140,339
Dividend Income		32,813,894		53,714,145
Profit on Shares and Securities		7,583,933		10,309,664
Net Revenue From Operations		111,938,394		104,164,148

Note 20 OTHER INCOME

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

Particulars	31.03.2019		31.03.2018	
	₹	₹	₹	₹
Profit on sale of Investments		176,712		1,550,000
Interest on Term Deposits		757,393		758,921
Total Other Income		934,105		2,308,921

Note 21 (INCREASE) / DECREASE IN INVENTORIES

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

Particulars	31.03.2019		31.03.2018	
	₹	₹	₹	₹
Inventories at the end of the year				
Stock of Shares	133,389,643	133,389,643	139,463,733	139,463,733
Inventories at the beginning of the year				
Stock of Shares	139,463,733	139,463,733	131,986,357	131,986,357
Net Increase / (Decrease) in Inventories		(6,074,090)		7,477,376

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 22 EMPLOYEE BENEFIT EXPENSES

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

Particulars	31.03.2019		31.03.2018	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries	1,457,975		653,357	
Bonus	70,350		58,950	
Directors' Remuneration	1,266,112	2,794,437	1,808,197	2,520,504
(b) Staff welfare expenses		107,916		462,295
Total Employee Benefit Expenses		2,902,353		2,982,799

Note 23 FINANCE COST

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

Particulars	31.03.2019		31.03.2018	
	₹	₹	₹	₹
<u>Interest expense</u>				
Interest on Loans	63,255,556		9,251,027	
Loan Processing Fees			103,500	
Interest on Bank Overdraft	71,211	63,326,767	21,594	9,376,121
Other Financial Expenses				
Total Finance Cost		63,326,767		9,376,121

Note 24 OTHER EXPENSES

Particulars	31.03.2019		31.03.2018	
	₹	₹	₹	₹
Auditors' Remuneration		58,880		48,580
Business Promotion Expenses		636,293		1,614,918
Conveyance		278,761		756,194
Corporate Social Responsibility Expenses		1,052,000		-
Demat and Depository Expenses		744,190		105,536
Electricity Expenses		161,485		267,778
Professional & Consultancy Fees		2,034,848		762,018
Listing Fees		295,000		287,500
Membership & Subscriptions		101,208		77,754
Office Expenses		63,795		229,759
Postage and Courier Expenses		83,198		73,405
Printing and Stationery Expenses		249,316		241,554
Publishing Expenses		207,857		157,960
Rent, Rates & Taxes		286,634		585,928
Repairs and Maintenance Expenses		262,610		275,475
Registrar and Share Transfer Expenses		275,983		193,993
Travelling Expenses		603,000		446,636
Telephone Expenses		55,129		136,375
Sundry Expenses		237,948		214,179
Total Other Expenses		7,688,135		6,475,541

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

NOTE:- 25 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.

USE OF ESTIMATES

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

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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

Particulars	31.03.2019	31.03.2018
As Auditors	40,000	35,400
Other Professional Services	18,880	13,180
	58,880	48,580

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

5 Earning per share is calculated as under:

Particulars	31.03.2019	31.03.2018
Basic earning per share		
Net profit after Taxation	36,422,794	77,284,878
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	5.22	11.09
Diluted earning per share		
Net profit after Taxation	36,422,794	77,284,878
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	5.22	11.09

Directors' Remuneration	31.03.2019	31.03.2018
Within the limits of Schedule V to the Companies Act 2013.	1,200,000	1,763,750

7 The Company is mainly engaged in the business of providing 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	(1,152,606)	1,671,222	5,871,029	(5,352,413)

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	31.03.2019	31.03.2018
Mukesh Babu Securities Limited (Subsidiary)	86,193,812	8,973,871
Ashtavinayak Infotech Private Limited	2,162,795	0
Istaa Fashions Private Limited	1,396,603	0

Maximum outstanding during the Year

NAME OF THE COMPANY	31.03.2019	31.03.2018
Mukesh Babu Securities Limited (Subsidiary)	93,050,108	32,455,355
Ashtavinayak Infotech Private Limited	20,378,082	0
Istaa Fashions Private Limited	75,000,000	0

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

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	5,057,086	210,578	19,818	5,247,846
Value (in ₹)	139,463,733	384,700	10,281,765	133,389,643

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

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

13 Disclosure in respect of related parties transaction as required by the Accounting Standard 18 "Related Party

A Relationship	Name of Related Party
(i) List of related parties with whom no transaction has taken place during the year	
1 Ista Infotech Pvt. Ltd.	Entity controlled by relative of KMP
2 Ista Securities Pvt. Ltd.	Entity controlled by relative of KMP
3 Nomad Communications LLP	Entity controlled by relative of KMP
4 Mukesh Babu Mgt. Consultants Pvt. Ltd.	Entity controlled by relative of KMP
(ii) List of related parties with whom transactions have taken place during the year	
1 Mukesh Babu Securities Ltd.	Subsidiary
2 Sagar Systech Ltd.	Entity controlled by KMP &/or their relative
3 Ashtavinayak Infra Tech Pvt. Ltd.	Entity controlled by relative of KMP
4 Ista Fashions Pvt. Ltd.	Entity controlled by relative of KMP
5 Mukesh Babu Stock Broking Pvt. Ltd.	Entity controlled by relative of KMP
6 C. L. Babu Foundation	Entity managed by KMP &/or relative of KMP
7 Tamarind Tree Trust	Entity managed by relative of KMP
(iii) Key Managerial Personnel (KMP) with whom transactions have taken place during the year	
1 Mukesh Babu	Managing Director (KMP)
2 Mahesh Thakar	Chief Financial Officer (KMP)
3 Manasi Dalal	Company Secretary (KMP)
(iv) Relatives of KMP who have controlled/managed the any of the entities mentioned above	
1 Meena Mukesh Babu	Wife of Mukesh Babu -KMP
2 Miloni Mukesh Babu	Daughter of Mukesh Babu-KMP
3 Hemant Babu	Brother of Mukesh Babu- KMP

