Mukesh Babu Financial Services Ltd.

CIN : L65920MH1985PLC035504

Ref: MBFSL/BSE/2021-22/22 **3rd September 2021**

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

Dear Sir/Madam,

Sub: Notice of 36th Annual Meeting to be held on Wednesday, 29th September 2021 & Annual Report 2020-21

Security Code: 530341 **ISIN: INE596B01017**

This is to inform that the 36th Annual General Meeting (AGM) of Mukesh Babu Financial Services Limited ('the Company') is scheduled to be held on Wednesday, 29th September 2021 at 4.00 p.m. through Video Conferencing.

In terms of the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice of the ensuing 36th AGM of the Company and Annual Report for the financial year 2020-21.

The aforesaid Annual Report is also uploaded on the website of the Company i.e. http://www.mbfsl.com.

We request you to take the same on your records.

Thanking you.

Yours faithfully,

For Mukesh Babu Financial Services Limited

MUKESH BABU FINANCIAL SERVICES LTD. MUMBAI

Nupur Chaturvedi
Company Secretary, Group Head - Legal & Compliance
ACS 30139

111, MAKER CHAMBERS III, 223, NARIMAN POINT, MUMBAI - 400 021. INDIA
TEL.: (91-22) 2283 4462, 2284 4015 FAX : (91-22) 2202 5167 e-mail : info@mukeshbabu.com

Mukesh Babu Financial Services Ltd.



36th Annual Report
2020-21

MUKESH BABU FINANCIALS SERVICES LIMITED

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER
Mr. Mahesh Thakar

COMPANY SECRETARY
Ms. Nupur Chaturvedi (Appointed w.e.f 29th June, 2021)

MAIN BANKERS
HDFC Bank
ICICI Bank

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

INTERNAL AUDITOR
V. R. Pandya & Co.
212 Senapati Bapat Marg,
Opp. Dadar West Railway Station,
Above Laxmi Vijay Lodge
Mumbai- 400028

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

Contents

Notice 1

Director's Report 19

Annexure-A .....

Form No.AOC-1 33

Annexure -B .....

Form No. AOC-2 34

Annexure –C .....

Annual Report on CSR Activities 35

Annexure –D .....

Secretarial Audit Report 39

Secretarial Audit Report of the Subsidiary 42

Annexure -E .....

Secretarial Compliance Report 45

Annexure – F .....

Form No. MGT 9- Extract of the Annual Return 48

Annexure- G .....

Disclosures under Section 197(12) of the Companies Act, 2013 63

Annexure -H .....

Corporate Governance Report 65

Annexure –I .....

Auditors Certificate on Corporate Governance Report 86

Annexure -J .....

Management Discussion and Analysis 88

Annexure- K .....

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification 90

Annexure – L .....

No Disqualification Certificate from Company Secretary in Practice 91

Independent Auditor's Report on Standalone Financial Statements 92

Standalone Financial Statements with Notes 101

Independent Auditor's Report on Consolidated Financial Statements 121

Consolidated Financial Statements with Notes 127

Notice

NOTICE is hereby given that the THIRTY-SIXTH ANNUAL GENERAL MEETING of the Members of MUKESH BABU FINANCIAL SERVICES LIMITED (the "Company") will be held on **Wednesday, September 29, 2021 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 the Audited Financial Statements and Reports of the Directors and the Auditors thereon for the financial year ended March 31, 2021:

   To receive, consider and adopt the audited financial statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

2. Declaration of dividend for the Financial Year 2020-21:

   To declare dividend @ Rs.1.20 (Rupee One and Paise Twenty only) per Equity Share for the year ended March 31, 2021.

3. Appointment of Director:

   To appoint a Director in place of Mrs. Meena Mukesh Babu (DIN:00799732), who retires by rotation and being eligible offers herself for re-appointment.

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

Nupur Chaturvedi
Company Secretary, Group Head-Legal & Compliance

Mumbai, 13th August 2021

Registered Office:

Mukesh Babu Financial Services Limited
111, Maker Chamber III,
223, Nariman Point,
Mumbai – 400021

NOTES:

1. The Ministry of Corporate Affairs, Government of India (the "MCA") in terms of the General Circular No.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20 2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (the "MCA Circulars") and SEBI vide its circulars dated May 12, 2020 and January 15, 2021 on "Additional relaxation in relation to compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015- COVID-19 pandemic" (SEBI Circulars) in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing and the continuing restriction on movement of persons at several places in the country, has allowed Companies to conduct their Annual General Meeting through Video Conferencing (VC) or other audio visual means (OAVM), without the physical presence of the Members at a common venue, subject to the fulfilment of conditions as specified in the MCA Circulars. In compliance with the provisions of the Companies Act, 2013 and MCA Circulars, SEBI Circulars, the AGM of the Company is being held through VC / OAVM.

2. In accordance with Secretarial Standard on General Meetings SS-2 issued by the Institute of Company Secretaries of India (ICSI) read with clarifications/Guidance on applicability of SS-2 dated April 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company at 111, Maker Chamber III, 223, Nariman Point, Mumbai – 400021which shall be the deemed venue of the AGM.

3. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with and there is no provision for appointment of proxy. Accordingly, the facility for appointment of proxies by the Members under section 105 of the Companies Act, 2013 will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. 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.

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

6. Quorum: The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

7. In terms of the MCA circulars, the financial statements (including Board's report, Auditor's report and other documents required to be attached therewith) / Annual Report for the financial year 2020-21 and AGM Notice are being sent to the shareholders whose email addresses are registered with the Company or with the depository participant/ depository. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.mbfsl.com and the website of the Stock Exchange, i.e. BSE Limited at www.bseindia.com.The detailed process for registration of email address of the shareholders whose email address is not registered with the Company or depository participants / depository is forming part of this Notice.

8. As per the MCA Circulars, the Shareholders may also note that the Company would not be sending the Annual Report for the financial year 2020-21 and AGM notice by post to the shareholders whose email address is not registered with the Company or depository participants/depository.

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

10. The Register of Members and the Share Transfer Books of the Company will remain closed from 18th September 2021 to 29th September 2021 (both days inclusive).

REGISTRATION OF EMAIL ID:

11. 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"):

12. 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.

PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

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

    Open the internet browser and launch the URL: https://instameet.linkintime.co.in.

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

    A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▸Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

14. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the secretarial@mukeshbabu.com 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.

15. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.

16. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

17. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

18. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

    Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:

19. Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

20. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".

21. Enter your 16 digit 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'.

22. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

23. 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'.

24. 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.

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

    Note: Shareholders/ 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. Shareholders/ 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.
    Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

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

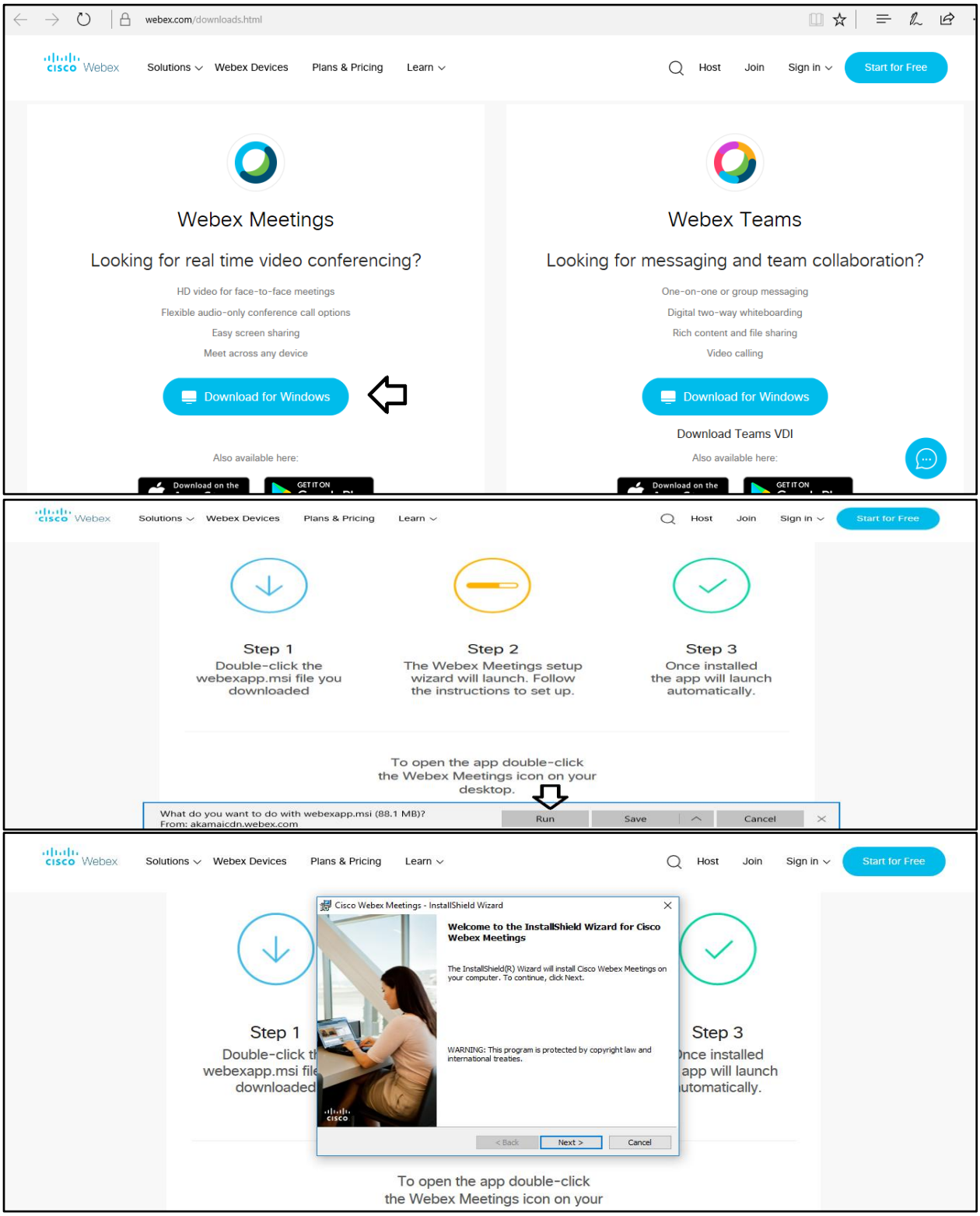
    Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

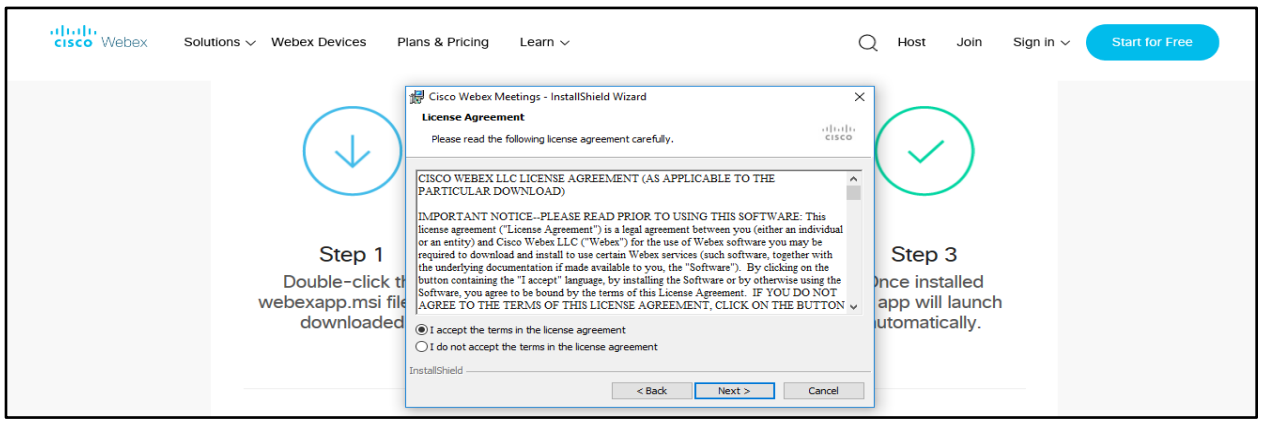
    In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

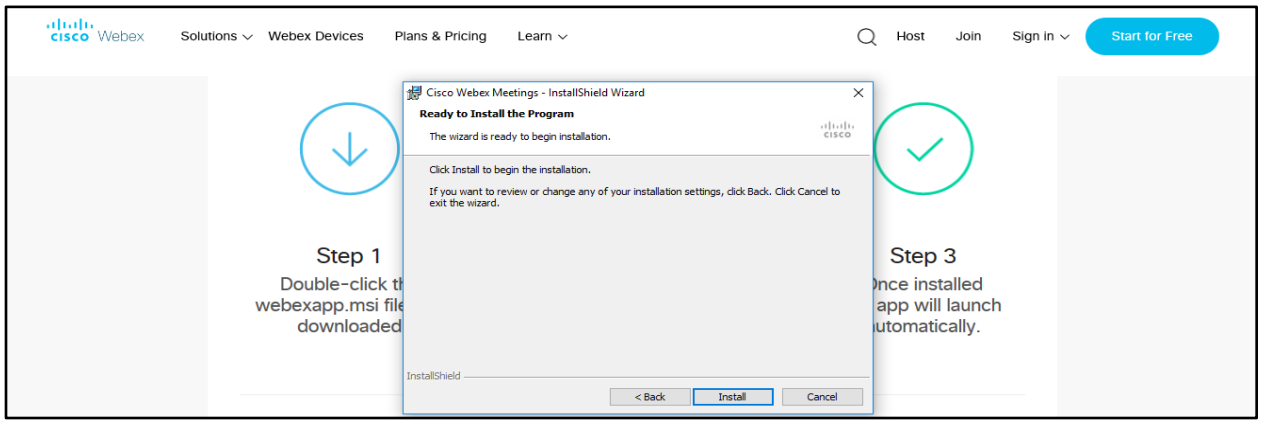
    GUIDELINES TO ATTEND THE AGM PROCEEDINGS OF LINK INTIME INDIA PVT. LTD.: INSTAMEET

26. 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/;



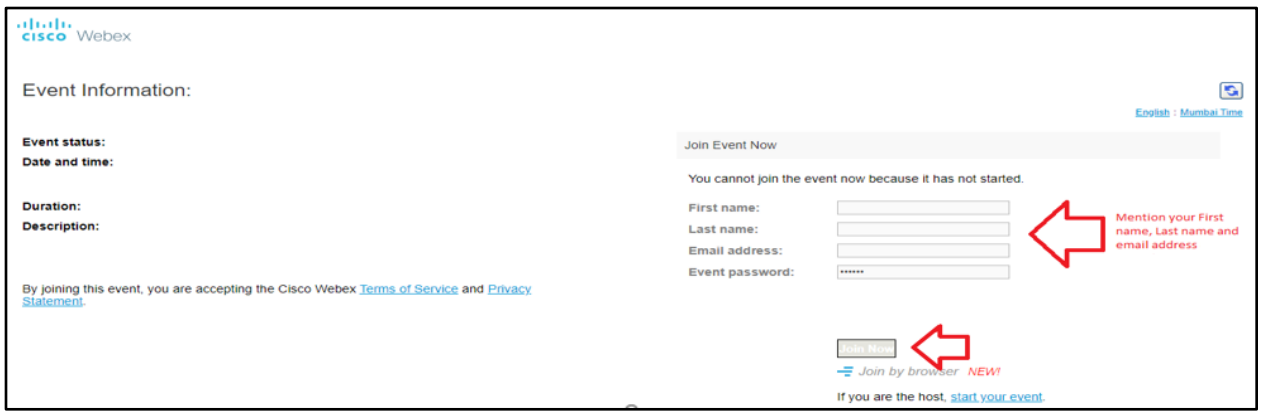




or

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.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. 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



27. The instructions for remote e-voting are as under:

i. The voting period begins on 25th September 2021 at 10:00 am and ends on 28th September 2021 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 **22nd September 2021**, may cast their vote electronically. The voting module shall be disabled by Link Intime for voting thereafter.

ii. Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9thJune, 2021.

iii. Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

iv. Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/

	either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration. • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.

	Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▸ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - **A. User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▸ Set the password of your choice (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). ▸ Click "confirm" (Your password is now generated). 2. Click on 'Login' under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.** 4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon**.** 5. E-voting page will appear.

	6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link). 7. After selecting the desired option i.e. Favour / Against, 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.

v. Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at 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.

vi. Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

- Enter **User ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**

  - In case shareholders/ members are having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - 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.

vii. Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

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

- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

viii. Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	**Helpdesk details**
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

ix. Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders& evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

DIVIDEND RELATED INFORMATION:

28. The dividend for the year ended 31st March 2021 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. 17th September 2021**. 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. 29th September 2021.

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.

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 India 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 chequeleaf. 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:

29. Pursuant to Section 124 & 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended any dividend which remains unpaid or unclaimed for a period of 7 (Seven) years from the date of its transfer to Unpaid Dividend Account is required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government. The Company has therefore transferred unpaid or unclaimed dividends amounting to Rs.2,12,213/- for the financial year ended March 31, 2013 on 4th December 2020 to the IEPF Authority.

30.

i. The unclaimed dividend in respect to the financial year 2013-14 is due for transfer to the IEPF on 5th November, 2021. Members who have not as yet encashed their dividend warrants for the financial year ended 31st March 2014 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 5th November 2021. 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 2013-14 to 2019-20 under Unclaimed Dividend on the website of the Company at www.mbfsl.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 2020-21, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more for the financial year ended March 31, 2013. 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.

31. 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.

32. 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.mbfsl.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.

33. 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.

34. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Link Intime India 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:

35. 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:

36. 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.

37. Nomination Facility

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

38. 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 the shares are dematerialized.

39. 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.mbfsl.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-Sixth AGM of the Company on 29th September, 2021.

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. 29th September 2021.

CONTACT DETAIL:

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

ANNEXURE TO THE NOTICE

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	**Mrs. Meena Mukesh Babu**
Date of Birth	10.11.1957
Age	63
Qualifications	B. Com., M. Com.
Expertise in specific functional areas	Stocks & Shares, Investment Banking & Merchant Banking
Experience	Over 3 decades
Directorship in Other Companies	1.Mukesh Babu Securities Ltd.-MD 2.Sagar Systech Ltd.-MD 3.Bhakti Vedanta Infratech Pvt. Ltd. 4.Ashtavinayak Infra Tech Pvt. Ltd. 5.Istaa Fashions Pvt. Ltd.
Other Companies in which Committee membership/ chairmanship held	None
No. of shares held in the Company as on 31st March 2021	9,50,000 (13.63%)
Relationship with other Directors and/or other KMPs	Wife of Mr. Mukesh Babu, Director on the Board of the Company. She is also one of the Promoters of Mukesh Babu Financial Services Limited

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

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

Nupur Chaturvedi
Company Secretary, Group Head-Legal & Compliance

Mumbai, 13th August 2021

Registered Office:
Mukesh Babu Financial Services Limited
111, Maker Chamber III,
223, Nariman Point,
Mumbai – 400021

Director's Report

Dear Shareholders,

Your Directors have pleasure in presenting the **Thirty-Sixth 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 2021:**

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**
	2020-2021	**2019-2020**	**2020-2021**	**2019-2020**
Income From Operations	38,26,81,208	27,90,45,167	38,17,88,546	27,27,47,518
Other Income	10,44,679	9,29,968	15,03,23,873	15,39,80,794
Total Income	**38,37,25,887**	**27,99,75,135**	**53,21,12,419**	**42,67,28,312**
Profit before Interest, Depreciation & Tax	**18,14,36,040**	**13,62,25,343**	**27,39,77,199**	**20,07,28,644**
Less : Interest	12,82,46,174	8,98,36,005	13,13,53,388	9,40,73,493
Profit Before Depreciation &Income Tax	5,31,89,867	4,63,89,337	14,26,23,811	10,66,55,151
Less : Depreciation	6,73,008	8,04,207	14,51,898	18,96,638
Profit After Depreciation and Interest	**5,25,16,8589**	**4,55,85,130**	**14,11,71,913**	**10,47,58,513**
Less: Current Income Tax	1,48,49,307	80,05,748	47,66,849	1,81,30,748
Less: Deferred Tax	12,40,932	(6,11,234)	13,77,588	(4,89,828)
Net Profit After Taxation	**3,64,26,620**	**3,81,90,616**	**13,50,27,476**	**8,71,17,593**
Less: Transfer to Non-Controlling Interest	0	0	4,77,03,095	2,37,44,600
Less: Dividend	83,65,080	83,65,080	83,65,080	83,65,080
Less: Dividend	0	17,19,467	0	17,19,467

Distribution Tax				
Less: Transfer to Statutory Reserve	72,85,324	76,38,123	72,85,324	76,38,123
Less: Provision for Standard Assets	-15,22,794	15,67,737	-15,22,794	15,67,737
Balance carried to Balance Sheet	**2,22,99,010**	**1,89,00,209**	**7,31,96,771**	**4,40,82,586**
Earnings Per Share (Basic/Diluted)	**5.23**	**5.48**	**19.37**	**12.50**

2. PERFORMANCE REVIEW

During the year under review Income from Operations increased from Rs. 27,90,45,167 to Rs. 38,26,81,208 (**Increase of 37.14%).** Profit before Interest, Depreciation and Tax increased from Rs.13,62,25,343 to Rs.18,14,36,041 (**Increase of 33.19%)** and Profit after Tax decreased from Rs.3,81,90,616 to Rs.3,64,26,620 (**Decrease of 4.62%)** .

3. TRANSFER TO RESERVE

A sum of Rs.72,85,324/- 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.2,22,99,010/- is proposed to be retained in the Profit & Loss account.

4. SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on 31st March 2021 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. DIVIDEND

The Board of Directors has recommended a dividend of Rs.1.20 (Rupee One and Twenty Paise Only) per equity share on face value of Rs.10/- (Rupees Ten each) i.e.12% for the financial year ended 31st March 2021.

The payment of dividend 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. 1stApril 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 **17th September 2021**.

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 2020-21 are as follows:

As on 31st March 2021, 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 2021 is Rs.9,86,00,858/- as compared to net profit of Rs.4,89,26,977/- in the 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 2021 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.mbfsl.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 Covid-19 Pandemic has caused / continues to cause un-precedent disruption in the global economic activities. The corona virus pandemic is a healthcare as well as economic crisis that has shaken the global economy and has forced countries across the globe to take measures to correct under-investment in the healthcare infrastructure. The Company's operations have been classified as 'essential' and the operations of the Company continued unabated albeit with challenges. The Company has initiated various measures and continues to vigorously follow the guidelines issued by local authorities from time to time such as social distancing, masking, sanitization, etc.

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, 2015 the Company has formulated a Policy on Materiality of Related Party Transactions and a Policy on dealing with Related Party Transactions. The Policy is available on the Company's Website at www.mbfsl.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 financial year 2020-21, wherein the Company made a contribution towards CSR amounting to Rs.4,50,000/-.

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.

The CSR Report on the activities undertaken during the year is provided as **Annexure-C** to this report.

15. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with the laws and regulations.

The Company has an internal control system, commensurate with the size of its operations and nature of its business activities and is supported by an internal audit process. 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

Risk management is an integral part of the Company's business strategy that seeks to minimise adverse impact on business objectives and capitalise on opportunities.

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.mbfsl.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.mbfsl.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 2021. The policy is available on the Company's website at www.mbfsl.com.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

(a) Board of Directors:

The strength of the Board has increased from four Directors to six Directors in the year under review with the appointment and regularization of Mr. Manishkumar Nagindas Shah and Mr. Bhavesh Doshi as Independent Director in the Previous AGM. The brief profile of the Directors is as below:

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 the Chairman of Corporate Social Responsibility Committee. He is a member of the Audit Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, and 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 and Corporate Social Responsibility 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 of the Company. 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) and Mr. Bhavesh Doshi (DIN:03194930) as an Independent Director on the Board of the Company at the Board Meeting held on 28th August 2020 and their appointment has been confirmed in the last Annual General Meeting of the Company. There has been no change in the Directors of the Company since the last Annual Report.

(c) Retirement by rotation:

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

(d) Key Managerial Personnel:

The Board of Directors of the Company in their meeting held on 29.06.2021 has appointed Ms. Nupur Chaturvedi as the Company Secretary of the Company in place of Ms. Manasi Dalal who has resigned from her post.

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. Nupur Chaturvedi – Company Secretary & Compliance Officer

20. BOARD AND COMMITTEES

During the year ended 31st March 2021, 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

(a) 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.

(b) 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 through which the Board satisfy itself with regard to integrity, expertise and experience (including the proficiency) of the independent directors appointed in the Company.

(c) 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.mbfsl.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 Clause VIII of Schedule IV to the Companies Act, 2013 and the requirements laid down under Schedule II on Corporate Governance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Nomination and Remuneration

Committee has framed Policy for evaluation of performance of the Board, its committees and individual Directors. The Policy inter alia provides the criteria for evaluation of performance such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking and relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

During the year under review, a meeting of Independent Directors was held on 30th June 2020 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.mbfsl.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.mbfsl.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 2021, 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 2021 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 held on 30th June 2020 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

2020-21. The consent of the Secretarial Auditor to undertake the secretarial audit for the financial year ended 31st March 2021 has been received by the Company.

The Secretarial Audit Report of the Company and its material unlisted subsidiary Mukesh Babu Securities Limited is annexed to this report as **Annexure – D**.

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 Compliance Report of Mukesh Babu Securities Limited and its material unlisted subsidiary Mukesh Babu Securities Limited for the financial year ended 31st March, 2021 is provided as **Annexure – E**.

Reporting of Frauds by Statutory Auditors

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

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 134(3)(a), the annual return referred to in sub-section (3) of section 92 has been placed on the website of the Company at www.mbfsl.com. For the convenience of the stakeholders, the Extract of the Annual Return in the old format MGT-9 is also provided this year as **Annexure – F**.

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 - G** to this report.

During the year under review, the Company does not have any employee who is drawing remuneration of Rs.1,02,00,000/- per annum or Rs.8,50,000/- 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 – H** and forms part of the Annual Report. Auditors` Certificate on Corporate Governance from Statutory Auditors of the Company is annexed in **Annexure – I**.

The Certificate on Compliance with Code of Conduct duly signed by the Managing Director of the Company for the year ended 31st March 2021 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 annexed to this Report as **Annexure – J**, 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 2020-21 and Notice of the 36th 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 General Circular No.14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20 2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 (the "MCA Circulars") for any physical delivery of AGM Notice and Annual Report of the Company.

Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.mbfsl.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 – K**.

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 Practicing Company Secretary is appended to this Report in **Annexure - L.**

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, Bombay Stock Exchange, 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 of
MUKESH BABU FINANCIAL SERVICES LIMITED

Mukesh Babu
Chairman & Managing Director
DIN: 00224300

Meena Babu
Director
DIN: 00799732

Date: 13th August 2021
Place: Mumbai

Annexure-A

Form No.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, 2020 to March 31, 2021
Reporting currency	Rupees
Share Capital	5,00,00,000
Other Equity (Includes Other Comprehensive Income)	45,74,25,101
Total Assets	35,48,43,053
Total Liabilities	5,26,06,638
Investments (At Realisable Value)	20,51,88,686
Turnover (Gross Receipt)	14,92,79,194
Profit Before Taxation	8,86,55,056
Profit After Taxation	9,86,00,858
Proposed Dividend	0
% shareholding	51.62%

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

MUKESH BABU
Managing Director
(DIN: 00224300)

MEENA BABU
Director
(DIN: 00799732)

Date: 13th August 2021
Place: Mumbai

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 2020-21.

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: 13th August 2021
Place: Mumbai

Annexure –C

Annual Report on CSR Activities to be included in the Director's Report

1. Brief outline on CSR Policy of the Company:

   The CSR Policy of the Company is the guiding document to optimally allocate, manage and supervise prescribed CSR funds of the Company. The CSR initiatives undertaken by the Company as per the policy mainly focus on providing education especially among children, women, elderly and the differently-abled; eradicating hunger, poverty and malnutrition; promoting health care.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vijay Vora	Independent Director	1	1
2.	Mr. Mukesh Babu	Executive Director	1	1
3.	Mrs. Meena Mukesh Babu	Non-executive Director	1	1
4.	Mr. Pankaj Majithia	Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://mbfsl.com/corporate-governance-policies/.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)- **N.A.**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Nil**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
	Total		

6. Average net profit of the company as per section 135(5). **Rs. 2,21,37,791**

7.

a) Two percent of average net profit of the company as per section 135(5) : **Rs. 4,42,756**
b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **0**
c) Amount required to be set off for the financial year, if any: **0**
d) Total CSR obligation for the financial year (7a+7b-7c)- **Rs. 4,42,756**

8.

a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**		
	Amount.	**Date of transfer.**	**Name of the Fund**	**Amount.**	**Date of transfer.**
4,50,000	**0**	**N.A**	**-**	**-**	**N.A**

b) Details of CSR amount spent against ongoing projects for the financial year: **Nil**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project.**		**Project duration**	**Amount allocated for the project (in Rs.)**	**Amount spent in the current financial Year (in Rs.)**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)**	**Mode of Implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**						**Name**	**CSR Registration number**
1.												
	Total											

c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area (Yes/ No)**	**Location of the project.**		**Amount spent for the project (in Rs.)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR registration number**
1.	School Education	ii	Yes	Maharashtra, Dahanu		4,50,000	No	C L Babu Foundation	CSR00010937
	Total					**4,50,000**			

d) Amount spent in Administrative Overheads-**0**

e) Amount spent on Impact Assessment, if applicable-**0**

f) Total amount spent for the Financial Year (8b+8c+8d+8e)- **4,50,000**

g) Excess amount for set off, if any- **Nil**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9.

a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	**Amount (in Rs).**	**Date of transfer.**	
1							
	Total						

b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project duration**	**Total amount allocated for the project (in Rs.)**	**Amount spent on the project in the reporting Financial Year (in Rs)**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing**
1								
2								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details)- NIL**
    a) Date of creation or acquisition of the capital asset(s).
    b) Amount of CSR spent for creation or acquisition of capital asset.
    c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
    d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- **Not applicable**

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

Mukesh Babu
Managing Director
(DIN: 00224300)

Vijay Vora
Chairman CSR Committee

Date: 13th August 2021
Place: Mumbai

Annexure –D

Secretarial Audit Report
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021
[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 2021. 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 2021 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 2021 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 the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Place: Mumbai
Date: 13th August, 2021

FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES

V. V. CHAKRADEO
COP 1705 FCS 3382
UDIN:F003382C000782281

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 of Secretarial Audit Report

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

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

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

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

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

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

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

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

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

Place: Mumbai
Date: 13th August, 2021

FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES

V. V. CHAKRADEO
COP 1705 FCS 3382

Secretarial Audit Report of the Subsidiary
FORM NO. MR-3
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021
[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 2021. 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 2021 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 2021 according to the provisions of:

x) The Companies Act, 2013 ('the Act') and the rules thereunder;
xi) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment; (to the extent applicable)
xii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the rules made there under;(to the extent applicable)
xiii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
xiv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):-(to the extent applicable)
    e. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2013;
    f. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    g. 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;(to the extent applicable)
    h. The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.(to the extent applicable)

xv) All applicable Labour Laws;
xvi) Bombay Shop & Establishment Act,1948;
xvii) Indian Contract Act,1872;
xviii) Income Tax Act, 1961 and Indirect Tax Laws.

