# Mukesh Babu Financial Services Ltd.

CIN : L65920MH1985PLC035504

Ref: MBFSL/BSE/2020-21/29

10th September 2020

To,
**BSE Limited**
Phiroze Jejeebhoy Towers,
Dalal Street,
**Mumbai – 400 001.**

Dear Sirs,

**Sub: Corrigendum to the Annual Report for the Financial Year 2019-20**
**Security Code: 530341** **ISIN: INE596B01017**

The Corrigendum is being issued in reference to our Letter dated 8th September 2020 with respect to the Notice of 35th Annual General Meeting and Annual Report for the Financial Year 2019-20.

The Shareholders are requested to note that the inclusion of page 126 to page 130 in Annual Report 2019-20 had been inadvertently missed, remaining contents of the Notice and Annual Report 2019-20 shall remain the same. Updated copy of Annual Report 2019-20 is enclosed herewith.

A Corrigendum to the Annual Report for the Financial Year 2019-20 has accordingly been issued and Updated copy of Annual Report 2019-20 shall be emailed to all Shareholders whose emails are registered with the Company.

The Updated copy of Annual Report 2019-20 is also available on the website of the Company at www.mukeshbabu.com

Kindly take the same on records.

Thanking you,

Yours faithfully,
**For Mukesh Babu Financial Services Limited**

MUKESH BABU FINANCIAL SERVICES LTD MUMBAI

**Manasi Dalal**
**Company Secretary**

Encl: a/a.

# 35th ANNUAL REPORT
# 2019-2020

Mukesh Babu
Financial Services Limited

# MUKESH BABU FINANCIAL SERVICES LIMITED

**BOARD OF DIRECTORS**

| | |
|---|---|
| Mr. Mukesh Babu | Chairman & Managing Director |
| Mrs.Meena Babu | Director |
| Mr. Pankaj Majithia | Independent Director |
| Mr. Vijay Vora | Independent Director |
| Mr. Bhavesh Doshi | Independent Director |
| Mr. Manishkumar Shah | Independent Director |

**CHIEF FINANCIAL OFFICER**
Mr. Mahesh Thakar

**COMPANY SECRETARY**
Ms. Manasi N. Dalal

**MAIN BANKERS**
HDFC Bank
ICICI Bank

**STATURORY AUDITORS**
**Chaitanya C. Dalal & Co.**
2, Giri Chhaya, 1st Floor,
Loyalka Estate,
Chowpatty Band Stand,
Mumbai 400006.

**SECRETARIAL AUDITOR**
**V. V. Chakradeo & Co.**
B-301, Matoshree Residency, F.P.No.65
Opp. Prarthana Samaj High School,
Vile Parle (E), Mumbai – 400 057.

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

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

# MUKESH BABU FINANCIAL SERVICES LIMITED

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# NOTICE

NOTICE is hereby given that the THIRTY-FIFTH ANNUAL GENERAL MEETING of the Members of MUKESH BABU FINANCIAL SERVICES LIMITED (the "Company") will be held on **Wednesday, September 30, 2020 at 4.00 p.m.** through Video Conferencing ("VC") or Other Audio -Visual Means ("OAVM"), to transact the following business:

**ORDINARY BUSINESS:**

1. Adoption of Audited Financial Statements and Reports of the Directors and the Auditors thereon for the financial year ended March 31, 2020:
   To receive, consider and adopt the audited financial statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2020, together with the Reports of the Board of Directors and the Auditors thereon.

2. Declaration of dividend for the Financial Year 2019-20:
   To declare dividend @ Rs.1.20 (Rupee One and Paise Twenty only) per Equity Share for the year ended March 31, 2020.

3. Appointment of 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.

**SPECIAL BUSINESS:**

4. Appointment of Mr. Manishkumar Shah (DIN: 00233238) as an Independent Director of the Company and in this regard, 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 149, 152, Schedule IV to the Companies Act, 2013 (hereinafter referred to as 'the Act') and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment, modification, variation or re-enactment thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Manishkumar Nagindas Shah (DIN: 00233238) who was appointed as an Additional Director under the category of "Independent Director" of the Company with effect from 28th August 2020 by the Board of Directors pursuant to the provisions of Section 161 of the Act, who being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director and be and is hereby appointed as an Independent

Director of the Company to hold office for term of 5 (five) consecutive years commencing from 28th August 2020.**"**

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

5. Appointment of Mr. Bhavesh Doshi (DIN:03194930) as an Independent Director of the Company and in this regard, 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 149, 152, Schedule IV to the Companies Act, 2013 (hereinafter referred to as 'the Act') and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any amendment, modification, variation or re-enactment thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, Mr. Bhavesh Doshi (DIN:03194930) who was appointed as an Additional Director under the category of "Independent Director" of the Company with effect from 28th August 2020 by the Board of Directors pursuant to the provisions of Section 161 of the Act, who being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director and be and is hereby appointed as an Independent Director of the Company to hold office for term of 5 (five) consecutive years commencing from 28th August 2020.**"**

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

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

**Manasi Dalal**
**Company Secretary**

*Mumbai, 28th August 2020*
*Registered Office:*
**Mukesh Babu Financial Services Limited**
111, Maker Chamber III,
223, Nariman Point,
Mumbai – 400021.

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 05, 2020 read together with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening of the Annual General Meeting through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.

2. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.

3. The Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Company Secretary or authorised representative of the Company at e-mail id: secretarial@mukeshbabu.com

4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

**DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

5. **In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.mukeshbabu.com, website of the Stock Exchange, i.e. BSE Limited at www.bseindia.com**

6. A statement pursuant to Section 102(1) of the Act, relating to the Special Business under Item Nos. 4 & 5 is annexed hereto and forms part of this Notice.

   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 retiring by rotation / seeking

appointment at this Annual General Meeting are provided in the "Annexure" to the Notice.

7. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September 2020 to 30th September 2020 (both days inclusive).

**REGISTRATION OF EMAIL ID:**

8. In case the shareholder's email id is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, all communications from the Company shall be sent electronically including Annual Report, log in details for e-voting etc. on such registered email address.

   In case the shareholder has not registered his/her/their email addresses with the Company/its RTA/Depositories, the following instructions to be followed:

   i. Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at secretarial@mukeshbabu.com or to Link Intime India Private Limited at rnt.helpdesk@linkintime.co.in

      OR

   ii. In the case of Shares held in Demat mode:
   The shareholder may please contact the relevant Depository Participant ("DP") to register / update the email address in the demat account as per the procedure followed and advised by the DP.

**PROCEDURE FOR JOINING THE AGM THROUGH VIDEO CONFERENCING OR OTHER AUDIO-VISUAL MEANS ("VC/ OAVM"):**

9. Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

a. The Members will be able to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

b. The Members are requested to participate on first come first served basis as participation through VC/ OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.

c. Members can log in and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time. Participation is restricted up to 1,000 members only.

**Members are requested to follow the procedure given below:**

10. The Members will be provided with InstaMeet facility wherein Member shall register their details and attend the Annual General Meeting as under:

    i. Open the internet browser and launch the URL for InstaMeet<<https://instameet.linkintime.co.in>> and register with your following details:

    Select the "Company" and 'Event Date' and register with your following details: -

    a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
    b. PAN: Enter your 10 digit Permanent Account Number (PAN)
    c. Mobile No.
    d. Email ID

    ii. Click "Go to Meeting"

    iii. Notes:
    The Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

    The Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

    Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

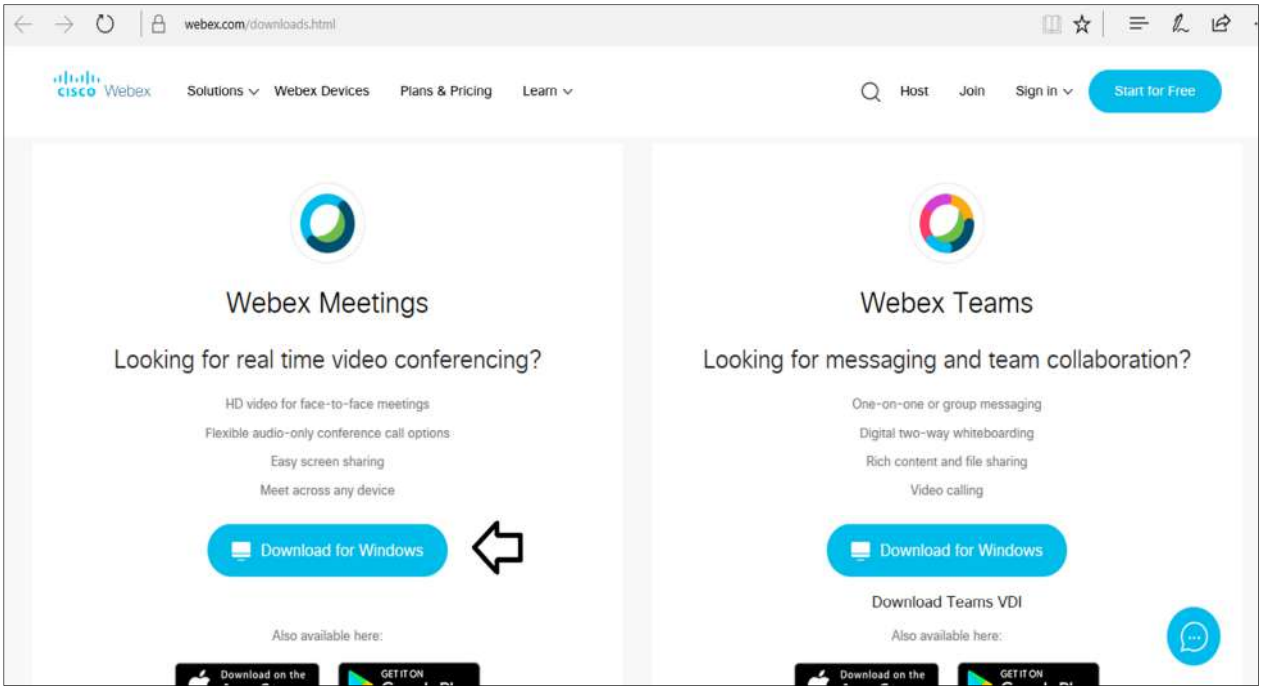
    In case the members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or contact on Tel. No.: - 022-49186175.

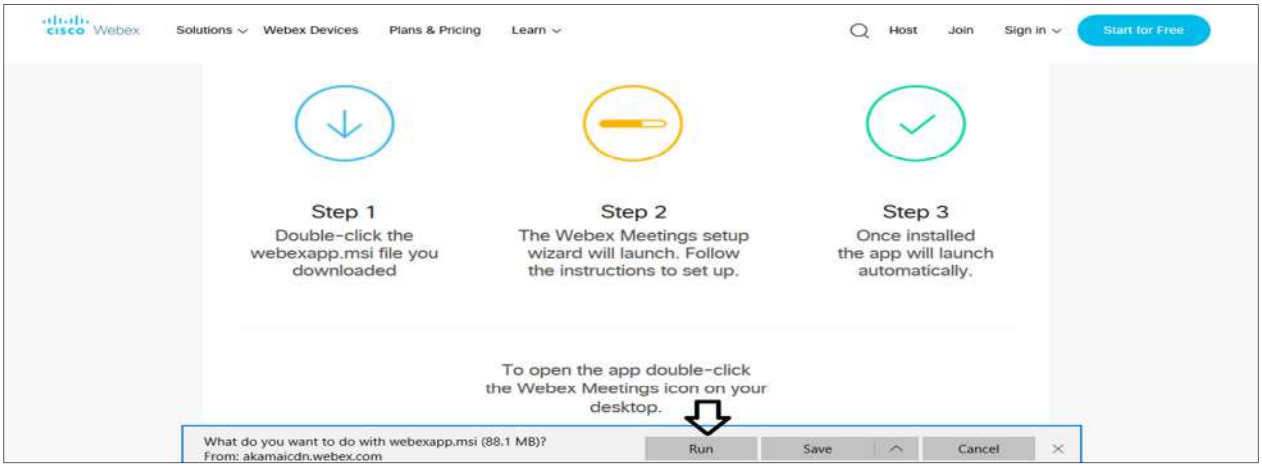
    iv. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

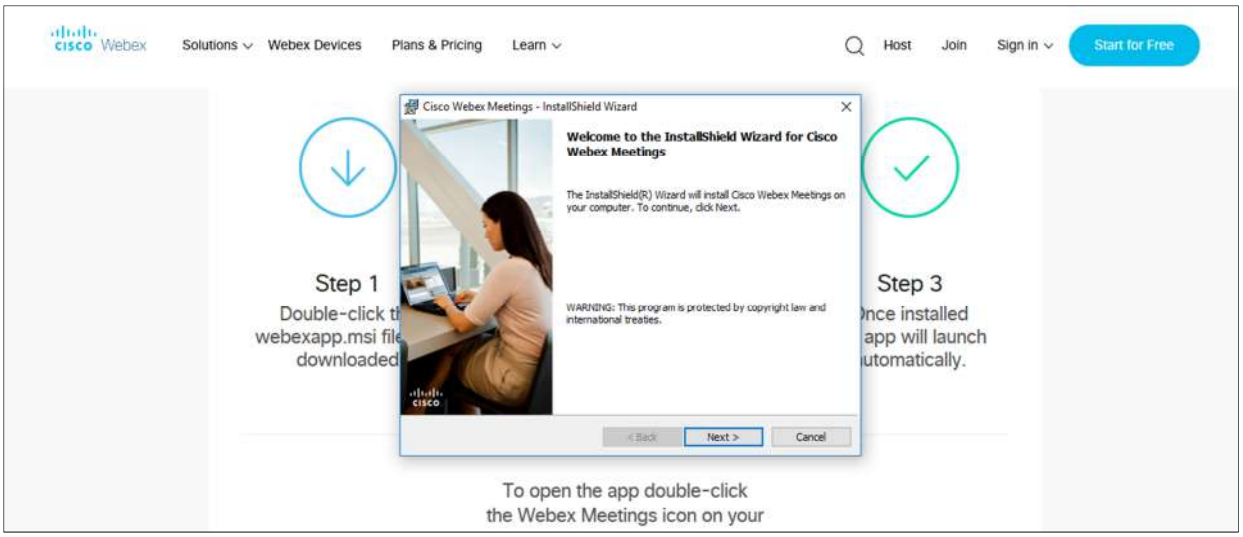
11. Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

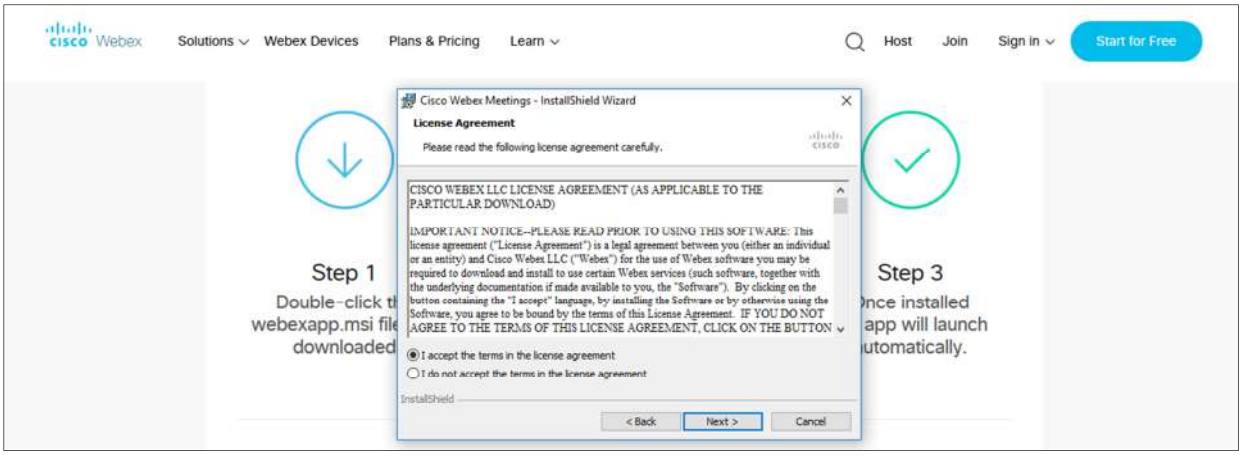
    For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

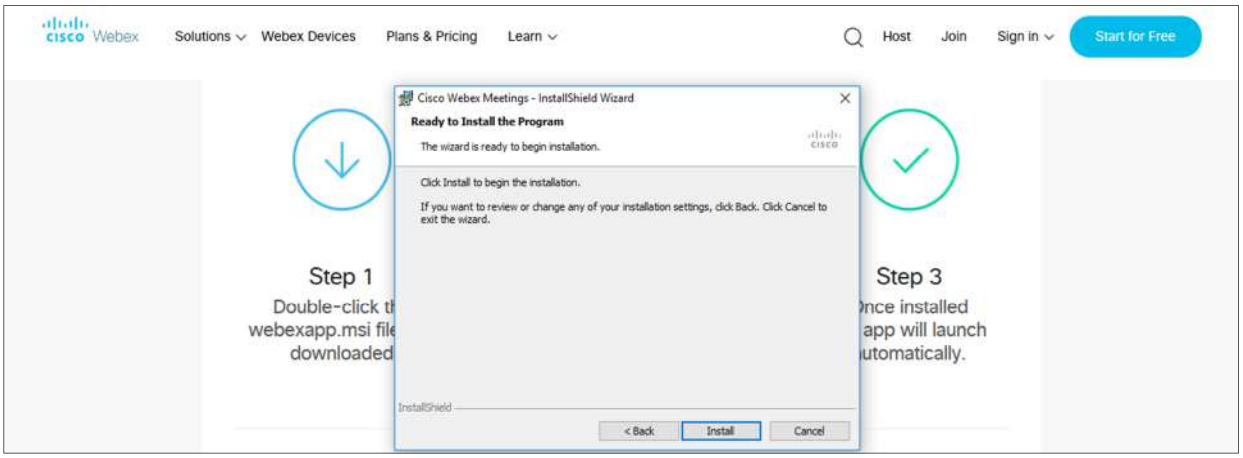
a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/






Or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

**Step 1 - Enter your First Name, Last Name and Email ID and click on Join Now.**

**Step 1 (A)** If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

**Step 1 (B)** Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now




**Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:**

12. The Members who would like to express their views or ask questions during the meeting may register themselves as a speaker by sending their request mentioning their details such as name, demat account number/folio number, email id & mobile number via email at secretarial@mukeshbabu.com from 26th September 2020 from 09:00 am to 29th September 2020 until 05:00 pm.

13. The first 50 Speakers on first come basis will only be allowed to express their views/ask questions during the meeting. Shareholders will get confirmation on first come first served basis and will receive "speaking serial number" once they mark attendance for the meeting.

14. The shareholders may ask questions to the Management or Company, via active chat-board during the Meeting.

15. The Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id & mobile number via email at secretarial@mukeshbabu.com

16. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

**Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:**

17. Once the electronic voting is activated by the scrutinizer during the meeting, the members who have not exercised their vote through the remote e-voting can cast the vote as under:
    i. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
    ii. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email id) received during registration for InstaMeet and click on 'Submit'.
    iii. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
    iv. 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'.
    v. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on"Back" and accordingly modify your vote.
    vi. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

    The Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the meeting.

    The Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

    In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: Tel:(022-49186175)

18. The instructions for remote e-voting are as under:
    i. The voting period begins on 26th September 2020 at 10:00 am and ends on 29th September 2020 at 05:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23rd September 2020**, may cast their vote electronically. The e-voting module shall be disabled by Link Intime for voting thereafter.

    ii. Visit the e-voting system of LIIPL. Open web browser by typing the following URL: 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 LIIPL: 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).<br>• 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.<br>• Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv). |

If you are holding shares in demat form and had registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in and/or voted on an earlier voting of any company then you can use your existing password to login.

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 LIIPL.

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.

**Cast your vote electronically**

19. 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.

20. 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'.

21. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.

22. 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.

23. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

24. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

25. 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 LIIPL: 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.

**DIVIDEND RELATED INFORMATION:**

26. The dividend for the year ended 31st March 2020 as recommended by the Board, if approved at the ensuing Annual General Meeting will be paid to those Members whose names appear on the Company's Register of Members as on the **cutoff date i.e. 18th September 2020**. In respect of shares held in demat form; the dividend will be paid to the beneficial owners of shares as per details furnished by the Depositories for the purpose. The dividend will be paid within 30 days from the date of Annual General Meeting i.e. 30th September 2020.

    Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details, after normalisation of the postal service.

    Shareholders are requested to register / update their complete bank details:

    (a) with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialized mode by submitting the requisite documents, and

    (b) with the Company / M/s. Link Intime Private Limited by emailing at rnt.helpdesk@linkintime.co.in , if shares are held in physical mode, by submitting -

        i. scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details),

        ii. self-attested copy of the PAN card and

iii. cancelled cheque leaf. In case shares are held in dematerialised mode, details in a form prescribed by your Depository Participant may also be required to be furnished.

Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April 2020. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed Rs.5,000/- The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

**IEPF RELATED INFORMATION:**

27. 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. 1,86,590/- for the financial year ended March 31, 2012 on 13th November 2019 to the IEPF Authority.

28. i. The unclaimed dividend in respect to the financial year 2012-13 is due for transfer to the IEPF on 18th November, 2020. Members who have not as yet encashed their dividend warrants for the financial year ended 31st March 2013 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 Companies Act, 2013.

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 18th November 2020. Any person whose shares are thus transferred to IEPF may claim his/her/its shares under proviso to Section 124(6) of the Act by following the process given under Rule 7 of the IEPF Rules.

iv. In terms of the relevant IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends for the financial years 2011-12 to 2018-19 under Unclaimed Dividend on the website of the Company at www.mukeshbabu.com

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2019-20, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on 26th November 2019. Details of shares so far transferred to the IEPF Authority are available on the website of the Company.

i) The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.

ii) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.

The concerned members/investors are advised to visit the weblink of the IEPF Authority http://iepf.gov.in/IEPF/refund.html or contact LIIPL, for detailed procedure to lodge the claim with the IEPF Authority.

29. The Chairman shall at the end of discussion on the resolutions on which voting is to be held, allow voting for all those members who are present at the AGM through VC/OAVM but have not cast their votes through the remote e-voting and otherwise not barred from doing so, shall be eligible to vote through e-voting system provided during the AGM.

30. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company www.mukeshbabu.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchange viz. BSE Limited.

31. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participant(s), with whom they maintain their demat accounts will be used by the Company for payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change in bank particulars. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate to their Depository Participants immediately.

32. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Link Intime Private Limited, Registrar and Transfer Agent of the Company or they can inform via e-mail at secretarial department of the Company at secretarial@mukeshbabu.com immediately.

**PROCEDURE FOR INSPECTION OF DOCUMENTS:**

33. The statutory documents will be available for inspection by the Members electronically during the AGM such as Register of Directors and Key Managerial Personnel and their shareholding, the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013; members desirous of inspecting any statutory documents at the AGM or getting any information in respect of the contents of the Annual Report or relevant documents referred to in the Notice and the Statement pursuant to Section 102 of the Act, 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, on the via Letter or correspondence to the secretarial department of the Company on email id: secretarial@mukeshbabu.com

**Registration of Bank Details:**

34. 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.

35. **Nomination Facility**
    The Members holding the shares in physical form may obtain the Nomination Form from the Company's Registrar & Share Transfer Agent.

36. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode on the Stock Exchange.

    Members are hereby informed that pursuant to the SEBI Circular relating to 'Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating transfer of securities in dematerialized form with a depository', shares are to be transferred only in demat form. The amendment does not prohibit the investor from holding the shares in physical form, investor has the option of holding shares in physical form but any investor who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only once after the shares are dematerialized.

37. 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 and voting at the AGM through VC/OAVM process in a fair and transparent manner.

    The Scrutinizer shall, immediately after conclusion of the voting at AGM, first unblock the votes cast during the AGM, thereafter unblock the votes through e-voting and make a

Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing who shall countersign the same.

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 the RTA i.e. www.linkintime.co.in and communicated to the BSE Limited within two days of the passing of the resolutions at the Thirty-Fifth AGM of the Company on 30th September, 2020.

Subject to receipt of the requisite number of votes, the resolutions as stated in this Notice shall be deemed to be have been passed on the date of the AGM i.e. 30th September 2020.