B Transactions during the year with related parties:

Nature of Transactions	Subsidiary	KMP	Entity controlled by KMP/ Relative of KMP	Entity managed by KMP/ Relative of KMP	Total
Net Loans & advances given/(returned)	72,000,000		1,425,000		73,425,000
Interest income	5,799,934		2,288,220		8,088,154
Net Loans & advances taken/(returned)					0
Interest paid		37,010,959			37,010,959
CSR Expenditure				1,052,000	1,052,000
Remuneration paid to KMP		1,917,400			1,917,400
Closing Balance					0
Loans and Advances(31.3.2019)	86,193,812	0	3,559,398	0	89,753,210
Loans and Advances(31.3.2018)	8,973,871	0	75,000	0	9,048,871

C Balance as at 31st March, 2019

Particulars	Relationship	31/03/2019	31/03/2018
Loans and advances			
Mukesh Babu Securities Ltd.	Subsidiary	86,193,812	8,973,871
Sagar Systech Ltd.		0	50,000
Ashtavinayak Infra Tech Pvt. Ltd.	Entity controlled by KMP and/or his relatives	2,162,795	0
Ista Fashions Pvt. Ltd.		1,396,603	0
Mukesh Babu Stock Broking Pvt. Ltd.		0	25,000
Mukesh Babu	KMP	0	0

14 Income and Expenses in Foreign Currency:

31.03.2019	31.03.2018
NIL	NIL

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

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

Particulars		Amount in Rs.	
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)	313,578,927	NIL
	b. Loans from Banks (Unsecured)	0	
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	376,540,973	
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	4,050,000	
	(b) Preference		
	(ii) Units of Mutual Funds	50,000	
	2 Unquoted :		
	(i) Shares : (a) Equity	25,809,960	
	(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	0	0
	2. Other than Related Parties	298,100,000	298,100,000
	Total	323,909,960	323,909,960
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	

16 SPECIFIC DISCLOSURES

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

Particlars	Total ₹	Total ₹ per Share
Dividends proposed to be distributed to equity shareholders	8,365,080	1.20

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

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.

**AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & COMPANY
CHARTERED ACCOUNTANTS**

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

**CHAITANYA C. DALAL
Partner
Membership No.35809
FRN NO. 101632W**

**Mukesh Babu
Managing Director
DIN:00224300**

**Meena Babu
Director
DIN:00799732**

**Place : Mumbai
Date : 30/05/2019**

**Mahesh Thakar
Chief Financial Officer**

**Manasi Dalal
Company Secretary
ACS: 54690**

**Place : Mumbai
Date : 30/05/2019**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

MUKESH BABU FINANCIAL SERVICES LIMITED

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **MUKESH BABU FINANCIAL SERVICES LIMITED** (hereinafter referred to as "the company") having CIN: L65920MH1985PLC035504 and its subsidiary (the company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 and other accounting principles generally accepted in India. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Group and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 consolidated 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, the Rules made thereunder, and the Order issued under section 143(11) of the Act.

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 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 financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained 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;

- a) in the case of the Balance Sheet, of the consolidated state of affairs of the Company as at March 31, 2019;
- b) in the case of the Statement of Profit and Loss, of the consolidated profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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 appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- 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 written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors of the company and its subsidiary, none of the directors of the Group is disqualified as on 31 March, 2019, 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 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. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provisions have been made in the consolidated financial statements, as required by applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. M/s Mukesh Babu Financial Services Limited (Holding Company) has transferred the required amount of Rs. 2,13,348/-, to the Investor Education and Protection Fund on 31st December 2018.

For Chaitanya C. Dalal & Co.

Chartered Accountants

Firm Reg. No. 101632W

Chaitanya C. Dalal

Partner

Membership No: 35809

Place: Mumbai

Date: 30th May, 2019

Annexure A to the Independent Auditors' Report

Re: Mukesh Babu Financial Services Limited

The Annexure referred to in our Independent Auditors' Report with reference to the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") to the members of the Company and its subsidiary on the Consolidated Financial Statement for the year ended 31st March 2019.

We have audited the internal financial controls over financial reporting of **Mukesh Babu Financial Services Limited** (hereinafter referred to as "the Company") and its subsidiary company as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date:

Management's Responsibility for Internal Financial Controls

The management of the company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India.

These responsibilities includes 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 policies of the Group, 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 Group'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 The Institute of Chartered Accountants of India 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, the guidelines 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 depends 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 internal financial controls system over financial reporting of the company and its subsidiary company.

Meaning of Internal Financial Controls Over Financial Reporting

Internal financial control over financial reporting of the Group is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Internal financial control over financial reporting of the Group includes those policies and procedures that

- (a) pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company and its subsidiary company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 its subsidiary company;
- (c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the assets of the Group that could have a material effect on the consolidated 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 Group 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 on 31st March 2019, 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 issued by the Institute of Chartered Accountants of India.

For Chaitanya C Dalal & Co.