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

iii. Secretarial Standards issued by the Institute of Company Secretaries of India.
iv. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.(to the extent applicable)

We further report that:

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

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

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

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

Place: Mumbai
Date: 13th August, 2021

FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES

V. V. CHAKRADEO
COP 1705 FCS 3382
UDIN:F003382C000784140

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 of the Secretarial Audit Report

To,
The Members,
Mukesh Babu Securities Limited,
Mumbai

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

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

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

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

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

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

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

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

Place: Mumbai
Date: 13th August, 2021

FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES

V. V. CHAKRADEO
COP 1705 FCS 3382

Annexure -E

Secretarial Compliance Report

Secretarial Compliance Report of the Mukesh Babu Financial Services Limited and its material unlisted subsidiary for the Year Ended 31st March, 2021

I have examined:

(a) all the documents and records made available to us and explanation provided by **Mukesh Babu Financial Services Limited**("the listed entity") and its material unlisted subsidiary **Mukesh Babu Securities Limited**;
(b) the filings/ submissions made by the listed entity to the stock exchange;
(c) website of the listed entity;
(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the year ended 31st March 2021 ("Review Period") in respect of compliance with the provisions of:

(a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

(b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018**:NA**
(e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014**:NA**
(f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008**: NA**
(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013**:NA**.
(h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(i) and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1.	Regulation 17(1) of SEBI (LODR) Regulations, 2015 Board of Directors shall have an optimum combination of executive and non-executive Directors with at least One Woman Director and not less than 50% of the Board of Directors shall comprise of Non-Executive directors	Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director	As on 31st March, 2021, the Listed entity has complied with the relevant provisions.

(b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (*including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
1.	BSE	Regulation 17(1) of SEBI (LODR) Regulations, 2015	Fine of Rupees 5,36,900 including GST vide email dated 20.08.2020 for quarter ended June 30, 2020 and fine of 3,42,200 including GST	Due to ongoing Covid pandemic, the Listed entity was unable to comply with the said provisions. However, the Listed entity has paid the penalties within due

			vide email dated 17.11.2020 for quarter ended September 30, 2020	time and also made an application to BSE for the waiver of these penalties. The Listed Entity is in receipt of waiver of these Penalties from BSE vide email dated 16.04.2021.

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
Not Applicable				

Place: Mumbai
Date: 26th June 2021

FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES

V. V. CHAKRADEO
COP 1705 FCS 3382
UDIN: F003382C000520272

Annexure – F

Form No. MGT 9- Extract of the Annual Return
Financial Year ended 31st March 2021
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, Vikhroli (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 ISIN : INE596B01017										
Sr. No.	**Category of Shareholders**	**Shareholding at the beginning of the year - 2020**				**Shareholding at the end of the year - 2021**				**% 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	4,381,600	-	4,381,600	62.86	4,381,600	-	4,381,600	62.86	0.00
(b)	Central Government / State Government (s)	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Any Other (Specify)	-	-	-	0.00	-	-	-	0.00	0.00
	Sub Total (A)(1)	**4,381,600**	**-**	**4,381,600**	**62.86**	**4,381,600**	**-**	**4,381,600**	**62.86**	**0.00**
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	0.00	-	-	-	0.00	0.00
(b)	Government	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Institutions	-	-	-	0.00	-	-	-	0.00	0.00

(d)	Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Any Other (Specify)			-						
	Sub Total (A)(2)	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group(A)= (A)(1)+(A)(2)	**4,381,600**	**-**	**4,381,600**	**62.86**	**4,381,600**	**-**	**4,381,600**	**62.86**	**0.00**
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	-	-	-	0.00	-	-	-	0.00	0.00
(b)	Venture Capital Funds	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Alternate Investment Funds	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Foreign Venture Capital Investors	-	-	-	0.00	-	-	-	0.00	0.00
(e)	Foreign Portfolio Investor	-	-	-	0.00	-	-	-	0.00	0.00
(f)	Financial Institutions / Banks	-	-	-	0.00	-	-	-	0.00	0.00
(g)	Insurance Companies	-	-	-	0.00	-	-	-	0.00	0.00
(h)	Provident Funds/ Pension Funds	-	-	-	0.00	-	-	-	0.00	0.00
(i)	Any Other (Specify)			-						
	Sub Total (B)(1)	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**
[2]	Central Government / State	-	-	-	0.00	-	-	-	0.00	0.00

	Government (s)/ President of India									
	Sub Total (B)(2)	**-**	**-**	**-**	**0.00**	**-**	**-**	**-**	**0.00**	**0.00**
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	278,312	148,800	427,112	6.13	267,684	132,400	400,084	5.74	-0.39
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	628,790	190,000	818,790	11.75	747,822	35,300	783,122	11.23	-0.51
(b)	NBFCs registered with RBI	-	-	-	0.00	-	-	-	0.00	0.00
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	0.00	-	-	-	0.00	0.00
(c)	Any Other (Specify)			-	0.00			-	0.00	0.00
	IEPF	87,300	-	87,300	1.25	92,700	-	92,700	1.33	0.08
	Hindu Undivided Family	66,484	-	66,484	0.95	91,980	-	91,980	1.32	0.37
	Non Resident Indians (Non Repat)	14,201	-	14,201	0.20	13,988	-	13,988	0.20	0.00
	Non Resident Indians (Repat)	10,188	56,500	66,688	0.96	11,875	48,900	60,775	0.87	-0.08
	Overseas	-	32,900	32,900	0.47	-	32,900	32,900	0.47	0.00

	Bodies Corporates									
	Clearing Member	11	-	11	0.00	-	-	-	0.00	0.00
	Bodies Corporate	1,073,914	1,900	1,075,814	15.43	1,111,851	1,900	1,113,751	15.98	0.54
	Sub Total (B)(3)	2,159,200	430,100	2,589,300	37.14	2,337,900	251,400	2,589,300	37.14	0.00
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	2,159,200	430,100	2,589,300	37.14	2,337,900	251,400	2,589,300	37.14	0.00
	Total (A)+(B)	6,540,800	430,100	6,970,900	100.00	6,719,500	251,400	6,970,900	100.00	0.00
(C)	Non Promoter - Non Public									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	-	-	-	0.00	-	-	-	0.00	0.00
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	0.00	-	-	-	0.00	0.00
	Total C=C[1]+C[2]	-	-	-	0.00	-	-	-	0.00	0.00
	Total (A)+(B)+(C)	**6,540,800**	**430,100**	**6,970,900**	**100.00**	**6,719,500**	**251,400**	**6,970,900**	**100.00**	**0.00**

Mukesh Babu Financial Services Limited ISIN : INE596B01017							
MGT-9 III. Change in Promoter's Shareholding							
Sr. No.		Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year – 2021	
	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	MUKESH C BABU	3,431,600	49.23%			3,431,600	49.23%
	AT THE END OF THE YEAR					3,431,600	49.23%
2	MEENA MUKESH BABU	950,000	13.63%			950,000	13.63%
	AT THE END OF THE YEAR					950,000	13.63%

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 69,70,900 Shares.
2. The detail of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

SR No.	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS_DATE
1	MUKESH C BABU	IN30047643377899	AABPB9901C	3,431,600	31/03/2020
2	MUKESH C BABU	IN30047643377899	AABPB9901C	3,431,600	31/03/2021
3	MEENA MUKESH BABU	IN30047643369067	AAFPB1958F	950,000	31/03/2020
4	MEENA MUKESH BABU	IN30047643369067	AAFPB1958F	950,000	31/03/2021

Mukesh Babu Financial Services Limited								
Sr .No.	**Shareholder's Name**	**Shareholding at the beginning of the year - 2020**			**Shareholding at the end of the year - 2021**			
		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	34,31,600	49.227%	0.000%	34,31,600	49.227%	0.000%	0.000%
2	MEENA MUKESH BABU	9,50,000	13.628%	0.000%	9,50,000	13.628%	0.000%	0.000%
	Total	43,81,600	62.855%	0.000%	43,81,600	62.855%	0.000%	0.000%

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 - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
	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	325653	4.6716			325653	4.6716
	Transfer			10 Apr 2020	(25)	325628	4.6712
	Transfer			17 Apr 2020	178	325806	4.6738
	Transfer			24 Apr 2020	850	326656	4.6860
	Transfer			01 May 2020	200	326856	4.6889
	Transfer			15 May 2020	479	327335	4.6957
	Transfer			22 May 2020	573	327908	4.7040
	Transfer			29 May 2020	900	328808	4.7169
	Transfer			05 Jun 2020	1659	330467	4.7407
	Transfer			12 Jun 2020	2000	332467	4.7694
	Transfer			03 Jul 2020	2978	335445	4.8121
	Transfer			10 Jul 2020	3624	339069	4.8641
	Transfer			31 Jul 2020	(50000)	289069	4.1468
	Transfer			07 Aug 2020	50427	339496	4.8702
	Transfer			14 Aug 2020	140	339636	4.8722
	Transfer			21 Aug 2020	553	340189	4.8801
	Transfer			18 Sep 2020	250	340439	4.8837
	Transfer			30 Sep 2020	3	340442	4.8838
	Transfer			09 Oct 2020	1658	342100	4.9075
	Transfer			23 Oct 2020	418	342518	4.9135
	Transfer			06 Nov 2020	67	342585	4.9145
	Transfer			20 Nov 2020	400	342985	4.9202
	Transfer			27 Nov 2020	2730	345715	4.9594
	Transfer			04 Dec 2020	4806	350521	5.0283
	Transfer			11 Dec 2020	611	351132	5.0371
	Transfer			18 Dec 2020	(1000)	350132	5.0228
	Transfer			25 Dec 2020	500	350632	5.0299
	Transfer			31 Dec 2020	639	351271	5.0391
	Transfer			01 Jan 2021	544	351815	5.0469

	Transfer			08 Jan 2021	2249	354064	5.0792
	Transfer			15 Jan 2021	250	354314	5.0828
	Transfer			22 Jan 2021	500	354814	5.0899
	Transfer			29 Jan 2021	2135	356949	5.1206
	Transfer			05 Feb 2021	1100	358049	5.1363
	Transfer			05 Mar 2021	190	358239	5.1391
	Transfer			12 Mar 2021	6937	365176	5.2386
	AT THE END OF THE YEAR					365176	5.2386
3	THANKI BHARATBHAI TRIKAMJI	229169	3.2875			229169	3.2875
	Transfer			10 Apr 2020	25	229194	3.2879
	Transfer			17 Apr 2020	(1000)	228194	3.2735
	Transfer			24 Apr 2020	(194)	228000	3.2707
	Transfer			15 May 2020	(22)	227978	3.2704
	Transfer			05 Jun 2020	(2202)	225776	3.2388
	Transfer			12 Jun 2020	(776)	225000	3.2277
	Transfer			30 Jun 2020	(750)	224250	3.2169
	Transfer			10 Jul 2020	518	224768	3.2244
	Transfer			31 Jul 2020	25	224793	3.2247
	Transfer			07 Aug 2020	(189)	224604	3.2220
	Transfer			14 Aug 2020	(50)	224554	3.2213
	Transfer			21 Aug 2020	223	224777	3.2245
	Transfer			28 Aug 2020	(95)	224682	3.2231
	Transfer			25 Sep 2020	9	224691	3.2233
	Transfer			09 Oct 2020	(1)	224690	3.2233
	Transfer			16 Oct 2020	1	224691	3.2233
	Transfer			23 Oct 2020	74	224765	3.2243
	Transfer			30 Oct 2020	(54)	224711	3.2236
	Transfer			06 Nov 2020	200	224911	3.2264
	Transfer			13 Nov 2020	100	225011	3.2279
	Transfer			20 Nov 2020	3244	228255	3.2744
	Transfer			27 Nov 2020	(1032)	227223	3.2596
	Transfer			04 Dec 2020	973	228196	3.2736
	Transfer			11 Dec 2020	260	228456	3.2773
	Transfer			18 Dec 2020	343	228799	3.2822
	Transfer			25 Dec 2020	33	228832	3.2827
	Transfer			31 Dec 2020	(346)	228486	3.2777
	Transfer			08 Jan 2021	(759)	227727	3.2668
	Transfer			15 Jan 2021	(1)	227726	3.2668
	Transfer			22 Jan 2021	50	227776	3.2675
	Transfer			29 Jan 2021	(2200)	225576	3.2360

	Transfer			05 Feb 2021	238	225814	3.2394
	Transfer			19 Feb 2021	(215)	225599	3.2363
	Transfer			26 Feb 2021	190	225789	3.2390
	Transfer			05 Mar 2021	(4892)	220897	3.1688
	Transfer			12 Mar 2021	(491)	220406	3.1618
	Transfer			19 Mar 2021	390	220796	3.1674
	Transfer			26 Mar 2021	34	220830	3.1679
	AT THE END OF THE YEAR					220830	3.1679
4	SANGEETHA S	100150	1.4367			100150	1.4367
	AT THE END OF THE YEAR					100150	1.4367
5	ALOK YOGENDRA BABU	70300	1.0085			70300	1.0085
	Transfer			31 Dec 2020	600	70900	1.0171
	AT THE END OF THE YEAR					70900	1.0171
6	ADITYA YOGENDRA BABU	41950	0.6018			41950	0.6018
	Transfer			12 Feb 2021	28300	70250	1.0078
	AT THE END OF THE YEAR					70250	1.0078
7	HEMANT CHAMPAKLAL BABU	69700	0.9999			69700	0.9999
	AT THE END OF THE YEAR					69700	0.9999
8	HIRAL DIVYESH SEJPAL	63128	0.9056			63128	0.9056
	AT THE END OF THE YEAR					63128	0.9056
9	ISTAA FASHIONS PRIVATE LIMITED	50000	0.7173			50000	0.7173
	AT THE END OF THE YEAR					50000	0.7173
10	MUKESH CHAMPAKLAL BABU HUF	50000	0.7173			50000	0.7173
	AT THE END OF THE YEAR					50000	0.7173

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is

69,70,900 Shares.