**Contact Detail:**

| | |
|---|---|
| Company | M/s. Mukesh Babu Financial Services Limited<br>CIN: L65920MH1985PLC035504<br><br>Registered Office:-<br>111, Maker Chambers III, 223, Nariman Point,<br>Mumbai – 400021.<br>☎Phone: +91 22 22834462, 22844015<br>🖷Fax: +91 22 24082687<br>✉secretarial@mukeshbabu.com |
| Registrar and Share Transfer Agent | M/s. Link Intime India Private Limited<br>C-101, 247 Park, L.B.S. Road, Vikhroli (West),<br>Mumbai – 400083.<br>☎Phone: +91 22 49186000 🖷Fax: +91 22 49186060<br>✉manohar.shirwadkar@linkintime.co.in |
| E-Voting Agency | M/s. Link Intime India Private Limited<br>C-101, 247 Park, L.B.S. Road, Vikhroli (West),<br>Mumbai – 400083.<br>☎Phone: +91 22 49186000 🖷Fax: +91 22 49186060<br>✉enotices@linkintime.co.in |
| Scrutinizer | CS V.V. Chakradeo (Practicing Company Secretary)<br>✉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 | Mr. Manishkumar Nagindas Shah | Mr. Bhavesh Doshi |
|---|---|---|---|
| **Date of Birth** | 17-11-1955 | 11-10-1966 | 19-11-1963 |
| **Age** | 65 | 54 | 57 |
| **Qualifications** | B. Com., C. A. | B.Sc., Science | B. Com. |
| **Expertise in specific functional areas** | Finance, investments and Stock Market | Production / Marketing | Capital Markets & Investment Banking |
| **Experience** | Over 3 decades | Over 3 decades | Over 3 decades |
| **Directorship in Other Companies** | 1. Sagar Systech Limited<br>2. Mukesh Babu Securities Limited<br>3. Mukesh Babu Stock Broking Private Limited<br>4. Mukesh Babu Management Consultants Private Limited<br>5. Rushil Industries Limited<br>6. Rushil Recycling Private Limited | 1.Rushil Industries Limited<br>2.Rushil Recycling Private Limited<br>3.Rushil Infrastructure Private Limited<br>4.Vaishali Automobiles Private Limited<br>5.Rushil Enterprise Limited<br>6.Rushil Global Trade Limited | - |
| **Other Companies in which Committee membership/ chairmanship held** | Member of Audit Committee and Stakeholders Relationship Committee of Sagar Systech Limited | None | None |
| **No. of shares held in the Company as on 31st March 2020** | 34,31,600 (49.23%) | None | 25,000 (0.36%) |
| **Relationship with other Directors and/or other KMPs** | Husband of Mrs. Meena Mukesh Babu, Director on the Board of the Company.<br>He is also one of the Promoters of Mukesh Babu Financial Services Limited | None | None |

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

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

**Item No. 4**

**Appointment of Mr. Manishkumar Nagindas Shah as an Independent Director of the Company:**

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 28th August 2020 unanimously appointed Mr. Manishkumar Nagindas Shah (DIN:00233238) as an Additional Director under the category of "Independent Director" with immediate effect for a term of 5(five) consecutive years. As per provisions of Section 161 of the Companies Act, 2013 ("the Act") and Articles 86 of the Articles of Association of the Company, his appointment needs to be confirmed at the ensuing Annual General Meeting.

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

The Board, considering his extensive expertise in view of the vast experience in business sector, deep knowledge of various aspects and nuances of business of the Company of Mr. Manishkumar Nagindas Shah and on the recommendation of the Nomination and Remuneration Committee at its meeting held on 28th August 2020, the Board of Directors of the Company recommends to the shareholders to appoint him as an Independent Director to hold office for term of 5 (five) consecutive years with effect from 28th August 2020 up to 27th August 2025.

In accordance with the provisions of Section 149 read with Schedule IV to the Act and SEBI Listing Regulations, appointment of Independent Directors requires approval of Members by way of an Ordinary Resolution. Since Mr. Manishkumar Nagindas Shah is proposed to be appointed as an Independent Director of the Company for a term of 5 consecutive years with effect from 28th August, 2020 up to 27th August 2025, during which term he shall not be liable to retire by rotation, the approval of the Members of the Company is being sought by way of an Ordinary Resolution.

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

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

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

Except Mr. Manishkumar Nagindas Shah being the appointee Director, 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. 4.

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

**Item No. 5**
**Appointment of Mr. Bhavesh Doshi as an Independent Director of the Company:**

On recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 28th August 2020 unanimously appointed Mr. Bhavesh Doshi (DIN:03194930) as an Additional Director under the category of "Independent Director" with immediate effect for a term of 5(five) consecutive years. As per provisions of Section 161 of the Companies Act, 2013 ("the Act") and Articles 86 of the Articles of Association of the Company, his appointment needs to be confirmed at the ensuing Annual General Meeting.

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

The Board, considering his extensive expertise in view of the vast experience in business sector, deep knowledge of various aspects and nuances of business of the Company of Mr. Bhavesh Doshi and on the recommendation of the Nomination and Remuneration Committee at its meeting held on 28th August 2020, the Board of Directors of the Company recommends to the shareholders to appoint him as an Independent Director to hold office for term of 5 (five) consecutive years with effect from 28th August 2020 up to 27th August 2025.

In accordance with the provisions of Section 149 read with Schedule IV to the Act and SEBI Listing Regulations, appointment of Independent Directors requires approval of Members by way of an Ordinary Resolution. Since Mr. Bhavesh Doshi is proposed to be appointed as an Independent Director of the Company for a term of 5 consecutive years with effect from 28th August, 2020 up to 27th August 2025, during which term he shall not be liable to retire by rotation, the approval of the Members of the Company is being sought by way of an Ordinary Resolution.

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

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

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

Except Mr. Bhavesh Doshi being the appointee Director, 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. 5.

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

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

**Manasi Dalal**
**Company Secretary & Compliance Officer**

*Mumbai, 28th August 2020*
*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-Fifth Annual Report** on the business, operations and state of affairs of the Company together with the Standalone and Consolidated Audited Financial Statements for the financial year ended **31st March 2020:**

## 1. FINANCIAL HIGHLIGHTS

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

| **Particulars** | **Current Year** | **Previous Year** | **Current Year** | **Previous Year** |
|---|---|---|---|---|
| | **Standalone** | **Standalone** | **Consolidated** | **Consolidated** |
| | **2019-2020** | **2018-2019** | **2019-2020** | **2018-2019** |
| Income From Operations | 27,90,45,167 | 11,19,38,394 | 27,27,47,517 | 10,61,38,460 |
| Other Income | 9,29,968 | 9,34,105 | 15,39,80,794 | 9,28,94,073 |
| **Total Income** | **27,99,75,135** | **11,28,72,499** | **426728311** | **19,90,32,533** |
| **Profit before Interest, Depreciation & Tax** | **13,62,25,343** | **10,22,82,011** | **20,07,28,644** | **15,06,45,232** |
| Less : Interest | 8,98,36,005 | 6,33,26,767 | 9,40,73,493 | 10,02,00,558 |
| Profit Before Depreciation & Income Tax | 4,63,89,337 | 3,89,55,244 | 10,66,55,151 | 5,04,44,674 |
| Less : Depreciation | 8,04,207 | 8,61,228 | 18,96,638 | 16,24,483 |
| **Profit After Depreciation and Interest** | **4,55,85,130** | **3,80,94,016** | **104758513** | **48820191** |
| Less: Current Income Tax | 80,05,748 | 30,04,822 | 1,81,30,748 | 41,45,919 |
| Less: Deferred Tax | (6,11,234) | (13,33,600) | (4,89,828) | (14,17,850) |
| **Net Profit After Taxation** | **3,81,90,616** | **3,64,22,794** | **8,71,17,593** | **4,60,92,122** |
| Less: Transfer to Non-Controlling Interest | - | - | 2,37,44,600 | 46,78,020 |
| Less: Dividend | 83,65,080 | 83,65,080 | 83,65,080 | 83,65,080 |
| Less: Dividend Distribution Tax | 17,19,467 | 17,19,467 | 17,19,467 | 17,19,467 |
| Less: Transfer to Statutory Reserve | 76,38,123 | 72,84,559 | 76,38,123 | 72,84,559 |
| Less: Provision for Standard Assets | 15,67,737 | 4,72,589 | 15,67,737 | 4,72,589 |
| Balance carried to Balance Sheet | **1,89,00,209** | **1,85,81,099** | **4,40,82,586** | **2,35,72,407** |
| Earnings Per Share (Basic/Diluted) | **5.48** | **5.22** | **12.50** | **6.61** |

## 2. TRANSFER TO RESERVE

A sum of Rs.76,38,123/- has been transferred to Special Reserve during the year. Your Company does not propose to transfer any amount to General Reserve out of the amounts

available for appropriation and an amount of Rs.1,89,00,209/- is proposed to be retained in the Profit & Loss account.

**3. DIVIDEND**

The Board of Directors has recommended a dividend of Re.1.20(Rupee One and Twenty Paise Only) per equity share on face value of Rs.10/- (Rupees Ten each) i.e.12% for the financial year ended 31st March 2020.

The payment of dividend is subject to approval of Members at the forthcoming Annual General Meeting (AGM), would result in a Dividend outflow of Rs.83,65,080/-.

Pursuant to the amendments introduced by the Finance Act, 2020 the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders w.e.f. 1st April 2020. No tax will be deducted on payment of dividend to the resident individual shareholders if the total dividend paid does not exceed Rs.5,000/- The withholding tax rate would vary depending on the residential status of the shareholder and documents registered with the Company.

Dividend will be paid to those Members whose names appear in the Register of Members as on **18th September 2020**.

**4. SHARE CAPITAL**

The Paid-up Equity Share Capital of the Company as on 31st March 2020 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**

During the year under review Income from Operations increased from Rs.1,119.38 Lakh to Rs.2,790.45 Lakh (Increase of 149.29%). Profit before Interest, Depreciation and Tax increased from Rs.1,022.82 Lakh to Rs.1,362.25 Lakh to (Increase of 33.19%) and Profit after Tax increased from Rs.364.23 Lakh to Rs.381.91 Lakh to (Increase of 4.85%) Provision for taxation for the year is Rs.73.95 Lakh (including Deferred Tax Provision) as compared to Rs.16.71 Lakh in the previous financial year.

## 6. INDIAN ACCOUNTING STANDARD (IND AS):

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.

The financial statements of the Company are prepared in compliance with the Companies Act, 2013 and "Indian Accounting Standard (Ind AS). In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, the Company has been following the Indian Accounting Standards (Ind AS) for preparation of its financial statements from 01st April, 2019. Significant accounting policies used for the preparation of the financial statements are disclosed in the notes to the financial statements.

## 7. PERFORMANCE OF SUBSIDIARY COMPANIES

During the year under review the Company has only one subsidiary – Mukesh Babu Securities Limited (CIN:U67120MH1994PLC076455) and the Highlights of the financial performance during Financial Year 2019-20 are as follows:

As on 31st March2020, the Authorised & Paid up Share Capital of the Subsidiary Company is Rs.500,00,000/- (Rupees Five Crores Only). The net profit of the Company for the year ended 31st March 2020 is Rs.489.27 Lakh as compared to net profit of Rs.96.69 Lakh in previous year.

***Accounts of Subsidiary:***

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

Pursuant to proviso (b) to Section 136(1) of the Companies Act, 2013, a copy of the Audited Financial statements for the year ended 31st March 2020 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

## 8. 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**.

**9. 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 these financial statements relate and the date of this report, other than at macro-level situation of economic instability on account of the prevailing pandemic of COVID-19.

**10. COVID**

The outbreak of COVID-19 pandemic globally and in India is causing significant disturbance and slowdown of economic activity. India announced country-wide strict lockdown since the last week of March 2020 and such measures continue to be in force till date in gradually relaxed form. The Company's operations have been classified as 'essential' and the Company has been permitted to operate under the lockdown guidelines. However, measures taken by the Government of each country to contain the spread of the virus, including travel bans, quarantines, social distancing and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown including in India.

**11. PUBLIC DEPOSITS**

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

**12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The provisions of Section 186 of the Companies Act, 2013 pertaining to investment and lending activities is not applicable to the Company since the Company is a Non- Banking Financial Company registered with the Reserve Bank of India. The details of loan given,

investments made and guarantees and security provided during the financial year are furnished in the Notes to the financial statements.

## 13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

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

In accordance with the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015the 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

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on Materiality of Related Party Transactions. The Company has made full disclosure of transactions with the related parties as set out in Note 34 of Standalone Financial Statements, forming part of the Annual Report.

There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

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

## 14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 the CSR provisions were applicable to our Company in the previous year i.e. the financial year 2018-19, wherein the Company made a contribution towards CSR amounting toRs.10,52,000/-.

The CSR initiatives undertaken by the Company were mainly focused on providing education especially among children, women, elderly and the differently-abled; eradicating hunger, poverty and malnutrition; promoting health care.

However, for the financial year under review 2019-20 these provisions of CSR are not applicable to the Company.

## 15. 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. M/s. V. R. Pandya & Co., Chartered Accountants, the Internal Auditor of the Company monitors and evaluates the efficacy and adequacy of its internal control system, its compliance with operating systems, accounting procedures and policies of the Company.

## 16. 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

## 17. WHISTLE BLOWER POLICY / VIGIL MECHANISM

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

The policy provides for adequate safeguard against the victimization of the employees and Directors who express their concerns. The Company has also provided direct access to the

Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The functioning of Vigil Mechanism is overseen by the Audit Committee. There was no instance of denial of access to the Audit Committee.

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

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has voluntarily set up an Internal Complaints Committee to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There has been no complaints filed or cases reported during the financial year ended 31st March 2020. The policy is available on the Company's website at www.mukeshbabu.com

## 19. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

### (a) Board of Directors:

Mr. Manishkumar Nagindas Shah and Mr. Bhavesh Doshi have been appointed as the Additional Directors under the category of Independent Director on the Board of Directors of the Company on 28th August 2020. The strength of the Board has increased from four Directors to six Directors namely:

**Mr. Mukesh C. Babu, Chairman and Managing Director**

As a Chairman and Managing Director, Mr. Mukesh C. Babu has always led from the front. He is always firmly committed to the way of working - building consensus and democratic processes. He has been serving the Company since its incorporation. He has extensive expertise and experience over 3 decades in the field of Capital Markets, Stocks & Shares, Investment Banking and Merchant Banking.

**Mr. Pankaj Majithia, Independent Director**

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

**Mr. Vijay Vora, Independent Director**

Mr. Vijay L. Vora is a business entrepreneur and an Independent Director on the Board of Directors of the Company. He has more than two decades of experience in Business. He is a Chairman of Corporate Social Responsibility Committee. He is a member of the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee.

**Mrs. Meena Mukesh Babu, Non-Executive Director**

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

**Mr. Manishkumar Shah, Independent Director**

Mr. Manishkumar Shah is a businessman with more than three decades of experience and is appointed as an Additional Director under the category of Independent Director on the Board of Directors of the Company on 28th August 2020. He has rich experience of more than two decades in the field of business. He is on the Board of several Companies having its business in manufacturing, trading, import/exports etc.

**Mr. Bhavesh Doshi, Independent Director**

He has more than three decades of experience in the field of capital markets, investment, with his keen and insightful perspective on the Indian Economy, Macro Economic conditions of Industry as a whole. He would be an asset to further the Company's advancements on the Investments front. He has been appointed as an Additional Director under the category of Independent Director on the Board of Directors of the Company on 28th August 2020.

**(b) Appointment of Directors:**

The Board has appointed Mr. Manishkumar Shah (DIN: 00233238) as an Independent Director on the Board of the Company at the Board Meeting held on 28th August 2020 with immediate effect. A Resolution is included in the Notice convening the Annual General Meeting seeking approval of the members for the appointment of Mr. Manish Kumar Shah as an Independent Director. The Board recommends his appointment.

Also, the Mr. Bhavesh Doshi (DIN:03194930) as an Independent Director on the Board of the Company at the Board Meeting held on 28th August 2020 with immediate effect. A Resolution

is included in the Notice convening the Annual General Meeting seeking approval of the members for the appointment of Mr. Bhavesh Doshi as an Independent Director. The Board recommends his appointment.

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

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

**(c) 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.

**(d) Key Managerial Personnel:**

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

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

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

## 20. BOARD AND COMMITTEES

During the year ended 31st March 2020, four Board meetings were held and the gap between two consecutive Board Meetings did not exceed 120 days and at least one meeting was held in each quarter.

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

## 21. INDEPENDENT DIRECTORS

**(i) Declaration from Independent Directors**

The Board has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies

Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have their names registered in the Independent Director's Databank.

**(ii) Criteria for Performance Evaluation**

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

**(iii) Details of Familiarization Programme**

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

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

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

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

During the year under review, a meeting of Independent Directors was held on 30th May 2019 to carry out annual evaluation of the performance of the Board, its Committees and of individual directors. The manner in which the evaluation was carried out has been explained in the Corporate Governance Report.

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

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

## 24. POLICIES OF THE COMPANY

The Company is determined to maintain a good corporate governance practice and has a robust system for smooth and effective functioning of the Board. Various policies have been framed by the Board of Directors as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in order to follow a uniform system of procedures. These policies are periodically reviewed and updated by the Board of Directors of the Company from time to time. Following are some of the major policies adopted by the Company:

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

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

## 25. 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 confirm that-

(a) in the preparation of the annual accounts for the year ended 31st March 2020, 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 2020 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.

## 26. 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.

## 27. AUDITORS AND AUDITORS' REPORT

**Statutory Auditors**

At the 32nd Annual General Meeting of the Company held on 29th September 2017, the members of the Company appointed M/s. Chaitanya C. Dalal & Co., Chartered Accountants (FRN.101632W) as the Statutory Auditors of the Company for a term of period of 5 (five) years up to the conclusion of 37th Annual General Meeting to be held in year 2022. The Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

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

**Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors in its meeting 30th May 2019 appointed CS V. V. Chakradeo of M/s. V. V. Chakradeo & Co., Practicing Company Secretaries (FCS: 3382/ COP: 1705) to carry out the audit of secretarial

records of the Company for the financial year 2019-20. The consent of the Secretarial Auditor to undertake the secretarial audit for the financial year ended 31st March 2020 has been received by the Company.

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

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

As required under the Regulation 24A of SEBI (Listing Obligations and Disclosure & Requirements) Regulations, 2015, the Secretarial Audit Report of Mukesh Babu Securities Limited, the material unlisted subsidiary of the Company for the financial year ended 31st March, 2020 is provided as **Annexure – D**.

**Reporting of Frauds by Statutory Auditors**

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

## 28. SECRETARIAL STANDARDS

The Directors state that the Company has duly followed applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings' respectively. The Secretarial Auditor in his Secretarial Audit report confirms the same.

## 29. ANNUAL RETURN

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

## 30. COST RECORDS AND COST AUDIT

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

## 31. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

Pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, a Statement showing names & other particulars of the employees are provided under **Annexure - F** 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, there are no disclosures required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**32. CORPORATE GOVERNANCE**

In compliance with Regulations 17 to 27 and 34 read with Schedule V of SEBI (Listing Obligations and Disclosure & Requirements) Regulations, 2015, as applicable, the Corporate Governance Report is given in **Annexure – G** and forms part of the Annual Report. Auditors` Certificate on Corporate Governance from Statutory Auditors of the Company is annexed in **Annexure – H.**

The Certificate on Compliance with Code of Conduct duly signed by the Managing Director of the Company for the year ended 31st March 2020 regarding compliance by the Board members and senior management personnel with Company's Code of Conduct is covered thereto.

**33. 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.

**34. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

The Management Discussion and Analysis is annexed to this Report as **Annexure – I,** 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.

**35. OTHER DISCLOSURES**

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.

**36. ANNUAL REPORTS**

The Company has published the statutory disclosures in the print version of the Annual Report along with the Notice of the AGM. Electronic copies of the Annual Report 2019-20 and Notice of the 35th Annual General Meeting are being sent through electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s). For

members who have not registered their email addresses, the Company has been exempted under the MCA Circulars and SEBI Circular dated 12th May 2020 for any physical delivery of AGM Notice and Annual Report of the Company.

Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.mukeshbabu.com, website of the Stock Exchange, i.e. BSE Limited at www.bseindia.com

## 37. MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

The Certificate from Mr. Mukesh Babu, Managing Director and Mr. Mahesh Thakar, Chief Financial Officer with regard to the financial statements and other matters as stated in the Compliance Certificate has been furnished, mandated under the Part B under the Schedule II on Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in **Annexure – J.**

## 38. CERTIFICATION ABOUT DIRECTORS

None of the directors of the Company has been debarred or disqualified from being appointed or continuing as directors by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such authority. A Certificate to this effect, duly signed by a Practising Company Secretary is appended to this Report in **Annexure - K**.

## 39. ACKNOWLEDGEMENTS

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

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Mukesh Babu**
**Chairman & Managing Director**
**DIN: 00224300**

**Meena Babu**
**Director**
**DIN: 00799732**

**Date: 28th August 2020**
**Place: Mumbai**

## ANNEXURE-A

### FORM AOC-1

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

| **Statement containing salient features of the financial statement of Subsidiary** | |
|---|---|
| | (Amt. In Rs.) |
| **Name of the Subsidiary** | **Mukesh Babu Securities Limited** |
| **Reporting Period of the subsidiary** | April 01, 2019 to March 31, 2020 |
| **Reporting currency** | Rupees |
| **Share Capital** | 5,00,00,000 |
| **Other Equity (Includes Other Comprehensive Income)** | 30,96,55,619 |
| **Total Assets** | 32,73,16,535 |
| **Total Liabilities** | 10,87,94,077 |
| **Investments (At Realisable Value)** | 14,11,33,161 |
| **Turnover (Gross Receipt)** | 15,30,50,826 |
| **Profit Before Taxation** | 5,91,73,383 |
| **Profit After Taxation** | 4,89,26,977 |
| **Proposed Dividend** | 0 |
| **% shareholding** | 51.62% |

**ANNEXURE -B**

# FORM NO. AOC-2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis -**
   The Company has not entered into any transaction with related parties which were not on an arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**
   The Company has not entered into any material contracts or transactions with related parties during the financial year 2019-20.

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

| | |
|---|---|
| **MUKESH BABU** | **MEENA BABU** |
| **Managing Director** | **Director** |
| **(DIN: 00224300)** | **(DIN: 00799732)** |

**Date: 28th August 2020**
**Place: Mumbai**

**ANNEXURE C**

# SECRETARIAL AUDIT REPORT
# FORM NO. MR-3
# FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Mukesh Babu Financial Services Limited** (hereinafter called 'the Company') for the audit period covering the Financial Year ended 31st March 2020. Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has during the audit period covering the financial year ended on 31st March 2020 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 2020 according to the provisions of:

i) The Companies Act, 2013 ( 'the Act') and the rules thereunder;
ii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2013;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   c. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   d. The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.

vi) All applicable Labour Laws;

vii) Bombay Shop & Establishment Act,1948;

viii) Indian Contract Act,1872;

ix) Income Tax Act, 1961 and Indirect Tax Laws.

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India.

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

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

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

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

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

**Place: Mumbai**
**Date: 28th August 2020**

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

**V. V. CHAKRADEO**
**COP 1705 FCS 3382**
**UDIN:F003382B000625949**

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

**ANNEXURE – A**

# TO SECRETARIAL AUDIT REPORT OF MUKESH BABU FINANCIAL SERVICES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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: 28th August 2020**

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

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

**ANNEXURE – D**

# SECRETARIAL AUDIT REPORT
# FORM NO. MR-3
# FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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

To,
The Members,
**Mukesh Babu Securities Limited**,
Mumbai.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **Mukesh Babu Securities Limited** (hereinafter called 'the Company') for the audit period covering the Financial Year ended 31st March 2020. Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has during the audit period covering the financial year ended on 31st March 2020 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 2020 according to the provisions of:

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

    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

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

vi) All applicable Labour Laws;
vii) Bombay Shop & Establishment Act,1948;
viii) Indian Contract Act,1872;
ix) Income Tax Act, 1961 and Indirect Tax Laws.

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

i. Secretarial Standards issued by the Institute of Company Secretaries of India.