Chartered Accountants

Firm Registration No.: 101632W

Chaitanya C. Dalal

Partner

Membership No.: 035809

Place: Mumbai

Date: 30th May, 2019

MUKESH BABU FINANCIAL SERVICES LIMITED CONSOLIDATED
CIN:L65920MH1985PLC035504
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Note No.	31/03/2019		31/03/2018	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	622,202,476		591,345,512	
(c) Money received against share warrants			691,877,476		661,020,512
2 Mionority Interest			111,480,331		106,802,311
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	842,913	842,913	370,323	370,323
4 Current liabilities					
(a) Short-term borrowings	4	374,710,374		101,788,593	
(b) Trade payables	5	313,260		16,663,727	
(c) Other Current Liabilities	6	1,707,646		151,615,103	
(d) Short-term provisions	7	8,474,983	385,206,263	7,774,676	277,842,099
TOTAL			1,189,406,983		1,046,035,245
II. ASSETS					
1 Non-current assets					
(a) Fixed assets	8	25,025,121		26,371,398	
(i) Tangible assets		-		-	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	9	357,974,761		359,630,519	
(c) Deferred tax assets (net)	10	3,907,011		2,489,161	
(d) Long-term loans and advances	11	39,054,400		39,054,400	
(e) Other non-current assets	12	19,306,344	445,267,637	19,288,344	446,833,822
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	133,389,643		139,463,733	
(c) Trade receivables	14	35,621,443		9,125,167	
(d) Cash and Bank Balances	15	132,328,000		112,272,710	
(e) Short-term loans and advances	16	426,463,758		309,062,275	
(f) Other current assets	17	16,336,502	744,139,346	29,277,538	599,201,423
TOTAL			1,189,406,983		1,046,035,245

Contingent Liabilities & Commitments

18

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

NOTES ON ACCOUNT

24

AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & COMPANY
CHARTERED ACCOUNTANTS

Mukesh Babu
Managing Director
DIN:00224300

Meena Babu
Director
DIN:00799732

CHAITANYA C. DALAL
Partner
FRN: 101632W
M. No.: 035809
Place : Mumbai
Date : 30/05/2019

Mahesh Thakar
Chief Financial Officer

Manasi Dalal
Company Secretary
ACS: 54690

Place : Mumbai
Date : 30/05/2019

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR YEAR ENDED 31ST MARCH 2019.

Particulars	Note No.	31/03/2019		31/03/2018	
		₹	₹	₹	₹
I Revenue from operations	19		106,138,460		102,956,093
II Other income	20		92,894,073		146,820,981
III Total Revenue (I + II)			199,032,533		249,777,074
IV Expenses:					
Employee benefits expense	21	5,639,648		6,451,554	
Finance costs	22	100,200,558		11,237,425	
Depreciation	8	1,624,483		1,511,137	
Other expenses	23	42,747,655		144,744,772	
Total expenses			150,212,344		163,944,888
V Profit before exceptional and extraordinary items and tax (III-IV)			48,820,189		85,832,186
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			48,820,189		85,832,186
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			48,820,189		85,832,186
X Tax expense:					
(1) Current tax		4,200,000		9,500,000	
(2) Taxation for Earlier Years		(54,081)		184,177	
(2) Deferred tax		(1,417,850)	2,728,069	(126,575)	9,557,602
XI Profit (Loss) for the period from continuing operations (VII-VIII)			46,092,120		76,274,584
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)			46,092,120		76,274,584
XVI Earnings per equity share:					
(1) Basic			6.61		10.94
(2) Diluted			6.61		10.94

NOTES ON ACCOUNT

AS PER OUR REPORT OF EVEN DATE
FOR CHAITANYA C. DALAL & COMPANY
CHARTERED ACCOUNTANTS

CHAITANYA C. DALAL
Partner

FRN: 101632W
M. No.: 035809

Place : Mumbai
Date : 30/05/2019

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

Mukesh Babu
Managing Director
DIN:00224300

Meena Babu
Director
DIN:00799732

Mahesh Thakar
Chief Financial Officer

Manasi Dalal
Company Secretary
ACS: 54690

Place : Mumbai
Date : 30/05/2019

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2019.

	31/03/2019		31/03/2018	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		48,820,189		85,832,186
Adjustments for :				
Depreciation & Misc. Exp. Written off	1,624,483		1,511,137	
Non Operating Interest / Dividend Received	(5,479,070)		(8,429,966)	
Interest Paid	100,200,558		11,237,425	
Excess Provision for Taxation	-	96,345,971	-	4,318,596
Operating Profit Before Working Capital Changes		145,166,160		90,150,782
Changes in Working Capital:				
Inventories	6,074,090		(7,477,376)	
Sundry Debtors	(26,496,276)		(577,500)	
Loans and Advances	(117,401,483)		(29,529,279)	
Other Current Assets	14,030,720		25,981,806	
Sundry Creditors	(16,350,467)		(25,155,042)	
Other Liabilities	(148,734,560)	(288,877,976)	(10,606,397)	(47,363,788)
Cash Generated from Operations		(143,711,816)		42,786,994
Interest Paid		(100,200,558)		(11,237,425)
Direct Taxes Paid		(5,865,386)		(11,103,288)
Cash Flow Before Extraordinary Items		(249,777,760)		20,446,281
Extraordinary Items		(472,589)		(103,274)
Net Cash From Operating Activities		(250,250,349)		20,343,007
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(278,206)		(2,308,377)	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		(5,965,000)	
Dividend and Interest	5,479,070		8,429,966	
Sale of Investments	1,655,757	6,856,621	3,666,500	3,823,089
Net cash used in Investing Activities		6,856,621		3,823,089
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	272,921,781		(17,987,277)	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid	(8,365,080)		(6,970,900)	
Increase in Misc. & Public Issue Expenses	-	264,556,701	-	(24,958,177)
Net cash used in Financing Activities		264,556,701		(24,958,177)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		21,162,974		(792,081)
Cash & Cash Equivalents at the Beginning of the Year		2,780,202		3,572,283
Cash & Cash Equivalents at th Closing of the Year		23,943,176		2,780,202

