



Transcript of the 37th Annual General Meeting

28th September, 2022

04:00 PM IST to 04:30 PM IST

Board of Directors & Key Managerial Present:

Mr. Mukesh Babu

Chairman & Managing Director,

Mr. Pankaj Majithia

Independent Director, the Chairman of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee and

Mr. Bhavesh Doshi

Independent Director

Ms. Sarika Pandya

Chief Financial Officer

Ms. Nupur Chaturvedi

Company Secretary

Mr. Chaitanya Dalal, Statutory Auditors and Shareholders



Welcome Address: Nupur Chaturvedi

Dear Shareholders,

A very warm good afternoon to each and every one of you.

It gives me immense pleasure to welcome you all to the 37th Annual General Meeting of Mukesh Babu Financial Services Limited.

I hope all of you are safe and in good health.

Members may note that this Annual general meeting is being held through video conferencing, in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI.

The facility for joining this meeting through video conference or other audiovisual means is made available for the members on a first-come-first-served basis through Link Intime, our Registrar and Transferor Agent.

Let me take this opportunity to introduce you to the Board Members attending the meeting; Mr. Mukesh Babu, Chairman & Managing Director, Mr. Pankaj Majithia – Independent Director who is also the Chairman of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee and Mr. Bhavesh Doshi- Independent Director.

We also have Mr. Chaitanya Dalal, our Statutory Auditor attending the meeting, our CFO, Ms. Sarika Pandya and myself, Ms. Nupur Chaturvedi, Company Secretary of your Company.

We have the requisite quorum present through video conference to conduct the proceedings of the meeting. Participation of members through video conference is being recorded for the purpose of quorum, as per the circular issued by MCA, and Section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order.

I now request Mr. Mukesh Babu, our Chairman to deliver his speech.

Chairman's Speech- Mukesh Babu

Dear shareholders,

A very good afternoon to everyone present.

We welcome you to the 37th Annual General Meeting of Mukesh Babu Financial Services Limited being held today through Video Conference. I am honored and inspired by the spirit you have demonstrated by joining us virtually. I hope to find you all safe, secure and healthy always.



I now request our Company Secretary to read out the remaining speech on my behalf.

Nupur ...

Nupur Chaturvedi

Definitely Sir, Thank you. Let me continue the speech from here onwards.

Before I present the performance of the Company, would like to briefly share with you the present macroeconomic and Industry scenarios.

The financial year 21-22 started with the virulent Wave 2 of the Covid-19 pandemic in the first quarter of the financial year. The year closed with optimism of a post Covid19 pandemic recovery but the shock waves from the war in Ukraine and retaliatory economic sanctions on Russia have jolted the global economy and led to a costly humanitarian crisis. The war in Ukraine has significantly resulted in slowdown of global growth in 2022 and inflationary spiral. Fuel, commodity and food prices have increased rapidly. Indian economy is not decoupled from these impacts either. The risks of stagflation are increasing.

As per the RBI Governor statement released as on February 10, 2022, overall, there is some loss of the momentum of near-term growth while global factors are turning adverse. Looking ahead, domestic growth drivers are gradually improving. During the financial year 2021-22, India clocked GDP growth rate of 8.7% which is encouraging. Considering all these factors, RBI has projected a GDP growth rate of 7.8% for 2022-23.

Domestic rating agency, India Ratings and Research (Ind-Ra) has maintained a neutral sector outlook and a Stable rating Outlook for non-banking finance companies (NBFCs) for FY23. Ind-Ra believes FY23, in absence of any negative event, would see normalization of business activities, after facing challenges in the past few years following the default by Infrastructure Leasing & Financial Services Ltd ('IND D') leading to liquidity challenges and then the COVID-19 pandemic. Ind-Ra expects NBFCs to maintain loan growth of around 14% yoy in FY23, with FY22 growth closing at 7%-8%. Ind-Ra thus believes FY23 could be a year of normalcy in disbursements.