We further report that:

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

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

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

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

**Place: Mumbai**
**Date: 4th September 2020**

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

**V. V. CHAKRADEO**
**COP 1705 FCS 3382**
**UDIN: F003382B000663338**

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

**ANNEXURE – A**

# TO SECRETARIAL AUDIT REPORT OF MUKESH BABU SECURITIES LIMITED FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

To,
The Members,
**Mukesh Babu Securities Limited**,
Mumbai.

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

1. Maintenance of secretarial record is responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about correctness of the contents of the secretarial record. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the practices and processes, I followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.

5. The compliance of the provisions of the Corporate and other laws, rules, regulations, norms and standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

7. I have reported in my audit report, only those non compliances, especially in respect of filing of applicable forms/ documents, which in my opinion are material and having major bearing on the financials of the Company.

**Place: Mumbai**
**Date: 4th September 2020**

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

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

# ANNEXURE - E

| FORM NO. MGT 9 |
|---|
| EXTRACT OF ANNUAL RETURN |
| Financial Year ended 31st March 2020 |
| Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration ) Rules, 2014 |

**I REGISTRATION & OTHER DETAILS:**

| | | |
|---|---|---|
| i | CIN | **L65920MH1985PLC035504** |
| ii | Registration Date | **27/02/1985** |
| iii | Name of the Company | **MUKESH BABU FINANCIAL SERVICES LIMITED** |
| iv | Category of the Company | **Company Limited by Shares** |
| | Sub-category of the Company | **Non-Government Company** |
| v | Address of the Registered office & contact details | **111, Maker Chambers III, 223, Nariman Point, Mumbai 400021** |
| vi | Whether listed company | **Listed** |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | **Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikroli (W), Mumbai-400 083** |

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

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

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

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:**

| Sr. No. | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | MUKESH BABU SECURITIES LIMITED | U67120MH1994PLC076455 | SUBSIDIARY | 51.62% | 2 (87) |

| Mukesh Babu Financial Services Limited | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Category of Shareholders | Shareholding at the beginning of the year - 2019 | | | | Shareholding at the end of the year - 2020 | | | | % Change during the year |
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (A) | **Shareholding of Promoter and Promoter Group** | | | | | | | | | |
| [1] | **Indian** | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 4381600 | 0 | 4381600 | '62.8556 | 4381600 | 0 | 4381600 | '62.8556 | '0.0000 |
| (b) | Central Government / State Government(s) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (c) | Financial Institutions / Banks | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Any Other (Specify) | | | | | | | | | |
| | **Sub Total (A)(1)** | **4381600** | **0** | **4381600** | **'62.8556** | **4381600** | **0** | **4381600** | **'62.8556** | **'0.0000** |
| [2] | **Foreign** | | | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (b) | Government | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (c) | Institutions | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Foreign Portfolio Investor | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | **Sub Total (A)(2)** | **0** | **0** | **0** | **'0.0000** | **0** | **0** | **0** | **'0.0000** | **'0.0000** |
| | **Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)** | 4381600 | 0 | 4381600 | '62.8556 | 4381600 | 0 | 4381600 | '62.8556 | '0.0000 |
| (B) | **Public Shareholding** | | | | | | | | | |
| [1] | **Institutions** | | | | | | | | | |
| (a) | Mutual Funds / UTI | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | 0 | 0.0000 |
| (b) | Venture Capital Funds | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | 0.0000 |
| (c) | Alternate Investment Funds | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (d) | Foreign Venture Capital Investors | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (e) | Foreign Portfolio Investor | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (f) | Financial Institutions / Banks | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | 0 | '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** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| [2] | **Central Government/ State Government(s)/ President of India** | | | | | | | | | |
| | Central Government / State Government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Sub Total (B)(2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| [3] | **Non-Institutions** | | | | | | | | | |
| (a) | Individuals | | | | | | | | | |
| (i) | Individual shareholders holding nominal share capital upto Rs. 1 lakh. | 314090 | 190200 | 504290 | 7.2342 | 278312 | 148800 | 427112 | 6.1271 | -0.7075 |
| (ii) | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | 644667 | 161100 | 805767 | 11.5590 | 628790 | 190000 | 818790 | 11.7458 | 0.1370 |
| (b) | NBFCs registered with RBI | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | 0 | 0.0000 |
| (c) | Employee Trusts | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | 0 | 0.0000 |
| (d) | Overseas Depositories(holding DRs) (balancing figure) | 0 | 0 | 0 | '0.0000 | 0 | 0 | 0 | '0.0000 | '0.0000 |
| (e) | Any Other (Specify) | | | | | | | | | |
| | Investor Education And Protection Fund Authority Ministry Of Corporate Affairs | 82600 | 0 | 82600 | 1.1849 | 87300 | 0 | 87300 | 1.2523 | 0.0623 |
| | Hindu Undivided Family | 69212 | 0 | 69212 | 0.9929 | 66484 | 0 | 66484 | 0.9537 | -0.0434 |
| | Non Resident Indians (Non Repat) | 14301 | 0 | 14301 | 0.2052 | 14201 | 0 | 14201 | 0.2037 | -0.0023 |
| | Non Resident Indians (Repat) | 3280 | 64300 | 67580 | 0.9695 | 10188 | 56500 | 66688 | 0.9567 | -0.0169 |
| | Overseas Bodies Corporates | 0 | 32900 | 32900 | 0.4720 | 0 | 32900 | 32900 | 0.472 | -0.002 |
| | Clearing Member | 21 | 0 | 21 | 0.0003 | 11 | 0 | 11 | 0.0002 | -0.0001 |
| | Bodies Corporate | 1010729 | 1900 | 1012629 | 14.5265 | 1073914 | 1900 | 1075814 | 15.4329 | 0.8438 |
| | **Sub Total (B)(3)** | **2138900** | **450400** | **2589300** | **37.1444** | **2159200** | **430100** | **2589300** | **37.1444** | **0.2708** |
| | **Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)** | **2138900** | **450400** | **2589300** | **37.1444** | **2159200** | **430100** | **2589300** | **37.1444** | **0.2708** |
| | **Total (A)+(B)** | **6520500** | **450400** | **6970900** | **100.0000** | **6540800** | **430100** | **6970900** | **100** | **0** |
| (C) | **Non Promoter - Non Public** | | | | | | | | | |
| [1] | Custodian/DR Holder | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| [2] | Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Total (A)+(B)+(C)** | **6520500** | **450400** | **6970900** | **100** | **6540800** | **430100** | **6970900** | **100** | **0** |

| Mukesh Babu Financial Services Limited | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year - 2019 | | | Shareholding at the end of the year - 2020 | | | |
| | | 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 | % change in shareholding during the year |
| 1 | MUKESH C BABU | 3,431,600 | '49.2275 | '0.0000 | 3,431,600 | '49.2275 | '0.0000 | '0.0000 |
| 2 | MEENA MUKESH BABU | 950,000 | '13.6281 | '0.0000 | 950,000 | '13.6281 | '0.0000 | '0.0000 |
| | Total | **4,381,600** | **'62.8556** | **'0.0000** | **4,381,600** | **'62.8556** | **'0.0000** | **'0.0000** |

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

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

## Mukesh Babu Financial Services Limited ISIN : INE596B01017

### MGT-9 IV. Shareholding Pattern of Top Ten Shareholders

| Sr. No. | | Shareholding at the beginning of the year - 2019 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2020 | |
|---|---|---|---|---|---|---|---|
| | Name & Type of Transaction | NO.OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY | DATE OF TRANSACTION | NO. OF SHARES | NO. OF SHARES HELD | % OF TOTAL SHARES OF THE COMPANY |
| 1 | SAGAR SYSTECH LIMITED | 604500 | 8.6718 | | | 604500 | 8.6718 |
| | AT THE END OF THE YEAR | | | | | 604500 | 8.6718 |
| 2 | SAURASHTRA SOLID INDUST PVT LTD | 279309 | 4.0068 | | | 279309 | 4.0068 |
| | Transfer | | | 05 Apr 2019 | 1799 | 281108 | 4.0326 |
| | Transfer | | | 12 Apr 2019 | 4525 | 285633 | 4.0975 |
| | Transfer | | | 19 Apr 2019 | 2500 | 288133 | 4.1334 |
| | Transfer | | | 26 Apr 2019 | 1000 | 289133 | 4.1477 |
| | Transfer | | | 03 May 2019 | 1452 | 290585 | 4.1685 |
| | Transfer | | | 10 May 2019 | 800 | 291385 | 4.1800 |
| | Transfer | | | 12 Jul 2019 | 1500 | 292885 | 4.2015 |
| | Transfer | | | 19 Jul 2019 | 3000 | 295885 | 4.2446 |
| | Transfer | | | 26 Jul 2019 | 3000 | 298885 | 4.2876 |
| | Transfer | | | 02 Aug 2019 | 2200 | 301085 | 4.3192 |
| | Transfer | | | 27 Sep 2019 | 2497 | 303582 | 4.3550 |
| | Transfer | | | 04 Oct 2019 | 4482 | 308064 | 4.4193 |
| | Transfer | | | 25 Oct 2019 | 862 | 308926 | 4.4317 |
| | Transfer | | | 01 Nov 2019 | 459 | 309385 | 4.4382 |
| | Transfer | | | 08 Nov 2019 | 2386 | 311771 | 4.4725 |
| | Transfer | | | 15 Nov 2019 | 2707 | 314478 | 4.5113 |
| | Transfer | | | 27 Dec 2019 | 351 | 314829 | 4.5163 |
| | Transfer | | | 03 Jan 2020 | 884 | 315713 | 4.5290 |
| | Transfer | | | 10 Jan 2020 | 4250 | 319963 | 4.5900 |
| | Transfer | | | 17 Jan 2020 | 1847 | 321810 | 4.6165 |
| | Transfer | | | 24 Jan 2020 | 1993 | 323803 | 4.6451 |
| | Transfer | | | 31 Jan 2020 | 750 | 324553 | 4.6558 |
| | Transfer | | | 07 Feb 2020 | 500 | 325053 | 4.6630 |
| | Transfer | | | 21 Feb 2020 | 250 | 325303 | 4.6666 |
| | Transfer | | | 28 Feb 2020 | 100 | 325403 | 4.6680 |
| | Transfer | | | 06 Mar 2020 | 150 | 325553 | 4.6702 |
| | Transfer | | | 20 Mar 2020 | 100 | 325653 | 4.6716 |
| | AT THE END OF THE YEAR | | | | | 325653 | 4.6716 |
| 3 | THANKI BHARATBHAI TRIKAMJI | 238392 | 3.4198 | | | 238392 | 3.4198 |
| | Transfer | | | 21 Jun 2019 | 251 | 238643 | 3.4234 |
| | Transfer | | | 09 Aug 2019 | (2100) | 236543 | 3.3933 |
| | Transfer | | | 16 Aug 2019 | (5001) | 231542 | 3.3216 |
| | Transfer | | | 23 Aug 2019 | (5150) | 226392 | 3.2477 |
| | Transfer | | | 20 Sep 2019 | 1692 | 228084 | 3.2719 |
| | Transfer | | | 04 Oct 2019 | 799 | 228883 | 3.2834 |
| | Transfer | | | 15 Nov 2019 | 250 | 229133 | 3.2870 |
| | Transfer | | | 13 Dec 2019 | (13) | 229120 | 3.2868 |
| | Transfer | | | 27 Dec 2019 | (310) | 228810 | 3.2824 |
| | Transfer | | | 03 Jan 2020 | (200) | 228610 | 3.2795 |
| | Transfer | | | 10 Jan 2020 | (1933) | 226677 | 3.2518 |
| | Transfer | | | 31 Jan 2020 | 250 | 226927 | 3.2553 |
| | Transfer | | | 14 Feb 2020 | 100 | 227027 | 3.2568 |
| | Transfer | | | 21 Feb 2020 | 549 | 227576 | 3.2647 |
| | Transfer | | | 28 Feb 2020 | 719 | 228295 | 3.2750 |
| | Transfer | | | 13 Mar 2020 | 150 | 228445 | 3.2771 |
| | Transfer | | | 20 Mar 2020 | 400 | 228845 | 3.2829 |
| | Transfer | | | 27 Mar 2020 | 150 | 228995 | 3.2850 |
| | Transfer | | | 31 Mar 2020 | 174 | 229169 | 3.2875 |
| | AT THE END OF THE YEAR | | | | | 229169 | 3.2875 |
| 4 | SANGEETHA S | 0 | 0.0000 | | | 0 | 0.0000 |
| | Transfer | | | 08 Nov 2019 | 100150 | 100150 | 1.4367 |
| | AT THE END OF THE YEAR | | | | | 100150 | 1.4367 |
| 5 | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS | 82600 | 1.1849 | | | 82600 | 1.1849 |
| | Transfer | | | 22 Nov 2019 | (200) | 82400 | 1.1821 |
| | Transfer | | | 26 Nov 2019 | 4900 | 87300 | 1.2523 |
| | AT THE END OF THE YEAR | | | | | 87300 | 1.2523 |
| 6 | ALOK YOGENDRA BABU | 70300 | 1.0085 | | | 70300 | 1.0085 |
| | AT THE END OF THE YEAR | | | | | 70300 | 1.0085 |
| 7 | HEMANT CHAMPAKLAL BABU | 69700 | 0.9999 | | | 69700 | 0.9999 |
| | AT THE END OF THE YEAR | | | | | 69700 | 0.9999 |
| 8 | HIRAL DIVYESH SEJPAL | 63128 | 0.9056 | | | 63128 | 0.9056 |
| | AT THE END OF THE YEAR | | | | | 63128 | 0.9056 |
| 9 | ISTAA FASHIONS PRIVATE LIMITED | 50000 | 0.7173 | | | 50000 | 0.7173 |
| | AT THE END OF THE YEAR | | | | | 50000 | 0.7173 |
| 10 | MUKESH CHAMPAKLAL BABU HUF | 50000 | 0.7173 | | | 50000 | 0.7173 |
| | AT THE END OF THE YEAR | | | | | 50000 | 0.7173 |
| 11 | SUBRAMANIAN P | 100150 | 1.4367 | | | 100150 | 1.4367 |
| | Transfer | | | 08 Nov 2019 | (100150) | 0 | 0.0000 |
| | AT THE END OF THE YEAR | | | | | 0 | 0.0000 |
| | | | | | | | |

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

| Sr. No. | SHAREHOLDER NAME | DPID/Folio | PAN | SHARES | BENPOS_ DATE |
|---|---|---|---|---|---|
| 1 | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS | 1204720013676780 | | 82600 | 31/03/2019 |
| 2 | INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS | 1204720013676780 | | 87300 | 31/03/2020 |
| 3 | SAGAR SYSTECH LIMITED | IN30154939547367 | AAACS8115M | 604500 | 31/03/2019 |
| 4 | SAGAR SYSTECH LIMITED | IN30154939547367 | AAACS8115M | 604500 | 31/03/2020 |
| 5 | ISTAA FASHIONS PRIVATE LIMITED | 1208510000000155 | AABCN9189P | 50000 | 31/03/2019 |
| 6 | ISTAA FASHIONS PRIVATE LIMITED | 1208510000000155 | AABCN9189P | 50000 | 31/03/2020 |
| 7 | MUKESH CHAMPAKLAL BABU | IN30267937138520 | AADHM1722N | 50000 | 31/03/2019 |
| 8 | MUKESH CHAMPAKLAL BABU | IN30267937138520 | AADHM1722N | 50000 | 31/03/2020 |
| 9 | SAURASHTRA SOLID INDUST PVT LTD | 1205660000020974 | AAECS9355D | 279309 | 31/03/2019 |
| 10 | SAURASHTRA SOLID INDUST PVT LTD | 1205660000020974 | AAECS9355D | 325653 | 31/03/2020 |
| 11 | THANKI BHARATBHAI TRIKAMJI | 1301670000689844 | AAWPT3642B | 238392 | 31/03/2019 |
| 12 | THANKI BHARATBHAI TRIKAMJI | 1301670000689844 | AAWPT3642B | 229169 | 31/03/2020 |
| 13 | HEMANT CHAMPAKLAL BABU | 1208510000000043 | ACCPB7667E | 69700 | 31/03/2019 |
| 14 | HEMANT CHAMPAKLAL BABU | 1208510000000043 | ACCPB7667E | 69700 | 31/03/2020 |
| 15 | SANGEETHA S | IN30131322354231 | AIJPS3739F | 100150 | 31/03/2020 |
| 16 | ADITYA YOGENDRA BABU | 0005942 | AITPB3368D | 28300 | 31/03/2019 |
| 17 | ADITYA YOGENDRA BABU | 0005942 | AITPB3368D | 28300 | 31/03/2020 |
| 18 | ALOK YOGENDRA BABU | 1208510000000039 | AITPB3368D | 42000 | 31/03/2019 |
| 19 | ALOK YOGENDRA BABU | 1208510000000039 | AITPB3368D | 42000 | 31/03/2020 |
| 20 | SUBRAMANIAN P | IN30131320493031 | AMBPS8931K | 100150 | 31/03/2019 |
| 21 | HIRAL DIVYESH SEJPAL | IN30040910126886 | BFMPS9617B | 63128 | 31/03/2019 |
| 22 | HIRAL DIVYESH SEJPAL | IN30040910126886 | BFMPS9617B | 63128 | 31/03/2020 |

**V. INDEBTNESS**

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

| Particulars | Secured Loans excluding deposits | Unsecured Loans excluding deposits | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 311,652,888 | - | - | 311,652,888 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 1,926,039 | - | - | 1,926,039 |
| **Total (i+ii+iii)** | **313,578,927** | **-** | **-** | **313,578,927** |
| **Change in Indebtedness during the financial year** | | | | |
| • Addition | 578,510,970 | 1,729,210,724 | - | 2,307,721,694 |
| • Reduction | 635,633,851 | 1,081,591,074 | - | 1,717,224,925 |
| **Net Change** | **(57,122,881)** | **647,619,650** | **-** | **590,496,769** |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 253,730,944 | 647,513,130 | - | 901,244,074 |
| ii) Interest due but not paid | | | - | - |
| iii) Interest accrued but not due | 2,722,102 | 106,520 | - | 2,828,622 |
| **Total (i+ii+iii)** | **256,453,046** | **647,619,650** | **-** | **904,072,696** |

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

| | | **Name of MD / WTD / Manager** | **Total** |
|---|---|---|---|
| | | **Managing Director** | |
| **Sr. No.** | **Particulars of Remunerations** | **Mukesh Babu** | **Rs.** |
| 1 | Gross Salary | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961 | 1,200,000 | 1,200,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission : | - | - |
| | as percentage of profit | - | - |
| | Others | - | - |
| 5 | Others , Please specify | - | - |
| | Total (A) | 1,200,000 | 1,200,000 |
| | Ceiling as per Act | | **1,909,531** |

**B. Remuneration to other Directors:**

| | | Name of Directors | | | Total |
|---|---|---|---|---|---|
| **Sr. No.** | **Particulars of Remunerations** | **Pankaj Majithia** | **Vijay Vora** | **Meena Babu** | **Rs.** |
| 1 | Independent Directors | | | | |
| | (a) For Attending Board / Committee meeting | 40,000 | 40,000 | - | 80,000 |
| | (b) As Commission | . | | | |
| | (c) Others, please specify | | | | |
| | Total (1) | 40,000 | 40,000 | - | 80,000 |
| 2 | Other Non-Executive Directors | | | | |
| | (a) For Attending Board / Committee meeting | - | - | 40,000 | 40,000 |
| | (b) As Commission | - | - | - | |
| | (c) Other , please specify | | | | |
| | Total (2) | - | - | 40,000 | 40,000 |
| | Total (B) = (1)+(2) | 40,000 | 40,000 | 40,000 | 120,000 |
| | **Total Managerial Remuneration (A+B)** | | | **-** | **1,320,000** |
| | Overall Ceiling As per Act: 11% of Net Profit as per section 198 of the Companies Act, 2013 | | | | 4,200,968 |
| | Ceiling as per Act: 5% of Net Profit as per section 198 of the Companies Act, 2013 | | | | 1,909,531 |

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

| | | Key Managerial Personel | | Total |
|---|---|---|---|---|
| | | **Chief Financial Officer** | **Company Secretary** | |
| **Sr. No.** | **Particulars of Remunerations** | **Mahesh Thakar** | **Manasi Dalal** | **Rs.** |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section | 286,300 | 511,500 | 797,800 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, | | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | - | - |
| 2 | Stock Option | | - | - |
| 3 | Sweat Equity | | - | - |
| 4 | Commission : | | | - |
| | as percentage of profit | | - | - |
| | Others | | - | - |
| 5 | Others, Please specify | | - | - |
| | **Total** | **286,300** | **511,500** | **797,800** |

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

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

## ANNEXURE- F

**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 2019-20:

| Sr. No. | Name of Directors | Ratio of Remuneration of Director to Remuneration of Employees |
|---|---|---|
| 1. | Mr. Mukesh Babu | 0.552:1 |
| 2. | Mr. Vijay Vora | 0.018:1 |
| 3. | Mr. Pankaj Majithia | 0.018:1 |
| 4. | Mrs. Meena Babu | 0.018:1 |

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

| Sr. No. | Name of Directors & Key Managerial Personnel | Percentage increase in Remuneration of Each Director |
|---|---|---|
| 1. | Mr. Mukesh Babu | 0.00% |
| 2. | Mr. Pankaj Majithia | 94.59% |
| 3. | Mr. Vijay Vora | 94.59% |
| 4. | Mrs. Meena Babu | 100% |
| 5. | Mr. Mahesh Thakkar | 14.06% |
| 6. | Ms. Manasi Dalal | 4.92% |

4. The percentage increase in the median remuneration of employees in the Financial Year is:- 42.19%

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. **NIL**

6. The number of permanent employees on the rolls of the company: **SEVEN.**

**ANNEXURE -G**

## CORPORATE GOVERNANCE REPORT

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

### I. Board of Directors

#### A. Composition of the Board:

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

As on 31st March 2020, the Board had four members, out of which one is Executive Director and three are Non-Executive Directors (including one Woman Director) out of which two are Independent Directors and with effect from the 28th August 2020; the Board appointed two Additional Directors under the category of "Independent Directors".

The composition of the Board of Directors is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, 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 members have varied skills/expertise/ competencies which enable them to satisfactorily discharge their duties as directors apart from understanding the nature of industry in which the Company operates. The Company requires core skills/expertise/competencies in the areas of Capital Markets, Finance Markets and Business apart from skills/expertise/competencies in the areas of strategic planning, finance, accounting, economics, legal and regulatory matters, mergers and acquisitions, green technologies, sustainability to efficiently carry on the businesses of the Company. The Board is satisfied that the current composition reflects an appropriate mix of knowledge, skills, experience, expertise, diversity and independence. The Board provides leadership, strategic guidance, an objective and independent view to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosure. The Board periodically reviews and evaluates the need for change in its composition and size.

Pursuant to Schedule V of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015, we are providing below the skills/expertise/competencies possessed by the directors.

| | | |
|---|---|---|
| **Mr. Mukesh Babu**<br>**Managing Director** | **Mr. Pankaj Majithia**<br>**Independent Director** | **Mr. Vijay Vora**<br>**Independent Director** |
| Skills: Capital Markets, Finance Markets and Business, Strategic Planning, Finance and Accounting | Skills: Finance, Accounting, Legal and Regulatory Matters, Capital & Finance Markets, Business and Strategic Planning | Skills: Business and Strategic Planning |
| **Mrs. Meena Babu**<br>**Non-Executive Director** | **Mr. Manishkumar Shah**<br>**Independent Director** | **Mr. Bhavesh Doshi**<br>**Independent Director** |
| Skills: Capital Markets, Finance Markets and Business, Strategic Planning and Finance | Skills: Business &Strategic Planning | Skills: Capital Markets |

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

The composition and category of the Board of Directors and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on 31st March 2020/ as on date are given herein as follows:

| 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 | 6 | 2 | 0 |
| Mr. Pankaj Majithia (DIN:00224833) | Director | Independent | 0 | 0 | 0 |
| Mr. Vijay Vora (DIN:00224394) | Director | Independent | 2 | 0 | 0 |
| Mrs. Meena Babu (DIN:00799732) # | Director | Non-Executive | 5 | 0 | 0 |
| Mr. Manishkumar Shah (DIN: 00233238) # | Director | Independent | 6 | 0 | 0 |
| Mr. Bhavesh Doshi (DIN:03194930)## | Director | Independent | 0 | 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. Manishkumar Shah (DIN: 00233238) was appointed as Additional Director w.e.f. 28th August 2020.

