

Ref: MBFSL/BSE/2018-19 /17

4th October, 2018

To,
BSE Limited
Listing Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Dear Sirs,

Sub: Annual Report for Financial Year 2017-18
Scrip Code: 530341 **ISIN: INE596B01017**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report for Financial Year 2017-18 duly approved and adopted at the 33rd Annual General Meeting of the Company held on Friday, September 28, 2018 as per the provisions of the Companies Act, 2013.

Kindly take the same on records.

Thanking you,

Yours faithfully,
For Mukesh Babu Financial Services Limited



Manasi Dalal
Company Secretary
Encl: a/a



33RD ANNUAL REPORT
2017-2018



MUKESH BABU FINANCIAL SERVICES LIMITED

BOARD OF DIRECTORS

Shri Mukesh Babu Chairman & Managing Director
Shri Pankaj Majithia Independent Director
Shri Vijay Vora Independent Director
Ms. Meena Babu Additional Director

CHIEF FINANCIAL OFFICER

Shri 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-THIRD ANNUAL GENERAL MEETING** of the Members of **MUKESH BABU FINANCIAL SERVICES LIMITED** will be held on **Friday, 28th September, 2018 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:

To receive, consider and adopt the audited financial statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon

2. Declaration of dividend for the financial year 2017 - 18:

To declare dividend @ Re.1.20 (Rupee One and Twenty Paise) per Equity Share for the year ended March 31, 2018.

3. Re - appointment of a Director:

To appoint a director in place of Mr. Mukesh Babu (DIN:00224300) as Director, who retires by rotation and being eligible offers himself for re-appointment.

4. Ratification of appointment of the Statutory Auditors:

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

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 read with the Companies (Audit and Auditors) Rules, 2014 as amended by the Companies (Audit and Auditors) Amendment Rules, 2018 and pursuant to the recommendation made by the Audit Committee and the Board of Directors and in modification of the resolution passed by the members at the 32nd Annual General Meeting of the Company held on 29th September, 2017, the appointment of M/s. Chaitanya C. Dalal & Co., Chartered Accountants (Firm Registration No.101632W), as the Auditors of the Company to hold office till the conclusion of the 37th Annual General Meeting of the Company be and is hereby ratified without the requirement of further ratification by the members on such remuneration plus applicable taxes, out of pocket expenses, etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

5. Re-appointment of Mr. Mukesh Babu (DIN: 00224300) as Managing Director:

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

“RESOLVED THAT pursuant to the recommendation of the Nomination & Remuneration Committee, approval of the Board of Directors and in accordance with the provisions of Sections 196, 197, 198 and 203 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Schedule V approval of the members be and is hereby accorded to re-appoint Mr. Mukesh Babu (DIN:00224300) as Managing Director of the Company, for a period of 5 (five) years with effect from May 24, 2018 upto May 23, 2023, on the terms and conditions including remuneration as set out herein below which is hereby approved and sanctioned with the with authority to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and/or vary the terms and conditions of the said re-appointment and / or remuneration in such manner as may be agreed between the Board of Directors and Mr. Mukesh Babu.

(i) Salary & Allowances:

Presently fixed at Rs.1,00,000/- per month (Gross) within the block of Rs.1,00,000/ to Rs.4,00,000/- p.m.

Increments: As determined by the Nomination & Remuneration Committee from time to time.

(ii) Perquisites:

Medical Reimbursement: As per Company Policy.

Insurance: As per Company Policy.

Company provided car, reimbursement of driver's wages & petrol expenses as per Company Policy.

(iii) Provision of telephone at residence will not be considered as perquisites. Personal long distance calls on telephone for private purpose shall be billed by the Company.

(iv) Gratuity payable shall be calculated as per the provisions of the 'The Payment of Gratuity Act, 1972'

(v) Ex-Gratia: As per the Company's Rule.

(vi) Leave Travel Allowance: As per the Company's Rule.

(vii) Minimum Remuneration:

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

(vi) Notice Period:

The agreement may be terminated by either party by giving the other party one month's notice or the Company paying one month's salary in lieu of the notice."

"RESOLVED FURTHER THAT the remuneration payable to Mr. Mukesh Babu, the Managing Director, shall not exceed the overall ceiling of the total managerial remuneration stipulated under Section 197 of the Companies Act, 2013 read with Schedule V or such other limits as may be prescribed from time to time."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps and to execute all such documents, instruments and writings as may be necessary, proper or expedient to give effect to this resolution."

6. Appointment of Mrs. Meena Mukesh Babu (DIN: 00799732) as a Director:

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

"RESOLVED THAT pursuant to the provisions of Section 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Appointment & Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and on recommendation of Nomination & Remuneration Committee of the Company, Mrs. Meena Mukesh Babu (DIN: 00799732), who was appointed as an Additional Director of the Company with effect from 29th May, 2018 by the Board of Directors pursuant to the provisions of Section 161 of the Act and who holds office up to the date of this annual general meeting and being eligible for appointment be and is hereby appointed as a Director of the Company, who shall be liable to retire by rotation."

7. Adoption of Memorandum of Association of the Company:

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

"RESOLVED THAT pursuant to the provisions of Section 4, 13 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or re-enactment thereof for the time being in force) and the rules framed there under and subject to necessary approval(s) if any, from the competent authorities, the Memorandum of Association of the Company be and is hereby adopted after making the following modifications therein -

(i) Amendment of title of the incidental objects clause:

Clause III (B) – The title - objects incidental or ancillary to attainment of main objects be and is hereby replaced with the title **"MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III (A) ARE:**

(ii) ***Deletion of the Other Objects clause :***
Clause III (C) the Other Objects Clause **be removed by completely deleting the Clause III (C).**

(iii) ***Amendment of the liability clause:***
In Clause IV of the Memorandum of Association after the words 'The liability of members is limited' the following words **"and this liability is limited to the amount unpaid, if any, on shares held by them"** shall be added.

"RESOLVED FURTHER THAT the Mr. Mukesh Babu (DIN:00224300) Managing Director and Ms. Manasi Dalal, Company Secretary of the Company be and are hereby authorized severally to take all such actions as may be necessary, desirable or expedient and to do all such acts, deeds, matters and things that may be incidental to or pertinent to give effect to the foregoing resolution including but not limited to the filing of necessary e-forms, returns, documents etc. and co-ordinate with the Registrar of Companies and to comply with all other requirements in this regard."

8. Adoption of new set of Articles as the Articles of Association of the Company:

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

"RESOLVED THAT pursuant to the provisions of Section 5, 14 and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under the new set of Articles of Association as per Table -F of Schedule-I to the Companies Act, 2013 as appended hereto be and is hereby approved and adopted as the Articles of Association of the Company in substitution of and in total exclusion to the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Mr. Mukesh Babu (DIN:00224300) Managing Director and Ms. Manasi Dalal, Company Secretary of the Company be and are hereby authorized severally to take all such actions as may be necessary, desirable or expedient and to do all such acts, deeds, matters and things that may be incidental to or pertinent to give effect to the foregoing resolution including but not limited to the filing of necessary e-forms, returns, documents etc. and co-ordinate with the Registrar of Companies and to comply with all other requirements in this regard."

9. Place of keeping the Registers and copies of Annual Returns:

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

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Rule 15 of the Companies (Management and Administration), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) the consent of the Company be and is hereby accorded to the Board of Directors to keep the Register of Members, the Index of Members, the Register and Index of Debenture holders as required to be maintained under Section 88 of the Act and copies of the annual return filed under Section 92 of the Act together with the copies of the certificates and documents required to be annexed thereto be kept at the office of the Registrar and Share Transfer Agents (RTA) of the Company M/s. Link Intime India Pvt. Ltd. at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 or at any other place/office of the said RTA for keeping such Registers and Returns instead of the Registered Office of the Company so long as they are the Registrar and Share Transfer Agents of the Company."

10. Borrowing money(ies) for the purpose of business 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 earlier resolutions passed by the Members of the Company at the Annual General Meeting 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 the Articles of Association of the Company, consent of the

Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money 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), subject to such aggregate borrowings not exceeding the amount which is Rs.500,00,00,000/- (Rupees Five Hundred Crores only) over and above 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) and that the Board be and is hereby empowered and authorised to arrange or fix 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, think fit.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

11 Creation of security on the properties of the Company, both present and future, in favour of lenders:

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 earlier resolutions passed by the Members of the Company at the Annual General Meeting and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) 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 the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board) for creation of charge / mortgage / pledge / hypothecation / security in addition to existing charge / mortgage / pledge / hypothecation / security, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties, tangible or intangible assets of the Company, both present and future and / or the whole or any part of the undertaking(s) of the Company, as the case may be in favour of the Lender(s), Agent(s) and Trustee(s), for securing the borrowings availed / to be availed by the Company by way of loan(s) (in foreign currency and / or rupee currency) and securities (comprising fully / partly convertible debentures and/or non convertible debentures with or without detachable or non detachable warrants and / or secured premium notes and / or floating rate notes / bonds or other debt instruments), issued / to be issued by the Company including deferred sales tax loans availed / to be availed by various Units of the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Act together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the Agent(s) / Trustee(s), premium (if any) 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 the Loan Agreement(s), Debenture Trust Deed(s) or any other document, entered into / to be entered into between the Company and the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies) representing various state government and/or other agencies etc. in respect of the said loans / borrowings / debentures / securities / deferred sales tax loans and containing 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 the Lender(s) / Agent(s) / Trustee(s) / State Government(s) / Agency(ies), etc.”

“RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgages and /or charges already created or to be created in future by the Company or in such other manner and ranking as may be thought expedient by the Board and as may be agreed to between the concerned parties.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle, and execute such documents / deeds / writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages / charges as aforesaid.”

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

Manasi Dalal
Company Secretary

Mumbai, 10th August, 2018

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. 5 to 11 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 **Monday, 17th September 2018 to Friday, the 28th September 2018 (both days inclusive)**.
7. The dividend for the year ended 31st March, 2018 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 cut off date i.e. 16th September, 2018. 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 on or after 28th September, 2018.
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.1,99,140/- for the financial year ended 31st March, 2010 on 18th January, 2018 to the IEPF Authority.

9. i) The unclaimed dividend in respect to the financial year 2010-11 is due for transfer to the IEPF on November 05, 2018. Members who have not as yet encashed their dividend warrants for the financial year ended 31st March, 2011 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 05th November, 2018. 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 2010-11 to 2016-17 under Unclaimed Dividend on the website of the Company at www.mukeshbabu.com

Members holding shares in electronic share accounts are requested to notify immediately any change in their 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.

10. 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.
11. Nomination Facility
The Members holding the shares in physical form may obtain the Nomination Form from the Company's Registrar & Share Transfer Agent.
12. Electronic copy of the Annual Report for 2017-18 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.
13. Electronic copy of the Notice of the 33rd 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.
14. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for 2017-18 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 10.00 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.

15. 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.
16. 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 Exchanges.
17. **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.**
18. 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, 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:

- (i) The e-voting period begins on 23rd September, 2018 at 10.00 A.M. and ends on 27th September, 2018 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 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited (LIPL) for voting thereafter.
- (ii) The shareholders should log on to the e-voting website <https://instavote.linkintime.co.in>
- (iii) Click on "Login" tab, available under 'Shareholders' section.
- (iv) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- (v) Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
- (vi) 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with 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	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.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number. <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 (V)(c).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) 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.
- (ix) 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.

- (x) 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.
- (xi) 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’.
- (xii) If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- (xv) You can also take the printout of the votes cast by you by clicking on “PRINT” option on the Voting page.
- (xvi) 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 23rd September, 2018 at 10.00 A.M. and ends on 27th September, 2018 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) 21st September, 2018 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-Third AGM of the Company on 28th September, 2018 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 Link Intime India Private Limited (LIPL) 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 appointment / re-appointment in the Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	Mr. Mukesh Babu,	Mrs. Meena Mukesh Babu
Date of Birth	17.11.1955	10.11.1957
Date of Appointment/ Re-appointment	24.05.2018	29.05.2018
Qualifications	B. Com., C. A.	B. Com., M. Com.
Expertise in specific functional areas	Finance, investments and Stock Market	Stocks & Shares, Investment Banking and Merchant Banking
Experience	Over 3 decades	Over 3 decades
Directorship in Other Companies	<ol style="list-style-type: none"> 1. Sagar Systech Limited 2. Mukesh Babu Securities Limited 3. Mukesh Babu Stock Broking Private Limited 4. Mukesh Babu Management Consultants Private Limited 	<ol style="list-style-type: none"> 1. Mukesh Babu Securities Limited –MD 2. Sagar Systech Limited-MD 3. Bhakti Vedanta Infratech Private Limited 4. Ashtavinayak Infra Tech Private Limited 5. Istaa Fashions Private Limited
Other Companies in which Committee membership/ chairmanship held	Member of Audit Committee and Stakeholders Relationship Committee	Member of Nomination & Remuneration Committee
No. of shares held in the Company as on 31st March, 2018	34,31,600 (49.23%)	9,50,000 (13.63%)
Relationship with other Directors and/or other KMPs	Husband of Mrs. Meena Mukesh Babu, Additional Director on the Board of the Company. He is also one of the Promoters of Mukesh Babu Financial Services Limited	Wife of Mr. Mukesh Babu (M.D.) of the Company. She is also one of the Promoters of Mukesh Babu Financial Services Limited

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 RELATION TO ITEM NO. 4 (ORDINARY BUSINESS) PERTAINING TO RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS.