FOR CHAITANYA C. DALAL & COMPANY
Chartered Accountants

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

CHAITANYA C. DALAL
Partner

Mukesh Babu
Managing Director
DIN:00224300

Meena Babu
Director
DIN:00799732

FRN: 101632W
M. No.: 035809

Mahesh Thakar
Chief Financial Officer

Manasi Dalal
Company Secretary
ACS: 54690

Place : Mumbai
Date : 30/05/2019

Place : Mumbai
Date : 30/05/2019

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31/03/2019		31/03/2018	
	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	31/03/2019		31/03/2018	
	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	31/03/2019		31/03/2018	
	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	31/03/2019		31/03/2018	
	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

CIN:L65920MH1985PLC035504

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 2 RESERVES AND SURPLUS

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

Particulars	31/03/2019	31/03/2018
	₹	₹
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	94,462,964	79,005,989
(+) Current Year Transfer	7,284,559	15,456,975
	-	-
Closing Balance	101,747,523	94,462,964
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	395,158,677	342,345,575
(+) Net Profit/(Net Loss) For the current year	46,092,120	76,274,584
(-) Transferred to(from) Minority Interest	4,678,020	-488,778
(-) Dividends Payment	8,365,080	6,970,900
(-) Dividend Distribution Tax	1,719,467	1,419,111
(-) Transfer to Statutory Reserves (As per RBI Regulations)	7,284,559	15,456,975
(-) Provision for Standard Assets (As per RBI Regulations)	472,589	103,274
Closing Balance	418,731,082	395,158,677
Total Reserves & Surplus	622,202,476	591,345,512

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 3 LONG TERM PROVISIONS

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

Particulars	31/03/2019	31/03/2018
	₹	₹
(a) Provision for Long Term Liabilities	-	-
Total (a)		-
(b) Others		-
Contingent Provisions against Standard Assets (As per RBI Regulations)	842,913	370,323
	842,913	370,323
Total Long Term Provisions (a+b)	842,913	370,323

Note 4 SHORT-TERM BORROWINGS

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

Particulars	31/03/2019	31/03/2018
	₹	₹
Secured		
<u>From Banks (Cash Credit Facility)</u>	50,086,070	27,791,922
(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>	313,578,927	73,996,671
(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	10% to 12%	
Other significant relevant terms	-	
Total Secured Short Term Borrowings	363,664,997	101,788,593
Unsecured		
(a) Loans repayable on demand		
From Directors	11,045,377	-
Total Unsecured Short Term Borrowings	11,045,377	-
Total Short Term Borrowings	374,710,374	101,788,593

Note 5 TRADE PAYABLES

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

Particulars	31/03/2019	31/03/2018
	₹	₹
(a) Trade Payables	313,260	16,663,727
Total Trade Payables	313,260	16,663,727

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

Note 6 OTHER CURRENT LIABILITIES

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

Particulars	31/03/2019	31/03/2018
	₹	₹
(a) Unclaimed Dividends	1,707,646	1,615,103
(b) Deposits		
Margin Accounts	-	150,000,000
Total Current Liabilities	1,707,646	151,615,103

Note 7 SHORT TERM PROVISIONS

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

Particulars	31/03/2019	31/03/2018
	₹	₹
(a) Provision for Short Term Liabilities	-	-
(b) Provision for Expenses	413,286	434,100
(c) Others (Specify nature)		
TDS payable	7,955,367	125,306
Other Provisions	106,330	7,215,270
Total Short Term Provisions	8,474,983	7,774,676

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	
	01/04/2018	Additions/ (Disposals)	31/03/2019	01/04/2018	Depreciation for the year	On disposals	31/03/2019	31/03/2019	31/03/2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a. Tangible Assets									
Office Premises	26,313,640		26,313,640	10,697,111	203,865	-	10,900,976	15,412,664	15,616,529
Premises	3,529,720		3,529,720	-		-	-	3,529,720	3,529,720
Guest House	3,690,116		3,690,116	1,154,603	123,479	-	1,278,082	2,412,034	2,535,513
Furniture and Fixtures	7,180,578		7,180,578	5,242,468	501,777	-	5,744,245	1,436,333	1,938,110
Electrical Fittings & Equipment	2,478,749		2,478,749	1,384,522	283,295	-	1,667,817	810,932	1,094,227
Office equipment	3,760,639		3,760,639	3,651,328	49,266	-	3,700,594	60,045	109,311
Computers	7,381,394	278,206	7,659,600	7,222,053	95,063	-	7,317,116	342,484	159,341
Vehicals	7,802,023		7,802,023	6,413,376	367,738	-	6,781,114	1,020,909	1,388,647
Total (Current Year)		278,206	62,415,065	35,765,461	1,624,483	-	37,389,944	25,025,121	26,371,398
Total (Previous Year)	59,828,482	2,308,377	62,136,859	34,254,324	1,511,137		35,765,461	25,574,158	24,252,980