2. The details of holding have 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		87300	31/03/2020
2	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1204720013676780		92700	31/03/2021
3	SAGAR SYSTECH LIMITED	IN30154939547367	AAACS8115M	604500	31/03/2020
4	SAGAR SYSTECH LIMITED	IN30154939547367	AAACS8115M	604500	31/03/2021
5	ISTAA FASHIONS PRIVATE LIMITED	1208510000000155	AABCN9189P	50000	31/03/2020
6	ISTAA FASHIONS PRIVATE LIMITED	1208510000000155	AABCN9189P	50000	31/03/2021
7	MUKESH CHAMPAKLAL BABU HUF	IN30267937138520	AADHM1722N	50000	31/03/2020
8	MUKESH CHAMPAKLAL BABU HUF	IN30267937138520	AADHM1722N	50000	31/03/2021
9	SAURASHTRA SOLID INDUST PVT LTD	1205660000020974	AAECS9355D	325653	31/03/2020
10	SAURASHTRA SOLID INDUST PVT LTD	1205660000020974	AAECS9355D	365176	31/03/2021
11	THANKI BHARATBHAI TRIKAMJI	1301670000689844	AAWPT3642B	229169	31/03/2020

12	THANKI BHARATBHAI TRIKAMJI	1301670000689844	AAWPT3642B	220830	31/03/2021
13	HEMANT CHAMPAKLAL BABU	1208510000000043	ACCPB7667E	69700	31/03/2020
14	HEMANT CHAMPAKLAL BABU	1208510000000043	ACCPB7667E	69700	31/03/2021
15	SANGEETHA S	IN30131322354231	AIJPS3739F	100150	31/03/2020
16	SANGEETHA S	IN30131322354231	AIJPS3739F	100150	31/03/2021
17	ADITYA YOGENDRA BABU	0005942	AITPB3368D	28300	31/03/2020
18	ALOK YOGENDRA BABU	1208510000000039	AITPB3368D	42000	31/03/2020
19	ALOK YOGENDRA BABU	1208510000000039	AITPB3368D	70900	31/03/2021
20	ADITYA YOGENDRA BABU	1208510000000011	AIWPB0358E	28300	31/03/2021
21	ADITYA YOGENDRA BABU	IN30115126665622	AIWPB0358E	41950	31/03/2020
22	ADITYA YOGENDRA BABU	IN30115126665622	AIWPB0358E	41950	31/03/2021
23	HIRAL DIVYESH SEJPAL	1202570000215897	BFMPS9617B	63128	31/03/2021
24	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	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**
Change in Indebtedness during the financial year				
• Addition	381,304,063	2,051,923,353	-	2,433,227,416

• Reduction	471,528,310	2,605,124,291	-	3,076,652,601
Net Change	**(90,224,247)**	**(553,200,938)**	**-**	**(643,425,185)**
Indebtedness at the end of the financial year				
i) Principal Amount	164,916,294	94,418,712	-	259,335,006
ii) Interest due but not paid				
iii) Interest accrued but not due	1,312,505	-	-	1,312,505
Total (i+ii+iii)	**166,228,799**	**94,418,712**	**-**	**260,647,511**

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		**1,821,331**

B. Remuneration to other Directors:

		Name of Directors				Total
Sr. No.	**Particulars of Remunerations**	**Pankaj Majithia**	**Vijay Vora**	**Bhavesh Doshi**	**Meena Babu**	**Rs.**
1	Independent Directors					
	(a) For Attending Board / Committee meeting	40,000	40,000	20,000	-	100,000

	(b) As Commission					
	(c) Others, please specify					
	Total (1)	40,000	40,000	20,000	-	100,000
2	Other Non-Executive Directors					
	(a) For Attending Board / Committee meeting	-	-		20,000	20,000
	(b) As Commission	-	-		-	
	(c) Other , please specify					
	Total (2)	-	-	-	20,000	20,000
	Total (B) = (1)+(2)	40,000	40,000	20,000	20,000	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					4,006,928
	Ceiling as per Act: 5% of Net Profit as per section 198 of the Companies Act, 2013					1,821,331

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

		Key Managerial Personnel		**Total**
		Chief Financial Officer	**Company Secretary**	
Sr. No.	**Particulars of Remunerations**	**Mahesh Thakar**	**Manasi Dalal**	**INR**
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	265,200	485,000	750,200
	(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	**265,200**	**485,000**	**750,200**

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES : NIL

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

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

MUKESH BABU
Managing Director
(DIN: 00224300)

MEENA BABU
Director
(DIN: 00799732)

Date: 13th August 2021
Place: Mumbai

Annexure- G

Disclosures under Section 197(12) of the Companies Act, 2013

(Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The Board affirms that the remuneration paid is as per the Remuneration Policy of the Company.

2. The ratio of the remuneration of each Director to the median remuneration of employees of the Company for the Financial Year 2020-21:

Sr. No.	Name of Directors	Ratio of Remuneration of Director to Remuneration of Employees
1.	Mr. Mukesh Babu	0.549:1
2.	Mr. Vijay Vora	0.018:1
3.	Mr. Pankaj Majithia	0.018:1
4.	Mrs. Meena Babu	0.009:1
5.	Mr. Manishkumar Shah	N.A.
6.	Mr. Bhavesh Doshi	0.009:1

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/decrease in Remuneration of Each Director & Key Managerial Personnel
1.	Mr. Mukesh Babu	00.00%
2.	Mr. Pankaj Majithia	00.00%
3.	Mr. Vijay Vora	00.00%
4.	Mrs. Meena Babu	-50.00%
5.	Mr. Manishkumar Shah	N.A.
6.	Mr. Bhavesh Doshi	N.A.
7.	Mr. Mahesh Thakkar	-7.37%
8.	Ms. Manasi Dalal	-5.18%

4. The percentage increase in the median remuneration of employees in the Financial Year is:-00.65%

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.**

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: 13th August 2021
Place: Mumbai

Annexure -H

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 2021, the Board had six members, out of which one is Executive Director and five are Non-Executive Directors (including one Woman Director) out of which four are Independent Directors.

The composition of the Board of Directors is in conformity with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 **Managing Director**	**Mr. Pankaj Majithia** **Independent Director**	**Mr. Vijay Vora** **Independent Director**
Skills: Capital Markets, Finance Markets and Business, Strategic Planning, Finance and Accounting	Skills: Finance, Accounting, Business/Strategy Planning	Skills: Business and Strategic Planning
Mrs. Meena Babu **Non-Executive Director**	**Mr. Manishkumar Shah** **Independent Director**	**Mr. Bhavesh Doshi** **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 companies as on 31st March 2021/ 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.

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 Director 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.mbfsl.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 June 2020. The 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 2020-21, 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	30-06-2020
2.	2nd Quarter	28-08-2020
3.	3rd Quarter	11-11-2020
4.	4th Quarter	11-02-2021

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

The attendance of the Directors at the Board Meetings and the Annual General Meeting held during the financial year 2020-21 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	2	NO
Mr. ManishKumar Shah *	2	0	NO
Mr. Bhavesh Doshi*	2	2	YES

***** appointed w.e.f 28.08.2020

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 1st April, 2019 is also available on the website of the Company www.mbfsl.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 2020-21.

II. AUDIT COMMITTEE

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 2021.

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.

Meeting and Attendance:

The Committee met 4 (four) times during the financial year 2020-21 i.e. on 30th June 2020, 28th August 2020, 11th November 2020 and 11th February 2021.

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 2020-21	
				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 (35th) Annual General Meeting ("AGM") of the Company held on 30th September 2020 was attended by Mr. Pankaj Majithia, Chairman of the Audit Committee to answer shareholders queries.

III. NOMINATION AND REMUNERATION COMMITTEE

Constitution of Nomination & 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;

vii) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.

Meeting and Attendance:

The Nomination and Remuneration Committee met 3(three) during the financial year 2020-21 on 30th June 2020, 28th August, 2020 and 1st January, 2021 and 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 2020-21	
				Meetings Held	Meetings attended
1.	Mr. Pankaj Majithia	Chairman	Independent Director	**3**	**3**
2.	Mr. Vijay Vora	Member	Independent Director	**3**	**3**
3.	Mrs. Meena Babu	Member	Non-executive Director	**3**	**0**

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE

Constitution of Stakeholders Relationship Committee:

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

The Company Secretary acts as Secretary to the Committee.

Meeting and Attendance:

The Stakeholders Relationship Committee met 4 (four) times during the financial year 2020-21 i.e. on 30th June 2020, 28th August 2020, 11th November 2020 and 11th February 2021.

The composition of the Committee and the attendance of the members of the Stakeholders Relationship Committee during the financial year 2020-21 are as given below:

Sr. No.	Name of the Member	Position	Category	No. of Meetings during the year 2020-21	
				Meetings Held	Meetings attended
1.	Mr. Pankaj Majithia	Chairman	Independent Director	**4**	**4**
2.	Mr. Vijay Vora	Member	Independent Director	**4**	**4**
3.	Mr. Mukesh Babu	Member	Executive Director	**4**	**4**

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 2020-21 are given below as on 31st March 2021:

	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 25 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 2021.

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 2020 to answer the queries of the Shareholders.

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Constitution of Corporate Social Responsibility Committee:

The Board has constituted the Corporate Social Responsibility Committee comprising of three members of whom one is Independent Directors. One More Independent Director has been added as the Member of the Committee during the year under review.

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

Meeting and Attendance:

The Corporate Social Responsibility Committee met 1 (one) time during the financial year 2020-21 i.e. on 19th March 2021, where all the members were present.

The Company Secretary acts as Secretary to the Committee.

The composition of the Committee and the attendance of the members of the Corporate Social Responsibility Committee during the financial year 2020-21 are as given below:

Sr. No.	Name of the Member	Position	Category	No. of Meetings during the year 2020-21	
				Meetings Held	Meetings attended
1.	Mr. Vijay Vora	Chairman	Independent Director	**1**	**1**
2.	Mrs. Meena Babu	Member	Non-Independent Director	**1**	**1**
3.	Mr. Mukesh Babu	Member	Executive Director	**1**	**1**
4.	Mr. Pankaj Majithia	Chairman	Independent Director	**1**	**1**

The details of the activities undertaken under CSR project is provided in CSR Report, which forms part of the Annual report.

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 2021:

(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	20,000/-
4.	Mr. Bhavesh Doshi	20,000/-

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 2020-21.

(b) Executive Director: (in Rs.)

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

VIII. AFFIRMATIONS AND DISCLOSURES

a) Related party transactions:

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

Related party transactions have been disclosed under the significant accounting policies and Notes forming part of the financial statements in accordance with "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.mbfsl.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.mbfsl.com.

Details of the shareholding of the Non-Executive Directors as on 31st March, 2021/ 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.mbfsl.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 29th June 2021 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 2020-21. The dividend shall be paid to the Members whose names appear on the Company's Register of Members as on 17th September 2021, in 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. 29th September 2021.

Unclaimed Dividend:

Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred by the Company, to the Investor Education and Protection Fund ("IEPF"), a fund established by the Central Government. The Company had, accordingly, transferred Rs.2,12,213/- pertaining to the financial year 2012-13 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 2021-22, the Company would be transferring unclaimed final dividend amount for the Financial Year 2013-14 within 30 days from 5th November 2021.

Details of shares/shareholders in respect of which dividend has not been claimed, are provided on the Company's website www.mbfsl.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
2019-20	35th AGM	0	111, Maker Chambers III, 223, Nariman Point, Mumbai – 400021#	30th September, 2020	4.00 p.m.
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.

Deemed Venue- AGM was held through Video Conferencing
*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 or within the extended timelines provided by the SEBI. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations or within the extended timelines provided by the SEBI.

(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.mbfsl.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	36th Annual General Meeting
	Date	Wednesday, 29th day, of September, 2021
	Time	04:00 p.m.
	Deemed Venue	111, Maker Chambers III, 223, Nariman Point, Mumbai – 400021
2.	Financial year	1 April 2020 to 31 March, 2021
3.	Date of book closure	18th September 2021 to 29th September 2021 (both days inclusive)
4.	Dividend payment date Final dividend for the F.Y.2020-21 of Re.1.20 per equity share has been recommended by the Board of Directors at its meeting held on 29th June 2021	Within 30 days from the date of AGM i.e. 29th September 2021 (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 2021-22 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	2020	147.60	86.35
	May	2020	145.00	93.60
	June	2020	159.95	121.85
	July	2020	161.60	120.65
	August	2020	149.00	105.70
	September	2020	145.95	99.70
	October	2020	109.00	86.35
	November	2020	168.30	91.25
	December	2020	186.65	125.50
	January	2021	172.60	116.55
	February	2021	134.60	100.25
	March	2021	150.00	106.00
10.	Registrar and share transfer agent		Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli (West) – 400083. Phone: +91 22 49186000 | Extn: 2352 Fax: +91 22 49186060 *manohar.shirwadkar@linkintime.co.in 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. 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 lodgement.	
13.	Distribution of shareholding as on 31st March 2021 as well as shareholding pattern:			

Distribution of shareholding as on 31st March 2021

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Issued Capital
1 to 500	994	84.31	1,76,779	2.54
501 to 1000	85	7.21	70,247	1.01
1001 to 2000	34	2.89	50,629	0.73
2001 to 3000	7	0.59	18,691	0.27
3001 to 4000	11	0.93	39,529	0.57
4001 to 5000	9	0.76	43,199	0.62
5001 to 10000	8	0.68	63,254	0.91
10001 and above	31	2.63	65,08,572	93.37
Total:	**1179**	**100.00**	**69,70,900**	**100.00**

Shareholding Pattern as on 31st March 2021

	No. of Shares	% of Shareholding
Promoters & persons acting in concert	43,81,600	62.86
Banks / FI / Insurance companies	0	0.00
FII / NRIs / OCBs	1,07663	1.55
Private corporate bodies	12,05,731	17.30
Public	11,83,206	16.97
Others (Clearing Members)	0	0.00
IEPF	92,700	1.33
Total	**69,70,900**	**100.00**

14.	Outstanding GDRs / ADRs	Nil
15.	Dematerialization of shares and liquidity	As on 31st March 2021 – 67,19,500 shares out of 69,70,900 shares of the Company have been dematerialized representing 96.39%. The Company has entered into an agreement with NSDL and CDSL whereby shareholders have an option to dematerialize their shares with the depositories. 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. Also, with the SEBI Circular Notification No. SEBI/LAD-NRO/GN/2018/24 dt.08thJune, 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. Members are thereby informed that pursuant to the SEBI Circular relating to 'Amendment to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandating transfer of securities in dematerialized form with a depository', shares are to be transferred only in demat form. The amendment does not prohibit the investor from holding the shares in physical form, investor has the option of holding shares in physical form but any investor who is desirous of transferring shares (which are held in physical form) after 1st April 2019 can do so only once after the shares are dematerialized.
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. Nupur Chaturvedi **Company Secretary & Compliance Officer** Phone: 022 – 26232051 secretarial@mukeshbabu.com		Mr. Manohar Shirwadkar-Senior Associate-Client Relation Phone: +91 22 49186000 | Extn: 2352 Fax: +91 22 49186060 *manohar.shirwadkar@linkintime.co.in

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 2020-21.

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

Mukesh Babu
Chairman
DIN: 00224300

Date: 13th August 2021
Place: Mumbai

Annexure –I

Auditor's Certificate on Corporate Governance Report

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 2021, 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, 2021.

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:21035809AAAAHQ4533
For Chaitanya C. Dalal & Co.
Chartered Accountants
Firm Reg. No. 101632W

Chaitanya C. Dalal
Partner
Membership No: 35809
Place: Mumbai
Date: 13th August 2021

Annexure -J

Management Discussion and Analysis

The management is pleased to present its Analysis Report.