Item No. 4

At the 32nd Annual General Meeting of the Company held on 29th September, 2017, the members of the Company approved 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 subject to ratification of such appointment by the members at every annual general meeting, in pursuance of the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014.

However, with the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018, coming into force on 7th May, 2018; the requirement of annual ratification of appointment of the Auditors at every Annual General Meeting has been omitted.

In view of the aforesaid amendment, the ratification of the appointment of the auditors will not be necessary in subsequent Annual General Meetings. However, in view of the resolution passed at the 32nd Annual General Meeting it is proposed to ratify the appointment of the Auditors and confirm their appointment up to the conclusion of the 37th Annual General Meeting of the Company without the requirement of any further ratification by the members.

The resolution at Item No. 4 of the Notice is set out as an Ordinary Resolution for ratification of the appointment of the Auditors upto the conclusion of the 37th Annual General Meeting of the Company without the requirement of any further ratification by the members in terms of Section 139 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 made thereunder as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018.

None of the Directors and key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

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

Item No. 5

Re-appointment of Mr. Mukesh Babu, as Managing Director.

On recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 29th May, 2018 unanimously approved the re-appointment of Mr. Mukesh Babu (DIN:00224300) for a further period of 5 years with effect from 24th May, 2018 to 23rd May, 2023. The terms and conditions governing his appointment including remuneration were also approved and set out in the Agreement to be entered into between the Company and Mr. Mukesh Babu.

Mr. Mukesh Babu is a Chartered Accountant and has over 30 years of extensive experience in Finance, investments and Stock Market.

The terms and conditions of the agreement proposed to be entered by the Company with Mr. Mukesh Babu as approved by the Board of Directors is a part of the Resolution.

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

Mr. Mukesh Babu, being the appointee & Mrs. Meena Mukesh Babu being the relative of the appointee and the Additional Director on the Board of the Company are deemed to be concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. Other than them, none of the other Directors of the Company or KMP or their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No. 6

Appointment of Mrs. Meena Mukesh Babu, as Director retiring by rotation.

On recommendation of Nomination and Remuneration Committee the Board of Directors of the Company at its meeting held on 29th May, 2018 unanimously appointed Mrs. Meena Mukesh Babu (DIN: 00799732) as an Additional Director with immediate effect. As per provisions of Section 161 of the Companies Act, 2013 ("the Act") and Articles 86 of the Articles of Association of the Company, Mrs. Meena Mukesh Babu shall hold office up to the date of this Annual General Meeting of the Company.

Considering an extensive expertise and experience of Mrs. Meena Mukesh Babu, in the field of in Stocks & Shares, Investment Banking and Merchant Banking and on the Nomination and Remuneration Committee at its meeting held on 10th August, 2018 the Board of Directors of the Company recommends to the shareholders to appoint her as Director liable to retire by rotation at this Annual General Meeting.

The Company has received consent in writing from Mrs. Meena Babu to act as a Director and declaration to the effect that she is not disqualified from being appointed as Director under Section 164(2) of the Companies Act, 2013.

The Board recommends the Ordinary Resolution as set out under Item No.6 of the Notice for approval by the Shareholders.

Except Mrs. Meena Mukesh Babu being the appointee Director and Mr. Mukesh Babu, being her relative of the appointee and also a KMP of the Company, none of the Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item No. 7**Adoption of Memorandum of Association of the Company:**

Upon enactment of the Companies Act, 2013, the Memorandum of Association of the Company were required to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on 10th August, 2018 had approved (subject to the approval of members) the amendment in the Memorandum of Association of the Company with respect to the following:

- (i) *Amendment of title of the incidental objects clause:*
- (ii) *Deletion of the Other Objects clause :*
- (iii) *Amendment of the liability clause:*

Copy of existing and amended Memorandum of Association of the Company will be available for inspection by members at the Registered Office of the Company during normal business hours on working days, except Saturdays, Sundays and other holidays between 10.00 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.

In terms of Section 4 and 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for proposed amendments in the Memorandum of Association of the Company.

None of the directors, KMPs, or their relatives are interested or concerned, financially or otherwise, in the resolution set out at item no. 7.

The Board recommends passing of the resolution as set out under Item No.7 for adoption of new set of Articles of Association of the Company by way of Special Resolution.

Item No. 8**Adoption of new set of Articles as the Articles of Association of the Company:**

The Ministry of Corporate Affairs as notified substantive sections of the Companies Act, 2013 which deals with the general functioning of Companies.

The existing Articles of Association of the Company are as per the erstwhile Companies Act, 1956 and accordingly contain references to the sections of the Companies Act, 1956.

Various articles in the existing Articles of Association necessitate amendment and/or alteration in order to reflect inter-se, various provisions of the Companies Act, 2013 and the rules made thereunder.

Thus, it is proposed to adopt the new set of Articles of Association of the Company as per Table F of Schedule I to the Companies Act, 2013.

As per the provisions of Section 14 of the Companies Act, 2013 alteration of Articles of Association of the Company requires approval of shareholders of the Company by way of Special Resolution and hence placed under Item No.8 for seeking approval of Shareholders.

Copy of existing and amended Articles of Association of the Company will be available for inspection by members at the Registered Office of the Company during normal business hours on working days, except Saturdays, Sundays and other holidays between 10.00 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.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise in the resolution

The Board recommends passing of the resolution as set out under Item No.8 for adoption of new set of Articles of Association of the Company by way of Special Resolution.

Item No. 9**Place of keeping the Registers and copies of Annual Returns:**

As per the provisions of Section 94(1) of the Companies Act, 2013 the Register of Members, the Index of Members, the Register and Index of Debenture holders etc. as required to be maintained by a Company as and copies of the annual return filed under Section 92 of the Act together with the copies of the certificates and documents required to be annexed thereto may be kept at any place other than its Registered Office subject to the Members' approval by way of a Special Resolution.

The Board recommends the Special Resolution as set out under Item No.9 of the Notice for approval by the Shareholders.

None of the Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.9.

Item No. 10 & 11

Borrowing money(ies) for the purpose of business of the Company & creation of security in favour of lender in connection therewith:

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may require finance from various banks or financial institution and /or lending institutions or Bodies Corporate or such other persons as may deem fit by Company together with money already borrowed by the Company (apart from temporary loans obtained from the Company from ordinary course of business) may exceed the aggregate of paid up capital and free reserves of the Company.

Hence it is proposed to increase the maximum borrowing limits upto Rs.500,00,00,000/- (Rupees Five Hundred Crores only), Pursuant to section 180(1)(c) of the Companies Act, 2013, Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power of Board of Directors to lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

The Board recommends these resolutions for the approval of the members as Special Resolutions.

The Board recommends the Special Resolutions as set out under Item No.10 & 11 of the Notice for approval by the Shareholders.

None of the Directors, key managerial personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.10 & 11.

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

Manasi Dalal
Company Secretary

Mumbai, 10th August, 2018

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-Third 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 March 31, 2018.

1. FINANCIAL RESULTS

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

Particulars	2017-18	2016-17
	Amount Rs.	Amount Rs.
Income From Operations	104,164,148	53,289,984
Other Income	2,308,921	2,538,122
Total Income	106,473,069	55,828,106
Profit before Interest, Depreciation & Tax	97,014,728	49,670,492
Less : Interest	9,376,121	11,943,363
Profit Before Depreciation	87,638,607	37,727,129
Less : Depreciation	787,419	721,011
Profit After Depreciation and Interest	86,851,188	37,006,118
Less: Current Income Tax	9,500,000	11,100,000
Less: Previous year Adjustment of Income Tax	184,177	915,919
Less: Deferred Tax	(117,866)	(3,075,423)
Net Profit After Taxation	77,284,877	28,065,622
Less: Dividend	6,970,900	-
Less: Dividend Distribution Tax	1,419,111	-
Less: Transfer to Statutory Reserve	15,456,975	5,613,124
Less: Provision for Standard Assets	103,274	(106,251)
Balance carried to Balance Sheet	53,334,617	22,558,749
Earning Per Share (Basic/Diluted)	11.09	4.03

2. TRANSFER TO RESERVE

A sum of Rs.154,56,975/- 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.5,33,34,617/- is proposed to be retained in the Profit & Loss account.

3. DIVIDEND

The Board of Directors has recommended a dividend of Rs.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 March 31, 2018.

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 **September 16, 2018**.

4. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2018 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.532.90 Lakhs to Rs.1041.64 Lakhs (Increase of 95.47%). Profit before Interest, Depreciation and Tax increased from Rs.496.70 Lakhs to Rs.970.15 Lakhs (Increase of 95.32%) and Profit after Tax increased from Rs. 280.66 Lakhs to Rs.772.85 Lakhs (Increase of 175.37%) Provision for taxation for the year is Rs.95.66 Lacs (including Deferred Tax Provision) as compared to Rs.89.40 Lakhs 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 FY 2017-18 are as follows:

As on March 31, 2018, the Authorised & Paid up Share Capital of the Company is Rs.500,00,000/- (Rupees Five Crores Only) The net loss of the Company for the year ended March 31, 2018 is **Rs.10.10 Lacs** as compared to net profit of **Rs.31.07** Lacs 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 March 31, 2018 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

During the year under review, 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. There are no outstanding deposits at the end of the year.

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

The provisions of Section 186 of the Act pertaining to investment and lending activities is not applicable to the Company since the Company is an NBFC duly 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 entered by the Company during the financial year were on an arms’ length basis and were carried out in the ordinary course of business.

During the year under review, the Company had advanced loans to its subsidiary – Mukesh Babu Securities Ltd. 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 the Companies Act, 2013 are furnished in Form AOC-2 which is annexed as **Annexure – B** to this report.

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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 monitors and evaluates the efficacy and adequacy of internal control system in the Company, 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 victimisation 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 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 an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up 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 March 31, 2018. The policy is available on the Company's website at www.mukeshbabu.com.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

(a) Cessation:

Mr. K. Chandrasekhar who was a Non - Executive Director on the Board of the Company for a period of more than 2 decades expired on 24th October, 2017 and thereby ceased to be a Director on the Board. The Board has been deeply saddened by the demise and places on record deep appreciation for his insightful contribution to the Company.

Mrs. Dipali Shah who was a Whole - Time Director & Company Secretary on the Board of the Company resigned from the Company's Board with effect from 15th April, 2018 after having served the Company in roles of a Director & Company Secretary.

(b) Appointment of Director:

The Board has appointed Mrs. Meena Mukesh Babu (DIN: 00799732) as Non-Executive Director on the Board of the Company at the Board Meeting held on 29th May, 2018 with immediate effect. A Resolution is included in the Notice convening the Annual General Meeting seeking approval of the members for the appointment of Mrs. Meena Mukesh Babu as Non-Executive Director. The Board recommends her appointment.

(c) Re-appointment of Managing Director:

Mr. Mukesh Babu is re-appointed as the Managing Director with effect from 24th May, 2018 at the Meeting of the Board of the Company held on 29th May, 2018 in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 subject to the approval of the shareholders at the ensuing Annual General Meeting.

(d) Retirement by rotation:

In terms of the provisions of Section 152(6) of the Companies Act, 2013, Mr. Mukesh Babu, Director (DIN:00224300) retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

In accordance with Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable provisions of the Companies Act, 2013, brief profile of the Director to be appointed / re-appointed is included in the Notice which forms part of this Annual Report.

(e) Key Managerial Personnel:

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 – appointed w.e.f. 29-05-2018
3. Ms. Dipali Shah – Company Secretary & Compliance Officer –resigned w.e.f. 15-04-2018
4. Ms. Manasi Dalal – Company Secretary & Compliance Officer–appointed w.e.f. 29-05-2018

18. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have furnished the declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

19. BOARD AND COMMITTEES

During the year Four Board meetings were held and the gap between two Board Meetings did not exceed 120 days and atleast one meeting has been 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.

20. BOARD'S EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Board has framed an Evaluation Policy for evaluating the performance of the Board, Chairman, Managing Director, , Non-executive Directors, Independent Directors and its Committees The Policy inter alia provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

A meeting of the Independent Directors was held during the year under review.

The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

21. TRAINING IMPARTED TO THE INDEPENDENT DIRECTORS

As required under Regulation 25(7) of the SEBI Listing Regulations, every Independent Director of the Board is familiarised by the Executive Directors/ Senior Managerial Personnel about the Company's strategy, operations, organisation structure, human resources, quality, finance and risk management.

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

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 Regulations 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 March 31, 2018, 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, 2018 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. STATUTORY AUDITORS

At the 32nd Annual General Meeting of the Company held on 29th September, 2017, the members of the Company approved 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 subject to ratification of such appointment by the members at every annual general meeting to be held thereafter.