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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
			31/03/2019	31/03/2018			31/03/2019	31/03/2018	31/03/2019	31/03/2018		
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	40,000	40,000	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	-	-	Yes	N.A.
	Dynamic Ship Recyclers Pvt.Ltd.	Others	400,000	-	Unquoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	The Gaekwar Mills Ltd	Others	75,000	75,000	Quoted	Fully Paid	Not known	Not known	3,600,000	3,600,000	Yes	N.A.
	ABB LTD.	Others	-	500	Quoted	Fully Paid	Not known	Not known	-	120,000	Yes	N.A.
	ACC LTD.	Others	-	500	Quoted	Fully Paid	Not known	Not known	-	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	25,000	30,000	Quoted	Fully Paid	Not known	Not known	205,753	246,904	Yes	N.A.
	Bajaj Auto Ltd.	Others	3,000	6,000	Quoted	Fully Paid	Not known	Not known	826,000	1,652,000	Yes	N.A.
	Bombay Stock Exchange Ltd	Others	35,347	35,347	Quoted	Fully Paid	Not known	Not known	9,793,838	9,793,838	Yes	N.A.
	Bajaj Financial Services Ltd.	Others	1,500	3,300	Quoted	Fully Paid	Not known	Not known	88,636	195,000	Yes	N.A.
	Bajaj Holdings & Investment Ltd.	Others	1,500	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	430,000	Quoted	Fully Paid	Not known	Not known	5,049,899	5,428,642	Yes	N.A.
	Bharat Heavy Electricals Ltd.	Others	2,000	3,000	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.
	Dr. Reddy's Laboratories Ltd	Others	500	500	Quoted	Fully Paid	Not known	Not known	706,931	706,931	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
CIN:L65920MH1985PLC035504
NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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
			31/03/2019	31/03/2018			31/03/2019	31/03/2018	31/03/2019	31/03/2018		
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	5,000	5,000	Quoted	Fully Paid	Not known	Not known	455,000	455,000	Yes	N.A.
	HDFC Bank Ltd.	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	736,963	736,963	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	4,500	4,500	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	3,750	6,825	Quoted	Fully Paid	Not known	Not known	1,847,418	1,847,418	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.
	Número Uno Projects Ltd.	Others	2,030	2,030	Quoted	Fully Paid	Not known	Not known	5,278	5,278	Yes	N.A.
	P.M. Teelinks 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.
	Reliance Communications Ltd.	Others	1,500	1,500	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Reliance Industries Ltd.	Others	3,000	6,000	Quoted	Fully Paid	Not known	Not known	1,776,658	1,776,658	Yes	N.A.
	Sun Pharmaceutical Industries Ltd	Others	360	360	Quoted	Fully Paid	Not known	Not known	294,975	294,975	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	650	650	Quoted	Fully Paid	Not known	Not known	192,000	192,000	Yes	N.A.
	Tata Motors Ltd.	Others	53,000	53,000	Quoted	Fully Paid	Not known	Not known	4,361,238	4,361,238	Yes	N.A.
	UPL Limited	Others	8,000	8,000	Quoted	Fully Paid	Not known	Not known	4,098,151	4,098,151	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.
	Vedanta Ltd	Others	20,000	20,000	Quoted	Fully Paid	Not known	Not known	1,522,000	1,522,000	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	60,000	Quoted	Fully Paid	Not known	Not known	4,770,402	4,770,402	Yes	N.A.
	Zee Learn Ltd	Others	8,313	8,313	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Zee News Ltd	Others	13,727	13,727	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Total								63,124,761	64,780,519		

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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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
			31/03/2019	31/03/2018			31/03/2019	31/03/2018	31/03/2019	31/03/2018		
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.
									15,000,000	15,000,000		
d.	Investments in Government or Trust securities, Mutual Fund UTI-IEF units UTI Index Equity Fund SBI Mutual Fund	Others	5,000	5,000	Quoted	Fully Paid	Not known	Not known	50,000	50,000	Yes	N.A.
									500,000	500,000		
									300,000	300,000		
									850,000	850,000		
e.	Investments in Debentures or Bonds The Gaekwar Mills Limited (9%) The Gaekwar Mills Limited (0%)	Others	3,000	3,000	Unquoted	Fully Paid	Not known	Not known	229,000,000	229,000,000	Yes	N.A.
									50,000,000	50,000,000		
									279,000,000	279,000,000		
Total									357,974,761	359,630,519		

Note: Market Value of Quoted Investment as of 31st March, 2019 is ₹/- 51,23,25,276/- (Previous Year ₹ 86,16,43,396/-)

MUKESH BABU FINANCIL SERVICES LIMITED
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NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31/03/2019	31/03/2018
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	363,155	506,558
Gross deferred tax liability	363,155	506,558
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	4,270,166	2,995,719
Gross Deferred tax asset	4,270,166	2,995,719
Net deferred tax liability / (asset)	(3,907,011)	(2,489,161)

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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
a. Loans and advances to related parties	-		-	
Total (a)		-		-
b. Other loans and advances				
Unsecured, considered good:- Advances Against Projects	39,054,400	39,054,400	39,054,400	39,054,400
Total (b)		39,054,400		39,054,400
Total Long Term Loans and Advances		39,054,400		39,054,400

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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
Security Deposits :				
Interest Free Deposits		18308217		18,290,217
Other Deposits				
Unsecured, considered good		998,127		998,127
Total Other Non-Current Assets		19,306,344		19,288,344