# # Mr. Bhavesh Doshi (DIN: 03194930) was appointed as Additional Director w.e.f. 28thAugust 2020.

The details of Directorships held in other Listed Companies are as follows:
Mr. Mukesh Babu is a Non – Executive Director on the Board of Sagar Systech Limited,
Mrs. Meena Babu is the Managing Director of Sagar Systech Limited and
Mr. Vijay Vora is an Independent on the Board of Sagar Systech Limited.

**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.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Listing Regulations and are independent of the management.

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 fields 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 30th May 2019the matters considered and discussed thereat, inter alia, included those prescribed under Schedule IV to the Act, and Regulation 25 of the Listing Regulations.

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 Directors are 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, 2015and other relevant regulations.

The Managing Director 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:**

During the financial year 2019-20, 4 (four) meetings of the Board of Directors of the Company were held and the maximum gap between two consecutive meetings did not exceed one hundred

and twenty days as mentioned under Section 173 of the Companies Act, 2013 and Regulation 17(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board meetings are held at regular intervals to consider, discuss and approve inter alia, the unaudited/audited standalone and consolidated financial results/statements of the Company, to decide on business policy/strategy of the Company, risk management, etc. and other items on the Agenda. The required quorum was present at all the below mentioned meetings:

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

| Sr.No. | Period | Date of the Board meeting |
|---|---|---|
| 1. | 1st Quarter | 30-05-2019 |
| 2. | 2nd Quarter | 13-08-2019 |
| 3. | 3rd Quarter | 11-11-2019 |
| 4. | 4th Quarter | 14-02-2020 |

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, 2015with 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 2019-20 is as under:

| Name of the Director | No. of Board Meeting(s) held | No. of Board Meeting(s) attended | Last Annual General Meeting attended |
|---|---|---|---|
| Mr. Mukesh Babu | 4 | 4 | YES |
| Mr. Vijay Vora | 4 | 4 | YES |
| Mr. Pankaj Majithia | 4 | 4 | YES |
| Mrs. Meena Babu | 4 | 4 | NO |

**Code of Conduct:**

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

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

All the Board members and senior managerial personnel of the Company have affirmed compliance with the Code of Conduct framed by the Board and a declaration signed by the Managing Director to this effect as required under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015forms part of the Annual Report for the financial year 2019-20.

## II. AUDIT COMMITTEE

### A. Constitution of the Audit Committee

The Audit Committee of the Company is in alignment with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has an Audit Committee consisting of qualified members. The Committee comprises of three Directors out of which two are Independent Directors& an Independent Director as it's Chairman as on 31st March 2020.

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 2019-20 i.e. on 30th May 2019, 13th August 2019, 11th November 2019 and 14th February 2020.

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 2019-20 | |
|---|---|---|---|---|---|
| | | | | Meetings Held | Meetings attended |
| 1. | Mr. Pankaj Majithia F.C.A., A.C.S.,LL.B. | Chairman | Independent Director | **4** | **4** |
| 2. | Mr. Vijay Vora B.Com. | Member | Independent Director | **4** | **4** |
| 3. | Mr. Mukesh Babu F.C.A. | Member | Executive Director | **4** | **4** |

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

a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
b. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
c. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
d. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:
    i. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
    ii. changes, if any, in accounting policies and practices and reasons for the same.
    iii. major accounting entries involving estimates based on the exercise of judgment by Management.
    iv. significant adjustments made in the financial statements arising out of audit findings.
    v. compliance with listing and other legal requirements relating to financial statements disclosure of any related party transactions.
    vi. disclosure of any related party transactions,
    vii. modified opinion(s) in the draft audit report.

e. Reviewing the quarterly financial results with the management before submission to the Board;
f. Reviewing and monitoring the auditors' independence and performance, and effectiveness of audit process;
g. Approval or any subsequent modification of transactions of the Company with related parties;
h. Scrutiny of inter - corporate loans and investments;
i. Evaluation of internal financial controls and risk management systems;
j. Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems;
k. to review the functioning of the whistle blower mechanism;
l. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

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

The Audit Committee meetings are attended by the Chief Financial Officer, senior finance and accounts executives also the Committee invites such executives, as it considers appropriate, the Statutory Auditors and, Internal Auditors and/or their Representatives to be present at its meetings.

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

Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

The previous (34th) Annual General Meeting ("AGM") of the Company was held on 30th September 2019 and was attended by Mr. Pankaj Majithia, Chairman of the Audit Committee to answer shareholders queries.

## III. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the Nomination and Remuneration Committee comprising of three members of whom two are Independent Directors in line with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

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

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

**Meeting and Attendance:**

The Nomination and Remuneration Committee met once during the financial year 2019-20 on 30th May 2019and the necessary quorum was present at the meeting.

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

The Company Secretary acts as Secretary to the Committee.

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

| Sr. No. | Name of the Member And Qualification | Position | Category | No. of Meetings during the year 2019-20 | |
|---|---|---|---|---|---|
| | | | | Meetings Held | Meetings attended |
| 1. | Mr. Pankaj Majithia | Chairman | Independent Director | **1** | **1** |
| 2. | Mr. Vijay Vora | Member | Independent Director | **1** | **1** |
| 3. | Mrs. Meena Babu | Member | Non-executive Director | **1** | **1** |

## IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

**Meeting and Attendance:**

The Stakeholders Relationship Committee met 5 (five) times during the financial year 2019-20 i.e. on 30th May 2019, 13th August 2019, 11th November 2019, 30th December 2019 and 14th February 2020.

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

The composition of the Committee and the attendance of the members of the Stakeholders Relationship Committee during the financial year 2019-20 are as given below:

| Sr. No. | Name of the Member | Position | Category | No. of Meetings during the year 2019-20 | |
|---|---|---|---|---|---|
| | | | | Meetings Held | Meetings attended |
| 1. | Mr. Pankaj Majithia | Chairman | Independent Director | **5** | **5** |
| 2. | Mr. Vijay Vora | Member | Independent Director | **5** | **5** |
| 3. | Mr. Mukesh Babu | Member | Executive Director | **5** | **5** |

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

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

The status of complaints is reported to the Board on a quarterly basis. Details pertaining to the number of complaints received and responded and the status thereof during the financial year 2019-20 are given below as on 31st March 2020:

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

However, the Company has received 136 request letters from the shareholders, these requests were in the nature of issue of duplicate certificate, stop transfer, enquiries for procedure for issue of duplicate certificate, change of address, non-receipt of demat credit / remat certificates, bank mandate, revalidation of dividend warrant, procedure for transfer/transmission/name deletion, certificate not existing in master, PAN, claim of shares transferred to IEPF etc.

All Shareholder requests are being redressed within the time frame prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there were no pending requests for the financial year ended 31st March 2020.

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

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

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

Mr. Pankaj Majithia, Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting held on 30th September 2019 to answer the queries of the Shareholders.

## V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

However, for the financial year under review 2019-20 these provisions of CSR are not applicable to the Company and hence there were no meetings held.

## 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. Questionnaires were prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board's culture, level of contribution in Board processes, safeguarding and promoting interests of the Company and shareholders, execution and performance of specific duties, obligations and governance.

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

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

## VII. DETAILS OF REMUNERATION PAID TO DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020:

**(a) Non-executive Directors**

| Sr. No. | Name of Director | Sitting Fees (Rs.) |
|---|---|---|
| 1. | Mr. Pankaj Majithia | 40,000/- |
| 2. | Mr. Vijay Vora | 40,000/- |
| 3. | Mrs. Meena Babu | 40,000/- |

Except for Mrs. Meena Babu, wife of Mr. Mukesh Babu, the Managing Director; none of the other Non-Executive Directors of the Company have any pecuniary relationship with the Company during the Financial Year 2019-20.

**(b) Executive Director:** **(in Rs.)**

| **Name of Director**<br>**Designation** | **Mr. Mukesh Babu**<br>**Managing Director** |
|---|---|
| Salary p.a. | 12,00,000/- |
| Benefits & perquisites | Nil |
| Allowances | Nil |
| Performance linked incentives | Nil |
| Stock options | Nil |

## VIII. AFFIRMATIONS AND DISCLOSURES

### a) Related party transactions:

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

Related party transactions have been disclosed under the significant accounting policies and Notes forming part of the financial statements in accordance with "Indian Accounting Standard (Ind AS) - 24".The transactions entered into pursuant to the omnibus and specific approvals are reviewed periodically & placed before the Audit Committee for its review and recommendation to the Board for their approval.

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

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

### b) Prevention of Insider Trading:

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

Details of the shareholding of the Non-Executive Directors as on 31st March, 2020/ as on date are as under:

| **Name of the Non-executive Directors** | **No. of Equity shares held** |
|---|---|
| Mr. Pankaj Majithia | 1800 (0.03%) |
| Mr. Bhavesh Doshi | 25,000 (0.36%) |
| Mr. Vijay Vora | NIL |
| Mr. Manishkumar Shah | NIL |
| Mrs. Meena Babu | 9,50,000 (13.63%) |

**c) Whistle Blower Policy/ Vigil Mechanism:**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimisation of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee and no personnel of the Company have been denied access to the Audit Committee.

The Policy is available on the website of the Company at www.mukeshbabu.com

**d) Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

The financial statements of the Company are prepared in compliance with the Companies Act, 2013 and "Indian Accounting Standard (Ind AS). In accordance with the Companies (Indian Accounting Standards), Rules, 2015 of the Companies Act, 2013, the Company has been following the Indian Accounting Standards (Ind AS) for preparation of its financial statements from 01st April 2019. Significant accounting policies used for the preparation of the financial statements are disclosed 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.

ii. The Internal Auditors report to the Board and has direct access to the Audit Committee and presents his internal audit observations to the Audit Committee.

**g) Compliance with Corporate Governance Code / Regulations:**

The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance from time to time.

## IX. DIVIDEND

The Board of Directors at their meeting held on 30th June 2020 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 2019-20. The dividend shall be paid to the Members whose names appear on the Company's

Register of Members as on 18th September 2020, respect of physical shareholders. In respect of demat Shareholders dividend will be payable on the basis of beneficial ownership as per details furnished by NSDL / CDSL. The dividend, if declared at the Annual General Meeting will be paid within 30 days from the date of AGM i.e. 30th September 2020.

**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.1,86,590/-pertaining to the financial year 2011-12 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 2020-21, the Company would be transferring unclaimed final dividend amount for the Financial Year 2012-13 within 30 days from 18th November 2020.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided under the tab "Unclaimed Dividend" on the Company's website www.mukeshbabu.com

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

## X. SUBSIDIARY COMPANIES

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

Mukesh Babu Securities Limited:

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

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

## XI. COMPLIANCE OFFICER

The Company Secretary is the Compliance Officer for complying with the requirements of the Securities Laws and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## XII. GENERAL BODY MEETINGS

Details of last three Annual General Meetings held:

| Financial Year | Description of the Meeting | No. of Special Resolutions passed | Venue | Date | Time |
|---|---|---|---|---|---|
| 2018-19 | 34th AGM | 4* | Café Istaa, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022 | 30th September, 2019 | 4.00 p.m. |
| 2017-18 | 33rd AGM | 5* | Café Istaa, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022 | 28th September, 2018 | 4.00 p.m. |
| 2016-17 | 32nd AGM | 0 | Café Istaa, 12A/1, New Sion Co-Op. Hsg. Soc. Ltd., Sion – West, Mumbai – 400022 | 29th September, 2017 | 5.00 p.m. |

*The special resolutions set out in the notice of AGM of 2018-19 & 2017-18 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 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 and other relevant information of interest to the investors / public. The Company's official news releases, if any 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.

## XIV. GENERAL SHAREHOLDER INFORMATION

| | | |
|---|---|---|
| 1. | Annual general meeting | 35th Annual General Meeting |
| | Date | Wednesday, 30th day, of September, 2020 |
| | Time | 04:00 p.m. |
| | Deemed Venue | 111, Maker Chambers III, 223, Nariman Point, Mumbai – 400021 |
| 2. | Financial year | 1 April to 31 March |
| 3. | Date of book closure | 19th September 2020 to 30th September 2020 (both days inclusive) |
| 4. | Dividend payment date Final dividend for the F.Y.2019-20 of Re.1.20 per equity share has been recommended by the Board of Directors at its meeting held on 30th June 2020 | Within 30 days from the date of AGM i.e. 30th September 2020 (Subject to approval of Shareholders) |
| 5. | Listing on stock exchanges | BSE Limited |
| 6. | Security Code | 530341 |
| 7. | Listing Fees | The annual listing fees for the financial year 2020-21 have been paid to BSE Limited |
| 8. | Demat ISIN in NSDL & CDSL for equity shares | INE596B01017 |
| 9. | Market price data | |

| **Month** | **BSE** | |
|---|---|---|
| | **High** | **Low** |
| April 2019 | 103.20 | 74.10 |
| May 2019 | 99.90 | 80.30 |
| June 2019 | 99.00 | 82.65 |
| July 2019 | 94.85 | 71.00 |
| August 2019 | 88.20 | 71.50 |
| September 2019 | 95.90 | 77.35 |
| October 2019 | 104.75 | 78.00 |
| November 2019 | 119.45 | 98.50 |
| December 2019 | 119.90 | 86.75 |
| January 2020 | 149.70 | 98.75 |
| February 2020 | 184.50 | 127.05 |
| March 2020 | 155.00 | 74.50 |

| | | |
|---|---|---|
| 10. | Registrar and share transfer agent | Link Intime India Private Limited<br>C-101, 247 Park, LBS Marg, Vikhroli (West) – 400083<br>☎Phone: +91 22 49186000 \| Extn: 2352<br>🖷Fax: +91 22 49186060<br>✉manohar.shirwadkar@linkintime.co.in<br>Website: www.linkintime.co.in |
| 11. | 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. |
| 12. | Share transfer system | 1. The share transfer work is handled by the registrar and share transfer agent of the Company i.e. Link Intime India Private Ltd. who are also having connectivity with the depositories viz. NSDL & CDSL.<br><br>2. The enquiries of the shareholders are attended to on an immediate basis. Shares lodged for transfers are processed by the registrars & share transfer agent on fortnightly basis. Where requests for dematerialization are received simultaneously, the same are also processed separately. However, where no specific request for dematerialization is received, the physical certificates are sent back duly endorsed within a period of 30 days from the date of lodgment. |
| 13. | Distribution of shareholding as on 31st March 2020 as well as shareholding pattern: | |

**Distribution of shareholding as on 31st March 2020**

| No. of Equity Shares Held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---|---|---|---|---|
| 1 to 500 | 1030 | 83.94 | 190557 | 2.73 |
| 501 to 1000 | 91 | 7.42 | 74768 | 1.07 |
| 1001 to 2000 | 36 | 2.93 | 54306 | 0.78 |
| 2001 to 3000 | 9 | 0.73 | 23565 | 0.34 |
| 3001 to 4000 | 10 | 0.82 | 36124 | 0.52 |
| 4001 to 5000 | 10 | 0.82 | 47278 | 0.68 |
| 5001 to 10000 | 9 | 0.73 | 69994 | 1.00 |
| 10001 and above | 32 | 2.61 | 6474308 | 92.88 |
| **Total:** | **1227** | **100.00** | **69,70,900** | **100.00** |

<table>
<tr><td></td><td colspan="3">Shareholding Pattern as on 31st March 2020</td></tr>
<tr><td></td><td></td><td>No. of Shares</td><td>% of Shareholding</td></tr>
<tr><td></td><td>Promoters & persons acting in concert</td><td>43,81,600</td><td>62.86</td></tr>
<tr><td></td><td>Banks / FI / Insurance companies</td><td>0</td><td>0.00</td></tr>
<tr><td></td><td>FII / NRIs / OCBs</td><td>1,13,789</td><td>1.63</td></tr>
<tr><td></td><td>Private corporate bodies</td><td>10,75,814</td><td>15.43</td></tr>
<tr><td></td><td>Public</td><td>13,12,386</td><td>18.83</td></tr>
<tr><td></td><td>Others (Clearing Members)</td><td>11</td><td>0.00</td></tr>
<tr><td></td><td>IEPF</td><td>87,300</td><td>1.25</td></tr>
<tr><td></td><td>Total</td><td>69,70,900</td><td>100.00</td></tr>
<tr><td>14.</td><td>Outstanding GDRs / ADRs</td><td colspan="2">Nil</td></tr>
<tr><td>15.</td><td>Dematerialization of shares and liquidity</td><td colspan="2">As on 31st March 2020 – 65,40,800 shares out of 69,70,900 shares of the Company have been dematerialized representing 93.83%. The Company has entered into an agreement with NSDL and CDSL whereby shareholders have an option to dematerialize their shares with the depositories.<br>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.<br><br>Also, with the SEBI Circular Notification No. SEBI/LAD-NRO/GN/2018/24 dt.08th June, 2018 coming into effect, except in case of transmission or transposition of securities, requests for executing transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. In other words, there will not be any transfer of physical share after 1st April, 2019.<br><br>Members are thereby informed that pursuant to the SEBI Circular relating to ‘Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating transfer of securities in</td></tr>
</table>

| | | |
|---|---|---|
| | | dematerialized form with a depository', shares are to be transferred only in demat form. The amendment does not prohibit the investor from holding the shares in physical form, investor has the option of holding shares in physical form but any investor who is desirous of transferring shares (which are held in physical form) after 1st April 2019 can do so only once after the shares are dematerialized. |
| 16. | Reconciliation of share capital audit report | As stipulated by SEBI, a qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges on which the shares of the Company are listed. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form. |
| 17. | Plant Locations | The Company is in service industry and hence does not have any plant. |
| 18. | Address for correspondence | Shareholders can correspond at the registered office of the Company at 111, Maker Chambers III, 223, Nariman Point, Mumbai – 400 021 and/or at Company's Registrar and Transfer Agents. |
| **Company** | | **Registrars and share transfer agents** |
| Ms. Manasi Dalal<br>**Company Secretary & Compliance Officer**<br>☎Phone: 022 – 26232051<br>✉secretarial@mukeshbabu.com | | Mr. Manohar Shirwadkar - Senior Associate-Client Relation<br>☎Phone: +91 22 49186000 \| Extn: 2352<br>🖷Fax: +91 22 49186060<br>✉manohar.shirwadkar@linkintime.co.in |

## 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. CEO/ CFO CERTIFICATION

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

## XVII. CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, the affirmation that they have complied with the 'Code of Conduct' in respect of the financial year 2019-20.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**Mukesh Babu**
**Chairman**
**DIN: 00224300**

**Date: 28th August 2020**
**Place: Mumbai**

**ANNEXURE - H**

**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 2020, 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, 2020.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**UDIN: 20035809AAACB7232**
**For Chaitanya C. Dalal & Co.**
**Chartered Accountants**
Firm Reg. No. 101632W

**Chaitanya C. Dalal**
**Partner**
Membership No: 35809
Place: Mumbai
Date: 28th August 2020

**ANNEXURE - I**

## MANAGEMENT DISCUSSION AND ANALYSIS

The management is pleased to present its Analysis Report.

### A. FINANCIAL REVIEW:

Your Company earned a net profit of Rs.381.91 Lakh for the financial year ended 31st March 2020 as compared to previous year's net profit of Rs.364.23 Lakh (Increase of 4.85%). Provision for taxation for the year is Rs.73.95 Lakh (including Deferred Tax Provision) as compared to Rs.16.71 Lakh in the previous financial year. Details of Changes in key financial ratio are as follows:

| Sr. No. | Particulars | 31-03-2020 | 31-03-2019 | % change |
|---|---|---|---|---|
| a | Interest Coverage Ratio | 1.506 | 1.602 | -5.95 |
| b | Current Ratio | 1.556 | 2.742 | -43.25 |
| c | Debt Equity Ratio | 1.685 | 1.187 | 41.91 |
| d | Operating Profit Margin | 16.282 | 33.750 | -51.76 |
| e | Net Profit Margin (%) | 19.36 | 4.59 | 321.98 |

### B. MACRO ECONOMY - REVIEW AND OUTLOOK:

Macro-economic instability on account of fallout of COVID-19, global politics and trade tensions and Government actions in the aftermath have created an extremely volatile macro-economic environment.

For India, Financial Year 2019-20 started on a good note.However, the countries world over got hit with corona virus COVID-19 pandemic since January 2020 which has since then caused a lot of disruption. It has not been limited to retail or large giants but businesses & lives of people globally.

The biggest challenges for India in 2020-21is to bring the Economy, which is expected to contract by over 5% in the Current year, back to track in the face ofincreasing COVID spread and severe panic caused and financial repercussions of restrictions of lockdown norms, inflationary pressures, coupled with a higher fiscal deficit as well as an increasing debt burden.

Although the borrowing rates have fallen in the Markets due to reduction in the repo rates, lending Institutions (including NBFCs) continue to face uncertainty caused by Reserve Bank of India's Policies relating to deferment of repayment of loans/ installments.

## C. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control systems and their adequacy have been discussed in detail in the Directors' Report.

## D. OPPORTUNITIES AND THREATS IN THE CURRENT MARKET ENVIRONMENT AND FUTURE PROSPECTS:

The silver lining for the Company was that the Stock Markets being declared as the "essential services" by the Government enabled it to continue functioningeven during these months of Lockdown, causing less disruption as compared to the other sectors. However, with the continuing uncertainty luring around the economy & Markets world over it's difficult to fathom as to what the months to come have in store for the sector.

**Annexure - J**

**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, 2020 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 (other than what was necessary for compliance with statutory requirements); and
(iii) that there were no instances of significant fraud of which we have become aware.

Yours Sincerely

---

Mukesh Babu
Chairman & Managing Director

---

Mahesh Thakar
Chief Financial Officer

Place: Mumbai
Date: 28th August 2020

**Annexure – K**

**NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

To,
**The Members,**
**Mukesh Babu Financial Services Limited**
111, Maker Chambers III, 223,
**Nariman Point, Mumbai – 400021.**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Mukesh Babu Financial Services Limited** having CIN L65920MH1985PLC035504 and having registered office at 111, Maker Chambers III, 223, Nariman Point, Mumbai – 400021, Maharashtra, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2020, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Mumbai**
**Date: 2nd September 2020**

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

**V. V. CHAKRADEO**
**COP 1705 FCS 3382**
**UDIN: F003382B000651964**

## 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 2020, 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, 2020;

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, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

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

iii. M/s Mukesh Babu Financial Services Limited has transferred the required amount of Rs. 1,86,590/-, to the Investor Education and Protection Fund on 31st October 2020.

UDIN 20035809AAAAAW7822
**For Chaitanya C. Dalal & Co**.
**Chartered Accountants**
Firm Reg. No. 101632W

**Chaitanya C. Dalal**
**Partner**
Membership No: 35809

Place: Mumbai
Date: 30th June, 2020

**Annexure A to the Independent Auditors' Report**

**Re: Mukesh Babu Financial Services Limited**

The Annexure referred to in our Independent Auditors' Report with reference to the Companies (Auditor's Report) Order, 2016 ("the Order") to the members of the Company on the Standalone Financial Statement for the year ended 31st March 2020, 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 2020.

(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 2020 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 2020, 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 2020.

(xv) During the year ended 31st March 2020 the company has not entered into any non-cash transactions with the directors or persons connected with him.

(xvi) The company has carried out activities in nature of activities carried out by non- banking financial companies and is required to obtain registered under section 45-IA of the Reserve Bank of India Act, 1934 and the same has been obtained.

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

**Chaitanya C. Dalal**
Partner
Membership No.: 035809

**Place: Mumbai**
**Date: 30th June, 2020**

## 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 2020.**

We have audited the internal financial controls over financial reporting of **Mukesh Babu Financial Services Limited** ("the Company") as of March 31, 2020 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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls issued by the Institute of Chartered Accountants of India.