However, pursuant to the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018, with effect from 7th May, 2018; the requirement of ratification of appointment of the Auditors at every Annual General Meeting has been omitted under the Companies (Amendment) Act, 2017 which is effective from May 7, 2018 and Accordingly the Board proposes to ratify and confirm appointment of M/s. Chaitanya C. Dalal & Co., Chartered Accountants (FRN-101632W) as the Statutory Auditors of the Company up to the conclusion of 37th Annual General Meeting without further ratification of such appointment by the members.

The Company has received written consent and certificate of eligibility pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any of the Companies Act and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) from M/s. Chaitanya C. Dalal & Co., Chartered Accountants.

The approval of the Members is sought, by passing an Ordinary Resolution for ratification of the appointment of the Auditors upto the conclusion of the 37th Annual General Meeting of the Company without the requirement of any further ratification by the members in terms of Section 139 of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 made thereunder as amended by the Companies (Amendment) Act, 2017 and the Companies (Audit and Auditors) Amendment Rules, 2018.

26. 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 re-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. The consent of the Secretarial Auditor to undertake the secretarial audit for the financial year ended March 31, 2018 has been received by the Company.

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

27. STATUTORY AND SECRETARIAL AUDITOR OBSERVATION

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso to Section 143(12) of the Companies Act, 2013.

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

28. EXTRACT OF THE ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Act, the extract of the Annual Return is given in the prescribed Form MGT – 9 is annexed to this report as **Annexure – D**.

29. PARTICULARS OF EMPLOYEES

The disclosures required 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, is provided as **Annexure - E** 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 Regulations, as applicable, the Corporate Governance Report is given in **Annexure – F** 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 March 31, 2018 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 - G** 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 2017-18 and Notice of the 33rd 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
DIN: 00224300

Meena Babu
Director
DIN: 00799732

Date: 10th August 2018

Place: Mumbai

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, 2017 to March 31, 2018
Reporting currency	Rupees
Share Capital	5,00,00,000
Reserves & Surplus	17,07,57,072
Total Assets	40,81,56,441
Total Liabilities	18,73,99,369
Investments	6,15,30,518
Turnover (Gross Receipt)	14,45,12,060
Profit Before Taxation	(10,18,997.58)
Profit After Taxation	(10,10,288.58)
Proposed Dividend	0
% shareholding	51.62%

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 Section 188(1) 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:**

Sr. No.	Particulars	Details	
a.	Name(s) of the related party and nature of relationship	Mukesh Babu Securities Limited	Mukesh Babu Stock Broking Private Ltd
b.	Nature of contracts/ arrangements/ transactions	Loans & Advances & interest thereon	Loans & Advances& interest thereon
c.	Duration of the contracts/ arrangements/ transactions	1 year	1 Year
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	Unsecured Loan	Unsecured Loan
e.	Date(s) of approval by the Board	30-05-2017	30-05-2017
f.	Closing Balance of Loan	89,73,871	25,000

**FORTM NO 3
SECRETARIAL AUDIT REPORT
For the Financial year ended 31st March 2018**

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company had during the audit period covering the financial year ended on 31st March 2018 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 2018 according to the provisions of:

- i) The Companies Act, 2013 (Act) and the rules there under;
- ii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment.
- iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vii) All applicable Labour Laws
- viii) Bombay Shop & Establishment Act, 1948
- ix) Indian Contract Act, 1872
- x) Income Tax Act, 1961 and Indirect Tax Laws.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Place: Mumbai

Date: 10th August 2018

FOR V. V. CHAKRADEO & CO.

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

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 : 10th August, 2018

FOR V V CHAKRADEO & CO.

V V CHAKRADEO
COP 1705. FCS 3382

ANNEXURE - D

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

Financial Year ended on 31.03.2018

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

SL 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

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

Mukesh Babu Financial Services Limited										
Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% 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	97500	97500	1.3987	0	0	0	0.0000	-1.3987
(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	1300	1300	0.0186	0.0000
(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	98800	98800	1.4173	0	1300	1300	0.0186	-1.3987
	Central Government/ State Government(s)/ President of India									
[2]	Central Government / State Government(s)	0	0	0	0.0000	73700	0	73700	1.0573	1.0573
	Sub Total (B)(2)	0	0	0	0.0000	73700	0	73700	1.0573	1.0573
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	388159	288000	676159	9.6997	314407	226900	541307	7.7652	-1.9345
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	723404	35300	758704	10.8839	683223	132800	816023	11.7061	0.8222
(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)									
	Hindu Undivided Family	69679	0	69679	0.9996	70490	0	70490	1.0112	0.0116
	Non Resident Indians (Non Repat)	14100	0	14100	0.2023	14200	0	14200	0.2037	0.0014
	Non Resident Indians (Repat)	1350	97700	99050	1.4209	3280	77600	80880	1.1603	-0.2606
	Overseas Bodies Corporates	0	32900	32900	0.472	0	32900	32900	0.472	0.0000
	Clearing Member	14030	0	14030	0.2013	839	0	839	0.012	-0.1893
	Bodies Corporate	822578	3300	825878	11.8475	954361	3300	957661	13.738	1.8905
	Sub Total (B)(3)	2033300	457200	2490500	35.7271	2040800	473500	2514300	36.0685	0.3414
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	2033300	556000	2589300	37.1444	2114500	474800	2589300	37.1444	0.0000
	Total (A)+(B)	6414900	556000	6970900	100.0000	6496100	474800	6970900	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	6414900	556000	6970900	100.0000	6496100	474800	6970900	100.0000	

Mukesh Babu Financial Services Limited								
Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% 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

Sl. No.		Share holding 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
	At the beginning of the year				
	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)				
	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 - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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	THANKI BHARATBHAI TRIKAMJI	251222	3.6039			251222	3.6039
	Transfer			07 Apr 2017	1190	252412	3.6209
	Transfer			14 Apr 2017	(242)	252170	3.6175
	Transfer			21 Apr 2017	(1170)	251000	3.6007
	Transfer			28 Apr 2017	1360	252360	3.6202
	Transfer			12 May 2017	(1261)	251099	3.6021
	Transfer			19 May 2017	(96)	251003	3.6007
	Transfer			26 May 2017	30	251033	3.6012
	Transfer			02 Jun 2017	(33)	251000	3.6007
	Transfer			30 Jun 2017	(2852)	248148	3.5598
	Transfer			07 Jul 2017	(1000)	247148	3.5454
	Transfer			21 Jul 2017	(4153)	242995	3.4858
	Transfer			28 Jul 2017	(1000)	241995	3.4715
	Transfer			29 Sep 2017	13613	255608	3.6668
	Transfer			06 Oct 2017	(1001)	254607	3.6524
	Transfer			27 Oct 2017	(6335)	248272	3.5615
	Transfer			29 Dec 2017	1777	250049	3.5870
	Transfer			09 Feb 2018	(706)	249343	3.5769
	Transfer			31 Mar 2018	(318)	249025	3.5724
	AT THE END OF THE YEAR					249025	3.5724
3	SAURASHTRA SOLID INDUS P.LTD	108003	1.5493			108003	1.5493
	Transfer			19 May 2017	2500	110503	1.5852
	Transfer			02 Jun 2017	21870	132373	1.8989
	Transfer			09 Jun 2017	3250	135623	1.9456
	Transfer			23 Jun 2017	2122	137745	1.9760
	Transfer			30 Jun 2017	4000	141745	2.0334
	Transfer			14 Jul 2017	2000	143745	2.0621
	Transfer			21 Jul 2017	4000	147745	2.1195
	Transfer			28 Jul 2017	2750	150495	2.1589
	Transfer			04 Aug 2017	500	150995	2.1661
	Transfer			18 Aug 2017	4250	155245	2.2270
	Transfer			25 Aug 2017	6447	161692	2.3195
	Transfer			01 Sep 2017	877	162569	2.3321
	Transfer			08 Sep 2017	500	163069	2.3393
	Transfer			13 Oct 2017	9362	172431	2.4736
	Transfer			20 Oct 2017	1271	173702	2.4918
	Transfer			27 Oct 2017	7739	181441	2.6028
	Transfer			03 Nov 2017	8000	189441	2.7176
	Transfer			10 Nov 2017	10100	199541	2.8625
	Transfer			17 Nov 2017	459	200000	2.8691
	Transfer			08 Dec 2017	5764	205764	2.9518
	Transfer			15 Dec 2017	2360	208124	2.9856
	Transfer			22 Dec 2017	7227	215351	3.0893
	Transfer			05 Jan 2018	7316	222667	3.1942
	Transfer			12 Jan 2018	1177	223844	3.2111
	Transfer			19 Jan 2018	2600	226444	3.2484
	Transfer			26 Jan 2018	2823	229267	3.2889
	Transfer			09 Feb 2018	3201	232468	3.3348
	Transfer			16 Feb 2018	3750	236218	3.3886
	Transfer			31 Mar 2018	8894	245112	3.5162
	AT THE END OF THE YEAR					245112	3.5162

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		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
4	SUBRAMANIAN P	88378	1.2678			88378	1.2678
	Transfer			07 Apr 2017	792	89170	1.2792
	Transfer			14 Apr 2017	2970	92140	1.3218
	Transfer			21 Apr 2017	6310	98450	1.4123
	Transfer			28 Apr 2017	800	99250	1.4238
	Transfer			12 May 2017	900	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	HEMANT CHAMPAKLAL BABU	69700	0.9999			69700	0.9999
	AT THE END OF THE YEAR					69700	0.9999
7	HIRAL DIVYESH SEJPAL	63128	0.9056			63128	0.9056
	AT THE END OF THE YEAR					63128	0.9056
8	ISTAA FASHIONS PRIVATE LTD	50000	0.7173			50000	0.7173
	AT THE END OF THE YEAR					50000	0.7173
9	MUKESH CHAMPAKLAL BABU	50000	0.7173			50000	0.7173
	AT THE END OF THE YEAR					50000	0.7173
10	ALOK YOGENDRA BABU	42000	0.6025			42000	0.6025
	AT THE END OF THE YEAR					42000	0.6025
11	INDIAN BANK A\C INDIAN BANK MUTUAL FUND	97500	1.40			97500	1.40
	AT THE END OF THE YEAR					97500	1.40

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

SR NO	SHAREHOLDER NAME	DPID/ Folio	PAN	SHARES	BENPOS DATE
1	INDIAN BANK A\C INDIAN BANK MUTUAL FUND	0001004		97500	31/03/2017
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1204720013676780		73700	31/03/2018
3	SAGAR SYSTECH LIMITED	IN30154939547367	AAACS8115M	604500	31/03/2017
4	SAGAR SYSTECH LIMITED	IN30154939547367	AAACS8115M	604500	31/03/2018
5	ISTAA FASHIONS PRIVATE LIMITED	1203370000025502	AABCN9189P	50000	31/03/2017
6	ISTAA FASHIONS PRIVATE LIMITED	1203370000025502	AABCN9189P	50000	31/03/2018
7	MUKESH CHAMPAKLAL BABU	IN30267937138520	AADHM1722N	50000	31/03/2017
8	MUKESH CHAMPAKLAL BABU	IN30267937138520	AADHM1722N	50000	31/03/2018
9	SAURASHTRA SOLID INDUST P.LTD	1205660000020974	AAECS9355D	108003	31/03/2017
10	SAURASHTRA SOLID INDUST P.LTD	1205660000020974	AAECS9355D	245112	31/03/2018
11	THANKI BHARATBHAI TRIKAMJI	1301670000689844	AAWPT3642B	251000	31/03/2017
12	THANKI BHARATBHAI TRIKAMJI	1301670000689844	AAWPT3642B	249025	31/03/2018
13	BHARAT BHAI TRIKAMJI THANKI	IN30051320665814	AAWPT3642B	222	31/03/2017
14	HEMANT CHAMPAKLAL BABU	1203360000036171	ACCPB7667E	69700	31/03/2017
15	HEMANT CHAMPAKLAL BABU	1203360000036171	ACCPB7667E	69700	31/03/2018
16	ALOK YOGENDRA BABU	IN30115126665657	AITPB3368D	42000	31/03/2017
17	ALOK YOGENDRA BABU	IN30115126665657	AITPB3368D	42000	31/03/2018
18	SUBRAMANIAN P	IN30131320493031	AMBPS8931K	88378	31/03/2017
19	SUBRAMANIAN P	IN30131320493031	AMBPS8931K	100150	31/03/2018
20	HIRAL DIVYESH SEJPAL	IN30040910126886	BFMPS9617B	63128	31/03/2017
21	HIRAL DIVYESH SEJPAL	IN30040910126886	BFMPS9617B	63128	31/03/2018

V. INDEBTNESS

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

Particulars	Secured Loans excluding deposits	Secured Loans excluding deposits	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	55,999,510	16,026,129	-	72,025,639
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	491,517	-	-	491,517
Total (i+ii+iii)	56,491,027	16,026,129	-	72,517,156
Change in Indebtedness during the financial year				
• Addition	254,591,688	-	-	254,591,688
• Reduction	237,086,044	16,026,129	-	253,112,173
Net Change	17,505,644	(16,026,129)	-	1,479,515
Indebtedness at the end 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

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remunerations	Name of MD / WTD / Manager		Total
		Managing Director	Whole Time Director & Company Secretary	
		Mukesh Babu	Dipali Shah	Rs.
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,200,000	563,749	1,763,749
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission :	0	0	0
	as percentage of profit	0	0	0
	Others	0	0	0
5	Others , Please specify	0	0	0
	Total (A)	1,200,000	563,749	1,763,749
	Ceiling as per Act			N.A.