A. FINANCIAL REVIEW

Your Company earned a net profit of Rs.3,64,26,620 for the financial year ended 31st March 2021 as compared to previous year's net profit of Rs.3,81,90,616 (**Decrease of 4.62%).** Provision for taxation for the year is Rs.12,55,781 (including Deferred Tax Provision) as compared to Rs.73,94,514 in the previous financial year. Details of Changes in key financial ratio are as follows:

SR. No.	Particulars	31-03-2021	31-03-2020	% change
1.	Interest Coverage Ratio	1.410	1.506	-6.42
2.	Current Ratio	2.748	1.556	76.58
3.	Debt Equity Ratio	0.994	1.685	-41.03
4.	Operating Profit Margin	13.686	16.282	-15.94
5.	Net Profit Margin (%)	13.69	16.28	-15.94

B. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

C. MACRO ECONOMY - REVIEW AND OUTLOOK

The global economy experienced an unprecedented crisis in the year 2020. The COVID-19 pandemic forced countries to resort to lockdown that had a sudden and intense impact on the economic activity, financial markets and survival of the vulnerable sections of the society.

Government of India had announced various measures to support the economy during this period. The Reserve Bank of India had also undertaken multidimensional efforts and announced several measures to ease the financial system stress and provide necessary regulatory support to ease both demand and supply constraints posed by the pandemic including enhancing system liquidity, reducing interest rates, moratorium on loan repayments for borrowers, asset classification standstill benefit to overdue accounts where a moratorium had been granted amongst others to alleviate the economic stress induced by the pandemic which had an impact across sectors that were already showing signs of a slowdown even before the outbreak.

The fiscal policy response of the Government of India to the pandemic was distinct from other countries in that the demand stimulus was introduced in a phased manner with

prior focus on measures to provide a cushion for the poor and vulnerable sections of society and to the business State of the Economy 2020-21: A Macro View 37 sector (especially the MSMEs).

The global economy is exhibiting incipient signs of recovery as countries renew their tryst with growth, supported by monetary and fiscal stimulus. The outlook is highly uncertain and clouded with downside risks. The second wave, though debilitating, is not insurmountable.

D. INDUSTRY STRUCTURE AND DEVELOPMENTS

The policy supports provided by RBI helped in cushioning the expected fall in demand due to the lockdown-induced distress on both individuals and firms.

NBFCs continued to disburse credit despite disruptions caused by the pandemic, albeit at a slower pace. NBFCs in the retail loan sector stayed ahead of the curve aided by their relatively low delinquency, while services sector saw marginal increase in the third quarter last fiscal, wherein vehicle loans, gold loans, transport and tourism were the beneficial segments.

Among sectors NBFCs lend to, industrial sector, particularly micro and small and large industries, were the hardest hit by the pandemic as they posted decline in credit growth.

Asset quality may still pose some challenges in the upcoming time with the uncertainty around the economic fallout of the second wave induced localised restrictions being placed in various parts of the Country.

E. OPPORTUNITIES AND THREATS IN THE CURRENT MARKET ENVIRONMENT AND FUTURE PROSPECTS

The silver lining for the Company was that the NBFC being declared as the "essential services" by the Government enabled it to continue functioning even during these months of Lockdown, causing less disruption as compared to the other sectors.

The resurgence of COVID-19 has dented but not debilitated economic activity in the first half of Q1: 2021-22 in the NBFC sector. 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.

(Data Sources: Industry, RBI and Rating Agency reports)

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: 13th August 2021
Place: Mumbai

Annexure- K

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, 2021 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: 13th August 2021

Annexure – L

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 2021, have been debarred or disqualified from being appointed or continuing as Directors of the 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
5.	Manishkumar Nagindas Shah	00233238	28-08-2020
6.	Bhavesh Doshi	03194930	28-08-2020

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: 26th June 2021

FOR V. V. CHAKRADEO & CO.
COMPANY SECRETARIES

V. V. CHAKRADEO
COP 1705 FCS 3382
UDIN: F003382C000520294

Independent Auditor's Report on Standalone Financial Statements

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 2021, 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, 2021;
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, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
ii. the Company has made provision, as required by applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
iii. M/s Mukesh Babu Financial Services Limited has transferred the required amount of Rs. 2,12,213/-, to the Investor Education and Protection Fund on 10/12/2020.

UDIN : 21035809AAAAGP8972
For Chaitanya C. Dalal & Co.
Chartered Accountants
Firm Reg. No. 101632W

Chaitanya C. Dalal
Partner
Membership No: 35809

Place: Mumbai
Date: 29th June, 2021

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 2021, 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 2021.

(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 2021 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 2021, 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 2021.

(xv) During the year ended 31st March 2021 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: 29th June, 2021

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 2021.

We have audited the internal financial controls over financial reporting of **Mukesh Babu Financial Services Limited** ("the Company") as of March 31, 2021 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 material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

(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 2021, 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: 29th June, 2021

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
BALANCE SHEET AS AT MARCH 31, 2021

Amount in Rupees

		Note No.	31.03.2021 ₹	31.03.2020 ₹
	ASSETS			
I.	**Financial Assets**			
1	Cash and cash equivalents	2	92,424,917	19,033,110
2	Bank Balance other than (a) above	3	11,677,066	11,675,759
3	Receivables			
	(I) Trade Receivables	4	-	6,270,676
	(II) Other Receivables	5	405,598	24,255
4	Loans	6	319,157,953	994,371,461
5	Investments	7	356,356,219	333,509,360
6	Other Financial assets	8	48,429,887	33,806,055
	Total Financial Assets		**828,451,640**	**1,398,690,676**
II.	**Non-financial Assets**			
1	Inventories	9	1,126,397,651	563,123,087
2	Current tax assets (Net)	10	-	8,042,745
3	Deferred tax Assets (Net)		-	-
4	Property, Plant and Equipment	11	10,195,041	7,368,049
5	Other non-financial assets	12	53,211,441	36,267,218
	Total Financial Assets		**1,189,804,133**	**614,801,099**
	Total Assets		**2,018,255,773**	**2,013,491,775**
	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	38,939,244	5,228,677
2	Borrowings (Other than Debt Securities)	14	260,647,511	904,072,696
3	Other financial liabilities	15	1,430,204	1,427,420
	Total Financial Liabilities		301,016,959	910,728,793
II.	**Non-Financial Liabilities**			
1	Current tax liabilities (Net)		-	-
2	Provisions	16	13,734,423	10,955,239
3	Deferred tax liabilities (Net)	17	258,582,415	126,040,351
4	Other non-financial liabilities	18	8,091,001	5,650,593
	Total Non-Financial Liabilities		280,407,839	142,646,183
III	**EQUITY**			
1	Equity Share capital	19	69,675,000	69,675,000
2	Other Equity	20	1,367,155,975	890,441,799
	Total Equity		**1,436,830,975**	**960,116,799**
	Total Liabilities and Equity		**2,018,255,773**	**2,013,491,775**

The accompanying notes from 1 to 45 form an integral part of the financial statements.

UDIN : 21035809AAAAGP8972
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 : 29th June 2021

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

Nupur Chaturvedi
Company Secretary
ACS: A30139

Place : Mumbai
Date : 29th June 2021

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in Rupees

	Particulars	Note No.	31.03.2021 ₹	31.03.2020 ₹
	INCOME			
I	**Revenue from Operations**			
	Interest Income		170,952,885	118,296,280
	Dividend Income		18,058,120	17,588,924
	Profit on Shares and Securities		193,670,203	143,159,964
II	**Other Income**			
	Profit on sale of Investments		-	143,295
	Interest on Term Deposits		755,761	763,272
	Interest on Income Tax Refund		288,918	-
	Miscellaneous Income		-	23,401
III	**Total Revenue (I + II)**		383,725,887	279,975,135
	EXPENSES			
	Employee benefits expense	21	3,525,769	3,580,344
	Finance costs	22	128,246,174	90,042,505
	Depreciation	11	673,008	804,207
	Other expenses	23	198,764,078	139,962,948
IV	**Total expenses**		331,209,028	234,390,005
V	**Profit before exceptional items and tax (III-IV)**		52,516,859	45,585,130
VI	**Exceptional items**			
VII	**Profit before tax (V-VII)**		52,516,859	45,585,130
VIII	**Tax expense:**			
	(1) Current tax		14,849,307	8,005,748
	(2) Deferred tax		1,240,932	(611,234)
IX	**Profit for the period from continuing operations (VII-VIII)**		36,426,620	38,190,616
X	**Profit/(loss) from discontinued operations**			
XI	**NET PROFIT FOR THE PERIOD**		36,426,620	38,190,616
XII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss		578,430,974	(944,636,270)
	Income Tax to Items that will not be reclassified to profit or loss		(131,301,132)	263,687,429
	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**		447,129,842	(680,948,841)
XV	**Total Comprehensive Income for the year**		483,556,462	(642,758,225)
XVI	**Earnings per equity share: (Nominal Value per Share Rs. 10)**			
	(1) Basic		5.23	5.48
	(2) Diluted		5.23	5.48

The accompanying notes from 1 to 45 form an integral part of the financial statements.

UDIN : 21035809AAAAGP8972

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 : 29th June 2021

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**
Nupur Chaturvedi — **Company Secretary** — **ACS: A30139**

Place : Mumbai
Date : 29th June 2021

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

	31.03.2021		31.03.2020	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		52,516,859		45,585,130
Adjustments for :	-		-	
Depreciation & Misc. Exp. Written off	673,008		804,207	
Loss(Profit) on sale of Investment	-		(143,295)	
Excess Provision for Taxation	-	673,008	-	660,912
Operating Profit Before Working Capital Changes		**53,189,867**		**46,246,043**
Changes in Working Capital:				
Inventories	7,179,810		35,750,488	
Trade Receivable	5,889,333		20,270,057	
Loans and Advances	675,213,508		(657,153,413)	
Other Financial Assets	(14,623,832)		(25,946,032)	
Other Non-Financial Assets	(16,944,223)		3,055,707	
Other Current Assets	8,041,437		(2,411,824)	
Sundry Creditors	33,710,568		5,228,677	
Other Fianancial Liabilities	2,784		(280,226)	
Other Non-Financial Liabilities	2,440,408		1,729,205	
Other Liabilities	4,301,978	705,211,771	8,168,467	(611,588,894)
Cash Generated from Operations		**758,401,638**		**(565,342,851)**
Direct Taxes		(14,849,307)		(8,005,748)
Cash Flow Before Extraordinary Items		**743,552,330**		**(573,348,599)**
Extraordinary Items		-		-
Net Cash From Operating Activities		**743,552,330**		**(573,348,599)**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(3,500,000)		(115,869)	
Sale of Fixed Assets	-			
Purchase of Investments	(15,688,175)		(110,000,000)	
Sale of Investments	817,916	(18,370,259)	100,193,295	(9,922,574)
Net cash used in Investing Activities		**(18,370,259)**		(9,922,574)
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings(net)			590,493,769	
Repayment of Short Term Borrowings(net)	(643,425,185)		-	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid & DDT paid	(8,365,080)		(10,084,547)	
Increase in Misc. & Public Issue Expenses	-	(651,790,265)	-	580,409,222
Net cash used in Financing Activities		**(651,790,265)**		**580,409,222**
Net Increase / (Decrease) in Cash & Cash Equivalents		**73,391,806**		**(2,861,951)**
Cash & Cash Equivalents at the Beginning of the Year		19,033,110		21,895,062
Cash & Cash Equivalents at th Closing of the Year		**92,424,917**		**19,033,110**

UDIN : 21035809AAAAGP8972
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 : 29th June 2021

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

Nupur Chaturvedi
Company Secretary
ACS: A30139

Place : Mumbai
Date : 29th June 2021

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
STATEMENT OF CHANGE IN EQUITY

A. Equity Share Capital

₹

Balance as on 1st April 2020	Change in Equity Share Capital during year 2019-20	Balance of Equity Share Capital on 31st March 2020	Change in Equity Share Capital during year 2020-21	Balance of Equity Share Capital on 31st March 2021
69,675,000	-	69,675,000	-	69,675,000

B. Other Equity

₹

Particulars	Balance as on 1st April 2020	Total Comprehensive Income	Transfer (to) /from Retained Earning	Balance on 31st March 2021
a. Capital Reserves	7,081,000	-	-	7,081,000
b. Securities Premium Account	73,560,000	-	-	73,560,000
c. Statutory Reserve	109,385,645	-	7,285,324	116,670,969
d. General Reserve	21,082,871	-	-	21,082,871
e. Other Comprehensive Income	334,837,097	447,129,842	-	781,966,939
f. Surplus Profit and Loss A/c	344,495,186	-	22,299,010	366,794,196
Total	890,441,799	447,129,842	29,584,334	1,367,155,975

₹

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	325,594,977	-	18,900,209	344,495,186
Total	1,544,852,308	-680,948,841	26,538,332	890,441,799

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

NOTES ON ACCOUNTS

Note 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/Provident Fund 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.

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Note 2 CASH AND CASH EQUIVALENTS

Particulars	31.03.2021 ₹	31.03.2020 ₹
Cash on hand	1,100,115	538,415
Balances with banks (In Current Accounts with Scheduled Banks)	91,324,802	18,494,695
Total	92,424,917	19,033,110

Note 3 BANK BALANCES (OTHER)

Particulars	31.03.2021 ₹	31.03.2020 ₹
In Fixed Deposits with Scheduled Banks	10,125,000	10,125,000
In Unclaimed Dividends Account	1,430,204	1,427,420
Interest Accrued not due on Fixed Deposits	121,862	123,339
Total	**11,677,066**	**11,675,759**

Note 4 TRADE RECEIVABLES

Particulars	31.03.2021 ₹	31.03.2020 ₹
Unsecured Considered Good		
i. Related Party	-	-
ii. Others	-	6,270,676
Secured		
i. Related Party	-	-
ii. Others	-	-
Total	**-**	**6,270,676**

Note 5 OTHER RECEIVABLES

Particulars	31.03.2021 ₹	31.03.2020 ₹
Other Receivable	405,598	24,255
Total	**405,598**	**24,255**

Note 6 LOANS

Particulars	31.03.2021 ₹	31.03.2020 ₹
A. Term Loans		
ICD Loans Unsecured,	260,320,849	816,229,876
Easy Finance Consumer loans	57,008,104	75,543,227
IOP Funding Loans	-	702,905
Loans to Related Parties	50,000	100,348,453
B. Others		
Staff & Associates	1,779,000	1,547,000
Total	319,157,953	994,371,461

* 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 (₹)	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
1	2	3	4	5	6
a.	**Investment in Equity Instruments**				
	(At Cost)				
	Subsidiary				
	Mukesh Babu Securities Ltd.	2,580,996	2,580,996	25,809,960	25,809,960
				25,809,960	**25,809,960**
	UnQuoted At Cost:				
	Bridge Fintech Solutions Pvt. Ltd.	5,703	-	14,554,168	-
				14,554,168	**-**
b.	**Quoted At fair value through other comprehensive income:**				
	Steelcast Ltd	40,000	40,000	5,592,000	3,118,000
	The Gaekwar Mills Ltd	360,000	360,000	6,084,000	581,400
				11,676,000	**3,699,400**
c.	**Investments in Preference Shares**				
	At Cost				
	Balance Equity Broking (India) P. Ltd	1,500,000	1,500,000	15,000,000	15,000,000
	(15% Redeemable ,Optionally Convertible)				
	Yogen Babu Securites P.Ltd.	10,000	10,000	10,000,000	10,000,000
	(9% Redeemable Non-Commulative)				
	Bridge Fintech Solutions Pvt. Ltd.(CCPS)	12,386	-	316,091	-
				25,316,091	**25,000,000**
d.	**Investments in Government or Trust securities (At Cost)**	-	-	-	-
				-	-
e.	**Investments in Debentures/ Bonds**				
	(At Cost)				
	The Gaekwar Mills Ltd (9%)	3,000	3,000	229,000,000	229,000,000
	The Gaekwar Mills Ltd (0%)	500	500	50,000,000	50,000,000
				279,000,000	**279,000,000**
				356,356,219	**333,509,360**