MUKESH BABU FINANCIAL SERVICES LIMITED

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NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
a. Stock of Shares <i>(Trading Stock Valued at lower of cost or net realisable value)</i>		133,389,643		139,463,733
Total Inventories		133,389,643		139,463,733

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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
a. Trade Receivables outstanding for a period exceeding six months from the date they are due. Unsecured, considered good	9,125,167	-	9,125,167	
b. Trade Receivable - Others Unsecured, considered good	26,496,276	35,621,443	-	9,125,167
Total Trade Receivables (A+B)		35,621,443		9,125,167

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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks In Current Accounts with Scheduled Banks	23,288,576		2,399,355	2,399,355
B. Cash on hand Cash and Cash Equivalents		23,288,576 654,600 23,943,176		380,847 2,780,202
C. Other Bank Balances In Fixed Deposits with Scheduled Banks In Unclaimed Dividends Accounts Interest Accrued not due on Fixed Deposits	105,624,599 1,707,646 1,052,579	108,384,824	105,637,246 1,615,103 2,240,159	109,492,508
Total Cash and Bank Balances (A+B+C+D)		132,328,000		112,272,710

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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
A. Loans and advances to related parties		3,559,398		-
B. Others				
ICD loans Unsecured, considered good	370,069,552		306,438,001	
Easy Finance Consumer Loans	50,366,447			
Advances for Expenses	298,756		121,756	
Prepaid Expenses	101,025		12,938	
Staff & Associates	2,068,580	422,904,360	2,489,580	309,062,275
Total Short-term loans and advances		426,463,758		309,062,275

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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
A. Taxation				
Advance Tax and TDS (Net)	9,405,894		2,753,750	
B. Non-Taxation				
Margin Money with Brokers	6,861,896		26,523,788	
Margin Money with Brokers	68,712	16,336,502	-	29,277,538
Total Other Current Assets		16,336,502		29,277,538

MUKESH BABU FINANCIAL SERVICES LIMITED
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NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
A. Contingent Liabilities				
(1) Claims against the company not acknowledged as debt -	-		-	
(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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
Interest Income	65,740,633		38,932,284	
Dividend Income (Holding Company)	32,813,894		53,714,145	
Profit on Shares and Securities	7,583,933		10,309,664	
		106,138,460		102,956,093
Net Revenue From Operations		106,138,460		102,956,093

Note 20 OTHER INCOME

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

Particulars	31/03/2019		31/03/2018	
	₹	₹	₹	₹
Dividend Income (Subsidiary Company)	5,479,070		8,426,424	
Profit on Sale of Investment	44,259,404		128,090,383	
Interest Income - Others	35,720,548		1,493,424	
Interest on Term Deposits	7,387,246		8,807,208	
Interest on Income Tax Refund	47,805		-	
Miscellaneous Income		92,894,073	3,542	146,820,981
Total Other Income		92,894,073		146,820,981

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NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019

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	31/03/2019		31/03/2018	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries	2,301,900		1,641,582	
Bonus	161,850		199,375	
Dearness Allowances	111,475		108,225	
House Rent Allowances	122,100		278,600	
Directors' Remuneration	2,466,112	5,163,437	3,008,197	5,235,979
(b) Contribution to Provident Fund		198,409		218,964
(c) Staff welfare expenses		277,802		996,611
Total Employee Benefit Expenses		5,639,648		6,451,554

Note 22 FINANCE COST

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

Particulars	31/03/2019		31/03/2018	
	₹	₹	₹	₹
<u>Interest expense</u>				
Interest on Loans other than bank	97,750,419		9,251,027	
Loan Processing Fees			103,500	
Interest on Bank Limits	2,450,139	100,200,558	1,882,898	11,237,425
Total Finance Cost		100,200,558		11,237,425

Note 23 OTHER EXPENSES

Particulars	31/03/2019		31/03/2018	
	₹	₹	₹	₹
Auditors' Remuneration		112,570		97,180
Business Promotion Expenses		636,293		1,614,918
Conveyance		588,581		1,376,584
Corporate Social Responsibility Expenses		1,052,000		-
Demat & Depository Expenses		744,190		-
Electricity Expenses		511,376		595,583
Professional & Consultancy Fees		2,337,348		1,351,511
Listing Fees		295,000		287,500
Membership & Subscription		101,208		77,754
Motor Car Expenses		383,920		600,857
Office Expenses		202,309		442,054
Printing and Stationery Expenses		432,130		447,161
Publishing Expenses		207,857		157,960
Rent, Rates & Taxes		873,612		1,016,676
Registrar and Share Transfer Expenses		275,983		
Repairs and Maintenance Expenses		541,831		858,818
Telephone & Courier Expenses		488,466		595,861
Sundry Expenses		558,529		744,469
Stock Exchange Expenses		461,961		363,140
Travelling Expenses		1,942,491		2,272,306
Conciliation Award Compensation		30,000,000		131,844,440
Total Other Expenses		42,747,655		144,744,772

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NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

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.

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.

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NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

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

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

Particulars	31/03/2019	31/03/2018
As Auditors	59,700	69,700
Other Professional Services	52,870	27,480
	112,570	97,180

4 Earning per share is calculated as under:

Particulars	31/03/2019	31/03/2018
Basic earning per share		
Net profit after Taxation	46,092,120	76,274,584
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	6.61	10.94
Diluted earning per share		
Net profit after Taxation	46,092,120	76,274,584
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	6.61	10.94

5

Directors' Remuneration	31/03/2019	31/03/2018
Within the limits of Schedule V to the Companies Act 2013.	2,400,000	2,963,750

6

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.