B. Remuneration to other directors:

Sr. No.	Particulars of Remunerations	Name of Directors			Total
		Pankaj Majithia	Vijay Vora	----	Rs.
1	Independent Directors				
	(a) For Attending Board / Committee meeting	22,224	22,224		44,448
	(b) As Commission	.			
	(c) Others, please specify				
	Total (1)	22,224	22,224	-	44,448
2	Other Non-Executive Directors				
	(a) For Attending Board / Committee meeting				
	(b) As Commission				
	(c) Other , please specify				
	Total (2)	-	-	-	-
	Total (B) = (1)+(2)	22,224	22,224	-	44,448
	Total Managerial Remuneration (A+B)	1,222,224	585,973	-	1,808,197
	Overall Ceiling As per Act : 11% of Net Profit as per section 198 of the Companies Act, 2013				8,501,336
	Ceiling as per Act : 5% of Net Profit as per section 198 of the Companies Act, 2013				3,864,244

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

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

VII **PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL**

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

ANNEXURE- E

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

Sr.	Name Director	Ration of Remuneration of Director to Remuneration of Employees
1	Mr. Mukesh Babu	1.68:1
2	Mrs. Dipali Shah	0.79:1
3	Mr. Pankaj Majithia	0.03:1
4	Mr. Vijay Vora	0.03:1
5	Mr. K. Chandrashekhar	0

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

Sr.	Name Director	Percentage increase in Remuneration of Each Director
1	Mr. Mukesh Babu	0
2	Mrs. Dipali Shah	10.32
3	Mr. Pankaj Majithia	0
4	Mr. Vijay Vora	0
5	Mr. K. Chandrashekhar	0

4. The percentage increase in the median remuneration of employees in the financial year is -00.67%.
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: **Three.**

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 Financial Company registered with Reserve Bank of India and is engaged in lending and 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 March 31, 2018, the Board had four members, out of which two are Executive Directors (including one Woman Director) and two are Independent Directors.

The Composition of the Board had undergone a change and as on 29th May, 2018, the strength of the Board was four Directors which comprised of a Managing Director, two Independent Directors and one Non-Executive Woman Director. 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.

The Board periodically reviews its composition and size and evaluates the need for change, if required.

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 March 31, 2018/ as on date 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. K. Chandrasekhar (DIN:00138951) #	Director	Non-Executive	3	1	1
Mr. Pankaj Majithia (DIN:00224833)	Director	Independent	1	0	0
Mr. Vijay Vora (DIN:00224394)	Director	Independent	0	0	0
Mrs. Dipali Shah (DIN:07141559) ##	Whole-time Director	Executive	1	1	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.

Mr. K. Chandrasekhar, Non-executive Director expired on 24th October, 2017.

Mrs. Dipali Shah resigned as Whole-time Director w.e.f. 15th April, 2018.

Mrs. Meena Mukesh Babu was appointed as Additional 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 February 12, 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 2017-18, 4 (four) meetings of the Board of Directors of the Company were held and the maximum gap between two 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	30/05/2017
2	2 nd Quarter	12/08/2017
3	3 rd Quarter	08/11/2017
4	4 th Quarter	12/02/2018

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 2017-18 is as under:

Name of the Directors	Number of Board Meetings held	Number of Board Meetings attended	Last Annual General Meeting attended
Mr. Mukesh C. Babu	4	4	YES
Mr. Chandrasekhar Krishnan	4	2	NO
Mr. Vijay L. Vora	4	4	YES
Mr. Pankaj R. Majithia	4	4	YES
Mrs. Dipali C. Shah	4	4	YES

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 Regulations and the same has been posted on the website of the Company at 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 2017-18.

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 as on March 31, 2018.

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 2017-18 i.e. on 30/05/2017, 12/08/2017, 08/11/2017 and 12/02/2018.

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 2017-18	
				Meetings Held	Meetings attended
1	Mr. Pankaj Majithia F.C.A. A.C.S.,LL.B.	Chairman	Independent Director	4	4
2	Mr. K. Chandrasekhar * B.Com, A.C.A, Grad., I.C.W.A.,A.C.S.,LL.B.	Member	Non-executive Director	4	2
3	Mr. Vijay Vora B.Com	Member	Independent Director	4	4
4	Mrs. Dipali Shah ** M.Com, C.S, LL.B.	Member	Executive Director	4	2

* Expired on 24th October, 2017

** Appointed as member of Audit Committee at the Meeting of the Board of Directors held on 12th August, 2017.

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

- 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 and examining the quarterly financial results with the management before submission to the Board;
- e) 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 nay related party transactions,
 - vii) modified opinion(s) in the draft audit report.
- f) Review and monitor 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.

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

The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors 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 29th September, 2017 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:

- a) Recommend to the Board the setup and composition of the Board and its committees, including the "formulation of the criteria for determining qualifications, positive attributes and independence of a Director." The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- b) Recommend to the Board the appointment or reappointment of Directors.
- c) Devise a policy on Board diversity.

- d) Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).
- e) Carry out evaluation of every Director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual Directors. This shall include “Formulation of criteria for evaluation of Independent Directors and the Board”. Additionally the Committee may also oversee the performance review process of the Key Managerial Personnel and executive team of the Company.
- f) Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- g) Oversee familiarisation programmes for Directors.

Meeting and Attendance:

The Nomination and Remuneration Committee met only once during the financial year 2017-2018 on 30th May, 2017 and the necessary quorum was present at the meeting.

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 2017-18	
				Meetings Held	Meetings attended
1	Mr. Pankaj Majithia	Chairman	Independent Director	1	1
2	Mr. K. Chandrasekhar *	Member	Non-executive Director	1	1
3	Mr. Vijay Vora	Member	Independent Director	1	1

* Expired on 24th October, 2017

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.

The composition of the Committee and the attendance of the members of the Stakeholders Relationship Committee during the financial year 2017-18 is as given below:

Sr. No.	Name of the Member	Position	Category	No. of Meetings during the year 2017-18	
				Meetings Held	Meetings attended
1	Mr. Pankaj Majithia	Chairman	Independent Director	4	4
2	Mr. K. Chandrasekhar*	Member	Non-executive Director	4	2
3	Mr. Vijay Vora	Member	Independent Director	4	4
4	Mr. Mukesh Babu**	Member	Executive Director	4	2

* Expired on 24th October, 2017

** Appointed as member of Stakeholders Relationship Committee at the Meeting of the Board of Directors held on 12th August, 2017.

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, the total numbers of complaints received and resolved during the year ended March 31, 2018 were 11 (Eleven). There were no complaints outstanding as on March 31, 2018. The Shareholder/investor complaints received were of general nature.

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 2017-18 are given below as on March 31, 2018:

	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	8	8	0
Issue of Duplicate share certificates	3	3	0

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 March 31, 2018.

The Secretarial Department of the Company and Link Intime India Private Limited (RTA) attends 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 to answer the queries of the Shareholders.

V CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR 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.

For the financial year 2017-18 Company doesn't fall in norms of CSR under section 135 of the Companies Act, 2013.

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 March 31, 2018 is as follows:

(a) Non-executive Directors

Sr.No.	Name of Director	Sitting Fees(in Rs.)
1	Mr. Pankaj Majithia	22,224
2	Mr. Vijay Vora	22,224

None of the Non-Executive Directors of the Company had any pecuniary relationship with the Company during the financial year 2017-18.

(b) Executive Directors:

(in Rs.)

Name of Director Designation	Mr. Mukesh Babu Managing Director	Mrs. Dipali C. Shah Whole-time Director & Company Secretary
Salary	12,00,000	5,63,749
Benefits & perquisites	Nil	Nil
Allowances	Nil	Nil
Performance linked incentives	Nil	Nil
Stock options	Nil	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". A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is 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 fair disclosure and conduct for prevention of insider trading. Details of the shareholding of the Non-Executive Directors as on March 31, 2018 is as under:

Name of the Non-executive Directors	No. of Equity shares held
Mr. Pankaj Majithia	1800
Mr. Vijay Vora	NIL

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.

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.

IX. DIVIDEND

The Board of Directors at their meeting held on 29th May, 2018 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 2017-18. The dividend shall be paid to the Members whose names appear on the Company's Register of Members as on 16th September, 2018 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 on or after 28th September, 2018.

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.1,99,140/- pertaining to the financial year 2009-10 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 2018-19, the Company would be transferring unclaimed final dividend amount for the financial year 2010-11 on 05th November, 2018. Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the website www.mukeshbabu.com/investorcentre.

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:

- a) Financial Statements of the unlisted subsidiary are reviewed quarterly by the Audit Committee of the Company.
- b) The minutes of the subsidiary company are periodically placed before and reviewed by the Board of Directors of the Company.
- c) 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 GENERAL BODY MEETINGS

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

Financial Year	Description of the Meeting	Special Resolutions	Venue	Date	Time
2016-17	AGM	No Special Resolution was passed	Café Ista, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022	29-09-2017	5.00 p.m.
2015-16	AGM	No Special Resolution was passed	Serai Hall, 11A/1, New Sion Co-op Hsg. Soc. Ltd., Sion (West), Mumbai 400022.	30-09-2016	5.00 p.m.
2014-15	AGM	Two Special Resolutions were passed*	12-A/4 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.	30-09-2015	5.00 p.m.

* The special resolutions set out in the notice of AGM of 2014-15 were passed by the shareholders with requisite majority.

XIII. 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.

XIV GENERAL SHAREHOLDER INFORMATION

1	Annual general meeting	33 rd Annual General Meeting	
	Date	Friday, 28 th day, of September, 2018	
	Time	04:00 p.m.	
	Venue	Café Istaa, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022	
2	Financial year	April 1 to March 31	
3	Date of book closure	September 17, 2018 to September 28, 2018 (both days inclusive)	
4	Dividend payment date Final dividend for the F.Y.2017-18 of Re.1.20 per equity share has been recommended by the Board of Directors at its meeting held on May 29, 2018	On or after September 28, 2018 (Subject to approval of Shareholders)	
5	Listing on stock exchanges	BSE Limited	Ahmedabad Stock Exchange Limited (ASEL)* *SEBI has vide EXIT ORDER Ref:WTM/MPB/ MRD/160/2018 dt. 02nd April, 2018 approved the exit application of ASEL to be recognized as the Stock Exchange.
6	Security Code	BSE-530341	
7	Listing Fees	The annual listing fees for the financial year 2017 – 18 have been paid to BSE Limited	
8	Demat ISIN in NSDL & CDSL for equity shares	INE596B01017	
8	Market price data		
			BSE
	Month	High	Low
	April 2017	77.00	48.85
	May 2017	75.00	53.25
	June 2017	75.00	48.15
	July 2017	73.50	57.60
	August 2017	83.00	51.05
	September 2017	85.00	58.05
	October 2017	113.00	73.00
	November 2017	98.00	73.00
	December 2017	119.00	72.40
	January 2018	113.20	86.20
	February 2018	109.00	72.00
	March 2018	100.95	80.40
9	Registrar and share transfer agent	Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West) – 400083 ☐ Phone: +91 22 49186000 Extn: 2352 ☐ Fax: +91 22 49186060 <u>*manohar.shirwadkar@linkintime.co.in</u> Website: www.linkintime.co.in	
10	Details of the newspapers where Quarterly Results of the Company were published	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.	

11	Share transfer system	<ol style="list-style-type: none"> 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. 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. 			
12	Distribution of shareholding as on March 31, 2018 as well as shareholding pattern:				
	Distribution of shareholding as on March 31, 2018				
	No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
	1 to 500	1210	83.05	238687	3.42
	501 to 1000	115	7.89	93312	1.34
	1001 to 2000	53	3.64	76893	1.10
	2001 to 3000	11	0.76	29732	0.43
	3001 to 4000	14	0.96	51081	0.73
	4001 to 5000	11	0.75	51778	0.74
	5001 to 10000	12	0.82	93082	1.34
	10001 and above	31	2.13	6336335	90.90
	Total:	1457	100.00	6970900	100.00
	Shareholding Pattern as on March 31, 2018			No. of Shares	% of Shareholding
	Promoters & persons acting in concert			43,81,600	62.86
	Banks / FI / Insurance companies			1,300	0.02
	FII / NRIs / OCBs			1,27,980	1.84
	Private corporate bodies			9,57,661	13.74
	Public			14,27,820	20.47
	Others (Clearing Members)			839	0.01
	IEPF			73,700	1.06
	Total			69,70,900	100.00
13	Outstanding GDRs / ADRs	Nil			
14	Dematerialization of shares and liquidity	<p>As on March 31, 2018 – 64,96,100 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>SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 dt.08th June, 2018 that except in case of transmission or transposition of securities, requests for effecting the 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 5th December 2018.</p>			

15	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.
16	Plant Locations	The Company is in service industry and hence does not have any plant base.
17	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 <u>*manohar.shirwadkar@linkintime.co.in</u>

XV. 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.

XVI. 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.

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

XVII. CEO/ CFO CERTIFICATION

The Certificate required under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 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: 10th August, 2018
Place: Mumbai

MANAGEMENT DISCUSSION AND ANALYSIS

The management is pleased to present its Analysis Report.