Furthermore, the NBFC lending model is also under pressure as a result of increased internal and external forces such as Operational Risk, Credit Risk, Business Risk, Regulatory Risk, Human Capital Risk, Technological advances. Despite concerns surrounding the sector, we believe such NBFCs with robust business models, strong liquidity mechanism, governance and risk management standards are well positioned to take advantage of the market opportunity.

To strengthen supervision over NBFCs, the Reserve Bank of India (RBI) introduced scalebased regulation and revised NPA recognition and upgradation norms during 2021.



Let me now take this opportunity to apprise you of all of the key highlights of the last financial year.

This year has particularly been very tough for the Company. During the year 2021-22, Income from Operations has decreased from Rs. 38.28 crore to 21.34 (**Decrease of 44.27%**). Profit before Interest, Depreciation and Tax has decreased from Rs.18.14 crore to 4.57 crore (**Decrease of 74.82%**) and Profit after Tax has decreased from Rs.3.64 crore to Rs.2.09 crore (**Decrease of 42.38%**).

The Board of Directors has recommended a payment of Rs. 1.20 per equity share of Rs. 10 (12%) as the final dividend for the financial year 2021-22.

I would request all the shareholders to approve the recommended final dividend for the financial year 2021-22.

Corporate Social Responsibility (CSR)

During the year 2021-22, your Company has spent a total sum of ₹ 5.00 Lakh towards school education of underprivileged children as its CSR activity.

Acknowledgement

On behalf of the Board of Directors, I sincerely thank the shareholders, customers and all stakeholders for their continued support in the Company's future endeavors'. Would like to place on record the sincerity, hard work, commitment and dedication of the employees.

I also express my sincere thanks to RBI, SEBI, CDSL, Bombay Stock Exchange and our Bankers for the support and coordination given to the company regularly. It will certainly be our endeavor to put in our best efforts for sustained growth, expansion and prosperity of the Company benefitting all stakeholders.

We look forward to seeing you in person at the next year AGM.

Thank you, Ladies and Gentlemen for your valuable time and attention.

With this, we will now continue with the proceedings of the meeting.

The register of directors and key managerial personnel, the register of contracts or arrangements, and other documents mentioned in the AGM Notice have been made available electronically for inspection by the members during this AGM. Members seeking to inspect any of these documents can send the request to secretarial@mukeshbabu.com .



As the AGM is being held through video conferencing, the facility for appointment of proxies was not applicable, and hence the proxy register for inspection is not available. The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. We will facilitate this session once the floor is opened for questions and answers.

Members can also post their views or questions on the “Ask a Question” tab on their video conference screens before 4:30 p.m. IST. It may be noted that the Company reserves the right to limit the number of members asking the questions depending on the availability of time at this AGM.

With the permission of the Members, the Board of Directors’ Report and the Independent Auditors’ Report on the financial statements of the Company for the financial year 2021-22, as circulated are taken as read.

The Auditors’ Report for the Financial Year 2021-22 does not contain any qualifications, observations or comments on financial transactions or matters, which have any adverse effect on the functioning of the Company.

As the Notice is already circulated to all the members, I take the Notice convening the 37th Annual General Meeting as read.

The Members were provided with the facility to exercise their right to vote by electronic means, through remote e-voting and e-voting at the AGM in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The remote e-voting commenced on Sunday, the 25th September 2022 at 09.00 A.M. and ended on Tuesday, the 27th September 2022 at 5.00 P.M. The e-voting module was disabled by Link Intime India Pvt. Ltd. (LIPL) for voting thereafter.

Members who have joined the meeting through VC / OAVM facility and who had not cast their vote through remote e-voting are having the option to vote through e-voting facility available at the AGM. Members can click on the “Vote” tab on the video conference screen to make use of this facility.

Members may please note that there will be no voting by show of hands. Members are requested to refer to the instructions provided in the Notice or appearing on the video conference page for a seamless participation through video conference and for also voting. In case members face any difficulty, they may reach out on the helpline numbers. Members may also kindly note that this AGM is recorded.