Note 8 OTHER FINANCIAL ASSETS

Particulars	31.03.2021	31.03.2020
	₹	₹
Security Deposit	998,127	998,127
Margin Money with Brokers	47,431,760	32,807,928
Total	48,429,887	33,806,055

Note 9 INVENTORIES

Particulars	31.03.2021	31.03.2020
	₹	₹
Stock of Shares (At fair realisable value)	1,126,397,651	563,123,087
Total	1,126,397,651	563,123,087

INCREASE / DECREASE IN INVENTORIES

Particulars	31.03.2021	31.03.2020
	₹	₹
Inventories at the end of the year		
Stock of Shares (At fair Realisable Value)	1,126,397,651	563,123,087
Inventories at the beginning of the year		
Stock of Shares (At fair Realisable Value)	563,123,087	1,538,684,095
Net Increase / (Decrease) in Inventories	**563,274,564**	**(975,561,008)**

Note 10 CURRENT TAX ASSETS (Net)

Particulars	31.03.2021	31.03.2020
	₹	₹
Advance Tax and TDS (Net)	-	8,042,745
Total	-	8,042,745

Note 11 PROPERTY, PLANT AND EQUIPMNETS

	Particulars	Gross Block			Accumulated Depreciation				Net Block	
		31.03.2020	Additions/ (Disposals)	31.03.2021	31.03.2020	Depreciation for the year	On disposals	31.03.2021	31.03.2020	31.03.2021
		₹	₹	₹	₹	₹	₹	₹	₹	₹
a	**Tangible Assets**									
	Office Premises	14,883,250	-	14,883,250	11,094,913	184,492	-	11,279,405	3,788,337	3,603,845
	Guest House	3,690,116	-	3,690,116	1,395,548	111,745	-	1,507,293	2,294,568	2,182,823
	Furniture and Fixtures	4,453,982	-	4,453,982	3,941,772	132,611	-	4,074,383	512,210	379,599
	Electrical Fittings & Equipment	1,382,776	-	1,382,776	980,562	104,133	-	1,084,695	402,214	298,081
	Office equipment	1,477,654	-	1,477,654	1,474,078	1,612	-	1,475,690	3,576	1,964
	Computers	1,104,956	-	1,104,956	810,587	115,687	-	926,274	294,369	178,682
	Vehicals	3,005,288	3,500,000	6,505,288	2,932,513	22,728	-	2,955,241	72,775	3,550,047
	Total (Current Year)	29,998,022	3,500,000	33,498,022	22,629,973	673,008	-	23,302,981	7,368,049	10,195,041
	Total (Previous Year)	29,882,153	115,869	29,998,022	21,825,766	804,207	-	22,629,973	8,056,387	7,368,049

Note 12 OTHER NON FINANCIAL ASSETS

Particulars	31.03.2021	31.03.2020
	₹	₹
Advances Against Projects	30,054,400	32,554,400
Prepaid Expenses	-	35,818
Advance for Assets & Expenses	23,157,041	3,677,000
Total	53,211,441	36,267,218

Note 13 PAYABLES

Particulars	31.03.2021	31.03.2020
	₹	₹
Trade Payable	34,549,539	4,289,926
Other Payable:		
Related Party	4,021,738	938,751
Others	367,967	-
Total	**38,939,244**	**5,228,677**

Note 14 BORROWINGS

Particulars		31.03.2021	31.03.2020
		₹	₹
TERM LOANS			
Secured			
From Banks		-	-
From other parties		166,228,799	256,453,046
(Secured against Pledge of Stock of Shares)			
Period of Maturity	1 Year		
Applicable rate of interest	9.50% to 12%		
Guaranteed By Directors	Yes		
Sub Total		166,228,799	256,453,046
LOANS PAYABLE ON DEMAND			
Unsecured			
From Banks		-	-
From other parties		94,418,712	617,481,626
From Directors		-	30,138,024
Sub Total		94,418,712	647,619,650
Total		**260,647,511**	**904,072,696**

* There is no borrowings from outside India.

Note 15 OTHER FINANCIAL LIABILITIES

Particulars	31.03.2021	31.03.2020
	₹	₹
Unclaimed Dividends	1,430,204	1,427,420
Total	**1,430,204**	**1,427,420**

Note 16 PROVISIONS

Particulars	31.03.2021	31.03.2020
	₹	₹
Provisions for F&O contracts	3,112,407	8,393,035
Provision For Standard Assets (RBI Regulations)	887,855	2,410,649
Provision for Taxations (Net of TDS)	9,552,708	-
Provision for Expenses	181,453	151,555
Total	**13,734,423**	**10,955,239**

Note 17 DEFERRED LIABILITIES

Particulars	31.03.2021	31.03.2020
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	548,163	776,423
On Comprehensive Income		
Income Tax relating to items that will not be reclassified to Profit & Loss	261,597,367	130,296,235
Gross deferred tax liability	262,145,530	131,072,658
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	3,563,115	5,032,307
Gross Deferred tax asset	3,563,115	5,032,307
Net deferred tax liability / (asset)	**258,582,415**	**126,040,351**

Note 18 OTHER NON FINANCIAL LIABILITIES

Particulars	31.03.2021	31.03.2020
	₹	₹
TDS payable	8,091,001	5,650,593
Total	**8,091,001**	**5,650,593**

Note 19 EQUITY SHARE CAPITAL

Particulars	31.03.2021	31.03.2020
	₹	₹
Authorised		
10000000 (10000000) Equity Shares of ₹ 10 each.	100,000,000	100,000,000
Issued		
6970900 (6970900) Equity Shares of ₹ 10 each.	69,709,000	69,709,000
Subscribed and fully Paid up		
6960600 (6960600) Equity Shares of ₹ 10 each .	69,606,000	69,606,000
Subscribed but not fully Paid up		
10300 (10300) Equity Shares of ₹ 10 each.	103,000	103,000
Less: Unpaid Calls	34,000	34,000
	69,000	69,000
Total	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	31.03.2021		31.03.2020	
	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

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

Name of Shareholder	31.03.2021		31.03.2020	
	No. of Shares	% of Holding	No. of Shares held	% of Holding
MUKESH CHAMPAKLAL BABU	3,431,600	49.23%	3,431,600	49.23%
MEENA MUKESH BABU	950,000	13.63%	950,000	13.63%
SAGAR SYSTECH LIMITED	604,500	8.67%	604,500	8.67%

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

Particulars		31.03.2021	31.03.2020
	Description	₹	₹
Equity Shares	Pari Pasu	6,970,900	6,970,900
Restrictions on the distribution of dividends	None		
voting rights or with differential voting rights as to dividend	All shares have equal Voting Rights		

Disclosure of Unpaid Calls

Particulars	31.03.2021	31.03.2020
	₹	₹
By Directors	-	-
By Officers	-	-
Others	34,000	34,000

Note 20 OTHER EQUITY

Particulars	31.03.2021	31.03.2020
	₹	₹
a. Capital Reserves		
Opening Balance	7,081,000	7,081,000
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance	**7,081,000**	**7,081,000**
b. Securities Premium Account		
Opening Balance	73,628,000	73,628,000
Add: Securities premium credited on Share issue	-	-
Less: Premium Utilised for various reasons	-	-
Less: Unpaid Calls	68,000	68,000
Closing Balance	**73,560,000**	**73,560,000**
c. Statutory Reserve		
Opening Balance	109,385,645	101,747,522
(+) Current Year Transfer	7,285,324	7,638,123
		-
Closing Balance	**116,670,969**	**109,385,645**
d. General Reserve		
Opening Balance	21,082,871	21,082,871
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	**21,082,871**	**21,082,871**
e. Other Comprehensive Income		
Opening Balance	334,837,097	1,015,785,938
+/(-) Movement in OCI during the Year	447,129,842	-680,948,841
Closing Balance	**781,966,939**	**334,837,097**
f. Surplus Profit and Loss A/c		
Opening balance	344,495,186	325,594,977
(+) Net Profit/(Net Loss) For the current year	36,426,620	38,190,616
(-) Dividends Payment	8,365,080	8,365,080
(-) Dividend Tax Payment	-	1,719,467
(-) Transfer to Statutory Reserves (RBI Regulations)	7,285,324	7,638,123
(-) Provision for Standard Assets (RBI Regulations)	-1,522,794	1,567,737
Closing Balance	**366,794,196**	**344,495,186**
Total Other Equity	**1,367,155,975**	**890,441,799**

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Note 21 EMPLOYEE BENEFIT EXPENSES

Particulars	31.03.2021	31.03.2020
	₹	₹
Salaries	2,143,200	1,601,095
Bonus	44,000	132,100
Gratuity Expenses	-	440,000
Directors' Remuneration	1,200,000	1,200,000
Directors' Sitting Fees	120,000	120,000
Staff welfare expenses	18,569	87,149
Total	**3,525,769**	**3,580,344**

Note 22 FINANCE COST

Particulars	31.03.2021	31.03.2020
	₹	₹
Interest expense		
Interest on Loans	127,774,778	89,776,077
Interest on Bank Overdraft	61,710	59,928
Interest Expenses- Others	409,686	-
Other Financial Expenses		
Loan Processing Fees	-	206,500
Total	**128,246,174**	**90,042,505**

Note 23 OTHER EXPENSES

Particulars	31.03.2021	31.03.2020
	₹	₹
Auditors' Remuneration	42,200	40,000
Business Promotion Expenses	530,518	526,464
Bad Debts	34,944,054	2,342,512
Conveyance	314,548	232,864
Corporate Social Responsibility Expenes	450,000	-
Demat and Depository Expenses	249,363	674,359
Electricity Expenses	53,390	182,577
Professional & Legal Expenses	4,077,060	8,063,381
Listing Fees	354,000	300,000
Membership & Subscriptions	107,875	127,680
Postage,Courier& Telephone Expenses	16,968	84,796
Printing and Stationery Expenses	81,817	195,177
Publishing Expenses	155,565	145,157
Rent, Rates & Taxes	598,198	558,405
Repairs and Maintenance Expenses	624,660	296,179
Registrar and Share Transfer Expenses	249,105	205,051
Travelling Expenses	623,625	626,847
Sundry Expenses	1,041,132	361,498
Conciliation Award Compensetion	154,250,000	125,000,000
Total	**198,764,078**	**139,962,948**

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Note 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.

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

Particulars	**31.03.2021**	**31.03.2020**
	₹	₹
As Auditors	40,000	40,000
Other Professional Services	2,200	0
	42,200	**40,000**

Note 26 Earning per share is calculated as under:

Particulars	**31.03.2021**	**31.03.2020**
Basic earning per share	₹	₹
Net profit after Taxation	36,426,620	38,190,616
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	5.23	5.48
Diluted earning per share		
Net profit after Taxation	36,426,620	38,190,616
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	5.23	5.48

Note 27

Directors' Remuneration	**31.03.2021**	**31.03.2020**
	₹	`
Within the limits of Schedule V to the Companies Act 2013	1,200,000	1,200,000

Note 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.

Note 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.

Note 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.

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

Particulars	Opening Balance	Additional provisions during the year	Amount Used or reversed during the year	Closing Balance
	₹	₹	₹	₹
Income-tax	20,600,000	14,934,184	12,600,000	22,934,184

Note 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	**31.03.2021**	**31.03.2020**
Mukesh Babu Securities Limited (Subsidiary)	(1,504,716)	40,111,697
Ashtavinayak Infatech Private Limited	0	12,941,496
Istaa Fashions Private Limited	(2,517,022)	(938,751)
Sagar Systech Limited	-	-
Istaa Infotech Private Limited	-	47,295,260
Mukesh Babu Management Consultants P.Ltd	25,000	-
Mukesh Babu Stock Broking P. Ltd	25,000	-

Maximum outstanding during the Year

NAME OF THE COMPANY	**31.03.2021**	**31.03.2020**
Mukesh Babu Securities Limited (Subsidiary)	45,111,697	119,847,167
Ashtavinayak Infatech Private Limited	12,941,496	29,000,000
Istaa Fashions Private Limited	(19,587,181)	16,000,000
Sagar Systech Limited	2,500,000	2,043,397
Istaa Infotech Private Limited	48,626,144	0
Mukesh Babu Management Consultants P.Ltd	25,000	-
Mukesh Babu Stock Broking P. Ltd	25,000	-

(Figures in Brackets indicates the credit balance)

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

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

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	4,543,671	265,002	757,651	4,051,022

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

Note 34 Disclosure in respect of related parties transsaction as required by the Accounting Standard 18 "Related Party Disclosures":

A Relationship **Name of Related Party**

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

1	Istaa Securities Pvt. Ltd.	Entity controlled by relative of KMP
2	Nomad Communications LLP	Entity controlled by relative of KMP
3	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
6	Mukesh Babu Stock Broking Pvt. Ltd.	Entity controlled by KMP &/or their relative
7	Mukesh Babu Mgt. Consultants Pvt. Ltd.	Entity controlled by KMP &/or their relative
8	C. L. Babu Foundation	Entity managed by KMP &/or 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	(42,509,075)		(63,952,384)		(106,461,459)
Interest income	892,662		2,187,357		3,080,019
Net Loans & advances		31,379,449			31,379,449
Interest paid		(1,241,425)			(1,241,425)
CSR Expenditure				450,000	450,000
Remuneration paid to KMP		1,950,200			1,950,200
Closing Balance					-
Loans and Advances(31.3.2021)	(1,504,716)	-	(2,467,022)	0	(3,971,738)
Loans and Advances(31.3.2020)	40,111,697	(30,138,024)	59,298,005	0	69,271,678

(Figures in Brackets indicates the credit balance)

C Closing Balances

Particulars	Relationship	31.03.2021	31.03.2020
Loans and advances given/(taken)			
Mukesh Babu Securities Ltd.	Subsidiary	(1,504,716)	40,111,697
Sagar Systech Ltd.	Entity controlled by KMP and/or his relatives	0	0
Ashtavinayak Infra Tech Pvt. Ltd.		0	12,941,496
Istaa Fashions Pvt. Ltd.		(2,517,022)	(938,751)
Mukesh Babu Management Consultants P. Ltd.		25,000	
Mukesh Babu Stock Broking P. Ltd.		25,000	
Istaa Infotech Pvt.Ltd.		-	47,295,260
Mukesh Babu (Credit Balance)	KMP	-	(30,138,024)

(Figures in Brackets indicates the credit balance)

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Note 35 Income and Expenses in Foreign Currency:

31.03.2021	31.03.2020
NIL	NIL

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

Particulars	31.03.2021	31.03.2020
	₹	₹
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)		

Note 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

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

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

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

If, in the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated.

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

Note 38 **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year 2020-21, Company has spent 4,50,000 towards Corprate Social Responsibility obligation.

Note 39 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses, including derivatives, on such long term contracts has been made in the books of account.

Note 40 The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

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

Note 42 As required by paragraph 32 of 'Ind AS' - 101 net profit reconciliation between the figures reported under Previous GAAP and 'Ind-AS' is not appliable for previous year ending 31/03/2021.