A. FINANCIAL REVIEW

Your Company earned a net profit of Rs.772.85 Lakhs for the financial year ended 31st March, 2018 as compared to previous year's net profit of Rs.280.65 Lakhs (Increase of 175.37%). Provision for taxation for the year is Rs.95.66 Lacs (including Deferred Tax Provision) as compared to Rs.89.40 Lakhs in the previous financial year

B. MACRO ECONOMY: REVIEW AND OUTLOOK

Financial Year 2017-18 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 2017-18 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 was finally rolled out in the year and though the implementation did lead to initial hiccups, things are settling down and getting better now.

The growth in the first half of the year suffered despite global tailwinds. However, the weakness seen at the beginning of 2017 has seemed to have bottomed out as 2018 has set in. Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index and exports having shown some positives. We believe that India's economic outlook has been promising for 2017-18 and is expected to strengthen further in 2018-19.

The biggest challenges for 2018 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.

C. OPPORTUNITIES AND MARKET ENVIRONMENT:

The Indian economy seems to have started on the road to recovery as it reclaimed the position of the fastest growing economy. The overall GDP growth seen by the Indian economy during the financial year that ended on March 31, 2018, stood at 6.7 per cent, according to the government data. The Indian economy had posted the GDP growth of 7.1 per cent for the previous financial year.

The Indian economy has also moved past the disruptions caused by the implementation of Goods and Services Tax (GST) in mid-2017, adding that manufacturing output and industrial production have continued to firm since then. 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 :

The global projections are that India will see its gross domestic product (GDP) grow at a rate of 7.3 per cent during the ongoing fiscal and at 7.5 per cent in the two succeeding ones.

India registered growth rate of 5.6 percent, 6.3 percent and 7 percent in Q1, Q2 and Q3 of 2017-18, respectively whereas Q4 was 7.7 percent.

The report also forecasted that the recovering Indian economy will also help economic growth in South Asia region to accelerate to 6.9 per cent in 2018 from 6.6 per cent in 2017.

It is your Company's belief that businesses can bring about transformational change by pursuing innovative business models that synergies the creation of sustainable livelihoods and the preservation of natural capital with enhancing shareholder value.

**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 2018, 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, 2018.
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.

For Chaitanya C. Dalal & Co.

Chartered Accountants

Firm Reg. No. 101632W

Chaitanya C. Dalal

Partner

Membership No: 35809

Place: Mumbai

Date: 10/08/2018

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, 2018 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

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 2018, 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, 2018;
- 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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. The company has transferred the required amount of Rs. 1,99,140/-, to the Investor Education and Protection Fund on 18th January 2018

For Chaitanya C. Dalal & Co.

Chartered Accountants

Firm Reg. No. 101632W

Chaitanya C. Dalal

Partner

Membership No: 35809

Place: Mumbai

Date: 29/05/2018

Annexure A to the Independent Auditors' Report

Re: MukeshBabu 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 2018, 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 2018.
- (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 2018 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 2018, 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 2018.
- (xv) During the year ended 31st March 2018 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: 29/05/2018

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 2018.

We have audited the internal financial controls over financial reporting of **Mukesh Babu Financial Services Limited** ("the Company") as of March 31, 2018 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 2018, 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: 29/05/2018

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	31/03/2018		31/03/2017	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	503,200,710		434,409,118	
(c) Money received against share warrants		-	572,875,710	0	504,084,118
2 Share application money pending allotment					
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)	10	-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	370,323	370,323	267,049	267,049
4 Current liabilities					
(a) Short-term borrowings	4	73,996,671		72,517,156	
(b) Trade payables	5	16,350,467		41,505,509	
(c) Other current liabilities	6	1,615,103		2,284,956	
(d) Short-term provisions	7	7,454,360	99,416,601	18,086,238	134,393,859
TOTAL			672,662,634		638,745,026
II. ASSETS					
1 Non-current assets					
(a) Fixed assets					
(i) Tangible assets	8	8,639,409		8,506,957	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	9	323,909,960		325,409,960	
(c) Deferred tax assets (net)	10	2,311,050		2,193,184	
(d) Long-term loans and advances	11	39,054,400		42,054,400	
(e) Other non-current assets	12	998,127	374,912,946	998,127	379,162,628
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	139,463,733		131,986,357	
(c) Trade receivables		-		-	
(d) Cash and Bank Balances	14	12,548,028		13,794,614	
(e) Short-term loans and advances	15	118,061,533		64,776,005	
(f) Other current assets	16	27,676,394	297,749,688	49,025,422	259,582,398
TOTAL			672,662,634		638,745,026

Contingent Liabilities & Commitments 17

NOTES ON ACCOUNT 24

**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
Place : Mumbai
Date : 29/05/2018

Mukesh Babu
Managing Director
DIN:00224300

Meena Babu
Director
DIN:00799732

Manasi Dalal
Company Secretary
ACS: 54690

Place : Mumbai
Date : 29/05/2018

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	31.03.2018		31.03.2017	
		₹	₹	₹	₹
I Revenue from operations	18		104,164,148		53,289,984
II Other income	19		2,308,921		2,538,122
III Total Revenue (I + II)			106,473,069		55,828,106
IV Expenses:					
Employee benefits expense	21	2,982,799		2,639,759	
Finance costs	22	9,376,121		11,943,363	
Depreciation	8	787,419		721,011	
Other expenses	23	6,475,542		3,517,855	
Total expenses			19,621,881		18,821,988
V Profit before exceptional and extraordinary items and tax (III-IV)			86,851,188		37,006,118
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			86,851,188		37,006,118
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			86,851,188		37,006,118
X Tax expense:					
(1) Current tax		9,500,000		11,100,000	
(2) Taxation of earlier years		184,177		915,919	
(3) Deferred tax		(117,866)	9,566,311	(3,075,423)	8,940,496
XI Profit (Loss) for the period from continuing operations (VII-VIII)			77,284,877		28,065,622
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)			77,284,877		28,065,622
XVI Earnings per equity share:					
(1) Basic			11.09		4.03
(2) Diluted			11.09		4.03

NOTES ON ACCOUNT

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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
Place : Mumbai
Date : 29/05/2018

Mukesh Babu
Managing Director
DIN:00224300

Meena Babu
Director
DIN:00799732

Manasi Dalal
Company Secretary
ACS: 54690

Place : Mumbai
Date : 29/05/2018

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

	31.03.2018		31.03.2017	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		86,851,188		37,006,118
Adjustments for :		-		-
Depreciation & Misc. Exp. Written off	787,419		721,011	
Bad Debts written off	-		-	
Excess Provision for Taxation	-	787,419	-	721,011
Operating Profit Before Working Capital Changes		87,638,607		37,727,129
Changes in Working Capital:				
Inventories	(7,477,377)		(1,386,731)	
Sundry Debtors	-		-	
Loans and Advances	(49,602,953)		43,200,799	
Other Current Assets	21,349,028		(20,274,144)	
Sundry Creditors	(25,155,042)		15,254,231	
Other Liabilities	(11,198,457)	(72,084,801)	1,517,965	38,312,120
Cash Generated from Operations		15,553,806		76,039,249
Direct Taxes Paid		(11,103,288)		(11,133,682)
Cash Flow Before Extraordinary Items		4,450,518		64,905,567
Extraordinary Items		(103,274)		106,251
Net Cash From Operating Activities		4,347,244		65,011,818
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(919,871)		(1,990,126)	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
Sale of Investments	1,500,000	580,129	4,400,000	2,409,874
Net cash used in Investing Activities		580,129		2,409,874
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings	1,479,515		-	
Repayment of Loan Short Term Borrowings	-		(75,275,748)	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid	(6,970,900)		-	
Increase in Misc. & Public Issue Expenses	-	(5,491,385)	-	(75,275,748)
Net cash used in Financing Activities		(5,491,385)		(75,275,748)
Net Increase / (Decrease) in Cash & Cash Equivalents		(564,012)		(7,854,056)
Cash & Cash Equivalents at the Beginning of the Year		1,262,439		9,116,495
Cash & Cash Equivalents at th Closing of the Year		698,427		1,262,439

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

Manasi Dalal
Company Secretary
ACS: 54690

Place : Mumbai
Date : 29/05/2018

Place : Mumbai
Date : 29/05/2018

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

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	31.03.2018		31.03.2017	
	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	31.03.2018		31.03.2017	
	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	31.03.2018		31.03.2017	
	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	31.03.2018		31.03.2017	
	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 2018

Note 2 RESERVES AND SURPLUS

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

Particulars	31.03.2018	31.03.2017
	₹	₹
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	79,005,988	73,392,864
(+) Current Year Transfer	15,456,975	5,613,124
	-	-
Closing Balance	94,462,963	79,005,988
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	253,679,259	231,120,510
(+) Net Profit/(Net Loss) For the current year	77,284,877	28,065,622
(-) Dividends Payment	6,970,900	-
(-) Dividend Tax Payment	1,419,111	-
(-) Transfer to Statutory Reserves (As per RBI Regulations)	15,456,975	5,613,124
(-) Provision for Standard Assets (As per RBI Regulations)	103,274	106,251
Closing Balance	307,013,876	253,679,259
Total Reserves & Surplus	503,200,710	434,409,118

Note 3 LONG TERM PROVISIONS

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

Particulars	31.03.2018	31.03.2017
	₹	₹
(a) Provision for Long Term Liabilities	-	-
Total (a)	-	-
(b) Others	-	-
Contingent Provision against Standard Assets (As per RBI Regulations)	370,323	267,049
Total (b)	370,323	267,049
Total Long Term Provisions	370,323	267,049

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 4 SHORT-TERM BORROWINGS

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

Particulars	31.03.2018	31.03.2017
	₹	₹
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	73,996,671	56,491,027
(Secured against Pledge of Stock of Shares)		
Terms of repayment: Working Capital Loans		
Period of Maturity Not Applicable		
Number and amount of instalments Not Applicable		
Applicable rate of interest 13.50% to 17.00%		
Total Secured Short Term Borrowings	73,996,671	56,491,027
Unsecured		
(a) Loans repayable on demand		
from banks (Refer note no. 3. of Other Notes to Accounts)	-	16,026,129
Total Unsecured Short Term Borrowings	-	16,026,129
Total Short Term Borrowings	73,996,671	72,517,156

Note 5 TRADE PAYABLES

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

Particulars	31.03.2018	31.03.2017
	₹	₹
(a) Trade Payables	16,350,467	41,505,509
Total Trade Payables	16,350,467	41,505,509

Note 6 OTHER CURRENT LIABILITIES

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

Particulars	31.03.2018	31.03.2017
	₹	₹
(a) Unclaimed Dividends	1,615,103	2,284,956
Total Trade Payables	1,615,103	2,284,956

Note 7 SHORT TERM PROVISIONS

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

Particulars	31.03.2018	31.03.2017
	₹	₹
(a) Provision for Short Term Liabilities	-	-
(b) Provision for Expenses	239,090	181,292
(c) Others (Specify nature)		
Provision for Taxation (Net of Pre-paid Taxes)	-	10,143,146
Other Provisions	7,215,270	7,761,800
	-	-
Total Short Term Provisions	7,454,360	18,086,238

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

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	
	01.04.2017	Additions/ (Disposals)	31.03.2018	01.04.2017	Depreciation for the year	On disposals	31.03.2018	01.04.2017	31.03.2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a Tangible Assets									
Office Premises	14,883,250	-	14,883,250	10,482,810	214,301	-	10,697,111	4,400,440	4,186,139
Guest House	3,690,116	-	3,690,116	1,024,802	129,801	-	1,154,603	2,665,314	2,535,513
Furniture and Fixtures	3,729,511	724,471	4,453,982	3,427,585	93,799	-	3,521,384	301,926	932,598
Electrical Fittings & Equipment	1,282,776	100,000.00	1,382,776	426,639	223,812	-	650,451	856,137	732,325
Office equipment	1,477,654	-	1,477,654	1,456,079	9,724	-	1,465,803	21,575	11,851
Computers	615,481	95,400	710,881	577,678	46,101	-	623,779	37,803	87,102
Vehicals	3,005,288	-	3,005,288	2,781,526	69,881	-	2,851,407	223,762	153,881
Total (Current Year)	28,684,076	919,871	29,603,947	20,177,119	787,419	-	20,964,538	8,506,957	8,639,409
Total (Previous Year)	26,693,950	1,990,126	28,684,076	19,456,108	721,011	-	20,177,119	7,237,842	8,506,957

MUKESH BABU FINANCIAL SERVICES LIMITED
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NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