MUKESH BABU FINANCIAL SERVICES LIMITED

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NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

- 7 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.
- 8 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.
- 9 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	2,753,750	2,728,069	(3,924,075)	9,405,894

- 10 Disclosure in respect of related parties transaction as required by the Accounting Standard 18 "Related Party Disclosures":

A Relationship	Name of Related Party
(i) List of related parties with whom no transaction has taken place during the year	
1 Istaaf Infotech Pvt. Ltd.	Entity controlled by relative of KMP
2 Istaaf Securities Pvt. Ltd.	Entity controlled by relative of KMP
3 Nomad Communications LLP	Entity controlled by relative of KMP
4 Mukesh Babu Mgt. Consultants Pvt. Ltd.	Entity controlled by relative of KMP
(ii) List of related parties with whom transactions have taken place during the year	
1 Mukesh Babu Securities Ltd.	Subsidiary
2 Sagar Systech Ltd.	Entity controlled by KMP &/or their relative
3 Ashtavinayak Infra Tech Pvt. Ltd.	Entity controlled by relative of KMP
4 Istaaf Fashions Pvt. Ltd.	Entity controlled by relative of KMP
5 Mukesh Babu Stock Broking Pvt. Ltd.	Entity controlled by relative of KMP
6 C. L. Babu Foundation	Entity managed by KMP &/or relative of KMP
7 Tamarind Tree Trust	Entity managed by relative of KMP
(iii) Key Managerial Personnel (KMP) with whom transactions have taken place during the year	
1 Mukesh Babu	Managing Director (KMP)
2 Mahesh Thakar	Chief Financial Officer (KMP)
3 Manasi Dalal	Company Secretary (KMP)
(iv) Relatives of KMP who have controlled/managed the any of the entities mentioned above	
1 Meena Mukesh Babu	Wife of Mukesh Babu -KMP
2 Miloni Mukesh Babu	Daughter of Mukesh Babu-KMP
3 Hemant Babu	Brother of Mukesh Babu- KMP

B Transactions during the year with related parties:

Nature of Transactions	Subsidiary	KMP	controlled	by KMP/	Total
Net Loans & advances given/(returned)	72,000,000		1,425,000		73,425,000
Interest income	5,799,934		2,288,220		8,088,154
Net Loans & advances taken/(returned)					0
Interest paid		37,010,959			37,010,959
CSR Expenditure				1,052,000	1,052,000
Remuneration paid to KMP		1,917,400			1,917,400
Closing Balance					0
Loans and Advances(31.3.2019)	86,193,812	0	3,559,398	0	89,753,210
Loans and Advances(31.3.2018)	8,973,871	0	75,000	0	9,048,871

C Balance as at 31st March, 2019

Particulars	Relationship	31/03/2019	31/03/2018
Name of Related Party			
Mukesh Babu Securities Ltd.	Subsidiary	86,193,812	8,973,871
Sagar Systech Ltd.	Entity controlled by KMP and/or his relatives	0	50,000
Ashtavinayak Infra Tech Pvt. Ltd.		2,162,795	0
Istaaf Fashions Pvt. Ltd.		1,396,603	0
Mukesh Babu Stock Broking Pvt. Ltd.		0	25,000
Mukesh Babu	KMP	0	0

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NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

11 Income and Expenses in Foreign Currency:

31.03.2019	31.03.2018
NIL	NIL

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

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	5057086	210578	19818	5247846
Value (in ₹)	139,463,733	384,700	10,281,765	133,389,643

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

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

Particulars		Amount in Rs.	
		Amount Outstanding	Amount Overdue
LIABILITIES SIDE:			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	a. Loan Against Securities (Secured Against shares)	313,578,927	NIL
	b. Loans from Banks (Unsecured)	-	
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	376,540,973	
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	4,050,000	
	(b) Preference		
	(ii) Units of Mutual Funds	50,000	
	2 Unquoted :		
	(i) Shares : (a) Equity	25,809,960	
	(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	298,100,000	298,100,000
	Total	323,909,960	323,909,960
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
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NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2019

- 14 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	31.03.2019	31.03.2018
Ashtavinayak Infotech Private Limited	2,162,795	0
Istaa Fashions Private Limited	1,396,603	0

Maximum outstanding during the Year

NAME OF THE COMPANY	31.03.2019	31.03.2018
Ashtavinayak Infotech Private Limited	20,378,082	0
Istaa Fashions Private Limited	75,000,000	0

15 SPECIFIC DISCLOSURES

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

Particlars	Total ₹	Total ₹ per Share
Dividends proposed to be distributed to equity shareholders	8,365,080	1.20

- 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	

16

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.

- 17 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.
- 18 The previous year's figures are regrouped / rearranged / reclassified wherever considered necessary to correspond with the figures of current year.
- 19 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 CHAITANYA C. DALAL & COMPANY
Chartered Accountants

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

CHAITANYA C. DALAL
Partner

Mukesh Babu
Managing Director
DIN:00224300

Meena Babu
Director
DIN:00799732

FRN: 101632W
M. No.: 035809

Mahesh Thakar
Chief Financial Officer

Manasi Dalal
Company Secretary
ACS: 54690

Place : Mumbai
Date : 30/05/2019

Place : Mumbai
Date : 30/05/2019

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN: L65920MH1985PLC35504

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

Phone: 022-22834462/26232051 **Fax:** 022-24082687

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

Share Transfer Agent: Link Intime India Pvt. Ltd.,
C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai-400 083

ATTENDANCE SLIP

I/We hereby record my/our presence at the 34th Annual General Meeting of the Company held at Café Istaar, 12A/1, New Sion C.H.S. Ltd., Sion – West, Mumbai 400022, at 04.00 p.m. on Monday, the 30th day of September, 2019.