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

**Chaitanya C. Dalal**
Partner
Membership No.: 035809

**Place: Mumbai**
**Date: 30th June, 2020**

**MUKESH BABU FINANCIAL SERVICES LIMITED**
CIN:L65920MH1985PLC035504
**BALANCE SHEET AS AT 31st MARCH 2020**

Amount in Rupees

| | | Note No. | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|---|---|
| | **ASSETS** | | | | |
| I. | **Financial Assets** | | | | |
| 1 | Cash and cash equivalents | 2 | 19,033,110 | 21,895,062 | 698,428 |
| 2 | Bank Balance other than (a) above | 3 | 11,675,759 | 11,954,267 | 11,849,601 |
| 3 | Receivables | | | | |
| | (I) Trade Receivables | 4 | 6,270,676 | 26,496,276 | - |
| | (II) Other Receivables | 5 | 24,255 | 68,712 | - |
| 4 | Loans | 6 | 994,371,461 | 337,218,048 | 118,048,595 |
| 5 | Investments | 7 | 333,509,360 | 328,385,110 | 329,367,110 |
| 6 | Other Financial assets | 8 | 33,806,055 | 7,860,023 | 27,521,915 |
| | **Total Financial Assets** | | **1,398,690,676** | **733,877,497** | **487,485,649** |
| II. | **Non-financial Assets** | | | | |
| 1 | Inventories | 9 | 563,123,087 | 1,538,684,095 | 1,632,068,275 |
| 2 | Current tax assets (Net) | 10 | 8,042,745 | 5,352,413 | 1,152,606 |
| 3 | Deferred tax Assets (Net) | | | | |
| 4 | Property, Plant and Equipment | 11 | 7,368,049 | 8,056,387 | 8,639,409 |
| 5 | Other non-financial assets | 12 | 36,267,218 | 39,322,925 | 39,067,338 |
| | **Total Financial Assets** | | **614,801,099** | **1,591,415,820** | **1,680,927,628** |
| | **Total Assets** | | **2,013,491,775** | **2,325,293,317** | **2,168,413,276** |
| | ***LIABILITIES AND EQUITY*** | | | | |
| | **LIABILITIES** | | | | |
| I. | **Financial Liabilities** | | | | |
| 1 | Payables | | | | |
| | *(a)Trade Payables:* | | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | | | |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 13 | 5,228,677 | - | 16,350,467 |
| 2 | Borrowings (Other than Debt Securities) | 14 | 904,072,696 | 313,578,927 | 73,996,671 |
| 3 | Other financial liabilities | 15 | 1,427,420 | 1,707,646 | 1,615,103 |
| | **Total Financial Liabilities** | | **910,728,793** | **315,286,573** | **91,962,241** |
| II. | **Non-Financial Liabilities** | | | | |
| 1 | Current tax liabilities (Net) | | | | |
| 2 | Provisions | 16 | 10,955,239 | 1,219,035 | 7,824,683 |
| 3 | Deferred tax liabilities (Net) | 17 | 126,040,351 | 390,339,014 | 416,229,423 |
| 4 | Other non-financial liabilities | 18 | 5,650,593 | 3,921,388 | - |
| | **Total Non-Financial Liabilities** | | **142,646,183** | **395,479,437** | **424,054,106** |
| III | **EQUITY** | | | | |
| 1 | Equity Share capital | 19 | 69,675,000 | 69,675,000 | 69,675,000 |
| 2 | Other Equity | 20 | 890,441,799 | 1,544,852,307 | 1,582,721,930 |
| | **Total Equity** | | **960,116,799** | **1,614,527,307** | **1,652,396,930** |
| | Total Liabilities and Equity | | 2,013,491,775 | 2,325,293,317 | 2,168,413,276 |

**The Accompanying Notes form an integral part of the financial statements**

**UDIN 20035809AAAAAW7822**
**AS PER OUR REPORT OF EVEN DATE**
**FOR CHAITANYA C. DALAL & COMPANY**
**CHARTERED ACCOUNTANTS**

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

Place : Mumbai
Date : 30th June 2020

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

**Mukesh Babu**
**Managing Director**
**DIN:00224300**

**Meena Babu**
**Director**
**DIN:00799732**

**Mahesh Thakar**
**Chief Financial Officer**

**Manasi Dalal**
**Company Secretary**
**ACS: 54690**

Place : Mumbai
Date : 30th June 2020

**MUKESH BABU FINANCIAL SERVICES LIMITED**

CIN:L65920MH1985PLC035504

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

Amount in Rupees

| | Particulars | Note No. | 31.03.2020 ₹ | 31.03.2019 ₹ |
|---|---|---|---|---|
| | **INCOME** | | | |
| **I** | **Revenue from Operations** | | | |
| | Interest Income | | 118,296,280 | 71,540,567 |
| | Dividend Income | | 17,588,924 | 32,813,894 |
| | Profit on Shares and Securities | | 143,159,964 | 7,583,933 |
| **II** | **Other Income** | | | |
| | Profit on sale of Investments | | 143,295 | 176,712 |
| | Interest on Term Deposits | | 763,272 | 757,393 |
| | Miscellaneous Income | | 23,401 | - |
| **III** | **Total Revenue (I + II)** | | **279,975,135** | **112,872,499** |
| | **EXPENSES** | | | |
| | Employee benefits expense | 21 | 3,580,344 | 2,902,353 |
| | Finance costs | 22 | 90,042,505 | 63,326,767 |
| | Depreciation | 11 | 804,207 | 861,228 |
| | Other expenses | 23 | 139,962,948 | 7,688,135 |
| **IV** | **Total expenses** | | **234,390,005** | **74,778,482** |
| **V** | **Profit before exceptional items and tax (III-IV)** | | 45,585,130 | 38,094,016 |
| **VI** | **Exceptional items** | | | |
| **VII** | **Profit before tax (V-VII)** | | 45,585,130 | 38,094,016 |
| **VIII** | **Tax expense:** | | | |
| | (1) Current tax | | 8,005,748 | 3,004,822 |
| | (2) Deferred tax | | (611,234) | (1,333,600) |
| **IX** | **Profit for the period from continuing operations (VII-VIII)** | | 38,190,616 | 36,422,794 |
| **X** | **Profit/(loss) from discontinued operations** | | | |
| **XI** | **NET PROFIT FOR THE PERIOD** | | 38,190,616 | 36,422,794 |
| **XII** | **Other Comprehensive Income** | | | |
| | Items that will not be reclassified to profit or loss | | **(944,636,270)** | **(88,292,090)** |
| | Income Tax to Items that will not be reclassified to profit or loss | | **263,687,429** | **24,556,809** |
| | Items that will be reclassified to profit or loss | | | |
| | Income Tax to Items that will be reclassified to profit or loss | | | |
| **XIII** | **Other Comprehensive Income after Tax for the year** | | **(680,948,841)** | **(63,735,281)** |
| **XV** | **Total Comprehensive Income for the year** | | (642,758,225) | (27,312,487) |
| **XVI** | **Earnings per equity share: (Nominal Value per Share Rs. 10)** | | | |
| | (1) Basic | | 5.48 | 5.22 |
| | (2) Diluted | | 5.48 | 5.22 |

**The Accompanying Notes form an integral part of the financial statements**

**UDIN 20035809AAAAAW7822**
**AS PER OUR REPORT OF EVEN DATE**
**FOR CHAITANYA C. DALAL & COMPANY**
**CHARTERED ACCOUNTANTS**

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

Place : Mumbai
Date : 30th June 2020

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

**Mukesh Babu**
**Managing Director**
**DIN:00224300**

**Meena Babu**
**Director**
**DIN:00799732**

**Mahesh Thakar**
**Chief Financial Officer**

**Manasi Dalal**
**Company Secretary**
**ACS: 54690**

Place : Mumbai
Date : 30th June 2020

**MUKESH BABU FINANCIAL SERVICES LIMITED**
CIN:L65920MH1985PLC035504
**Statement of Change in Equity**

**A. Equity Share Capital**

Amount ₹

| Balance as on 1st April 2018 | Change in Equity Share Capital during year 2018-19 | Balance of Equity Share Capital on 31st March 2019 | Change in Equity Share Capital during year 2019-20 | Balance of Equity Share Capital on 31st March 2020 |
|---|---|---|---|---|
| | | | | |
| 69,675,000 | - | 69,675,000 | - | 69,675,000 |
| | | | | |
| | | | | |

**B. Other Equity**

Amount ₹

| Particulars | Balance as on 1st April 2018 | Total Comprehensive Income | Transfer (to) /from Retained Earning | Balance on 31st March 2019 |
|---|---|---|---|---|
| | | | | |
| a. Capital Reserves | 7,081,000 | - | - | 7,081,000 |
| b. Securities Premium Account | 73,560,000 | - | - | 73,560,000 |
| c. Statutory Reserve | 94,462,963 | - | 7,284,559 | 101,747,522 |
| d. General Reserve | 21,082,871 | - | - | 21,082,871 |
| e. Other Comprehensive Income | 1,079,521,219 | -63,735,281 | - | 1,015,785,938 |
| f. Surplus Profit and Loss A/c | 307,013,877 | - | 18,581,100 | 325,594,976 |
| | | | | |
| Total | 1,582,721,930 | -63,735,281 | 25,865,658 | 1,544,852,307 |

Amount `

| Particulars | Balance as on 1st April 2019 | Total Comprehensive Income | Transfer (to) /from Retained Earning | Balance on 31st March 2020 |
|---|---|---|---|---|
| | | | | |
| a. Capital Reserves | 7,081,000 | - | - | 7,081,000 |
| b. Securities Premium Account | 73,560,000 | - | - | 73,560,000 |
| c. Statutory Reserve | 101,747,522 | - | 7,638,123 | 109,385,645 |
| d. General Reserve | 21,082,871 | - | - | 21,082,871 |
| e. Other Comprehensive Income | 1,015,785,938 | -680,948,841 | - | 334,837,097 |
| f. Surplus Profit and Loss A/c | 325,594,976 | - | 18,900,209 | 344,495,186 |
| | | | | |
| Total | 1,544,852,307 | -680,948,841 | 26,538,332 | 890,441,799 |

UDIN 20035809AAAAAW7822

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

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

**Place : Mumbai**
**Date : 30th June 2020**

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

**Mukesh Babu**
**Managing Director**
**DIN:00224300**

**Meena Babu**
**Director**
**DIN:00799732**

**Mahesh Thakar**
**Chief Financial Officer**

**Manasi Dalal**
**Company Secretary**
**ACS: 54690**

**Place : Mumbai**
**Date : 30th June 2020**

## MUKESH BABU FINANCIAL SERVICES LIMITED

## DCIN:L65920MH1985PLC035504

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

| | 31.03.2020 | | 31.03.2019 | |
|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ |
| **A. Cash flow from Operating Activities :** | | | | |
| Net Profit Before Tax and Extraordinary Item | | 45,585,130 | | 38,094,016 |
| Adjustments for : | - | | - | |
| Depreciation & Misc. Exp. Written off | 804,207 | | 861,228 | |
| Loss(Profit) on sale of Investment | (143,295) | | (176,712) | |
| Excess Provision for Taxation | - | 660,912 | - | 684,516 |
| **Operating Profit Before Working Capital Changes** | | **46,246,042** | | **38,778,532** |
| **Changes in Working Capital:** | | | | |
| Inventories | 35,750,488 | | 6,074,090 | |
| Trade Receivable | 20,270,057 | | (26,564,988) | |
| Loans and Advances | (657,153,413) | | (219,169,452) | |
| Other Financial Assets | (25,946,032) | | 19,661,892 | |
| Other Non-Financial Assets | 3,055,707 | | (255,588) | |
| Other Current Assets | (2,411,824) | | (4,304,473) | |
| Sundry Creditors | 5,228,677 | | (16,350,467) | |
| Other Fianancial Liabilities | (280,226) | | 92,543 | |
| Other Non-Financial Liabilities | 1,729,205 | | 3,921,388 | |
| Other Liabilities | 8,168,467 | (611,588,894) | (7,078,237) | (243,973,290) |
| **Cash Generated from Operations** | | **(565,342,852)** | | **(205,194,758)** |
| Direct Taxes | | (8,005,748) | | (3,004,822) |
| Cash Flow Before Extraordinary Items | | **(573,348,600)** | | **(208,199,580)** |
| **Extraordinary Items** | | - | | - |
| **Net Cash From Operating Activities** | | **(573,348,600)** | | **(208,199,580)** |
| **B. Cash Flow from Investing Activities :** | | | | |
| Purchase of Fixed Assets | (115,869) | | (278,206) | |
| Sale of Fixed Assets | - | | | |
| Purchase of Investments | (110,000,000) | | (104,799,658) | |
| Sale of Investments | 100,193,295 | (9,922,574) | 104,976,370 | (101,494) |
| **Net cash used in Investing Activities** | | **(9,922,574)** | | (101,494) |
| **C. Cash Flow from Financing Activities :** | | | | |
| Proceeds from Issue of Share Capital | - | | - | |
| Proceeds from Short Term Borrowings(net) | 590,493,769 | | 239,582,256 | |
| Repayment of Short Term Borrowings(net) | - | | - | |
| Repayment of Finance Lease Liabilities | - | | - | |
| Dividends Paid & DDT paid | (10,084,547) | | (10,084,547) | |
| Increase in Misc. & Public Issue Expenses | - | 580,409,222 | - | 229,497,709 |
| **Net cash used in Financing Activities** | | **580,409,222** | | **229,497,709** |
| **Net Increase / (Decrease) in Cash & Cash Equivalents** | | **(2,861,953)** | | **21,196,635** |
| Cash & Cash Equivalents at the Beginning of the Year | | 21,895,062 | | 698,428 |
| **Cash & Cash Equivalents at th Closing of the Year** | | **19,033,110** | | **21,895,062** |

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

**CHAITANYA C. DALAL**
**Partner**
**Membership No.35809**
**FRN NO. 101632W**
**UDIN 20035809AAAAAW7822**

**Place : Mumbai**
**Date : 30th June 2020**

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

| | |
|---|---|
| **Mukesh Babu** | **Meena Babu** |
| **Managing Director** | **Director** |
| **DIN:00224300** | **DIN:00799732** |
| **Mahesh Thakar** | **Manasi Dalal** |
| **Chief Financial Officer** | **Company Secretary** |
| **Place : Mumbai** | **ACS: 54690** |
| **Date : 30th June 2020** | |

1 **SIGNIFICANT ACCOUNTING POLICIES**

a **Statement of compliance and basis for preparation and presentation of financial statements**

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Company's financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".

b **Basis and Measurement of fair values**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values. A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the easurement of fair values. Fair values are Quoted prices (unadjusted) in active markets for identical assets and liabilities

c **Revenue Recognition:**

Income from Shares and Securities includes income/loss form transactons trading in capital market and future & options, taken place during the year through stock exchanges. They are recognized and accounted when transactoin take plac and are recorded at exsisting fare value in market with all the relevant taxes and duties. Interest income and Expenses are accounted on accrual basis. Dividend Income on stock and Investment are accounted on Receipt basis.

d **Property, Plant and Equipments (PPE)**

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any. Assets costing less than Rs.5000/- are fully depreciated in the period of purchase. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Depreciation on PPE is provided on Written Down Method at the rates specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

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.

e **Intangible assets**

Intangible assets if any are stated at cost less accumulated amortization and accumulated impairment loss, if any.

f **Investments in subsidiaries and associates :**

Investments in subsidiaries and associate are measured at cost less accumulated impairment, if any.

g **Investments**

A long term investment is an investment other than a current investment intended to hold more than one year. All long term investments were stated at cost upto previous financial year. After adoption of adoption of the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in Current Finncial Year,quoted and long term investment were carried at fair realiasable value and that of unquoted investments are stated at cost. Accordingly Quoted Investments to earlier years are valued at fair realisable value as on the date of respective year ending and corrosponding effect is given in comprehensive income.

h **Inventories**

In view of adoption of the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in Current Finncial Year , Inventories of quoted shares were carried at fair realiasable value and that of unquoted Shares at cost. Accordingly Inventories to earlier years are valued at fair realisable value as on the date of respective year ending and corrosponding effect is given in comprehensive income.

i **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.

j **Finance costs**

Finance costs include interest expense computed by applying the effective and agreed interest rate measured on the use of borrowed fund. Finance costs are charged to the Statement of profit and loss.

k **Provisions**

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

l **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

m **Earning 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.

n **Provisions, Contingent Liabilities and Contingent Assets**

Contingent liabilities as defined in Ind AS 37 "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.

o **Statement of Cashflow**

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.

p **Statutory Reserve and Provision of Standard Assets**

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.

Provision is made @ 00.25 % of Standard assets which includs secured and unsecured loans granted to companies and other entities.

q **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.

r **Taxation**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Note 2 CASH AND CASH EQUIVALENTS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Cash on hand | 538,415 | 520,454 | 217,586 |
| Balances with banks (In Current Accounts with Scheduled Banks) | 18,494,696 | 21,374,608 | 480,842 |
| **Total** | 19,033,110 | 21,895,062 | 698,428 |

**Note 3 BANK BALANCES (OTHER)**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| In Fixed Deposits with Scheduled Banks | 10,125,000 | 10,125,000 | 10,125,000 |
| In Unclaimed Dividends Account | 1,427,420 | 1,707,646 | 1,615,103 |
| Interest Accrued not due on Fixed Deposits | 123,339 | 121,621 | 109,498 |
| **Total** | **11,675,759** | **11,954,267** | **11,849,601** |

**Note 4 TRADE RECEIVABLES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Unsecured Considered Good** | | | |
| i. Related Party | | | |
| ii. Others | 6,270,676 | 26,496,276 | - |
| **Secured** | | | |
| i. Related Party | - | - | - |
| ii. Others | - | - | - |
| **Total** | **6,270,676** | **26,496,276** | **-** |

**Note 5 OTHER RECEIVABLES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Other Receivable | 24,255 | 68,712 | |
| **Total** | **24,255** | **68,712** | **-** |

**Note 6 LOANS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **A. Term Loans** | | | |
| ICD Loans Unsecured, | 816,229,876 | 146,075,197 | 106,715,724 |
| Easy Finance Consumer | 75,543,227 | 50,366,447 | - |
| IOP Funding Loans | 702,905 | - | - |
| Loans to Related Parties | 100,348,453 | 138,784,404 | 8,973,871 |
| **B. Others** | | | |
| Staff & Associates | 1,547,000 | 1,992,000 | 2,359,000 |
| **Total** | 994,371,461 | 337,218,048 | 118,048,595 |

* Out of the above no loans are granted to Public Sector Company.
* Out of the above no loans are granted to parties out side the India.

**Note 7 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 | No. of Shares / Units | | | Amount (₹) | | |
|---|---|---|---|---|---|---|---|
| | | 31.03.2020 | 31.03.2019 | 31.03.2018 | 31.03.2020 | 31.03.2019 | 31.03.2018 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| a | **Investment in Equity Instruments** | | | | | | |
| | **(At Cost)** | | | | | | |
| | **Subsidiary** | | | | | | |
| | Mukesh Babu Securities Ltd | 2,580,996 | 2,580,996 | 2,580,996 | 25,809,960 | 25,809,960 | 25,809,960 |
| | | | | | **25,809,960** | **25,809,960** | **25,809,960** |
| | **At fair value through other comprehensive income:** | | | | | | |
| | Steelcast Ltd | 40,000 | 40,000 | 40,000 | 3,118,000 | 5,918,000 | 6,900,000 |
| | The Gaekwar Mills Ltd | 36,000 | 36,000 | 36,000 | 581,400 | 2,607,150 | 2,607,150 |
| | | | | | **3,699,400** | **8,525,150** | **9,507,150** |
| c. | **Investments in Preference Shares** | | | | | | |
| | **At Cost** | | | | | | |
| | Balance Equity Broking (India) P. Ltd (15% Redeemable ,Optionally Convertible) | 1,500,000 | 1,500,000 | 1,500,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| | Yogen Babu Securites P.Ltd. (9% Redeemable Non-Commulative ) | 10,000 | - | - | 10,000,000 | - | - |
| | | | | | **25,000,000** | **15,000,000** | **15,000,000** |
| d. | **Investments in Government or Trust securities (At Cost)** | | | | | | |
| | UTI-IEF units | - | 5,000 | 5,000 | | 50,000 | 50,000 |
| | | | | | **-** | **50,000** | **50,000** |
| e. | **Investments in Debentures/ Bonds** | | | | | | |
| | **(At Cost)** | | | | | | |
| | The Gaekwar Mills Ltd (9%) | 3,000 | 3,000 | 3,000 | 229,000,000 | 229,000,000 | 229,000,000 |
| | The Gaekwar Mills Ltd (0%) | 500 | 500 | 500 | 50,000,000 | 50,000,000 | 50,000,000 |
| | | | | | **279,000,000** | **279,000,000** | **279,000,000** |
| | | | | | **333,509,360** | **328,385,110** | **329,367,110** |

**Note 8 OTHER FINANCIAL ASSETS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Security Deposit | 998,127 | 998,127 | 998,127 |
| Margin Money with Brokers | 32,807,928 | 6,861,896 | 26,523,788 |
| **Total** | 33,806,055 | 7,860,023 | 27,521,915 |

**Note 9 INVENTORIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Stock of Shares (At fair realisable value) | 563,123,087 | 1,538,684,095 | 1,632,068,275 |
| **Total** | 563,123,087 | 1,538,684,095 | 1,632,068,275 |

**INCREASE / DECREASE IN INVENTORIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Inventories at the end of the year** | | | |
| Stock of Shares | 563,123,087 | 1,538,684,095 | 1,632,068,275 |
| **Inventories at the beginning of the year** | | | |
| Stock of Shares | 1,538,684,095 | 1,632,068,275 | 1,698,172,816 |
| **Net Increase / (Decrease) in Inventories** | **-975,561,008** | **-93,384,180** | **-66,104,541** |

**Note 10 CURRENT TAX ASSETS (Net)**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Advance Tax and TDS (Net) | 8,042,745 | 5,352,413 | 1,152,606 |
| **Total** | 8,042,745 | 5,352,413 | 1,152,606 |

**Note 11 PROPERTY, PLANT AND EQUIPMNETS**

| | Particulars | Gross Block | | | Accumulated Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 31.03.2019 | Additions/ (Disposals) | 31.03.2020 | 31.03.2019 | Depreciation for the year | On disposals | 31.03.2020 | 31.03.2019 | 31.03.2020 |
| | | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| a | **Tangible Assets** | | | | | | | | | |
| | Office Premises | 14,883,250 | - | 14,883,250 | 10,900,976 | 193,937 | - | 11,094,913 | 3,982,274 | 3,788,337 |
| | Guest House | 3,690,116 | - | 3,690,116 | 1,278,082 | 117,466 | - | 1,395,548 | 2,412,034 | 2,294,568 |
| | Furniture and Fixtures | 4,453,982 | - | 4,453,982 | 3,762,834 | 178,938 | - | 3,941,772 | 691,148 | 512,210 |
| | Electrical Fittings & Equipment | 1,382,776 | - | 1,382,776 | 840,050 | 140,512 | - | 980,562 | 542,726 | 402,214 |
| | Office equipment | 1,477,654 | - | 1,477,654 | 1,471,144 | 2,934 | - | 1,474,078 | 6,510 | 3,576 |
| | Computers | 989,087 | 115,869 | 1,104,956 | 673,216 | 137,371 | - | 810,587 | 315,871 | 294,369 |
| | Vehicals | 3,005,288 | - | 3,005,288 | 2,899,464 | 33,049 | - | 2,932,513 | 105,824 | 72,775 |
| | **Total (Current Year)** | 29,882,153 | 115,869 | 29,998,022 | 21,825,766 | 804,207 | - | 22,629,973 | 8,056,387 | 7,368,049 |
| | **Total (Previous Year)** | 29,603,947 | 278,206 | 29,882,153 | 20,964,538 | 861,228 | - | 21,825,766 | 8,639,409 | 8,056,387 |

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

**Note 12 OTHER NON FINANCIAL ASSETS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Advances Against Projects | 32,554,400 | 39,054,400 | 39,054,400 |
| Prepaid Expenses | 35,818 | 91,525 | 12,938 |
| Advance for Expenses | 3,677,000 | 177,000 | - |
| **Total** | 36,267,218 | 39,322,925 | 39,067,338 |

**Note 13 PAYABLES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Trade Payable | 4,289,926 | - | 16,350,467 |
| Other Payable | 938,751 | | |
| **Total** | **5,228,677** | **-** | **16,350,467** |

**Note 14 BORROWINGS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **TERM LOANS** | | | |
| **Secured** | | | |
| From Banks | - | - | - |
| From other parties | 256,453,046 | 313,578,927 | 73,996,671 |
| (Secured against Pledge of Stock of Shares) | | | |
| Period of Maturity 1 Year | | | |
| Applicable rate of interest 10% to 12% | | | |
| Guaranteed By Directors Yes | | | |
| **Sub Total** | 256,453,046 | 313,578,927 | 73,996,671 |
| **LOANS PAYABLE ON DEMAND** | | | |
| **Unsecured** | | | |
| From Banks (Bank Overdraft) | - | - | - |
| From other parties | 617,481,626 | - | - |
| From Directors | 30,138,024 | - | - |
| **Sub Total** | 647,619,650 | - | - |
| **Total** | **904,072,696** | **313,578,927** | **73,996,671** |

* There is no borrowings from outside India.