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
			31.03.2018	31.03.2017			31.03.2018	31.03.2017	31.03.2018	31.03.2017		
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.
	Dynamic Ship Recyclers Pvt.Ltd.	Others	-	400,000	Unquoted	Fully Paid	-	-	-	1,500,000	Yes	N.A.
	Mukesh Babu Securities Ltd	Subsidiary	2,580,996	2,580,996	Unquoted	Fully Paid	-	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	31,359,960		
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	325,409,960		

Particulars	31.03.2018	31.03.2017
	₹	₹
Aggregate amount of quoted investments (Market Value ₹ 95,57,150/- (Previous Year ₹ 34,17,150/-))	4,100,000	4,100,000
Aggregate amount of unquoted investments	319,809,960	321,309,960
TOTAL	323,909,960	325,409,960

MUKESH BABU FINANCIL SERVICES LIMITED
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NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

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	31.03.2018	31.03.2017
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	684,669	842,956
Gross deferred tax liability	684,669	842,956
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	2,995,719	3,036,140
Gross Deferred tax asset	2,995,719	3,036,140
Net deferred tax (Lliability)/Aassets	2,311,050	2,193,184

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	31.03.2018		31.03.2017	
	₹	₹	₹	₹
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	42,054,400	42,054,400
Total (b)		39,054,400		42,054,400
Total Long Term Loans and Advances (a)+(b)		39,054,400		42,054,400

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	31.03.2018		31.03.2017	
	₹	₹	₹	₹
Security Deposits :				
Unsecured, considered good		998,127		998,127
Total Other Non-Current Assets		998,127		998,127

MUKESH BABU FINANCIAL SERVICES LIMITED
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NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

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	31.03.2018		31.03.2017	
	₹	₹	₹	₹
a. Stock of Shares (Trading Stock of shares Valued at lower of cost or net realisable value)	139,463,733		131,986,357	
		139,463,733		131,986,357
Total Inventories		139,463,733		131,986,357

Note 14 CASH AND BANK BALANCES

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

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks In Current Accounts with Scheduled Banks	480,842		1,096,691	
		480,842		1,096,691
B. Cash on hand Cash and Cash Equivalents		217,585		165,748
		698,427		1,262,439
C. Other Bank Balances				
In Fixed Deposits with Scheduled Banks	10,125,000		10,125,000	
In Unclaimed Dividends Account	1,615,103		2,284,956	
Interest Accrued not due on Fixed Deposits	109,498	11,849,601	122,219	12,532,175
Total Cash and Bank Balances (A+B+C)		12,548,028		13,794,614

Note 15 SHORT TERM LOANS AND ADVANCES

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

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
A. Loans and advances to related parties		8,973,871		-
Sub Total (A)		8,973,871		-
B. Others				
Unsecured, considered good		106,715,724		62,259,080
Prepaid Expenses		12,938		10,925
Staff & Associates		2,359,000		2,506,000
Sub Total (B)		109,087,662		64,776,005
Total Short-term loans and advances (A+B)		118,061,533		64,776,005

MUKESH BABU FINANCIAL SERVICES LIMITED

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NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 16 OTHER CURRENT ASSETS

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

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
a. Taxation				
Advance Tax and TDS (Net)		1,152,606		-
b. Non-Taxation				
Margin Money with Brokers	26,523,788		49,025,422	
		26,523,788		49,025,422
Total Other Current Assets		27,676,394		49,025,422

Note 17 CONTINGENT LIABILITIES AND COMMITMENTS

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

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
A. Contingent Liabilities				
(1) Claims against the company not acknowledged as debt - Refer sub-note no. 3 of Note 24	-		-	
(2) Guarantees	-		-	
(3) Other money for which the company is contingently liable	-		-	
Sub Total (A)		-		-
B. Commitments				
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	-		-	
(2) Uncalled liability on shares and other investments partly paid	-		-	
(3) Other commitments (specify nature)	-		-	
Sub Total (B)		-		-
Total Contingent Liabilities and Commitments (A+B)		-		-

MUKESH BABU FINANCIAL SERVICES LIMITED
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NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 18 REVENUE FROM OPERATIONS

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

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

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
Interest Income		40,140,339		13,708,508
Dividend Income		53,714,145		10,440,882
Profit on Shares and Securities		10,309,664		29,140,594
Net Revenue From Operations		104,164,148		53,289,984

Note 19 OTHER INCOME

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

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
Profit on sale of Investments		1,550,000		1,750,000
Interest on Term Deposits		758,921		788,122
Total Other Income		2,308,921		2,538,122

Note 20 (INCREASE) / DECREASE IN INVENTORIES

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

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
Inventories at the end of the year				
Stock of Shares	139,463,733	139,463,733	131,986,357	131,986,357
Inventories at the beginning of the year				
Stock of Shares	131,986,357	131,986,357	130,599,626	130,599,626
Net Increase / (Decrease) in Inventories		7,477,377		1,386,731

MUKESH BABU FINANCIAL SERVICES LIMITED
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NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

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	31.03.2018		31.03.2017	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries	653,357		661,675	
Bonus	58,950		55,425	
Directors' Remuneration	1,808,197	2,520,504	1,751,000	2,468,100
(b) Staff welfare expenses		462,295		171,659
Total Employee Benefit Expenses		2,982,799		2,639,759

Note 22 FINANCE COST

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

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
<u>Interest expense</u>				
Interest on Loans	9,251,027		11,918,597	
Loand Processing Fees	103,500		-	
Interest on Bank Overdraft	21,594	9,376,121	24,766	11,943,363
Other Financial Expenses				
Total Finance Cost		9,376,121		11,943,363

Note 23 OTHER EXPENSES

Particulars	31.03.2018		31.03.2017	
	₹	₹	₹	₹
Auditors' Remuneration		48,580		84,897
Business Promotion Expenses		1,614,918		788,582
Conveyance & Travelling Expenses		1,049,730		239,093
Electricity Expenses		267,778		332,920
Professional & Consultancy Fees		956,011		874,600
Listing Fees		287,500		229,000
Membership & Subscriptions		77,754		89,001
Motor Car Expenses		153,100		16,525
Office Expenses		229,759		32,609
Postage and Courier Expenses		73,405		66,659
Printing and Stationery Expenses		241,554		153,995
Publishing Expenses		157,960		51,240
Rent, Rates & Taxes		585,928		306,241
Repairs and Maintenance Expenses		275,475		97,473
Telephone Expenses		136,375		80,613
Sundry Expenses		319,715		74,408
Total Other Expenses		6,475,542		3,517,855

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

NOTE:- 24 OTHER NOTES - NOTES ON ACCOUNTS

**1 SIGNIFICANT ACCOUNTING POLICIES:
ACCOUNTING CONCEPTS**

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

FIXED ASSETS

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

DEPRECIATION

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

INVESTMENTS

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

INVENTORIES

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

REVENUE RECONGNITION:

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

EMPLOYEE BENEFITS:

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

IMPAIRMENT OF ASSETS

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

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, 2018

EARNINGS PER SHARE

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

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

CASH FLOW STATEMENT

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

BORROWING COSTS

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

STATUTORY RESERVE

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

PRUDENTIAL NORMS

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

TAXES ON INCOME:

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

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

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

2

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

3

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

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

Particulars	31.03.2018	31.03.2017
As Auditors	35,400	46,000
Other Professional Services	13,180	38,897
	48,580	84,897

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

5 Earning per share is calculated as under:

Particulars	31.03.2018	31.03.2017
Basic earning per share		
Net profit after Taxation	77,284,877	28,065,622
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	11.09	4.03
Diluted earning per share		
Net profit after Taxation	77,284,877	28,065,622
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	11.09	4.03

Directors' Remuneration	31.03.2018	31.03.2017
Within the limits of Schedule V to the Companies Act 2013.	1,808,197	1,751,000

7

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

8

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

9

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

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

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount reversed during the year	Closing Balance
	₹	₹	₹	₹
Income-tax	10,143,146	9,566,311	19,709,457	0

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	31.03.2018	31.03.2017
Mukesh Babu Securities Limited (Subsidiary)	8,973,871	0

Maximum outstanding during the Year

NAME OF THE COMPANY	31.03.2018	31.03.2017
Mukesh Babu Securities Limited (Subsidiary)	32,455,355	34,197,619

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

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

A. Relationships:

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

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

Category III: Group and Associates Companies

Mukesh Babu Stock Broking P. Ltd, Mukesh Babu Management Consultants P. Ltd.

B. Transactions with related Parties:

TRANSACTIONS DURING THE YEAR	Relationship	31.03.2018	31.03.2017
Opening Balances	Subsidiary Company	0	32,256,902
Loans & Advances taken during the year	Key Managerial Persons	0	25,000,000
	Associates	0	0
Loans & Advances given during the year	Subsidiary Company	81,704,665	0
Interest Charged during the Year	Subsidiary Company	1,208,055	1,940,717
	Associates	50,000	0
Amounts received during the year	Subsidiary Company	73,938,849	34,197,619
Loans & Advances refunded during the year	Key Managerial Persons	0	25,000,000
	Associates	25,000	0
Remuneration & Sitting Fees	Key Managerial Persons	1,808,197	1,751,000
Closing Balances	Subsidiary Company	8,973,871	0
	Key Managerial Persons	0	
	Associates	25,000	0

13 Income and Expenses in Foreign Currency:

31.03.2018	31.03.2017
NIL	NIL

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

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	4,972,603	199,483	115,000	5,057,086
Value (in ₹)	131,986,357	12,594,030	44,016,049	139,463,733

(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, 2018

- 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)	73,996,671	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	157,115,933	
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	299,600,000
	Total	323,909,960	325,409,960
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	6,970,900	1

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

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

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

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

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

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

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

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

(Mukesh Babu)
Managing Director
DIN:00224300
Place : Mumbai
Date : 29/05/2018

Meena Babu
Director
DIN:00799732

Manasi Dalal
Company Secretary
ACS: 54690

CHAITANYA C. DALAL
Partner
Membership No.35809
FRN NO. 101632W
Place : Mumbai
Date : 29/05/2018

MUKESH BABU FINANCIAL SERVICES LIMITED

[CONSOLIDATED ACCOUNTS YEAR 2017-2018]

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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 2018, 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, 2018;
- 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, 2018, 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, 2018, 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. 1,99,140/-, to the Investor Education and Protection Fund on 18th January 2018.

For Chaitanya C. Dalal & Co.

Chartered Accountants

Firm Reg. No. 101632W

Chaitanya C. Dalal

Partner

Membership No: 35809

Place: Mumbai

Date: 29/05/2018

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 2018.

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, 2018 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 2018, 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: 29/05/2018

MUKESH BABU FINANCIAL SERVICES LIMITED CONSOLIDATED
CIN:L65920MH1985PLC035504
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	March 31, 2018		March 31, 2017	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	591,345,512		523,075,435	
(c) Money received against share warrants			661,020,512		592,750,435
2 Mionority Interest			106,802,311		107,291,090
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)	10	-		-	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	370,323	370,323	267,049	267,049
4 Current liabilities					
(a) Short-term borrowings	4	101,788,593		119,775,870	
(b) Trade payables	5	16,663,727		41,818,769	
(c) Other Current Liabilities	6	151,615,103		152,284,956	
(d) Short-term provisions	7	7,774,676	277,842,099	17,814,494	331,694,089
TOTAL			1,046,035,245		1,032,002,663
II. ASSETS					
1 Non-current assets					
(a) Fixed assets	8	26,371,398		25,574,158	
(i) Tangible assets		-		-	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	9	359,630,519		357,332,019	
(c) Deferred tax assets (net)		2,489,161		2,362,587	
(d) Long-term loans and advances	11	39,054,400		42,054,400	
(e) Other non-current assets	12	19,288,344	446,833,822	24,438,344	451,761,508
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	139,463,733		131,986,357	
(c) Trade receivables	14	9,125,167		8,547,667	
(d) Cash and Bank Balances	15	112,272,710		114,148,713	
(e) Short-term loans and advances	16	309,062,275		276,532,996	
(f) Other current assets	17	29,277,538	599,201,423	49,025,422	580,241,155
TOTAL			1,046,035,245		1,032,002,663

Contingent Liabilities & Commitments 18

NOTES ON ACCOUNT 24

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
FRN: 101632W
M. No.: 035809
Place : Mumbai
Date : 29/05/2018

Mukesh Babu
Managing Director
DIN:00224300

Meena Babu
Director
DIN:00799732

Manasi Dalal
Company Secretary
ACS: 54690

Place : Mumbai
Date : 29/05/2018

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR YEAR ENDED 31ST MARCH 2018.