Note 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	166,228,799	NIL
	b. Loan from Other than NBFC Unsecured	94,418,712	
	c. Loans from Directors	0	
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	NIL	NIL
	ASSETS SIDE:	Amount Outstanding	
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
	a. Secured	NIL	
	b. Unsecured	319,157,953	
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	11,676,000	
	(b) Preference		
	(ii) Units of Mutual Funds	0	
	2 Unquoted :		
	(i) Shares : (a) Equity	40,364,128	
	(b) Preference	25,316,091	
	(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	330,546,259	330,546,259
	Total	356,356,219	356,356,219

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

Note 44 Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020

Type of borrower	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	0	0	0	0	0
Corporate persons*	0	0	0	0	0
Of which, MSMEs	0	0	0	0	0
Others	0	0	0	0	0
Total	0	0	0	0	0

Note 45 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 : 21035809AAAAGP8972
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 : 29th June 2021

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**
Nupur Chaturvedi — **Company Secretary** — **ACS: A30139**

Place : Mumbai
Date : 29th June 2021

Independent Auditor's Report on Consolidated Financial Statements

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 2021, 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, 2021;
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, 2021, 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, 2021, from being appointed as a director in terms of Section 164(2) of the Act.

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

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
ii. Provisions have been made in the consolidated financial statements, as required by applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
iii. M/s Mukesh Babu Financial Services Limited (Holding Company) has transferred the required amount of Rs. 2,12,213/-, to the Investor Education and Protection Fund on 10/12/2020.

UDIN: 21035809AAAAGN4303
For Chaitanya C. Dalal & Co.
Chartered Accountants
Firm Reg. No. 101632W

Chaitanya C. Dalal
Partner
Membership No: 35809

Place: Mumbai
Date: 29th June, 2021

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 2021.

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, 2021 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 depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 2021, 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: 29th June, 2021

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

Amount in Rupees

			Note No.	31.03.2021 ₹	31.03.2020 ₹
	ASSETS				
I.		**Financial Assets**			
	1	Cash and cash equivalents	2	110,726,874	42,537,630
	2	Bank Balance other than (a) above	3	93,774,554	108,305,981
	3	Receivables			
		(I) Trade Receivables	4	7,325,167	13,595,843
		(II) Other Receivables	5	405,598	24,255
	4	Loans	6	454,955,415	1,095,227,843
	5	Investments	7	535,734,945	448,832,561
	6	Other Financial assets	8	141,820,376	77,196,544
		Total Financial Assets		**1,344,742,929**	**1,785,720,657**
II.		**Non-financial Assets**			
	1	Inventories	9	1,126,397,651	563,123,087
	2	Current tax assets (Net)	10	-	2,437,252
	3	Deferred tax Assets (Net)		-	-
	4	Property, Plant and Equipment	11	24,792,454	22,744,352
	5	Other non-financial assets	12	53,342,697	36,388,974
		Total Financial Assets		**1,204,532,802**	**624,693,665**
		Total Assets		**2,549,275,731**	**2,410,414,322**
	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	52,747,788	5,541,937
	2	Borrowings (Other than Debt Securities)	14	282,708,282	956,637,306
	3	Other financial liabilities	15	1,430,204	1,427,420
		Total Financial Liabilities		**336,886,274**	**963,606,663**
II.		**Non-Financial Liabilities**			
	1	Current tax liabilities (Net)			
	2	Provisions	16	12,246,356	11,344,649
	3	Deferred tax liabilities (Net)	17	273,605,985	135,220,193
	4	Other non-financial liabilities	18	8,091,001	6,280,358
		Total Non-Financial Liabilities		**293,943,342**	**152,845,200**
III		**EQUITY**			
	1	Equity Share capital	19	69,675,000	69,675,000
	2	Other Equity	20	1,665,843,088	1,089,062,527
	3	Non Controlling Interest		182,928,027	135,224,932
		Total Equity		**1,918,446,115**	**1,293,962,459**
		Total Liabilities and Equity		**2,549,275,731**	**2,410,414,322**

The accompanying notes from 1 to 45 form an integral part of the financial statements.

UDIN : 21035809AAAAGN4303
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 : 29th June 2021

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

Nupur Chaturvedi
Company Secretary
ACS: A30139

Place : Mumbai
Date : 29th June 2021

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amount in Rupees

	Particulars	Note No.	31.03.2021 ₹	31.03.2020 ₹
	INCOME			
I	**Revenue from Operations**			
	Interest Income		170,060,223	111,998,630
	Dividend Income		18,058,120	17,588,924
	Profit on Shares and Securities		193,670,203	143,159,964
II	**Other Income**			
	Profit on sale of Investments		140,107,538	132,733,540
	Dividend On Investment		893,899	5,231,300
	Interest on Term Deposits		6,456,882	7,190,736
	Interest on Income Tax Refund		426,926	-
	Interest Income - Others		2,438,628	8,801,817
	Miscellaneous Income		-	23,401
III	**Total Revenue (I + II)**		532,112,419	426,728,312
	EXPENSES			
	Employee benefits expense	21	6,152,808	6,593,541
	Finance costs	22	131,353,388	94,279,993
	Depreciation	11	1,451,898	1,896,638
	Other expenses	23	251,982,412	219,199,627
IV	**Total expenses**		390,940,506	321,969,799
V	**Profit before exceptional items and tax (III-IV)**		141,171,913	104,758,513
VI	**Exceptional items**			
VII	**Profit before tax (V-VII)**		141,171,913	104,758,513
VIII	**Tax expense:**			
	(1) Current tax		4,766,849	18,130,748
	(2) Deferred tax		1,377,588	(489,828)
IX	**Profit for the period from continuing operations (VII-VIII)**		135,027,476	87,117,593
X	**Profit/(loss) from discontinued operations**			
XI	**NET PROFIT FOR THE PERIOD**		135,027,476	87,117,593
XII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss		**633,306,670**	**(1,298,888,594)**
	Income Tax to Items that will not be reclassified to profit or loss		**(137,008,204)**	**300,529,670**
	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**		**496,298,466**	**(998,358,924)**
XV	**Total Comprehensive Income for the year**		631,325,942	(911,241,331)
XVI	**Earnings per equity share: (Facel Value per Share Rs. 10)**			
	(1) Basic		19.37	12.50
	(2) Diluted		19.37	12.50

The accompanying notes from 1 to 45 form an integral part of the financial statements.

UDIN : 21035809AAAAGN4303
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 : 29th June 2021

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

Nupur Chaturvedi
Company Secretary
ACS: A30139

Place : Mumbai
Date : 29th June 2021

MUKESH BABU FINANCIAL SERVICES LIMITED
CIN:L65920MH1985PLC035504
CONSOLIDATED CASH FLOW STATEMETN FOR YEAR ENDED MARCH 31, 2021

	31.03.2021		31.03.2020	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		141,171,913		104,758,513
Adjustments for :	-		-	
Depreciation & Misc. Exp. Written off	1,451,898		1,896,638	
Loss(Profit) on sale of Investment	(140,107,538)		(132,733,540)	
Divedend On Investment & Other Interest	(10,216,335)		(21,223,854)	
Excess Provision for Taxation	-	(148,871,975)	-	(152,060,755)
Operating Profit Before Working Capital Changes		**(7,700,062)**		**(47,302,242)**
Changes in Working Capital:				
Inventories	7,179,810		35,750,488	
Trade Receivable	5,889,333		22,070,057	
Loans and Advances	640,272,429		(669,163,865)	
Other Financial Assets	(64,623,832)		(51,028,304)	
Other Non-Financial Assets	(16,953,723)		3,065,207	
Other Current Assets	16,968,679		7,047,485	
Sundry Creditors	47,205,851		5,228,677	
Other Fianancial Liabilities	2,784		(280,226)	
Other Non-Financial Liabilities	1,810,643		(1,675,009)	
Other Liabilities	2,424,501	640,176,475	8,414,384	(640,571,106)
Cash Generated from Operations		**632,476,413**		**(687,873,348)**
Direct Taxes		(4,766,849)		(18,130,748)
Cash Flow Before Extraordinary Items		**627,709,564**		**(706,004,096)**
Extraordinary Items		-		-
Net Cash From Operating Activities		**627,709,564**		**(706,004,096)**
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(3,500,000)		(115,869)	
Sale of Fixed Assets			500,000	
Divedend On Investment & Other Interest	10,216,335		21,223,854	
Purchase of Investments	(37,670,259)		(110,000,000)	
Sale of Investments	153,727,709	122,773,785	241,148,180	152,756,165
Net cash used in Investing Activities		**122,773,785**		152,756,165
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings(net)			581,926,932	
Repayment of Short Term Borrowings(net)	(673,929,024)		-	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid & DDT paid	(8,365,080)		(10,084,547)	
Increase in Misc. & Public Issue Expenses	-	(682,294,104)	-	571,842,385
Net cash used in Financing Activities		**(682,294,104)**		**571,842,385**
Net Increase / (Decrease) in Cash & Cash Equivalents		**68,189,245**		**18,594,454**
Cash & Cash Equivalents at the Beginning of the Year		42,537,630		23,943,176
Cash & Cash Equivalents at th Closing of the Year		**110,726,874**		**42,537,630**

UDIN : 21035809AAAAGN4303
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 : 29th June 2021

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

Nupur Chaturvedi
Company Secretary
ACS: A30139

Place : Mumbai
Date : 29th June 2021

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN:L65920MH1985PLC035504

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDING MARCH 31, 2021

A. Equity Share Capital

Amount ₹

Balance as on 1st April 2019	Change in Equity Share Capital during year 2019-20	Balance of Equity Share Capital on 31st March 2020	Change in Equity Share Capital during year 2020-21	Balance of Equity Share Capital on 31st March 2021
69,675,000	-	69,675,000	-	69,675,000

B. Other Equity

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	-	44,082,587	462,813,668
Total	2,035,700,741	-998,358,924	51,720,710	1,089,062,527

Amount ₹

Particulars	Balance as on 1st April 2020	Total Comprehensive Income	Transfer (to) /from Retained Earning	Balance on 31st March 2021
a. Capital Reserves	7,081,000	-	-	7,081,000
b. Securities Premium Account	73,560,000	-	-	73,560,000
c. Statutory Reserve	109,385,646	-	7,285,324	116,670,970
d. General Reserve	21,082,871	-	-	21,082,871
e. Other Comprehensive Income	415,139,342	496,298,466	-	911,437,808
f. Surplus Profit and Loss A/c	462,813,668	-	73,196,771	536,010,439
Total	1,089,062,527	496,298,466	80,482,095	1,665,843,088

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

NOTES ON ACCOUNTS

Note 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 /Providend Fund 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.

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Note 2 CASH AND CASH EQUIVALENTS

Particulars	31.03.2021 ₹	31.03.2020 ₹
Cash on hand	1,946,167	753,805
Balances with banks	108,780,707	41,783,825
(In Current Accounts with Scheduled Banks)		
Total	110,726,874	42,537,630

Note 3 BANK BALANCES (OTHER)

Particulars	31.03.2021 ₹	31.03.2020 ₹
In Fixed Deposits with Scheduled Banks	90,775,395	105,775,395
In Unclaimed Dividends Account	1,430,204	1,427,420
Interest Accrued not due on Fixed Deposits	1,568,955	1,103,166
Total	**93,774,554**	**108,305,981**

Note 4 TRADE RECEIVABLES

Particulars	31.03.2021 ₹	31.03.2020 ₹
Unsecured Considered Good		
i. Related Party		
ii. Others	7,325,167	13,595,843
Secured		
i. Related Party	-	-
ii. Others	-	-
Total	**7,325,167**	**13,595,843**

Note 5 OTHER RECEIVABLES

Particulars	31.03.2021 ₹	31.03.2020 ₹
Other Receivable	405,598	24,255
Total	**405,598**	**24,255**

Note 6 LOANS

Particulars	31.03.2021 ₹	31.03.2020 ₹
A. Term Loans		
ICD Loans	393,238,059	951,808,719
Easy Finance Consumer loans	57,008,104	75,543,227
IOP Funding Loans		702,905
Loans to Related Parties	2,832,172	65,467,912
B. Others		
Staff & Associates	1,877,080	1,705,080
Total	454,955,415	1,095,227,843

* 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.

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 (`)	
		31.03.2021	31.03.2020	31.03.2021	31.03.2020
1	2	3	4	5	6
a	**Investment in Equity Instruments**				
	Quoted Instrument At fair value through other comprehensive income:				
	Afteck Ltd.	-	1,162	-	1,894
	Ambalal Sarabhai Enterprises Ltd	100	100	1,765	1,905
	Ambuja Cements Ltd.	-	20,000	-	3,114,000
	Bajaj Auto Ltd.	1,500	3,000	5,507,550	6,074,700
	BSE Ltd	30,000	35,347	17,133,000	10,468,014
	Bajaj Financial Services Ltd.	-	1,000	-	4,589,750
	Bajaj Holdings & Investment Ltd.	-	1,000	-	1,800,100
	Ballarpur Industries Ltd.	300	300	324	132
	BF Investment Ltd.	15,000	50,000	4,149,750	11,445,000
	BF Utilities Ltd.	15,000	50,000	3,693,750	700
	Bharat Forge Ltd.	75,000	175,000	44,711,250	40,967,500
	Bharat Heavy Electricals Ltd.	-	3,000	-	62,400
	Biopac India Corporation Ltd.	1,000	1,000	-	2,870
	Cadbury India Ltd	50	50	-	-
	DIligent Media Corporation Ltd	3,432	3,432	2,334	22,788
	DSQ Software	5,200	5,200	-	-
	Dr.Reddy's Laboratories Ltd	500	500	2,257,800	1,558,550
	Garware Polyester & Plastics Ltd.	1,400	1,400	979,300	231,560
	Global Trust Bank Ltd	5,000	5,000	-	-
	The Gaekwar Mills Ltd	360,000	360,000	6,084,000	581,400
	HDFC Bank Ltd.	25,000	25,000	37,338,750	21,550,000
	Hindustan Oil Exploration Ltd.	50,000	100,000	4,840,000	3,425,000
	Indian Telephone Industries Ltd.	10,000	10,000	1,151,000	620,000
	Indogulf Industries Ltd.	520	520	-	-
	ITC Ltd.	2,500	2,500	546,250	439,500
	Kesoram Industries Ltd.	40	40	2,804	736
	Kirlosker Pneumatics Co. Ltd.	100,000	100,000	25,695,000	9,445,000
	Larsen & Toubro Ltd.	6,200	6,200	8,793,770	5,002,470
	LML Ltd.	19,550	19,550	-	-
	MPL Plastic Ltd	85,000	85,000	442,000	225,250
	Nexus Software Ltd.	44	44	152	444
	Numero Uno Projects Ltd.	2,020	2,030	-	2,030
	P.M. Telelinks Ltd.	100	100	479	157
	Pooja Intertainment & Films Ltd.	500	500	31,750	7,725
	Reliance Communications Ltd.	1,500	1,500	2,505	990
	Steelcast Ltd	40,000	40,000	5,592,000	3,118,000
	Sun Pharmaceutical Indstries Ltd	360	360	215,136	126,792
	Sun Infoways Ltd.	400	400	-	2,320
	Tata Consultancy Services Ltd.	350	350	1,112,160	638,068
	Tata Motors Ltd.	25,000	53,000	7,546,250	3,765,650
	Ultratech Cement Ltd	1,000	1,000	6,737,300	3,254,250
	UPL Limited	8,000	8,000	5,137,600	2,611,200
	Vedanta Ltd	-	20,000	-	1,295,000
	Siti Cable Network Ltd	35,181	35,181	30,607	19,350
	Zee Entertainment Enterprises Ltd.	20,000	60,000	4,063,000	7,440,000
	Zee Learn Ltd	-	8,313	-	101,419
	Zee Media Corporation Ltd	-	13,727	-	49,829
				193,799,336	**144,064,442**
	UnQuoted At Cost:				
	Bridge Fintech Solutions Pvt. Ltd.	5,703	-	14,554,168	-
	Bhakti Vedenta Infratech P. Ltd	540,000		5,400,000	
				19,954,168	-
c.	**Investments in Preference Shares**				
	At Cost :				
	Balance Equity Broking (India) P. Ltd	1,500,000	1,500,000	15,000,000	15,000,000
	(15% Redeemable ,Optionally Convertible)				
	Yogen Babu Securites P.Ltd.	10,000	10,000	10,000,000	10,000,000
	(9% Redeemable Non-Commulative)				
	Bridge Fintech Solutions Pvt. Ltd.(CCPS)	12,386	-	316,091	-
	At Fair Realisable Value:				
	6% Zee Entertainment Enterprises Ltd.	139,658	139,658	265,350	768,119
				25,581,441	**25,768,119**
d.	**Investment in Immovable Properties**				-
	Flat NO. 1109 at Callista - Andheri	-	-	8,700,000	-
	Flat NO. 1110 at Callista - Andheri	-	-	8,700,000	-
					-
				17,400,000	-
e.	**Investments in Debentures/ Bonds**				
	(At Cost)				
	The Gaekwar Mills Ltd (9%)	3,000	3,000	229,000,000	229,000,000
	The Gaekwar Mills Ltd (0%)	500	500	50,000,000	50,000,000
				279,000,000	**279,000,000**
				535,734,945	**448,832,561**