**Note 15 OTHER FINANCIAL LIABILITIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Unclaimed Dividends | 1,427,420 | 1,707,646 | 1,615,103 |
| **Total** | **1,427,420** | **1,707,646** | **1,615,103** |

**Note 16 PROVISIONS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Provisions for F&O contracts | 8,393,035 | 106,330 | 7,215,270 |
| Provision For Standard Assets (RBI Regulations) | 2,410,649 | 842,912 | 370,323 |
| Provision for Expenses | 151,555 | 269,793 | 239,090 |
| | | | - |
| **Total** | **10,955,239** | **1,219,035** | **7,824,683** |

**Note 17 DEFERRED LIABILITIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Deferred tax liability** | | | |
| Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting | 776,423 | 625,516 | 684,669 |
| **On Comprehensive Income** | | | |
| Income Tax relating to items that will not be reclassified to Profit & Loss | 130,296,235 | 393,983,664 | 418,540,473 |
| **Gross deferred tax liability** | 131,072,658 | 394,609,180 | 419,225,142 |
| **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 | 5,032,307 | 4,270,166 | 2,995,719 |
| **Gross Deferred tax asset** | 5,032,307 | 4,270,166 | 2,995,719 |
| **Net deferred tax liability / (asset)** | **126,040,351** | **390,339,014** | **416,229,423** |

**Note 18 OTHER NON FINANCIAL LIABILITIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| TDS payable | 5,650,593 | 3,921,388 | - |
| **Total** | **5,650,593** | **3,921,388** | **-** |

## Note 19 EQUITY SHARE CAPITAL

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Authorised** | | | |
| 10000000 (10000000)Equity Shares of ₹ 10 e | 100,000,000 | 100,000,000 | 100,000,000 |
| **Issued** | | | |
| 6970900(6970900) Equity Shares of ₹ 10 each. | 69,709,000 | 69,709,000 | 69,709,000 |
| **Subscribed and fully Paid up** | | | |
| 6960600(6960600)Equity Shares of ₹ 10 each . | 69,606,000 | 69,606,000 | 69,606,000 |
| **Subscribed but not fully Paid up** | | | |
| 10300(10300) Equity Shares of ₹ 10 each. | 103,000 | 103,000 | 103,000 |
| Less: Unpaid Calls | 34,000 | 34,000 | 34,000 |
| | 69,000 | 69,000 | 69,000 |
| **Total** | 69,675,000 | 69,675,000 | 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 | 31.03.2020 | | 31.03.2019 | |
|---|---|---|---|---|
| | Number | ₹ | Number | ₹ |
| Shares 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 at the end of the year | 6,970,900 | 69,709,000 | 6,970,900 | 69,709,000 |

| Particulars - Equity Shares | 31.03.2018 | |
|---|---|---|
| | Number | ₹ |
| Shares at the beginning of the year | 6,970,900 | 69,709,000 |
| Shares Issued during the year | - | - |
| Shares bought back during the year | - | - |
| Shares at the end of the year | 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**

| Name of Shareholder | 31.03.2020 | | 31.03.2019 | |
|---|---|---|---|---|
| | No. of | % of Holding | No. of Shares | % 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% |

| Name of Shareholder | 31.03.2018 | |
|---|---|---|
| | No. of Shares | % of Holding |
| MUKESH CHAMPAKLAL BABU | 3,431,600 | 49.23% |
| MEENA MUKESH BABU | 950,000 | 13.63% |
| SAGAR SYSTECH LIMITED | 604,500 | 8.67% |

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

| Particulars | | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|---|
| | Description | ₹ | ₹ | ₹ |
| **Equity Shares** | Pari Pasu | 6,970,900 | 6,970,900 | 6,970,900 |
| Restrictions on the distribution of dividends | None | | | |
| voting rights or with differential voting rights | All shares | | | |

**Disclosure of Unpaid Calls**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| By Directors | - | - | - |
| By Officers | - | - | - |
| Others | 34,000 | 34,000 | 34,000 |

**Note 20 OTHER EQUITY**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **a. Capital Reserves** | | | |
| Opening Balance | 7,081,000 | 7,081,000 | 7,081,000 |
| (+) Current Year Transfer | | - | - |
| (-) Written Back in Current Year | | - | - |
| Closing Balance | **7,081,000** | **7,081,000** | **7,081,000** |
| **b. Securities Premium Account** | | | |
| Opening Balance | 73,628,000 | 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 | 68,000 |
| Closing Balance | **73,560,000** | **73,560,000** | **73,560,000** |
| **c. Statutory Reserve** | | | |
| Opening Balance | 101,747,522 | 94,462,963 | 79,005,988 |
| (+) Current Year Transfer | 7,638,123 | 7,284,559 | 15,456,975 |
| | | - | - |
| Closing Balance | **109,385,645** | **101,747,522** | **94,462,963** |
| **d. General Reserve** | | | |
| Opening Balance | 21,082,871 | 21,082,871 | 21,082,871 |
| (+) Current Year Transfer | - | - | - |
| (-) Written Back in Current Year | - | - | - |
| Closing Balance | **21,082,871** | **21,082,871** | **21,082,871** |
| **e. Other Comprehensive Income** | | | |
| Opening Balance | 1,015,785,938 | 1,079,521,219 | 1,127,047,880 |
| +/(-) Movement in OCI during the Year | -680,948,841 | -63,735,281 | -47,526,661 |
| Closing Balance | **334,837,097** | **1,015,785,938** | **1,079,521,219** |
| **f. Surplus Profit and Loss A/c** | | | |
| Opening balance | 325,594,976 | 307,013,877 | 253,679,259 |
| (+) Net Profit/(Net Loss) For the current year | 38,190,616 | 36,422,794 | 77,284,878 |
| (-) Dividends Payment | 8,365,080 | 8,365,080 | 6,970,900 |
| (-) Dividend Tax Payment | 1,719,467 | 1,719,467 | 1,419,111 |
| (-) Transfer to Statutory Reserves (RBI Regulations) | 7,638,123 | 7,284,559 | 15,456,975 |
| (-) Provision for Standard Assets (RBI Regulations) | 1,567,737 | 472,589 | 103,274 |
| Closing Balance | **344,495,186** | **325,594,976** | **307,013,877** |
| **Total** | **890,441,799** | **1,544,852,307** | **1,582,721,930** |

## Note 21 EMPLOYEE BENEFIT EXPENSES

| Particulars | 31.03.2020 | 31.03.2019 |
|---|---|---|
| | ₹ | ₹ |
| Salaries | 1,601,095 | 1,457,975 |
| Bonus | 132,100 | 70,350 |
| Graduity Expenses | 440,000 | - |
| Directors' Remuneration | 1,200,000 | 1,200,000 |
| Directors' Sitting Fees | 120,000 | 66,112 |
| Staff welfare expenses | 87,149 | 107,916 |
| **Total** | **3,580,344** | **2,902,353** |

## Note 22 FINANCE COST

| Particulars | 31.03.2020 | 31.03.2019 |
|---|---|---|
| | ₹ | ₹ |
| Interest expense | | |
| Interest on Loans | 89,776,077 | 63,255,556 |
| Interest on Bank Overdraft | 59,928 | 71,211 |
| Other Financial Expenses | | |
| Loan Processing Fees | 206,500 | - |
| **Total** | **90,042,505** | **63,326,767** |

## Note 23 OTHER EXPENSES

| Particulars | 31.03.2020 | 31.03.2019 |
|---|---|---|
| | ₹ | ₹ |
| Auditors' Remuneration | 40,000 | 58,880 |
| Business Promotion Expenses | 526,464 | 636,293 |
| Bad Debts | 2,342,512 | - |
| Conveyance | 232,864 | 278,761 |
| Corporate Social Responsibility Expenes | - | 1,052,000 |
| Demat and Depository Expenses | 674,359 | 744,190 |
| Electricity Expenses | 182,577 | 161,485 |
| Professional & Legal Expenses | 8,063,381 | 2,034,848 |
| Listing Fees | 300,000 | 295,000 |
| Membership & Subscriptions | 127,680 | 101,208 |
| Office Expenses | 90,113 | 63,795 |
| Postage,Courier& Telephone Expenses | 84,796 | 138,327 |
| Printing and Stationery Expenses | 195,177 | 249,316 |
| Publishing Expenses | 145,157 | 207,857 |
| Rent, Rates & Taxes | 558,405 | 286,634 |
| Repairs and Maintenance Expenses | 296,179 | 262,610 |
| Registrar and Share Transfer Expenses | 205,051 | 275,983 |
| Travelling Expenses | 626,847 | 603,000 |
| Sundry Expenses | 271,385 | 237,948 |
| Conciliation Award Compensetion | 125,000,000 | - |
| **Total** | **139,962,948** | **7,688,135** |

24 In the opinion of the Directors balances in Loans and Advances & Current Assets Debtors and Creditors have a 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 loans and liabilities adequate. Balances in Debtors, Creditors, Loans, and advances and current assets are subject to confirmation & reconciliation.

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

| **Particulars** | 31.03.2020 | 31.03.2019 |
|---|---|---|
| | ₹ | ₹ |
| As Auditors | 40,000 | 40,000 |
| Other Professional Services | 0 | 18,880 |
| | **40,000** | **58,880** |

26 Earning per share is calculated as under:

| **Particulars** | **31.03.2020** | **31.03.2019** |
|---|---|---|
| ***Basic earning per share*** | ₹ | ₹ |
| Net profit after Taxation | 38,190,616 | 36,422,794 |
| Number of shares issued (Nominal Value RS.10) | 69,709,000 | 69,709,000 |
| Basic earning per share | 0.55 | 0.52 |
| ***Diluted earning per share*** | | |
| Net profit after Taxation | 38,190,616 | 36,422,794 |
| Number of shares issued (Nominal Value RS.10) | 69,709,000 | 69,709,000 |
| Diluted earning per share | 0.55 | 0.52 |

27

| Directors' Remuneration | **31.03.2020** | **31.03.2019** |
|---|---|---|
| | ₹ | ₹ |
| Within the limits of Schedule V to the Companies Act 2013. | 1,200,000 | 1,200,000 |

28 The Company is mainly engaged in the business of providing finance and dealing in shares and securities. All other activities of the Company revolve around the main business, and as such in the opinion of the management, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

29 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.

30 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 assts; and there is no necessity as to impairment / write down provision in the accounts.

31 Disclosure of Provisions as required by IND-AS-37 is as under:

| Particulars | Opening Balance | Additional provisions during the year | Amount Used & Unused amount reversed during the year | Closing Balance |
|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ |
| Income-tax | 12,600,000 | 8,000,000 | 0 | 20,600,000 |

32 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 | **31.03.2020** | **31.03.2019** |
|---|---|---|
| Mukesh Babu Securities Limited (Subsidiary) | 40,111,697 | 86,193,812 |
| Ashtavinayak Infatech Private Limited | 12,941,496 | 2,162,795 |
| Istaa Fashions Private Limited | -938,751 | 1,396,603 |
| Sagar Systech Limited | 0 | 0 |

**Maximum outstanding during the Year**

| NAME OF THE COMPANY | **31.03.2020** | **31.03.2019** |
|---|---|---|
| Mukesh Babu Securities Limited (Subsidiary) | 119,847,167 | 93,050,108 |
| Ashtavinayak Infatech Private Limited | 29,000,000 | 20,378,082 |
| Istaa Fashions Private Limited | 16,000,000 | 75,000,000 |
| Sagar Systech Limited | 2,043,397 | 400,000 |

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

| Particulars | Opening Stock | Purchases | Sales | Closing Stock |
|---|---|---|---|---|
| Shares (Qty in Nos.) | 5,247,846 | 177,428 | 881,603 | 4,543,671 |

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

**34 As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:**

**A Relationship — Name of Related Party**

**(i) List of related parties with whom no transaction has taken place during the year**

| | | |
|---|---|---|
| 1 | Istaa Securities Pvt. Ltd. | Entity controlled by relative of KMP |
| 2 | Nomad Communications LLP | Entity controlled by relative of KMP |
| 3 | Mukesh Babu Stock Broking Pvt. Ltd. | Entity controlled by KMP &/or their relative |
| 4 | Mukesh Babu Mgt. Consultants Pvt. Ltd. | Entity controlled by KMP &/or their relative |
| 5 | C. L. Babu Foundation | Entity managed by KMP &/or relative of KMP |
| 6 | Tamarind Tree Trust | Entity managed by relative of KMP |

**(ii) List of related parties with whom transactions have taken place during the year**

| | | |
|---|---|---|
| 1 | Mukesh Babu Securities Ltd. | Subsidiary |
| 2 | Sagar Systech Ltd. | Entity controlled by KMP &/or their relative |
| 3 | Ashtavinayak Infra Tech Pvt. Ltd. | Entity controlled by relative of KMP |
| 4 | Istaa Fashions Pvt. Ltd. | Entity controlled by relative of KMP |
| 5 | Istaa Infotech Pvt. Ltd. | Entity controlled by relative of KMP |

**(iii) Key Managerial Personnel (KMP) with whom transactions have taken place during the year**

| | | |
|---|---|---|
| 1 | Mukesh Babu | Managing Director (KMP) |
| 2 | Mahesh Thakar | Chief Financial Officer (KMP) |
| 3 | Manasi Dalal | Company Secretary (KMP) |

**(iv) Relatives of KMP who have controlled/managed the any of the entities mentioned above**

| | | |
|---|---|---|
| 1 | Meena Mukesh Babu | Wife of Mukesh Babu -KMP |
| 2 | Miloni Mukesh Babu | Daughter of Mukesh Babu-KMP |
| 3 | Hemant Babu | Brother of Mukesh Babu- KMP |

**B Transactions during the year with related parties:**

| Nature of Transactions | Subsidiary | KMP | Entity controlled by KMP/ Relative of KMP | Entity managed by KMP/ Relative of KMP | Total |
|---|---|---|---|---|---|
| Net Loans & advances given/(returned) | (52,379,765) | | 51,860,775 | | -518,990 |
| Interest income | 6,297,650 | | 3,877,832 | | 10,175,482 |
| Net Loans & advances returned/(taken) | | (29,271,722) | | | (29,271,722) |
| Interest paid | | (866,302) | | | (866,302) |
| CSR Expenditure | | | | 0 | 0 |
| **Closing Balance** | | | | | 0 |
| Loans and Advances(31.3.2020) | 40,111,697 | (30,138,024) | 59,298,005 | 0 | 69,271,678 |
| Loans and Advances(31.3.2019) | 86,193,812 | 0 | 3,559,398 | 0 | 89,753,210 |
| Remuneration paid to KMP | | 1,997,800 | | | 1,997,800 |

**C Balance as at 31st March, 2020**

| Particulars | Relationship | 31.03.2020 | 31.03.2019 |
|---|---|---|---|
| **Loans and advances given/(taken)** | | | |
| Mukesh Babu Securities Ltd. | Subsidiary | 40,111,697 | 86,193,812 |
| Sagar Systech Ltd. | Entity controlled by KMP and/or his relatives | 0 | 0 |
| Ashtavinayak Infra Tech Pvt. Ltd. | | 12,941,496 | 2,162,795 |
| Istaa Fashions Pvt. Ltd. | | (938,751) | 1,396,603 |
| Istaa Infotech Pvt.Ltd. | | 47,295,260 | 0 |
| Mukesh Babu (Credit Balance) | KMP | (30,138,024) | 0 |

35 Income and Expenses in Foreign Currency:

| 31.03.2020 | 31.03.2019 |
|---|---|
| NIL | NIL |

36 **CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

| Particulars | 31.03.2020<br>₹ | 31.03.2019<br>₹ |
|---|---|---|
| **A. Contingent Liabilities** | | |
| (1) Claims against the company not acknowledged as debt | - | - |
| (2) Guarantees | - | - |
| (3) Other money for which the company is contingently liable | - | - |
| Sub Total (A) | - | - |
| **B. Commitments** | | |
| (1) Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |
| (2) Uncalled liability on shares/other investments partly paid | - | - |
| (3) Other commitments (specify nature) | - | - |
| Sub Total (B) | - | - |
| Total (A+B) | | |

37 **SPECIFIC DISCLOSURES**

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

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

38 **CORPORATE SOCIAL RESPONSIBILITY (CSR)**
During the year 2019-20 conpany did not have any obligation to spend or invest under Corprate Social Responsibility.

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 |
|---|
| 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 | | | |
|---|---|---|---|
| Name of Assets | Realisable Value | Value in Balance Sheet | Opinion of Board |
| | | None | |

39 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the

40 The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are

41 The previous year's figures are regrouped / rearranged / reclassified wherever considered necessary to correspond with the

42 As required by paragraph 32 of 'Ind AS' - 101 net profit/Equity reconciliation between the figures reported under Previous GAAP and 'Ind-AS' is as under: (Rupees in Lakh)

| **Particulars** | **31/03/2019** | **31/03/2019** |
|---|---|---|
| | **Profit** | **Equity** |
| Net Profit after Tax /Equity as reported Under Previous GAAP | 364.23 | 5,290.66 |
| Adjustments: | | |
| 1. Effect of Fair Valuation of Stock of Shares | -873.11 | 14,052.95 |
| 2. Effect of Fair Valuation of Financial Assets (Quoted Investment) | -9.82 | 44.75 |
| 3. Net Tax Effect on Defrred Tax | 245.57 | -3,939.84 |
| Other Comprehensive Income, Net of the Tax / Net Change in Equity | -637.36 | 10,157.86 |
| **Total Comprehensive Income /Equity** | **-273.13** | **15,448.52** |

43 Disclosure of details as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

| | 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 from Other NBFC Secured | 256,453,046 | NIL |
| | b. Loan from Other NBFC Unsecured | 617,481,626 | |
| | c. Loans from Directors | 30,138,024 | |
| 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 | 994,371,461 | |
| 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 Trem Investments : | | |
| | 1 Quoted : (At Fair Market Value) | | |
| | (i) Shares : (a) Equity | 3,699,400 | |
| | (b) Preference | | |
| | (ii) Units of Mutual Funds | 0 | |
| | 2 Unquoted : | | |
| | (i) Shares : (a) Equity | 25,809,960 | |
| | (b) Preference | 0 | |
| | (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 | 307,699,400 | 307,699,400 |
| **Total** | 333,509,360 | 333,509,360 |

| | | |
|---|---|---|
| 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 |

42 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.

UDIN 20035809AAAAAW7822

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

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

**Place : Mumbai**
**Date : 30th June 2020**

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

**Mukesh Babu**
**Managing Director**
**DIN:00224300**

**Meena Babu**
**Director**
**DIN:00799732**

**Mahesh Thakar**
**Chief Financial Officer**

**Manasi Dalal**
**Company Secretary**
**ACS: 54690**

**Place : Mumbai**
**Date : 30th June 2020**

## 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 2020, 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, 2020;

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, 2020, 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, 2020, 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. 1,86,590/-, to the Investor Education and Protection Fund on 31st October 2019.

UDIN **20035809AAAAAX8874**

**For Chaitanya C. Dalal & Co**.
**Chartered Accountants**
Firm Reg. No. 101632W

**Chaitanya C. Dalal**
**Partner**
Membership No: 35809

Place: Mumbai
Date: 30th June, 2020

## 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 2020.**

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, 2020 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 2020, 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.

**UDIN 20035809AAAAAX8874**
**For Chaitanya C Dalal & Co.**
Chartered Accountants
Firm Registration No.: 101632W

**Chaitanya C. Dalal**
Partner
Membership No.: 035809

**Place: Mumbai**
**Date: 30th June, 2020**

**MUKESH BABU FINANCIAL SERVICES LIMITED**

CIN:L65920MH1985PLC035504

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020**

Amount in Rupees

| | | Note No. | 31.03.2020 ₹ | 31.03.2019 ₹ | 31.03.2018 ₹ |
|---|---|---|---|---|---|
| | **ASSETS** | | | | |
| I. | **Financial Assets** | | | | |
| 1 | Cash and cash equivalents | 2 | 42,537,629 | 23,943,176 | 2,780,202 |
| 2 | Bank Balance other than (a) above | 3 | 108,305,981 | 108,384,824 | 109,492,508 |
| 3 | Receivables | | | | |
| | (I) Trade Receivables | 4 | 13,595,843 | 35,621,443 | 9,125,167 |
| | (II) Other Receivables | 5 | 24,255 | 68,712 | 0 |
| 4 | Loans | 6 | 1,095,227,843 | 426,063,977 | 308,927,581 |
| 5 | Investments | 7 | 448,832,561 | 806,325,275 | 975,643,396 |
| 6 | Other Financial assets | 8 | 77,196,544 | 26,168,240 | 45,812,132 |
| | **Total Financial Assets** | | **1,785,720,656** | **1,426,575,647** | **1,451,780,986** |
| II. | **Non-financial Assets** | | | | |
| 1 | Inventories | 9 | 563,123,087 | 1,538,684,095 | 1,632,068,275 |
| 2 | Current tax assets (Net) | 10 | 2,437,252 | 9,405,894 | 2,753,750 |
| 3 | Deferred tax Assets (Net) | | | | |
| 4 | Property, Plant and Equipment | 11 | 22,744,352 | 25,025,121 | 26,371,398 |
| 5 | Other non-financial assets | 12 | 36,388,974 | 39,454,181 | 39,189,094 |
| | **Total Financial Assets** | | **624,693,665** | **1,612,569,291** | **1,700,382,517** |
| | **Total Assets** | | **2,410,414,321** | **3,039,144,938** | **3,152,163,503** |
| | ***LIABILITIES AND EQUITY*** | | | | |
| | **LIABILITIES** | | | | |
| I. | **Financial Liabilities** | | | | |
| 1 | Payables | | | | |
| | *(a)Trade Payables:* | | | | |
| | (i) total outstanding dues of micro enterprises and small enterprises | | | | |
| | (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | 13 | 5,541,937 | 313,260 | 16,663,727 |
| 2 | Borrowings (Other than Debt Securities) | 14 | 956,637,306 | 374,710,374 | 101,788,593 |
| 3 | Other financial liabilities | 15 | 1,427,420 | 1,707,646 | 1,615,103 |
| | **Total Financial Liabilities** | | **963,606,663** | **376,731,280** | **120,067,423** |
| II. | **Non-Financial Liabilities** | | | | |
| 1 | Current tax liabilities (Net) | | | | |
| 2 | Provisions | 16 | 11,344,649 | 1,362,528 | 8,019,693 |
| 3 | Deferred tax liabilities (Net) | 17 | 135,220,193 | 436,239,691 | 479,549,108 |
| 4 | Other non-financial liabilities | 18 | 6,280,358 | 7,955,367 | 150,125,306 |
| | **Total Non-Financial Liabilities** | | **152,845,200** | **445,557,586** | **637,694,107** |
| III | **EQUITY** | | | | |
| 1 | Equity Share capital | 19 | 69,675,000 | 69,675,000 | 69,675,000 |
| 2 | Other Equity | 20 | 1,089,062,527 | 2,035,700,741 | 2,217,924,661 |
| 3 | Non Controlling Interest | | 135,224,932 | 111,480,331 | 106,802,311 |
| | **Total Equity** | | **1,293,962,458** | **2,216,856,072** | **2,394,401,972** |
| | **Total Liabilities and Equity** | | **2,410,414,321** | **3,039,144,938** | **3,152,163,502** |

The Accompanying Notes form an integral part of the financial statements

**UDIN 20035809AAAAAX8874**
**AS PER OUR REPORT OF EVEN DATE**
**FOR CHAITANYA C. DALAL & COMPANY**
**CHARTERED ACCOUNTANTS**