Particulars	Note No.	March 31, 2018		March 31, 2017	
		₹	₹	₹	₹
I Revenue from operations	19		102,956,093		51,349,267
II Other income	20		146,820,981		17,650,064
III Total Revenue (I + II)			249,777,074		68,999,331
IV Expenses:					
Employee benefits expense	21	6,451,554		6,502,790	
Finance costs	22	11,237,425		14,232,067	
Depreciation	8	1,511,137		1,498,968	
Other expenses	23	144,744,772		6,504,498	
Total expenses			163,944,888		28,738,323
V Profit before exceptional and extraordinary items and tax (III-IV)			85,832,186		40,261,008
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			85,832,186		40,261,008
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			85,832,186		40,261,008
X Tax expense:					
(1) Current tax		9,500,000		11,250,000	
(2) Taxation for Earlier Years		184,177		1,002,917	
(2) Deferred tax		(126,575)	9,557,602	(3,164,639)	9,088,278
XI Profit (Loss) for the period from continuing operations (VII-VIII)			76,274,584		31,172,730
XII Profit/(loss) from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit (Loss) for the period (XI + XIV)			76,274,584		31,172,730
XVI Earnings per equity share:					
(1) Basic			10.94		4.47
(2) Diluted			10.94		4.47

NOTES ON ACCOUNT

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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

Mukesh Babu
Managing Director
DIN:00224300

Meena Babu
Director
DIN:00799732

Manasi Dalal
Company Secretary
ACS: 54690

FRN: 101632W
M. No.: 035809
Place : Mumbai
Date : 29/05/2018

Place : Mumbai
Date : 29/05/2018

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018.

	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		85,832,186		40,261,008
Adjustments for :				
Depreciation & Misc. Exp. Written off	1,511,137		1,498,968	
Non Operating Interest / Dividend Received	(8,429,966)		(2,818,903)	
Interest Paid	11,237,425		14,232,067	
Excess Provision for Taxation	-	4,318,596	-	12,912,132
Operating Profit Before Working Capital Changes		90,150,782		53,173,140
Changes in Working Capital:				
Inventories	(7,477,376)		(1,386,731)	
Sundry Debtors	(577,500)		215,000	
Loans and Advances	(29,529,279)		46,210,716	
Other Current Assets	25,981,806		(20,527,582)	
Sundry Creditors	(25,155,042)		15,254,231	
Other Liabilities	(10,606,397)	(47,363,788)	(741,804)	39,023,830
Cash Generated from Operations		42,786,994		92,196,970
Interest Paid		(11,237,425)		(14,232,067)
Direct Taxes Paid		(11,103,288)		(11,450,862)
Cash Flow Before Extraordinary Items		20,446,281		66,514,041
Extraordinary Items		(103,274)		106,251
Net Cash From Operating Activities		20,343,007		66,620,292
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(2,308,377)		(2,820,146)	
Sale of Fixed Assets	-		-	
Purchase of Investments	(5,965,000)		-	
Dividend and Interest	8,429,966		2,818,903	
Sale of Investments	3,666,500	3,823,089	4,400,000	4,398,757
Net cash used in Investing Activities		3,823,089		4,398,757
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	(17,987,277)		(80,161,137)	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid	(6,970,900)		-	
Increase in Misc. & Public Issue Expenses	-	(24,958,177)	-	(80,161,137)
Net cash used in Financing Activities		(24,958,177)		(80,161,137)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		(792,081)		(9,142,088)
Cash & Cash Equivalents at the Beginning of the Year		3,572,283		12,714,371
Cash & Cash Equivalents at th Closing of the Year		2,780,202		3,572,283

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

Manasi Dalal
Company Secretary
ACS: 54690

FRN: 101632W
M. No.: 035809
Place : Mumbai
Date : 29/05/2018

Place : Mumbai
Date : 29/05/2018

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 1 SHARE CAPITAL

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

Share Capital	March 31, 2018		March 31, 2017	
	Number	₹	Number	₹
Authorized Equity Shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
Issued Equity Shares of ₹ 10 each	6,970,900	69,709,000	6,970,900	69,709,000
Subscribed and fully Paid up Equity Shares of ₹ 10 each fully paid	6,960,600	69,606,000	6,960,600	69,606,000
Subscribed but not fully Paid up Equity Shares of ₹ 10 each, not fully paid up	10,300	103,000	10,300	103,000
Less: Unpaid Calls	-	34,000	-	34,000
Total	6,970,900	69,675,000	6,970,900	69,675,000

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

Particulars - Equity Shares	March 31, 2018		March 31, 2017	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	6,970,900	69,709,000	6,970,900	69,709,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,970,900	69,709,000	6,970,900	69,709,000

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

Name of Shareholder	March 31, 2018		March 31, 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MUKESH CHAMPAKLAL BABU	3,431,600	49.23%	3,431,600	0
MEENA MUKESH BABU	950,000	13.63%	950,000	0
SAGAR SYSTECH LIMITED	604,500	8.67%	604,500	0

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

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

Particulars	March 31, 2018		March 31, 2017	
	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 2018

Note 2 RESERVES AND SURPLUS

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

Particulars	March 31, 2018	March 31, 2017
	₹	₹
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	79,005,989	73,392,864
(+) Current Year Transfer	15,456,975	5,613,125
	-	-
Closing Balance	94,462,964	79,005,989
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	342,345,575	318,182,937
(+) Net Profit/(Net Loss) For the current year	76,274,584	31,172,730
(-) Transferred to(from) Minority Interest	(488,778)	1,503,218
(-) Dividends Payment	6,970,900	-
(-) Dividend Distribution Tax	1,419,111	-
(-) Transfer to Statutory Reserves (As per RBI Regulations)	15,456,975	5,613,125
(-) Provision for Standard Assets (As per RBI Regulations)	103,274	106,251
Closing Balance	395,158,677	342,345,575
Total Reserves & Surplus	591,345,512	523,075,435

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 3 LONG TERM PROVISIONS

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

Particulars	March 31, 2018	March 31, 2017
	₹	₹
(a) Provision for Long Term Liabilities	-	-
Total (a)		-
(b) Others		-
Contingent Provisions against Standard Assets (As per RBI Regulations)	370,323	267,049
	370,323	267,049
Total Long Term Provisions (a+b)	370,323	267,049

Note 4 SHORT-TERM BORROWINGS

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

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Secured		
<u>From Banks (Cash Credit Facility)</u>	27,791,922	20,129,283
(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>	73,996,671	56,491,027
(Secured against Shares)		
Terms of repayment:	Working Capital Loans	
Period of Maturity	Not Applicable	
Number and amount of installments	Not Applicable	
Applicable rate of interest	14.50%	
Other significant relevant terms	-	
Total Secured Short Term Borrowings	101,788,593	76,620,310
Unsecured		
(a) Loans repayable on demand		
from banks (Refer note no. 3. of Other Notes to Accounts)	-	43,155,560
Total Unsecured Short Term Borrowings	-	43,155,560
Total Short Term Borrowings	101,788,593	119,775,870

Note 5 TRADE PAYABLES

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

Particulars	March 31, 2018	March 31, 2017
	₹	₹
(a) Trade Payables	16,663,727	41,818,769
Total Trade Payables	16,663,727	41,818,769

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 6 OTHER CURRENT LIABILITIES

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

Particulars	March 31, 2018	March 31, 2017
	₹	₹
(a) Unclaimed Dividends	1,615,103	2,284,956
(b) Deposits		
Margin Accounts	150,000,000	150,000,000
Total Current Liabilities	151,615,103	152,284,956

Note 7 SHORT TERM PROVISIONS

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

Particulars	March 31, 2018	March 31, 2017
	₹	₹
(a) Provision for Short Term Liabilities	-	-
(b) Provision for Expenses	434,100	394,008
(c) Others (Specify nature)		
Provision for Taxation (Net of Pre-paid Taxes)	-	9,464,614
TDS payable	125,306	194,072
Other Provisions	7,215,270	7,761,800
Total Short Term Provisions	7,774,676	17,814,494

MUKESH BABU FINANCIAL SERVICES LIMITED
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NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

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	
	01/04/2017	Additions/ (Disposals)	31/03/2018	01/04/2017	Depreciation for the year	On disposals	31/03/2018	01/04/2017	31/03/2018
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a. Tangible Assets									
Office Premises	26,313,640		26,313,640	10,482,810	214,301	-	10,697,111	15,830,830	15,616,529
Premises	3,529,720		3,529,720	-		-	-	3,529,720	3,529,720
Guest House	3,690,116		3,690,116	1,024,802	129,801	-	1,154,603	2,665,314	2,535,513
Furniture and Fixtures	5,470,953	1,709,625	7,180,578	5,129,277	113,191	-	5,242,468	341,676	1,938,110
Electrical Fittings & Equipment	2,178,749	300,000	2,478,749	1,069,216	315,306	-	1,384,522	1,109,533	1,094,227
Office equipment	3,730,931	29,708	3,760,639	3,583,982	67,346	-	3,651,328	146,949	109,311
Computers	7,112,350	269,044	7,381,394	7,052,102	169,951	-	7,222,053	60,248	159,341
Vehicals	7,802,023		7,802,023	5,912,135	501,241	-	6,413,376	1,889,888	1,388,647
Total (Current Year)	59,828,482	2,308,377	62,136,859	34,254,324	1,511,137	-	35,765,461	25,574,158	26,371,398
Total (Previous Year)	57,008,336	2,820,146	59,828,482	32,755,356	1,498,968		34,254,324	24,252,980	25,574,158

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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
			31/03/2017	31/03/2018			31/03/2017	31/03/2018	31/03/2017	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	1,500,000	-	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	500	Quoted	Fully Paid	Not known	Not known	120,000	120,000	Yes	N.A.
	ACC LTD.	Others	500	500	Quoted	Fully Paid	Not known	Not known	183,500	183,500	Yes	N.A.
	Afteck Ltd.	Others	1,162	1,162	Quoted	Fully Paid	Not known	Not known	62,000	62,000	Yes	N.A.
	Ambalal Sarabhai Enterprises Ltd	Others	100	100	Quoted	Fully Paid	Not known	Not known	940	940	Yes	N.A.
	Ambuja Cements Ltd.	Others	30,000	30,000	Quoted	Fully Paid	Not known	Not known	246,904	246,904	Yes	N.A.
	Bajaj Auto Ltd.	Others	6,000	6,000	Quoted	Fully Paid	Not known	Not known	1,652,000	1,652,000	Yes	N.A.
	Bombay Stock Exchange Ltd	Others	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	3,300	3,300	Quoted	Fully Paid	Not known	Not known	195,000	195,000	Yes	N.A.
	Bajaj Holdings & Investment Ltd.	Others	3,000	3,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Ballarpur Industries Ltd.	Others	300	300	Quoted	Fully Paid	Not known	Not known	85,775	85,775	Yes	N.A.
	BF Investment Ltd.	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	BF Utilities Ltd.	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Bharat Forge Ltd.	Others	240,000	430,000	Quoted	Fully Paid	Not known	Not known	6,858,642	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	Quoted	Fully Paid	Not known	Not known	-	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.

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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
			31/03/2017	31/03/2018			31/03/2017	31/03/2018	31/03/2017	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	100,000	50,000	Quoted	Fully Paid	Not known	Not known	1,473,463	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	687,500	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.
	Ranbaxy Laboratories Ltd.	Others	450	-	Quoted	Fully Paid	Not known	Not known	294,975	-	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	Quoted	Fully Paid	Not known	Not known	-	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	Quoted	Fully Paid	Not known	Not known	-	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								62,482,019	64,780,519		

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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
			31/03/2017	31/03/2018			31/03/2017	31/03/2018	31/03/2017	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.
d.	Investments in Government or Trust securities, Mutual Fund											
	UTI-IEF units	Others	5,000	5,000	Quoted	Fully Paid	Not known	Not known	50,000	50,000	Yes	N.A.
	UTI Index Equity Fund	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	500,000	500,000		
	SBI Mutual Fund	Others	30,000	30,000	Quoted	Fully Paid	Not known	Not known	300,000	300,000		
									850,000	850,000		
e.	Investments in Debentures or Bonds											
	The Gaekwar Mills Limited (9%)	Others	3,000	3,000	Unquoted	Fully Paid	Not known	Not known	229,000,000	229,000,000	Yes	N.A.
	The Gaekwar Mills Limited (0%)	Others	500	500	Unquoted	Fully Paid	Not known	Not known	50,000,000	50,000,000		
									279,000,000	279,000,000		
	Total								357,332,019	359,630,519		

Note: Market Value of Quoted Investment as of 31st March, 2018 is ₹/- 68,16,43,396/- (Previous Year ₹ 72,34,99,990/-)

MUKESH BABU FINANCIL SERVICES LIMITED
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NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 10 DEFERRED TAX ASSETS / LIABILITIES (NET)

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

Particulars	March 31, 2018	March 31, 2017
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	506,558	673,554
Gross deferred tax liability	506,558	673,554
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	2,995,719	3,036,141
Gross Deferred tax asset	2,995,719	3,036,141
Net deferred tax liability / (asset)	(2,489,161)	(2,362,587)

Note 11 LONG TERM LOANS AND ADVANCES

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
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	42,054,400	42,054,400
Total (b)		39,054,400		42,054,400
Total Long Term Loans and Advances		39,054,400		42,054,400

Note 12 OTHER NON CURRENT ASSETS

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
Security Deposits :				
Interest Free Deposits		18,290,217		23,440,217
Other Deposits				
Unsecured, considered good		998,127		998,127
Total Other Non-Current Assets		19,288,344		24,438,344

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NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 13 INVENTORIES