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.		

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Form No.MGT-11 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 / her

2. Name: _____ Address: _____

E-mail Id: _____ Signature: _____,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the company, to be held on Monday, the 30th day of September, 2019 at 04.00 p.m. at Café Ista, 12A/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
Ordinary Business:			
1.	Adoption of Audited Financial Statements and Reports of the Directors and the Auditors thereon for the financial year ended 31 st March, 2019		
2.	Declaration of dividend for the Financial Year 2018 - 19		
3.	Re - appointment of a Director		
Special Business:			
4.	Re-appointment of Mr. Pankaj Majithia as an Independent Director (DIN: 00224833)		
5.	Re-appointment of Mr. Vijay Vora as an Independent Director (DIN: 00224394)		
6.	Increase in Borrowing powers of the Board of Directors of the Company		
7.	Authority to create charge, pledge, hypothecation and/or mortgages on the assets of the Company		

Signed this _____ day of _____, 2019

Member's Folio / DP ID – Client ID No. _____

Affix
Revenue
Stamp of
Re.1/-

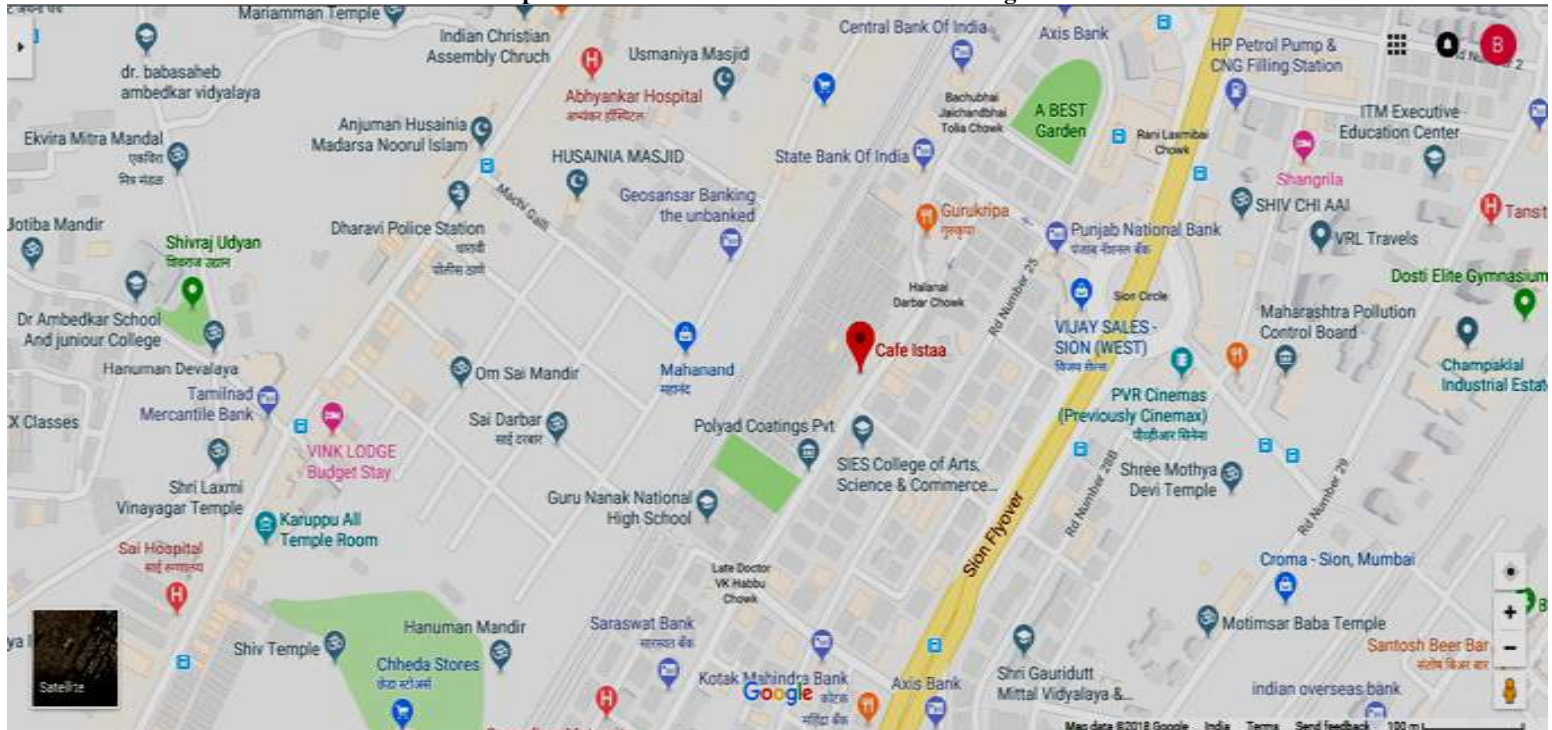
Signature of Shareholder(s)

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. This is only optional. Please put a 'tick mark' in the appropriate column against the resolutions indicated in the Box. If you wish to leave the "For" or "Against" column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
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.

Route Map to the Venue of the Annual General Meeting



Venue : Café Istaá, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022

BOOK POST

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