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

Place : Mumbai
Date : 30th June 2020

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

**Mukesh Babu**
**Managing Director**
**DIN:00224300**

**Meena Babu**
**Director**
**DIN:00799732**

**Mahesh Thakar**
**Chief Financial Officer**

**Manasi Dalal**
**Company Secretary**
**ACS: 54690**

Place : Mumbai
Date : 30th June 2020

**MUKESH BABU FINANCIAL SERVICES LIMITED**

CIN:L65920MH1985PLC035504

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

Amount in Rupees

| | Particulars | Note No. | 31.03.2020 | 31.03.2019 |
|---|---|---|---|---|
| | | No. | ₹ | ₹ |
| | **INCOME** | | | |
| I | **Revenue from Operations** | | | |
| | Interest Income | | 111,998,630 | 65,740,633 |
| | Dividend Income | | 17,588,924 | 32,813,894 |
| | Profit on Shares and Securities | | 143,159,964 | 7,583,933 |
| II | **Other Income** | | | |
| | Profit on sale of Investments | | 132,733,540 | 44,259,404 |
| | Dividend On Investment | | 5,231,300 | 5,479,070 |
| | Interest on Term Deposits | | 7,190,736 | 7,387,246 |
| | Interest Income - Others | | 8,801,817 | 35,768,353 |
| | Miscellaneous Income | | 23,401 | - |
| III | **Total Revenue (I + II)** | | 426,728,311 | 199,032,533 |
| | **EXPENSES** | | | |
| | Employee benefits expense | 21 | 6,593,541 | 5,639,648 |
| | Finance costs | 22 | 94,279,993 | 100,200,558 |
| | Depreciation | 11 | 1,896,638 | 1,624,483 |
| | Other expenses | 23 | 219,199,626 | 42,747,653 |
| IV | **Total expenses** | | 321,969,799 | 150,212,342 |
| V | **Profit before exceptional items and tax (III-IV)** | | 104,758,513 | 48,820,191 |
| VI | **Exceptional items** | | | |
| VII | **Profit before tax (V-VII)** | | 104,758,513 | 48,820,191 |
| VIII | **Tax expense:** | | | |
| | (1) Current tax | | 18,130,748 | 4,145,919 |
| | (2) Deferred tax | | (489,828) | (1,417,850) |
| IX | **Profit for the period from continuing operations (VII-VIII)** | | 87,117,593 | 46,092,122 |
| X | **Profit/(loss) from discontinued operations** | | | |
| XI | **NET PROFIT FOR THE PERIOD** | | 87,117,593 | 46,092,122 |
| XII | **Other Comprehensive Income** | | | |
| | Items that will not be reclassified to profit or loss | | **(1,298,888,594)** | **(254,972,453)** |
| | Income Tax to Items that will not be reclassified to profit or loss | | **300,529,670** | **41,891,567** |
| | Items that will be reclassified to profit or loss | | | |
| | Income Tax to Items that will be reclassified to profit or loss | | | |
| XIII | **Other Comprehensive Income after Tax for the year** | | **(998,358,924)** | **(213,080,886)** |
| XV | **Total Comprehensive Income for the year** | | (911,241,331) | (166,988,764) |
| XVI | **Earnings per equity share: (Nominal Value per Share Rs. 10)** | | | |
| | (1) Basic | | 12.50 | 6.61 |
| | (2) Diluted | | 12.50 | 6.61 |

The Accompanying Notes form an integral part of the financial statements

**UDIN 20035809AAAAAX8874**

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

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

**Place : Mumbai**
**Date : 30th June 2020**

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

**Mukesh Babu**
**Managing Director**
**DIN:00224300**

**Meena Babu**
**Director**
**DIN:00799732**

**Mahesh Thakar**
**Chief Financial Officer**

**Manasi Dalal**
**Company Secretary**
**ACS: 54690**

**Place : Mumbai**
**Date : 30th June 2020**

**MUKESH BABU FINANCIAL SERVICES LIMITED**

CIN:L65920MH1985PLC035504

**Consolidated Statement of Change in Equity for the year ending 31st March 2020**

**A. Equity Share Capital**

Amount ₹

| Balance as on 1st April 2018 | Change in Equity Share Capital during year 2018-19 | Balance of Equity Share Capital on 31st March 2019 | Change in Equity Share Capital during year 2019-20 | Balance of Equity Share Capital on 31st March 2020 |
|---|---|---|---|---|
| | | | | |
| 69,675,000 | - | 69,675,000 | - | 69,675,000 |
| | | | | |
| | | | | |

**B. Other Equity**

Amount ₹

| Particulars | Balance as on 1st April 2018 | Total Comprehensive Income | Transfer (to) /from Retained Earning | Balance on 31st March 2019 |
|---|---|---|---|---|
| | | | | |
| a. Capital Reserves | 7,081,000 | - | - | 7,081,000 |
| b. Securities Premium Account | 73,560,000 | - | - | 73,560,000 |
| c. Statutory Reserve | 94,462,964 | - | 7,284,559 | 101,747,523 |
| d. General Reserve | 21,082,871 | - | - | 21,082,871 |
| e. Other Comprehensive Income | 1,626,579,152 | -213,080,886 | - | 1,413,498,266 |
| f. Surplus Profit and Loss A/c | 395,158,674 | - | 23,572,407 | 418,731,081 |
| | | | | |
| Total | 2,217,924,661 | -213,080,886 | 30,856,966 | 2,035,700,741 |

Amount ₹

| Particulars | Balance as on 1st April 2019 | Total Comprehensive Income | Transfer (to) /from Retained Earning | Balance on 31st March 2020 |
|---|---|---|---|---|
| | | | | |
| a. Capital Reserves | 7,081,000 | - | - | 7,081,000 |
| b. Securities Premium Account | 73,560,000 | - | - | 73,560,000 |
| c. Statutory Reserve | 101,747,523 | - | 7,638,123 | 109,385,646 |
| d. General Reserve | 21,082,871 | - | - | 21,082,871 |
| e. Other Comprehensive Income | 1,413,498,266 | -998,358,924 | - | 415,139,342 |
| f. Surplus Profit and Loss A/c | 418,731,081 | - | 44,082,586 | 462,813,667 |
| | | | | |
| Total | 2,035,700,741 | -998,358,924 | 51,720,709 | 1,089,062,526 |

UDIN 20035809AAAAAX8874

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

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

**Place : Mumbai**
**Date : 30th June 2020**

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

**Mukesh Babu**
**Managing Director**
**DIN:00224300**

**Meena Babu**
**Director**
**DIN:00799732**

**Mahesh Thakar**
**Chief Financial Officer**

**Manasi Dalal**
**Company Secretary**
**ACS: 54690**

**Place : Mumbai**
**Date : 30th June 2020**

**MUKESH BABU FINANCIAL SERVICES LIMITED**

CIN:L65920MH1985PLC035504

**CONSOLIDATED CASH FLOW STATEMETN FOR YEAR ENDED 31ST MARCH 2020**

| | 31.03.2020 | | 31.03.2019 | |
|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ |
| **A. Cash flow from Operating Activities :** | | | | |
| Net Profit Before Tax and Extraordinary Item | | 104,758,513 | | 48,820,191 |
| Adjustments for : | - | | - | |
| Depreciation & Misc. Exp. Written off | 1,896,638 | | 1,624,483 | |
| Loss(Profit) on sale of Investment | (132,733,540) | | (44,259,404) | |
| Divedend On Investment & Other Interest | (21,223,854) | | (48,634,669) | |
| Excess Provision for Taxation | - | (152,060,755) | - | (91,269,590) |
| **Operating Profit Before Working Capital Changes** | | **(47,302,244)** | | **(42,449,399)** |
| **Changes in Working Capital:** | | | | |
| Inventories | 35,750,488 | | 6,074,090 | |
| Trade Receivable | 22,070,057 | | (26,564,988) | |
| Loans and Advances | (669,163,865) | | (117,136,396) | |
| Other Financial Assets | (51,028,304) | | 19,643,892 | |
| Other Non-Financial Assets | 3,065,207 | | (265,088) | |
| Other Current Assets | 7,047,485 | | (5,544,460) | |
| Sundry Creditors | 5,228,677 | | (16,350,467) | |
| Other Fianancial Liabilities | (280,226) | | 92,543 | |
| Other Non-Financial Liabilities | (1,675,009) | | (142,169,939) | |
| Other Liabilities | 8,414,384 | (640,571,105) | (7,129,754) | (289,350,567) |
| **Cash Generated from Operations** | | **(687,873,349)** | | **(331,799,966)** |
| Direct Taxes | | (18,130,748) | | (4,145,919) |
| Cash Flow Before Extraordinary Items | | **(706,004,097)** | | **(335,945,885)** |
| **Extraordinary Items** | | - | | - |
| **Net Cash From Operating Activities** | | **(706,004,097)** | | **(335,945,885)** |
| **B. Cash Flow from Investing Activities :** | | | | |
| Purchase of Fixed Assets | (115,869) | | (278,206) | |
| Sale of Fixed Assets | 500,000 | | - | |
| Divedend On Investment & Other Interest | 21,223,854 | | 48,634,669 | |
| Purchase of Investments | (110,000,000) | | - | |
| Sale of Investments | 241,148,180 | 152,756,165 | 45,915,162 | 94,271,625 |
| **Net cash used in Investing Activities** | | **152,756,165** | | 94,271,625 |
| **C. Cash Flow from Financing Activities :** | | | | |
| Proceeds from Issue of Share Capital | - | | - | |
| Proceeds from Short Term Borrowings(net) | 581,926,932 | | 272,921,781 | |
| Repayment of Short Term Borrowings(net) | - | | - | |
| Repayment of Finance Lease Liabilities | - | | - | |
| Dividends Paid & DDT paid | (10,084,547) | | (10,084,547) | |
| Increase in Misc. & Public Issue Expenses | - | 571,842,385 | - | 262,837,234 |
| **Net cash used in Financing Activities** | | **571,842,385** | | **262,837,234** |
| **Net Increase / (Decrease) in Cash & Cash Equivalents** | | **18,594,453** | | **21,162,974** |
| Cash & Cash Equivalents at the Beginning of the Year | | 23,943,176 | | 2,780,202 |
| **Cash & Cash Equivalents at th Closing of the Year** | | **42,537,629** | | **23,943,176** |

UDIN 20035809AAAAAX8874

**AS PER OUR REPORT OF EVEN DATE**

**FOR CHAITANYA C. DALAL & COMPANY**

**CHARTERED ACCOUNTANTS**

**CHAITANYA C. DALAL**

**Partner**

**Membership No.35809**

**FRN NO. 101632W**

**Place : Mumbai**

**Date : 30th June 2020**

**FOR AND ON BEHALF OF THE BOARD OF**

**MUKESH BABU FINANCIAL SERVICES LIMITED**

**Mukesh Babu**
**Managing Director**
**DIN:00224300**

**Meena Babu**
**Director**
**DIN:00799732**

**Mahesh Thakar**
**Chief Financial Officer**

**Manasi Dalal**
**Company Secretary**
**ACS: 54690**

**Place : Mumbai**

**Date : 30th June 2020**

**NOTE:- NOTES ON ACCOUNTS**

1 **SIGNIFICANT ACCOUNTING POLICIES**

a **Statement of compliance and basis for preparation and presentation of financial statements**

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/ clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

The Company's financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Generally Accepted Accounting Principles in India (IGAAP) under the historical cost convention as a going concern and on accrual basis, unless otherwise stated, and in accordance with the provisions of the Companies Act, 2013, the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with rule 7 of the Companies (Accounts) Rules 2014 (as amended), prudential norms for income recognition, assets classification and provisioning for non-performing assets as well as contingency provision for standard assets as prescribed by The Reserve Bank of India (RBI) for NBFCs and the guidelines issued by Securities and Exchange Board of India (SEBI) to the extent applicable, collectively referred as "Previous GAAP".

b **Basis and Measurement of fair values**

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values. A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the easurement of fair values. Fair values are Quoted prices (unadjusted) in active markets for identical assets and liabilities

c **Revenue Recognition:**

Income from Shares and Securities includes income/loss form transactons trading in capital market and future & options, taken place during the year through stock exchanges. They are recognized and accounted when transactoin take plac and are recorded at exsisting fare value in market with all the relevant taxes and duties. Interest income and Expenses are accounted on accrual basis. Dividend Income on stock and Investment are accounted on Receipt basis.

d **Property, Plant and Equipments (PPE)**

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any. Assets costing less than Rs.5000/- are fully depreciated in the period of purchase. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Depreciation on PPE is provided on Written Down Method at the rates specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

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.

e **Intangible assets**

Intangible assets if any are stated at cost less accumulated amortization and accumulated impairment loss, if any.

f **Investments in subsidiaries and associates :**

Investments in subsidiaries and associate are measured at cost less accumulated impairment, if any.

g **Investments**

A long term investment is an investment other than a current investment intended to hold more than one year. All long term investments were stated at cost upto previous financial year. After adoption of adoption of the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in Current Finncial Year,quoted and long term investment were carried at fair realiasable value and that of unquoted investments are stated at cost. Accordingly Quoted Investments to earlier years are valued at fair realisable value as on the date of respective year ending and corrosponding effect is given in comprehensive income.

h **Inventories**

In view of adoption of the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in Current Finncial Year , Inventories of quoted shares were carried at fair realiasable value and that of unquoted Shares at cost. Accordingly Inventories to earlier years are valued at fair realisable value as on the date of respective year ending and corrosponding effect is given in comprehensive income.

i **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.

j **Finance costs**

Finance costs include interest expense computed by applying the effective and agreed interest rate measured on the use of borrowed fund. Finance costs are charged to the Statement of profit and loss.

k **Provisions**

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

l **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

m **Earning 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.

n **Provisions, Contingent Liabilities and Contingent Assets**

Contingent liabilities as defined in Ind AS 37 "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.

o **Statement of Cashflow**

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.

p **Statutory Reserve and Provision of Standard Assets**

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.

Provision is made @ 00.25 % of Standard assets which includs secured and unsecured loans granted to companies and other entities.

q **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.

r **Taxation**

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Note 2 CASH AND CASH EQUIVALENTS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Cash on hand | 753,805 | 654,600 | 380,847 |
| Balances with banks (In Current Accounts with Scheduled Banks) | 41,783,825 | 23,288,576 | 2,399,355 |
| **Total** | 42,537,629 | 23,943,176 | 2,780,202 |

**Note 3 BANK BALANCES (OTHER)**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| In Fixed Deposits with Scheduled Banks | 105,775,395 | 105,624,599 | 105,637,246 |
| In Unclaimed Dividends Account | 1,427,420 | 1,707,646 | 1,615,103 |
| Interest Accrued not due on Fixed Deposits | 1,103,166 | 1,052,579 | 2,240,159 |
| **Total** | **108,305,981** | **108,384,824** | **109,492,508** |

**Note 4 TRADE RECEIVABLES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Unsecured Considered Good** | | | |
| i. Related Party | | | |
| ii. Others | 13,595,843 | 35,621,443 | 9,125,167 |
| **Secured** | | | |
| i. Related Party | - | - | - |
| ii. Others | - | - | - |
| **Total** | **13,595,843** | **35,621,443** | **9,125,167** |

**Note 5 OTHER RECEIVABLES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Other Receivable | 24,255 | 68,712 | - |
| **Total** | **24,255** | **68,712** | **-** |

**Note 6 LOANS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **A. Term Loans** | | | |
| ICD Loans Unsecured, | 951,808,719 | 370,069,552 | 306,438,001 |
| Easy Finance Consumer | 75,543,227 | 50,366,447 | - |
| IOP Funding Loans | 702,905 | - | - |
| Loans to Related Parties | 65,467,912 | 3,559,398 | - |
| **B. Others** | | | |
| Staff & Associates | 1,705,080 | 2,068,580 | 2,489,580 |
| **Total** | 1,095,227,843 | 426,063,977 | 308,927,581 |

* Out of the above no loans are granted to Public Sector Company.
* Out of the above no loans are granted to parties out side the India.

**Note 7 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 | No. of Shares / Units | | | Amount (₹) | | |
|---|---|---|---|---|---|---|---|
| | | 31.03.2020 | 31.03.2019 | 31.03.2018 | 31.03.2020 | 31.03.2019 | 31.03.2018 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| a | **Investment in Equity Instruments** | | | | | | |
| | **Quoted Instrument At fair value through other comprehensive income:** | | | | | | |
| | ABB LTD. | | | 500 | | | 647,325 |
| | ACC LTD. | | | 500 | | | 753,750 |
| | Afteck Ltd. | 1,162 | 1,162 | 1,162 | 1,894 | - | 1,894 |
| | Ambalal Sarabhai Enterprises Ltd | 100 | 100 | 100 | 1,905 | 1,429 | 1,064 |
| | Ambuja Cements Ltd. | 20,000 | 25,000 | 30,000 | 3,114,000 | 5,876,250 | 6,988,500 |
| | Bajaj Auto Ltd. | 3,000 | 3,000 | 6,000 | 6,074,700 | 8,745,150 | 16,468,200 |
| | BSE Ltd | 35,347 | 35,347 | 35,347 | 10,468,014 | 21,701,291 | 26,729,401 |
| | Bajaj Financial Services Ltd. | 1,000 | 1,500 | 3,300 | 4,589,750 | 10,553,175 | 17,066,115 |
| | Bajaj Holdings & Investment Ltd. | 1,000 | 1,500 | 3,000 | 1,800,100 | 5,127,075 | 7,993,500 |
| | Ballarpur Industries Ltd. | 300 | 300 | 300 | 132 | 879 | 3,744 |
| | BF Investment Ltd. | 50,000 | 50,000 | 50,000 | 11,445,000 | 13,277,500 | 14,032,500 |
| | BF Utilities Ltd. | 50,000 | 50,000 | 50,000 | 700 | 700 | 700 |
| | Bharat Forge Ltd. | 175,000 | 400,000 | 430,000 | 40,967,500 | 204,640,000 | 300,049,500 |
| | Bharat Heavy Electricals Ltd. | 3,000 | 3,000 | 3,000 | 62,400 | 224,700 | 244,050 |
| | Biopac India Corporation Ltd. | 1,000 | 1,000 | 1,000 | 2,870 | 4,480 | 19,950 |
| | Cadbury India Ltd | 50 | 50 | 50 | - | - | - |
| | DIligent Media Corporation Ltd | 3,432 | 3,432 | 3,432 | 22,788 | - | 27,284 |
| | Dish TV India Ltd. | - | 15,000 | 15,000 | - | 582,750 | 1,067,250 |
| | DSQ Software | 5,200 | 5,200 | 5,200 | - | - | 34,320 |
| | Dr.Reddy's Laboratories Ltd | 500 | 500 | 500 | 1,558,550 | 1,387,075 | 1,041,225 |
| | Garware Polyester & Plastics Ltd. | 1,400 | 1,400 | 1,400 | 231,560 | 304,780 | 214,760 |
| | Global Trust Bank Ltd | 5,000 | 5,000 | 5,000 | - | - | 458,000 |
| | Grasim Ltd | - | 5,000 | 5,000 | - | 4,291,000 | 5,254,500 |
| | The Gaekwar Mills Ltd | 36,000 | 36,000 | 36,000 | 581,400 | 2,607,150 | 2,607,150 |
| | HDFC Bank Ltd. | 25,000 | 50,000 | 50,000 | 21,550,000 | 115,069,898 | 94,305,000 |
| | Hindalco Industries Ltd. | - | 2,500 | 2,500 | - | 513,750 | 536,375 |
| | Hindustan Oil Exploration Ltd. | 100,000 | 125,000 | 125,000 | 3,425,000 | 16,212,500 | 13,806,250 |
| | Indian Telephone Industries Ltd. | 10,000 | 10,000 | 10,000 | 620,000 | 858,500 | 1,131,000 |
| | Indogulf Industries Ltd. | 520 | 520 | 520 | - | - | - |
| | ITC Ltd. | 2,500 | 4,500 | 4,500 | 439,500 | 1,337,625 | 1,149,750 |
| | Kesoram Industries Ltd. | 40 | 40 | 40 | 736 | 80 | 80 |
| | Kirlosker Pneumatics Co. Ltd. | 100,000 | 100,000 | 100,000 | 9,445,000 | 20,500,000 | 75,000,000 |
| | Larsen & Toubro Ltd. | 6,200 | 6,825 | 6,825 | 5,002,470 | 9,454,673 | 8,946,893 |
| | LML Ltd. | 19,550 | 19,550 | 19,550 | - | 71,749 | 116,127 |
| | MPL Plastic Ltd | 85,000 | 85,000 | 85,000 | 225,250 | 624,750 | 1,292,000 |
| | Nexus Software Ltd. | 44 | 44 | 44 | 444 | 11 | 11 |
| | Numero Uno Projects Ltd. | 2,030 | 2,030 | 2,030 | 2,030 | 2,071 | 2,071 |
| | P.M. Telelinks Ltd. | 100 | 100 | 100 | 157 | 332 | 206 |
| | Pooja Intertainment & Films Ltd. | 500 | 500 | 500 | 7,725 | 9,950 | 18,450 |
| | Reliance Communications Ltd. | 1,500 | 1,500 | 1,500 | 990 | 6,225 | 32,625 |
| | Reliance Industries Ltd. | - | 6,000 | 6,000 | - | 7,879,500 | 5,296,200 |
| | Steelcast Ltd | 40,000 | 40,000 | 40,000 | 3,118,000 | 5,918,000 | 6,900,000 |
| | Sun Pharmaceutical Indstries Ltd | 360 | 360 | 360 | 126,792 | 172,530 | 178,344 |
| | Sun Infoways Ltd. | 400 | 400 | 400 | 2,320 | 2,320 | 2,320 |
| | Tata Consultancy Services Ltd. | 350 | 650 | 650 | 638,068 | 1,301,073 | 1,851,948 |
| | Tata Motors Ltd. | 53,000 | 53,000 | 53,000 | 3,765,650 | 9,235,250 | 17,323,050 |
| | Ultratech Cement Ltd | 1,000 | 1,000 | 1,000 | 3,254,250 | 3,998,350 | 3,950,000 |
| | UPL Limited | 8,000 | 8,000 | 8,000 | 2,611,200 | 7,648,000 | 5,824,400 |
| | Vedanta Ltd | 20,000 | 20,000 | 20,000 | 1,295,000 | 3,689,000 | 5,557,000 |
| | Siti Cable Network Ltd | 35,181 | 35,181 | 35,181 | 19,350 | 174,146 | 522,438 |
| | Zee Entertainment Enterprises Ltd. | 60,000 | 60,000 | 60,000 | 7,440,000 | 26,230,000 | 34,530,000 |
| | Zee Learn Ltd | 8,313 | 8,313 | 8,313 | 101,419 | 231,933 | 293,865 |
| | Zee Media Corporation Ltd | 13,727 | 13,727 | 13,727 | 49,829 | 252,577 | 522,312 |
| | | | | | **144,064,442** | **510,720,174** | **680,793,396** |
| c. | **Investments in Preference Shares** | | | | | | |
| | **At Cost :** | | | | | | |
| | Balance Equity Broking (India) P. Ltd (15% Redeemable ,Optionally Convertible) | 1,500,000 | 1,500,000 | 1,500,000 | 15,000,000 | 15,000,000 | 15,000,000 |
| | Yogen Babu Securites P.Ltd. (9% Redeemable Non-Commulative ) | 10,000 | - | - | 10,000,000 | - | - |
| | **At Fair Realisable Value:** | | | | | | |
| | 6% Zee Entertainment Enterprises Ltd. | 139,658 | 139,658 | | 768,119 | 755,101 | - |
| | | | | | **25,768,119** | **15,755,101** | **15,000,000** |
| d. | **Investments in Government or Trust securities (At Cost)** | | | | | | |
| | UTI-IEF units | - | 5,000 | 5,000 | | 50,000 | 50,000 |
| | | | | | **-** | **50,000** | **50,000** |
| e. | **Investments in Debentures/ Bonds** | | | | | | |
| | **(At Cost)** | | | | | | |
| | The Gaekwar Mills Ltd (9%) | 3,000 | 3,000 | 3,000 | 229,000,000 | 229,000,000 | 229,000,000 |
| | The Gaekwar Mills Ltd (0%) | 500 | 500 | 500 | 50,000,000 | 50,000,000 | 50,000,000 |
| | UTI Index Equity Fund | - | 50,000 | 50,000 | - | 500,000 | 500,000 |
| | SBI Mutual Fund | - | 30,000 | 30,000 | - | 300,000 | 300,000 |
| | | | | | **279,000,000** | **279,800,000** | **279,800,000** |
| | | | | | **448,832,561** | **806,325,275** | **975,643,396** |