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
a. Stock of Shares <i>(Trading Stock Valued at lower of cost or net realisable value)</i>		139,463,733		131,986,357
Total Inventories		139,463,733		131,986,357

Note 14 TRADE RECEIVABLES

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
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	8,547,667	8,547,667
Total Trade Receivables (A+B)		9,125,167		8,547,667

Note 15 CASH AND BANK BALANCES

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks				
In Current Accounts with Scheduled Banks	2,399,355	2,399,355	3,142,020	3,142,020
B. Cash on hand		380,847		430,263
Cash and Cash Equivalents		2,780,202		3,572,283
C. Other Bank Balances				
In Fixed Deposits with Scheduled Banks	105,637,246		105,613,814	
In Unclaimed Dividends Accounts	1,615,103		2,284,956	
Interest Accrued not due on Fixed Deposits	2,240,159	109,492,508	2,677,660	110,576,430
Total Cash and Bank Balances (A+B+C+D)		112,272,710		114,148,713

Note 16 SHORT TERM LOANS AND ADVANCES

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
A. Loans and advances to related parties				-
B. Others				
Unsecured, considered good	306,438,001		272,650,491	
Advances for Expenses	121,756		1,150,000	
Prepaid Expenses	12,938		226,505	
Staff & Associates	2,489,580	309,062,275	2,506,000	276,532,996
Total Short-term loans and advances		309,062,275		276,532,996

Note 17 OTHER CURRENT ASSETS

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
A. Taxation				
Advance Tax and TDS (Net)		2753750		-
B. Non-Taxation				
Margin Money with Brokers	26,523,788	26,523,788	49,025,422	49,025,422
Total Other Current Assets		29,277,538		49,025,422

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NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 18 CONTINGENT LIABILITIES AND COMMITMENTS

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
A. Contingent Liabilities				
(1) Claims against the company not acknowledged as debt - Refer sub-note no. 3 of Note 24	-		-	
(2) Guarantees	-		-	
(3) Other money for which the company is contingently liable	-		-	
Sub Total (A)		-		-
B. Commitments				
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	-		-	
(2) Uncalled liability on shares and other investments partly paid	-		-	
(3) Other commitments (specify nature)	-		-	
Sub Total (B)		-		-
Total Contingent Liabilities and Commitments (A+B)		-		-

Note 19 REVENUE FROM OPERATIONS

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

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
Interest Income	38,932,284		11,767,791	
Dividend Income (Holding Company)	53,714,145		10,440,882	
Profit on Shares and Securities	10,309,664		29,140,594	
		102,956,093		51,349,267
Net Revenue From Operations		102,956,093		51,349,267

Note 20 OTHER INCOME

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
Dividend Income (Subsidiary Company)	8,426,424		2,811,147	
Profit on Sale of Investment	128,090,383		1,750,000	
Interest Income - Others	1,493,424		4,017,305	
Interest on Term Deposits	8,807,208		9,063,856	
Interest on Income Tax Refund	-		7,756	
Miscellaneous Income	3,542	146,820,981	-	17,650,064
Total Other Income		146,820,981		17,650,064

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NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2018

Note 21 EMPLOYEE BENEFIT EXPENSES

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries	1,641,582		1,776,775	
Bonus	199,375		188,775	
Dearness Allowances	108,225		102,250	
House Rent Allowances	278,600		363,400	
Directors' Remuneration	3,008,197	5,235,979	2,951,000	5,382,200
(b) Contribution to Provident Fund		218,964		240,406
(c) Staff welfare expenses		996,611		880,184
Total Employee Benefit Expenses		6,451,554		6,502,790

Note 22 FINANCE COST

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

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
Interest expense				
Interest on Loans other than bank	9,251,027		11,918,597	
Loan Processing Fees	103,500		-	
Interest on Bank Limits	1,882,898	11,237,425	2,313,470	14,232,067
Total Finance Cost		11,237,425		14,232,067

Note 23 OTHER EXPENSES

Particulars	March 31, 2018		March 31, 2017	
	₹	₹	₹	₹
Auditors' Remuneration		97,180		131,097
Business Promotion Expenses		1,614,918		788,582
Conveyance		1,376,584		349,900
Electricity Expenses		595,583		616,550
Professional & Consultancy Fees		1,351,511		1,019,900
Listing Fees		287,500		229,000
Membership & Subscription		77,754		89,001
Motor Car Expenses		600,857		354,638
Office Expenses		442,054		150,418
Printing and Stationery Expenses		447,161		216,232
Publishing Expenses		157,960		51,240
Rent, Rates & Taxes		1,016,676		686,121
Repairs and Maintenance Expenses		858,818		593,281
Telephone & Courier Expenses		595,861		414,453
Sundry Expenses		744,469		221,953
Stock Exchange Expenses		363,140		313,949
Travelling Expenses		2,272,306		278,183
Conciliation Award Compensation		131,844,440		-
Total Other Expenses		144,744,772		6,504,498

MUKESH BABU FINANCIAL SERVICES LIMITED
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NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

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.

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

CASH FLOW STATEMENT

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

BORROWING COSTS

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

STATUTORY RESERVE

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

PRUDENTIAL NORMS

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

TAXES ON INCOME:

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

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

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

2

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

3

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

4

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

Particulars	March 31, 2018	March 31, 2017
As Auditors	59,700	69,700
Other Professional Services	37,480	61,397
	97,180	131,097

5 Earning per share is calculated as under:

Particulars	March 31, 2018	March 31, 2017
Basic earning per share		
Net profit after Taxation	76,274,584	31,172,730
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	10.94	4.47
Diluted earning per share		
Net profit after Taxation	76,274,584	31,172,730
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	10.94	4.47

MUKESH BABU FINANCIAL SERVICES LIMITED
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NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

6	Directors' Remuneration	March 31, 2018	March 31, 2017
	Within the limits of Schedule V to the Companies Act 2013.	3,008,197	2,951,000

7

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

8

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

9

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

10

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

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount reversed during the year	Closing Balance
	₹	₹	₹	₹
Income-tax	9,464,614	9,557,602	19,022,216	0

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

A. Relationships:

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

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

Category III: Group and Associates Companies

Mukesh Babu Stock Broking P. Ltd, Mukesh Babu Management Consultants P. Ltd.

B. Transactions with related Parties:

TRANSACTIONS DURING THE YEAR	Relationship	March 31, 2018	March 31, 2017
Loans & Advances given during the year	Associates	50,000	-
Loans & Advances refunded during the year	Associates	25,000	-
Remuneration & Sitting Fees	Key Managerial Persons	3,008,197	2,951,000
Closing Balances	Associates	25,000	-

11 Income and Expenses in Foreign Currency:

March 31, 2018	March 31, 2017
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.)	4972603	199483	115000	5057086
Value (in ₹)	131,986,357	12,594,030	44,016,049	139,463,733

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

MUKESH BABU FINANCIAL SERVICES LIMITED
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NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

- 13 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)	73,996,671	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	157,115,933	
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	NIL	
5	Break-up of Investments :		
	Current Investments :		
	Long Term Investments :		
	1 Quoted :		
	(i) Shares : (a) Equity	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	299,600,000
	Total	323,909,960	325,409,960
8	OTHER INFORMATION		
	Particulars	Amount	
	(i) Gross Non-Performing Assets		
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(ii) Net Non-Performing Assets		
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(iii) Assets acquired in satisfaction of Debt	NIL	

14 SPECIFIC DISCLOSURES

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

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

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

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

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES TO CONSOLIDATED AL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

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

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

15

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

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

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

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

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

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

Mukesh Babu
Managing Director
DIN:00224300
Place : Mumbai
Date : 29/05/2018

Meena Babu
Director
DIN:00799732

Manasi Dalal
Company Secretary
ACS: 54690

CHAITANYA C. DALAL
Partner
FRN: 101632W
M. No.: 035809

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 33rd Annual General Meeting of the Company held at Café Ista, 12A/1, New Sion C.H.S. Ltd., Sion – West, Mumbai 400022, at 04.00 p.m. on Friday, the 28th day of September, 2018.

Name and Address of the Shareholder(s):		
If shareholder(s), please sign here		If proxy, please mention name and sign here
	Name of Proxy	Signature
Notes:		
(1) Shareholder / Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.		
(2) Members are requested to advise the change of their address, if any, to Link Intime India Pvt. Ltd., at the above address.		

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN: L65920MH1985PLC35504

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

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

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

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 33rd Annual General Meeting of the company, to be held on Friday, the 28th day of September, 2018 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 & the Auditors	
2	To Declare Dividend	
3	Reappointment of Mr. Mukesh Babu (DIN: 0224300) as Director.	
4	Ratification of Appointment of Statutory Auditor	
Special Business:		
5	Re-appointment of Mr. Mukesh Babu (DIN: 00224300) as Managing Director	
6	Appointment of Mrs. Meena Mukesh Babu (DIN: 00799732) as a Director	
7	Adoption of Memorandum of Association of the Company	
8	Adoption of new set of Articles as the Articles of Association of the Company	
9	Place of keeping the Registers and copies of Annual Returns	
10	Borrowing money(ies) for the purpose of business of the Company	
11	Creation of security on the properties of the Company, both present and future, in favour of lenders	

Signed this _____ day of _____, 2018

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

Affix
Revenue
Stamp of
Re.1/-

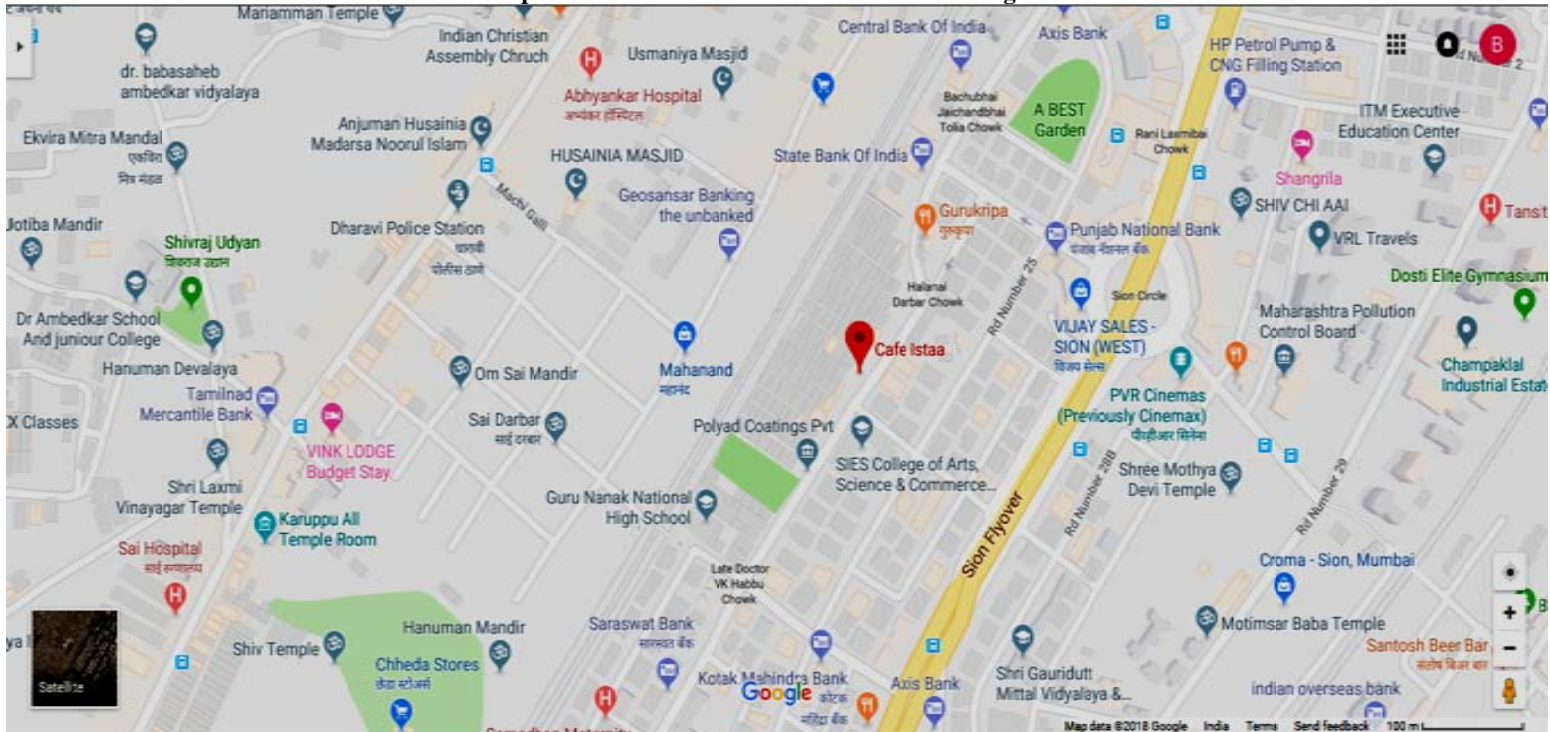
Signature of Proxy holder(s) _____

Signature of Shareholder(s)

Notes:

- 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.
- A proxy need not be a member of the Company.
- 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.
- 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 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 Ista, 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