The Company has appointed Mr. V. V. Chakradeo of M/s V. V. Chakradeo & Co., Practising Company Secretary, as the 'Scrutinizer' for the purpose of scrutinizing the voting process (remote e-voting as well as e-voting at AGM) in a fair and transparent manner for the resolutions included in the Notice of the AGM.

We now take up the resolutions as set forth in the Notice proposed for member's consideration and approval. We will open the floor for any questions by members after all the resolutions are tabled.

Ordinary Business

1. Adoption of Audited Financial Statements and Reports of the Directors and the Auditors thereon for the financial year ended March 31, 2022;
2. Declaration of dividend for the Financial Year 2021-22 at the rate of Rs.1.20 per share;
3. Appointment of Director on retirement by rotation - Mr. Mukesh Babu (DIN:00224300),
4. Re-appointment of M/s. Chaitanaya C Dalal & Co. (Firm Reg. No.: 101632W) as Statutory Auditors of the Company for the period of Five (5) years.

The text of the resolutions, along with explanatory statement, is provided in the Notice circulated to the members. If any member desires to ask any question pertaining to any item in the Notice, he/she may do so now. Members are requested to keep the questions brief and specific. To avoid repetition, the answers to all the questions will be provided towards the end. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time.

Before we go live with the Q&A, here are some points to note for your convenience. Kindly unmute yourself and proceed to ask the question when you are projected on the broadcast screen. Please mention your name, folio number and the location from where you are joining.

I request those Shareholders who have registered themselves as Speakers to speak in order of their names being called out. *In case, there is some audio/ video issue at the time of their turn, they shall be given another chance at the end of the order.* The Company shall suitably answer to each of them.

Each shareholder will have two minutes for their questions. Once you have asked your question, you can switch to watch the proceedings. Members may note that this meeting is recorded, please refrain from disclosing any specific personal information.

Moderator now we can start with the speakers.



Moderator (Link Intime):

As of now, no speaker is present in the meeting, so you can proceed further with the proceedings of the meeting.

Nupur Chaturvedi:

Ok. We have received 2 questions online. One shareholder has requested for sending them physical copy of Annual Report and another has asked for outlook for next two years. So we would like to answer that the outlook is positive. The Company is venturing into strategic investment so hopefully there will be a better prospect for next two years. Now there being no questions this time as there is no speaker present, we will come to the conclusion of the meeting.

Ok. I think there are some other questions. Just a minute.

Ok.

We are having questions. There is one shareholder Narendra Trivedi who has requested for Annual Report Hard copy. Sir, we will send you hard copy.

Ms. Asha Harjani- Future Outlook after Pandemic. That we have just answered.

Then we are having Mr. Satish Shah who has asked for Dividend policy. Sir, we will certainly provide you with the dividend policy on your registered email ID.

We are having Mr. Yusuf Rangwala who has requested for physical meeting next year..Physical meeting to join meeting.

Definitely sir. Hopefully we will be having physical meeting next year.

These are the only questions.



So now, I will hand over to Mr. Chairman. Sir, can you please continue now.

Chairman:

Thank you Nupur...

I thank all the members for attending the meeting. Members may please note that e-voting will continue to be available for the next 15 minutes. Therefore, I request members who have not cast their vote yet to do so within the next 15 minutes.

The Board of Directors has appointed Mr. V. V. Chakradeo of M/s V. V. Chakradeo & Co, a practicing company secretary, as a scrutinizer to supervise the e-voting process. I request him to submit his reports. Further, I hereby authorize Ms. Nupur Chaturvedi, the Company Secretary, to declare the results of the voting and place the results on the website of the company at the earliest. The resolutions as set forth in the notice shall be deemed to be passed today subject to the receipt of the requisite number of votes.

Please Nupur...

Nupur Chaturvedi:

Thank you sir..

We had the requisite members participating in today's 37th Annual General Meeting. Thank you for attending the meeting.

I hereby declare the proceedings of Mukesh Babu Financial Service Limited's 37th Annual General Meeting concluded.

On behalf of the Board of Directors, I thank everyone present here, for taking out time from their busy schedule and attending the Meeting. We will see you at the next AGM. Stay safe.

Thank you.