**Note 8 OTHER FINANCIAL ASSETS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Security Deposit | 998,127 | 998,127 | 998,127 |
| Interest Free Deposits with Exchanges | 18,308,217 | 18,308,217 | 18,290,217 |
| Margin Money with Brokers | 32,807,928 | 6,861,896 | 26,523,788 |
| Other Receivable | 25,082,272 | | |
| **Total** | 77,196,544 | 26,168,240 | 45,812,132 |

**Note 9 INVENTORIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Stock of Shares (At fair realisable value) | 563,123,087 | 1,538,684,095 | 1,632,068,275 |
| **Total** | 563,123,087 | 1,538,684,095 | 1,632,068,275 |

**INCREASE / DECREASE IN INVENTORIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Inventories at the end of the year** | | | |
| Stock of Shares | 563,123,087 | 1,538,684,095 | 1,632,068,275 |
| **Inventories at the beginning of the year** | | | |
| Stock of Shares | 1,538,684,095 | 1,632,068,275 | 1,698,172,816 |
| **Net Increase / (Decrease) in Inventories** | **-975,561,008** | **-93,384,180** | **-66,104,541** |

**Note 10 CURRENT TAX ASSETS (Net)**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Advance Tax and TDS (Net) | 2,437,252 | 9,405,894 | 2,753,750 |
| **Total** | 2,437,252 | 9,405,894 | 2,753,750 |

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

## 11 PROPERTY, PLANT AND EQUIPMNETS

| | Particulars | Gross Block | | | Accumulated Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 01.04.2019 | Additions/ (Disposals) | 31.03.2020 | 01.04.2019 | Depreciation for the year | On disposals | 31.03.2020 | 01.04.2019 | 31.03.2020 |
| | | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| a | **Tangible Assets** | | | | | | | | | |
| | Office Premises | 26,313,640 | - | 26,313,640 | 10,900,976 | 750,597 | - | 11,651,573 | 15,412,664 | 14,662,067 |
| | Guest House | 7,219,836 | - | 7,219,836 | 1,278,082 | 117,466 | - | 1,395,548 | 5,941,754 | 5,824,288 |
| | Furniture and Fixtures | 7,180,578 | - | 7,180,578 | 5,744,245 | 371,866 | - | 6,116,111 | 1,436,333 | 1,064,467 |
| | Electrical Fittings & Equipment | 2,478,749 | - | 2,478,749 | 1,667,817 | 209,952 | - | 1,877,769 | 810,932 | 600,980 |
| | Office equipment | 3,760,639 | - | 3,760,639 | 3,700,594 | 27,062 | - | 3,727,656 | 60,045 | 32,983 |
| | Computers | 7,659,600 | 115,869 | 7,775,469 | 7,317,116 | 154,179 | - | 7,471,295 | 342,484 | 304,174 |
| | Vehicals | 7,802,023 | -2,500,000 | 5,302,023 | 6,781,114 | 265,516 | 2,000,000 | 5,046,630 | 1,020,909 | 255,393 |
| | **Total (Current Year)** | 62,415,065 | -2,384,131 | 60,030,934 | 37,389,944 | 1,896,638 | 2,000,000 | 37,286,582 | 25,025,121 | 22,744,352 |
| | **Total (Previous Year)** | 62,136,859 | 278,206 | 62,415,065 | 35,765,461 | 1,624,483 | - | 37,389,944 | 26,371,398 | 25,025,121 |

| | Particulars | Gross Block | | | Accumulated Depreciation | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | 01.04.2018 | Additions/ (Disposals) | 31.03.2019 | 01.04.2018 | Depreciation for the year | On disposals | 31.03.2019 | 01.04.2018 | 31.03.2019 |
| | | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| a | **Tangible Assets** | | | | | | | | | |
| | Office Premises | 26,313,640 | - | 26,313,640 | 10,697,111 | 203,865 | - | 10,900,976 | 15,616,529 | 15,412,664 |
| | Guest House | 7,219,836 | - | 7,219,836 | 1,154,603 | 123,479 | - | 1,278,082 | 6,065,233 | 5,941,754 |
| | Furniture and Fixtures | 7,180,578 | - | 7,180,578 | 5,242,468 | 501,777 | - | 5,744,245 | 1,938,110 | 1,436,333 |
| | Electrical Fittings & Equipment | 2,478,749 | - | 2,478,749 | 1,384,522 | 283,295 | - | 1,667,817 | 1,094,227 | 810,932 |
| | Office equipment | 3,760,639 | - | 3,760,639 | 3,651,328 | 49,266 | - | 3,700,594 | 109,311 | 60,045 |
| | Computers | 7,381,394 | 278,206 | 7,659,600 | 7,222,053 | 95,063 | - | 7,317,116 | 159,341 | 342,484 |
| | Vehicals | 7,802,023 | - | 7,802,023 | 6,413,376 | 367,738 | - | 6,781,114 | 1,388,647 | 1,020,909 |
| | **Total (Current Year)** | 62,136,859 | 278,206 | 62,415,065 | 35,765,461 | 1,624,483 | - | 37,389,944 | 26,371,398 | 25,025,121 |
| | **Total (Previous Year)** | 59,828,482 | 2,308,377 | 62,136,859 | 34,254,324 | 1,511,137 | - | 35,765,461 | 24,252,980 | 25,574,158 |

**Note 12 OTHER NON FINANCIAL ASSETS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Advances Against Projects | 32,554,400 | 39,054,400 | 39,054,400 |
| Prepaid Expenses | 35,818 | 101,025 | 12,938 |
| Advance for Expenses | 3,798,756 | 298,756 | 121,756 |
| **Total** | 36,388,974 | 39,454,181 | 39,189,094 |

**Note 13 PAYABLES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Trade Payable | 4,603,186 | 313,260 | 16,663,727 |
| Other Payable | 938,751 | | |
| **Total** | **5,541,937** | **313,260** | **16,663,727** |

**Note 14 BORROWINGS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **TERM LOANS** | | | |
| **Secured** | | | |
| From Banks | 52,519,233 | 50,086,070 | 27,791,922 |
| From other parties | 256,453,046 | 313,578,927 | 73,996,671 |
| (Secured against Pledge of Stock of Shares) | | | |
| Period of Maturity 1 Year | | | |
| Applicable rate of interest 10% to 12% | | | |
| Guaranteed By Directors Yes | | | |
| **Sub Total** | 308,972,279 | 363,664,997 | 101,788,593 |
| **LOANS PAYABLE ON DEMAND** | | | |
| **Unsecured** | | | |
| From Banks (Bank Overdraft) | - | - | - |
| From other parties | 617,481,626 | - | - |
| From Directors | 30,183,401 | 11,045,377 | - |
| **Sub Total** | 647,665,027 | 11,045,377 | - |
| **Total** | **956,637,306** | **374,710,374** | **101,788,593** |

* There is no borrowings from outside India.

**Note 15 OTHER FINANCIAL LIABILITIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Unclaimed Dividends | 1,427,420 | 1,707,646 | 1,615,103 |
| **Total** | **1,427,420** | **1,707,646** | **1,615,103** |

**Note 16 PROVISIONS**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| Provisions for F&O contracts | 8,393,035 | 106,330 | 7,215,270 |
| Provision For Standard Assets (RBI Regulations) | 2,410,649 | 842,912 | 370,323 |
| Provision for Expenses | 540,965 | 413,286 | 434,100 |
| | | | - |
| **Total** | **11,344,649** | **1,362,528** | **8,019,693** |

**Note 17 DEFERRED LIABILITIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Deferred tax liability** | | | |
| Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting | 635,468 | 363,155 | 506,558 |
| **On Comprehensive Income** | | | |
| Income Tax relating to items that will not be reclassified to Profit & Loss | 139,617,032 | 440,146,702 | 482,038,269 |
| **Gross deferred tax liability** | 140,252,500 | 440,509,857 | 482,544,827 |
| **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 | 5,032,307 | 4,270,166 | 2,995,719 |
| **Gross Deferred tax asset** | 5,032,307 | 4,270,166 | 2,995,719 |
| **Net deferred tax liability** | **135,220,193** | **436,239,691** | **479,549,108** |

**Note 18 OTHER NON FINANCIAL LIABILITIES**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| TDS payable | 6,280,358 | 7,955,367 | 125,306 |
| Margin Accouns | | | 150,000,000 |
| **Total** | **6,280,358** | **7,955,367** | **150,125,306** |

## Note 19 EQUITY SHARE CAPITAL

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Authorised** | | | |
| 10000000 (10000000)Equity Shares of ₹ 10 e | 100,000,000 | 100,000,000 | 100,000,000 |
| **Issued** | | | |
| 6970900(6970900) Equity Shares of ₹ 10 eac | 69,709,000 | 69,709,000 | 69,709,000 |
| **Subscribed and fully Paid up** | | | |
| 6960600(6960600)Equity Shares of ₹ 10 eacl | 69,606,000 | 69,606,000 | 69,606,000 |
| **Subscribed but not fully Paid up** | | | |
| 10300(10300) Equity Shares of ₹ 10 each. | 103,000 | 103,000 | 103,000 |
| Less: Unpaid Calls | 34,000 | 34,000 | 34,000 |
| | 69,000 | 69,000 | 69,000 |
| **Total** | 69,675,000 | 69,675,000 | 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 | 31.03.2020 | | 31.03.2019 | |
|---|---|---|---|---|
| | Number | ₹ | Number | ₹ |
| Shares 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 at the end of the year | 6,970,900 | 69,709,000 | 6,970,900 | 69,709,000 |

| Particulars - Equity Shares | 31.03.2018 | |
|---|---|---|
| | Number | ₹ |
| Shares at the beginning of the year | 6,970,900 | 69,709,000 |
| Shares Issued during the year | - | - |
| Shares bought back during the year | - | - |
| Shares at the end of the year | 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**

| Name of Shareholder | 31.03.2020 | | 31.03.2019 | |
|---|---|---|---|---|
| | No. of | % of Holding | No. of Shares | % 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% |

| Name of Shareholder | 31.03.2018 | |
|---|---|---|
| | No. of Shares | % of Holding |
| MUKESH CHAMPAKLAL BABU | 3,431,600 | 49.23% |
| MEENA MUKESH BABU | 950,000 | 13.63% |
| SAGAR SYSTECH LIMITED | 604,500 | 8.67% |

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

| Particulars | | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|---|
| | Description | ₹ | ₹ | ₹ |
| **Equity Shares** | Pari Pasu | 6,970,900 | 6,970,900 | 6,970,900 |
| Restrictions on the distribution of dividends | None | | | |
| voting rights or with differential voting rights | All shares | | | |

**Disclosure of Unpaid Calls**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| By Directors | - | - | - |
| By Officers | - | - | - |
| Others | 34,000 | 34,000 | 34,000 |

**Note 20 OTHER EQUITY**

| Particulars | 31.03.2020 | 31.03.2019 | 31.03.2018 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **a. Capital Reserves** | | | |
| Opening Balance | 7,081,000 | 7,081,000 | 7,081,000 |
| (+) Current Year Transfer | | - | - |
| (-) Written Back in Current Year | | - | - |
| Closing Balance | **7,081,000** | **7,081,000** | **7,081,000** |
| **b. Securities Premium Account** | | | |
| Opening Balance | 73,628,000 | 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 | 68,000 |
| Closing Balance | **73,560,000** | **73,560,000** | **73,560,000** |
| **c. Statutory Reserve** | | | |
| Opening Balance | 101,747,523 | 94,462,964 | 79,005,989 |
| (+) Current Year Transfer | 7,638,123 | 7,284,559 | 15,456,975 |
| | | - | - |
| Closing Balance | **109,385,646** | **101,747,523** | **94,462,964** |
| **d. General Reserve** | | | |
| Opening Balance | 21,082,871 | 21,082,871 | 21,082,871 |
| (+) Current Year Transfer | - | - | - |
| (-) Written Back in Current Year | - | - | - |
| Closing Balance | **21,082,871** | **21,082,871** | **21,082,871** |
| **e. Other Comprehensive Income** | | | |
| Opening Balance | 1,413,498,266 | 1,626,579,152 | 1,720,514,217 |
| +/(-) Movement in OCI during the Year | -998,358,924 | -213,080,886 | -93,935,065 |
| Closing Balance | **415,139,342** | **1,413,498,266** | **1,626,579,152** |
| **f. Surplus Profit and Loss A/c** | | | |
| Opening balance | 418,731,082 | 395,158,674 | 342,345,575 |
| (+) Net Profit/(Net Loss) For the current year | 87,117,593 | 46,092,122 | 76,274,581 |
| (-) Transfer to Non Controlling Interest | 23,744,600 | 4,678,020 | -488,778 |
| (-) Dividends Payment | 8,365,080 | 8,365,080 | 6,970,900 |
| (-) Dividend Tax Payment | 1,719,467 | 1,719,467 | 1,419,111 |
| (-) Transfer to Statutory Reserves (RBI Regulations) | 7,638,123 | 7,284,559 | 15,456,975 |
| (-) Provision for Standard Assets (RBI Regulations) | 1,567,737 | 472,589 | 103,274 |
| Closing Balance | **462,813,668** | **418,731,081** | **395,158,674** |
| **Total** | **1,089,062,527** | **2,035,700,741** | **2,217,924,661** |

## Note 21 EMPLOYEE BENEFIT EXPENSES

| Particulars | 31.03.2020 | 31.03.2019 |
|---|---|---|
| | ₹ | ₹ |
| Salaries | 2,508,095 | 2,301,900 |
| Bonus | 230,600 | 161,850 |
| Dearness Allowance | 124,800 | 111,475 |
| House Rent Allowance | 120,000 | 122,100 |
| Graduity Expenses | 440,000 | - |
| Contribution to Provident Fund | 207,581 | 198,409 |
| Directors' Remuneration | 2,400,000 | 2,400,000 |
| Directors' Sitting Fees | 120,000 | 66,112 |
| Staff welfare expenses | 442,465 | 277,802 |
| **Total** | **6,593,541** | **5,639,648** |

## Note 22 FINANCE COST

| Particulars | 31.03.2020 | 31.03.2019 |
|---|---|---|
| | ₹ | ₹ |
| Interest expense | | |
| Interest on Loans | 89,776,077 | 97,750,419 |
| Interest on Bank Overdraft | 4,297,416 | 2,450,139 |
| Other Financial Expenses | | |
| Loan Processing Fees | 206,500 | - |
| **Total** | **94,279,993** | **100,200,558** |

## Note 23 OTHER EXPENSES

| Particulars | 31.03.2020 | 31.03.2019 |
|---|---|---|
| | ₹ | ₹ |
| Auditors' Remuneration | 85,000 | 112,570 |
| Business Promotion Expenses | 526,464 | 636,293 |
| Bad Debts | 2,342,512 | |
| Conveyance | 497,232 | 588,581 |
| Corporate Social Responsibility Expenes | - | 1,052,000 |
| Demat and Depository Expenses | 674,359 | 744,190 |
| Electricity Expenses | 543,344 | 511,376 |
| Professional & Legal Expenses | 8,456,281 | 2,337,348 |
| Listing Fees | 300,000 | 295,000 |
| Membership & Subscriptions | 127,680 | 101,208 |
| Motor Car Exp | 98,527 | 383,920 |
| Office Expenses | 239,299 | 202,309 |
| Postage,Courier& Telephone Expenses | 300,509 | 488,466 |
| Printing and Stationery Expenses | 305,338 | 432,130 |
| Publishing Expenses | 145,157 | 207,857 |
| Rent, Rates & Taxes | 1,013,778 | 873,612 |
| Repairs and Maintenance Expenses | 540,051 | 541,831 |
| Registrar and Share Transfer Expenses | 205,051 | 275,983 |
| Travelling Expenses | 2,033,950 | 1,942,491 |
| Stock Exchange Expenses | 255,572 | 461,961 |
| Sundry Expenses | 509,521 | 558,527 |
| Conciliation Award Compensetion | 200,000,000 | 30,000,000 |
| **Total** | **219,199,626** | **42,747,653** |

24 In the opinion of the Directors balances in Loans and Advances & Current Assets Debtors and Creditors have a 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 loans and liabilities adequate. Balances in Debtors, Creditors, Loans, and advances and current assets are subject to confirmation & reconciliation.

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

| **Particulars** | 31.03.2020 | 31.03.2019 |
|---|---|---|
| | ₹ | ₹ |
| As Auditors | 85,000 | 85,000 |
| Other Professional Services | 0 | 27,570 |
| | **85,000** | **112,570** |

26 Earning per share is calculated as under:

| **Particulars** | **31.03.2020** | **31.03.2019** |
|---|---|---|
| ***Basic earning per share*** | ₹ | ₹ |
| Net profit after Taxation | 87,117,593 | 46,092,122 |
| Number of shares issued (Nominal Value RS.10) | 69,709,000 | 69,709,000 |
| Basic earning per share | 1.25 | 0.66 |
| ***Diluted earning per share*** | | |
| Net profit after Taxation | 87,117,593 | 46,092,122 |
| Number of shares issued (Nominal Value RS.10) | 69,709,000 | 69,709,000 |
| Diluted earning per share | 1.25 | 0.66 |

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| Directors' Remuneration | **31.03.2020** | **31.03.2019** |
|---|---|---|
| | ₹ | ₹ |
| Within the limits of Schedule V to the Companies Act 2013. | 2,400,000 | 2,400,000 |

28 The Company is mainly engaged in the business of providing finance and dealing in shares and securities. All other activities of the Company revolve around the main business, and as such in the opinion of the management, there is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.
The Company operates in single segment only. There are no operations outside India and hence there is no external revenue or assets which require disclosure.

29 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.

30 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 assts; and there is no necessity as to impairment / write down provision in the accounts.

31 Disclosure of Provisions as required by IND-AS-37 is as under:

| Particulars | Opening Balance | Additional provisions during the year | Amount Used & Unused amount reversed during the year | Closing Balance |
|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ |
| Income-tax | 13,700,000 | 18,125,000 | 0 | 31,825,000 |

32 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 | **31.03.2020** | **31.03.2019** |
|---|---|---|
| | | |
| Ashtavinayak Infatech Private Limited | 12,941,496 | 2,162,795 |
| Istaa Fashions Private Limited | 4,091,208 | 1,396,603 |
| Sagar Systech Limited | 201,197 | 1,800,000 |

**Maximum outstanding during the Year**

| NAME OF THE COMPANY | **31.03.2020** | **31.03.2019** |
|---|---|---|
| | | |
| Ashtavinayak Infatech Private Limited | 29,000,000 | 20,378,082 |
| Istaa Fashions Private Limited | 16,000,000 | 75,000,000 |
| Sagar Systech Limited | 2,043,397 | 400,000 |

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

| Particulars | Opening Stock | Purchases | Sales | Closing Stock |
|---|---|---|---|---|
| Shares (Qty in Nos.) | 5,247,846 | 177,428 | 881,603 | 4,543,671 |

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

34 As per Ind AS 24 on 'Related party disclosures', the related parties of the Company are as follows:

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

**B Transactions during the year with related parties:**

| Nature of Transactions | | KMP | Entity controlled by KMP/ Relative of KMP | Entity managed by KMP/ Relative of KMP | Total |
|---|---|---|---|---|---|
| Net Loans & advances given/(returned) | - | | 6,226,119 | | 6,226,119 |
| Interest income | - | | 3,912,450 | | 3,912,450 |
| Net Loans & advances returned (taken) | | (18,271,722) | | | (18,271,722) |
| Interest paid | | (866,302) | | | (866,302) |
| CSR Expenditure | | | | - | 0 |
| **Closing Balance** | | | | | 0 |
| Loans and Advances(31.3.2020) | | (30,183,401) | 64,529,161 | - | 34,345,760 |
| Loans and Advances(31.3.2019) | | (11,045,377) | 54,390,592 | - | 43,345,215 |
| Remuneration paid to KMP | | 1,998,600 | | | 1,998,600 |

**C Balance as at 31st March, 2020**

| Particulars | Relationship | 31.03.2020 | 31.03.2019 |
|---|---|---|---|
| **Loans and advances given/(taken)** | | | |
| Sagar Systech Ltd. | Entity controlled by KMP and/or his relatives | 201,197 | 1,800,000 |
| Ashtavinayak Infra Tech Pvt. Ltd. | | 12,941,496 | 2,162,795 |
| Istaa Fashions Pvt. Ltd. | | 4,091,208 | 1,396,603 |
| Istaa Infotech Pvt.Ltd. | | 47,295,260 | 49,031,194 |
| Meena Babu (Credit Balance) | KMP | (45,377) | (11,045,377) |
| Mukesh Babu (Credit Balance) | KMP | (30,138,024) | 0 |

35 Income and Expenses in Foreign Currency:

| 31.03.2020 | 31.03.2019 |
|---|---|
| NIL | NIL |

36 **CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

| Particulars | 31.03.2020<br>₹ | 31.03.2019<br>₹ |
|---|---|---|
| **A. Contingent Liabilities** | | |
| (1) Claims against the company not acknowledged as debt | - | - |
| (2) Guarantees | - | - |
| (3) Other money for which the company is contingently liable | - | - |
| Sub Total (A) | - | - |
| **B. Commitments** | | |
| (1) Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |
| (2) Uncalled liability on shares/other investments partly paid | - | - |
| (3) Other commitments (specify nature) | - | - |
| Sub Total (B) | - | - |
| Total (A+B) | | |

37 **SPECIFIC DISCLOSURES**

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

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

38 **CORPORATE SOCIAL RESPONSIBILITY (CSR)**
During the year 2019-20 conpany did not have any obligation to spend or invest under Corprate Social Responsibility.

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 |
|---|
| 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 | | | |
|---|---|---|---|
| Name of Assets | Realisable Value | Value in Balance Sheet | Opinion of Board |
| | | None | |

39 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the

40 The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are

41 The previous year's figures are regrouped / rearranged / reclassified wherever considered necessary to correspond with the

42 As required by paragraph 32 of 'Ind AS' - 101 net profit and Equity reconciliation between the figures reported under Previous GAAP and 'Ind-AS' is as under: (Rupees in lakhs)

| **Particulars** | **31/03/2019** | **31/03/2019** |
|---|---|---|
| | **Profit** | **Equity** |
| Net Profit after Tax /Equity as reported Under Previous GAAP | 460.92 | 6,222.02 |
| Adjustments: | | |
| 1. Effect of Fair Valuation of Stock of Shares | -873.11 | 14,052.94 |
| 2. Effect of Fair Valuation of Financial Assets (Quoted Investment) | -1,676.62 | 4,483.52 |
| 3. Net Tax Effect on Defrred Tax | 418.92 | -4,401.47 |
| Other Comprehensive Income, Net of the Tax / Net Change in Equity | -2,130.81 | 14,134.99 |
| **Total Comprehensive Income / Equity** | **-1,669.89** | **20,357.01** |

43 Disclosure of details as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

| | 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 from Other Bank & NBFC Secured | 308,972,279 | NIL |
| | b. Loan from Other NBFC Unsecured | 617,481,626 | |
| | c. Loans from Directors | 30,183,401 | |
| 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 | 1,095,227,843 | |
| 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 Trem Investments : | | |
| | 1 Quoted : (At Fair Market Value) | | |
| | (i) Shares : (a) Equity | 144,064,442 | |
| | (b) Preference | | |
| | (ii) Units of Mutual Funds | 0 | |
| | 2 Unquoted : | | |
| | (i) Shares : (a) Equity | 0 | |
| | (b) Preference | 25,768,119 | |
| | (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 | 0 | 0 |
| b. Other Related Parties | 0 | 0 |
| 2. Other than Related Parties | 448,832,561 | 448,832,561 |
| **Total** | 448,832,561 | 448,832,561 |

| | | |
|---|---|---|
| 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 |

42 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.

**UDIN 20035809AAAAAX8874**

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

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

**Place : Mumbai**
**Date : 30th June 2020**

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

**Mukesh Babu**
**Managing Director**
**DIN:00224300**

**Meena Babu**
**Director**
**DIN:00799732**

**Mahesh Thakar**
**Chief Financial Officer**

**Manasi Dalal**
**Company Secretary**
**ACS: 54690**

**Place : Mumbai**
**Date : 30th June 2020**

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223, Nariman Point
Mumbai - 400021