Note 8 OTHER FINANCIAL ASSETS

Particulars	31.03.2021 ₹	31.03.2020 ₹
Security Deposit	998,127	998,127
Interest Free Deposits with	18,308,217	18,308,217
Margin Money with Brokers	47,431,760	32,807,928
Other Receivable	75,082,272	25,082,272
Total	141,820,376	77,196,544

Note 9 INVENTORIES

Particulars	31.03.2021 ₹	31.03.2020 ₹
Stock of Shares (At fair realisable value)	1,126,397,651	563,123,087
Total	1,126,397,651	563,123,087

INCREASE / DECREASE IN INVENTORIES

Particulars	31.03.2021 ₹	31.03.2020 ₹
Inventories at the end of the year		
Stock of Shares (At Realisable Value)	1,126,397,651	563,123,087
Inventories at the beginning of the year		
Stock of Shares (At Realisable Value)	563,123,087	1,538,684,095
Net Increase / (Decrease) in Inventories	**563,274,564**	**(975,561,008)**

Note 10 CURRENT TAX ASSETS (Net)

Particulars	31.03.2021 ₹	31.03.2020 ₹
Advance Tax and TDS (Net)	-	2,437,252
Total	-	2,437,252

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

11 PROPERTY, PLANT AND EQUIPMNETS

Particulars		Gross Block			Accumulated Depreciation				Net Block	
		01.04.2020	Additions/ (Disposals)	31.03.2021	01.04.2020	Depreciation for the year	On disposals	31.03.2021	01.04.2020	31.03.2021
		₹	₹	₹	₹	₹	₹	₹	₹	₹
a	**Tangible Assets**									
	Office Premises	26,313,640	-	26,313,640	11,651,573	714,039	-	12,365,612	14,662,067	13,948,028
	Guest House	7,219,836	-	7,219,836	1,395,548	111,745	-	1,507,293	5,824,288	5,712,543
	Furniture and Fixtures	7,180,578	-	7,180,578	6,116,111	275,591	-	6,391,702	1,064,467	788,876
	Electrical Fittings & Equipment	2,478,749	-	2,478,749	1,877,769	155,593	-	2,033,362	600,980	445,387
	Office equipment	3,760,639	-	3,760,639	3,727,656	14,863	-	3,742,519	32,983	18,120
	Computers	7,775,469	-	7,775,469	7,471,295	121,879	-	7,593,174	304,174	182,295
	Vehicals	5,302,023	3,500,000	8,802,023	5,046,630	58,188	-	5,104,818	255,393	3,697,205
	Total (Current Year)	60,030,934	3,500,000	63,530,934	37,286,582	1,451,898	-	38,738,480	22,744,352	24,792,454
	Total (Previous 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

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Note 12 OTHER NON FINANCIAL ASSETS

Particulars	31.03.2021	31.03.2020
	₹	₹
Advances Against Projects	30,054,400	32,554,400
Prepaid Expenses	9,500	35,818
Advance for Assets & Expenses	23,278,797	3,798,756
Total	53,342,697	36,388,974

Note 13 PAYABLES

Particulars	31.03.2021	31.03.2020
	₹	₹
Trade Payable	34,862,799	4,603,186
Other Payable		
Related Party	2,517,022	938,751
Others	15,367,967	-
Total	**52,747,788**	**5,541,937**

Note 14 BORROWINGS

Particulars		31.03.2021	31.03.2020
		₹	₹
TERM LOANS			
Secured			
From Banks		22,060,770	52,519,233
From other parties		166,228,800	256,453,046
(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		188,289,570	308,972,279
LOANS PAYABLE ON DEMAND			
Unsecured			
From Banks		-	-
From other parties		94,418,712	617,481,626
From Directors		-	30,183,401
Sub Total		94,418,712	647,665,027
Total		**282,708,282**	**956,637,306**

* There is no borrowings from outside India.

Note 15 OTHER FINANCIAL LIABILITIES

Particulars	31.03.2021	31.03.2020
	₹	₹
Unclaimed Dividends	1,430,204	1,427,420
Total	**1,430,204**	**1,427,420**

Note 16 PROVISIONS

Particulars	31.03.2021	31.03.2020
	₹	₹
Provisions for F&O contracts	3,112,407	8,393,035
Provision For Standard Assets (RBI Regulations)	887,855	2,410,649
Provision for Taxations (Net of TDS)	7,855,603	-
Provision for Expenses	390,491	540,965
Total	**12,246,356**	**11,344,649**

Note 17 DEFERRED LIABILITIES

Particulars	31.03.2021	31.03.2020
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	548,163	635,468
On Comprehensive Income		
Income Tax relating to items that will not be reclassified to Profit & Loss	276,625,236	139,617,032
Gross deferred tax liability	277,173,399	140,252,500
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	3,567,414	5,032,307
Gross Deferred tax asset	3,567,414	5,032,307
Net deferred tax liability	**273,605,985**	**135,220,193**

Note 18 OTHER NON FINANCIAL LIABILITIES

Particulars	31.03.2021	31.03.2020
	₹	₹
TDS payable	8,091,001	6,280,358
Total	**8,091,001**	**6,280,358**

Note 19 EQUITY SHARE CAPITAL

Particulars	31.03.2021	31.03.2020
	₹	₹
Authorised		
10000000 (10000000)Equity Shares of ₹ 10 each.	100,000,000	100,000,000
Issued		
6970900(6970900) Equity Shares of ₹10 each.	69,709,000	69,709,000
Subscribed and fully Paid up		
6960600(6960600)Equity Shares of ₹ 10 each .	69,606,000	69,606,000
Subscribed but not fully Paid up		
10300(10300) Equity Shares of ₹ 10 each.	103,000	103,000
Less: Unpaid Calls	34,000	34,000
	69,000	69,000
Total	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	31.03.2021		31.03.2020	
	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

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

Name of Shareholder	31.03.2021		31.03.2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MUKESH CHAMPAKLAL BABU	3,431,600	49.23%	3,431,600	49.23%
MEENA MUKESH BABU	950,000	13.63%	950,000	13.63%
SAGAR SYSTECH LIMITED	604,500	8.67%	604,500	8.67%

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

Particulars		31.03.2021	31.03.2020
	Description	₹	₹
Equity Shares	Pari Pasu	6,970,900	6,970,900
Restrictions on the distribution of dividends	None	-	-
voting rights or with differential voting rights as to dividend	Equal Voting Rights	-	-

Disclosure of Unpaid Calls

Particulars	31.03.2021	31.03.2020
	₹	₹
By Directors	-	-
By Officers	-	-
Others	34,000	34,000

Note 20 OTHER EQUITY

Particulars	31.03.2021	31.03.2020
	₹	₹
a. Capital Reserves		
Opening Balance	7,081,000	7,081,000
(+) Current Year Transfer		-
(-) Written Back in Current Year		-
Closing Balance	**7,081,000**	**7,081,000**
b. Securities Premium Account		
Opening Balance	73,628,000	73,628,000
Add: Securities premium credited on Share issue	-	-
Less: Premium Utilised for various reasons	-	-
Less: Unpaid Calls	68,000	68,000
Closing Balance	**73,560,000**	**73,560,000**
c. Statutory Reserve		
Opening Balance	109,385,646	101,747,523
(+) Current Year Transfer	7,285,324	7,638,123
		-
Closing Balance	**116,670,970**	**109,385,646**
d. General Reserve		
Opening Balance	21,082,871	21,082,871
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	**21,082,871**	**21,082,871**
e. Other Comprehensive Income		
Opening Balance	415,139,342	1,413,498,266
+/(-) Movement in OCI during the Year	496,298,466	(998,358,924)
Closing Balance	**911,437,808**	**415,139,342**
f. Surplus Profit and Loss A/c		
Opening balance	462,813,668	418,731,082
(+) Net Profit/(Net Loss) For the current year	135,027,476	87,117,593
(-) Transfer to Non Controlling Interest	47,703,095	23,744,600
(-) Dividends Payment	8,365,080	8,365,080
(-) Dividend Tax Payment	-	1,719,467
(-) Transfer to Statutory Reserves (RBI Regulations)	7,285,324	7,638,123
(-) Provision for Standard Assets (RBI Regulations)	(1,522,794)	1,567,737
Closing Balance	**536,010,439**	**462,813,668**
Total	**1,665,843,088**	**1,089,062,527**

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Note 21 EMPLOYEE BENEFIT EXPENSES

Particulars	31.03.2021	31.03.2020
	₹	₹
Salaries	3,055,200	2,508,095
Bonus	77,000	230,600
Dearness Allowance	126,000	124,800
House Rent Allowance	120,000	120,000
Graduity Expenses	-	440,000
Contribution to Provident Fund	208,356	207,581
Directors' Remuneration	2,400,000	2,400,000
Directors' Sitting Fees	120,000	120,000
Staff welfare expenses	46,252	442,465
Total	**6,152,808**	**6,593,541**

Note 22 FINANCE COST

Particulars	31.03.2021	31.03.2020
	₹	₹
Interest expense		
Interest on Loans	128,667,440	89,776,077
Interest on Bank Overdraft	3,168,924	4,297,416
Interest Expenses- Others	409,686	-
Other Financial Expenses		
Loan Processing Fees	-	206,500
Total	**132,246,050**	**94,279,993**

Note 23 OTHER EXPENSES

Particulars	31.03.2021	31.03.2020
	₹	₹
Auditors' Remuneration	87,200	85,000
Business Promotion Expenses	530,518	526,464
Bad Debts	34,944,054	2,342,512
Conveyance	560,183	497,232
Corporate Social Responsibility Expenes	450,000	-
Donations	50,000	-
Demat and Depository Expenses	249,363	674,359
Electricity Expenses	197,280	543,344
Professional & Legal Expenses	4,376,160	8,456,281
Listing Fees	354,000	300,000
Membership & Subscriptions	107,875	127,680
Motor Car Exp	193,677	98,527
Office Expenses	173,637	239,299
Postage,Courier& Telephone Expenses	181,225	300,509
Printing and Stationery Expenses	180,762	305,338
Publishing Expenses	155,565	145,157
Rent, Rates & Taxes	1,217,479	1,013,778
Repairs and Maintenance Expenses	1,056,768	540,051
Registrar and Share Transfer Expenses	249,105	205,051
Travelling Expenses	903,967	2,033,950
Stock Exchange Expenses	256,060	255,572
Sundry Expenses	1,257,534	509,522
Conciliation Award Compensetion	204,250,000	200,000,000
Total	**251,982,412**	**219,199,627**

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Note 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.

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

Particulars	31.03.2021	31.03.2020
	₹	₹
As Auditors	85,000	85,000
Other Professional Services	2,200	0
	87,200	**85,000**

Note 26 Earning per share is calculated as under:

Particulars	**31.03.2021**	**31.03.2020**
Basic earning per share	₹	₹
Net profit after Taxation	135,027,476	87,117,593
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	19.37	12.50
Diluted earning per share		
Net profit after Taxation	135,027,476	87,117,593
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	19.37	12.50

Note 27

Directors' Remuneration	**31.03.2021**	**31.03.2020**
	₹	₹
Within the limits of Schedule V to the Companies Act 2013.	2,400,000	2,400,000

Note 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.

Note 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.

Note 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.

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

Particulars	Opening Balance	Additional provisions during the year	Amount Used or reversed during the year	Closing Balance
	₹	₹	₹	₹
Income-tax	20,600,000	16,226,895	13,892,711	22,934,184

Note 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	**31.03.2021**	**31.03.2020**
Ashtavinayak Infatech Private Limited	12,539,798	0
Istaa Fashions Private Limited	(2,517,022)	4,091,208
Sagar Systech Limited	2,782,792	201,197
Istaa Infotech Private Limited	0	47,295,260
Mukesh Babu Management Consultants P.Ltd	25,000	0
Mukesh Babu Stock Broking P. Ltd	25,000	0

Maximum outstanding during the Year

NAME OF THE COMPANY	**31.03.2021**	**31.03.2020**
Ashtavinayak Infatech Private Limited	12,941,496	29,000,000
Istaa Fashions Private Limited	(19,587,181)	16,000,000
Sagar Systech Limited	2,782,172	2,043,397
Istaa Infotech Private Limited	48,626,144	0
Mukesh Babu Management Consultants P.Ltd	25,000	0
Mukesh Babu Stock Broking P. Ltd	25,000	0

(Figures in Brackets indicates the credit balance)

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

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	4,543,671	265,002	757,651	4,051,022

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

Note 34 Disclosure in respect of related parties transsaction as required by the Accounting Standard 18 "Related Party Disclosures":

A Relationship **Name of Related Party**

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

1 Istaa Securities Pvt. Ltd.	Entity controlled by relative of KMP
2 Nomad Communications LLP	Entity controlled by relative of KMP
3 Tamarind Tree Trust	Entity managed by relative of KMP

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

1 Sagar Systech Ltd.	Entity controlled by KMP &/or their relative
2 Ashtavinayak Infra Tech Pvt. Ltd.	Entity controlled by relative of KMP
3 Istaa Fashions Pvt. Ltd.	Entity controlled by relative of KMP
4 Istaa Infotech Pvt. Ltd.	Entity controlled by relative of KMP
5 Mukesh Babu Management Consultants P. Ltd	Entity controlled by KMP &/or their relative
6 Mukesh Babu Stock Broking P. Ltd.	Entity controlled by KMP &/or their relative
7 C. L. Babu Foundation	Entity managed by KMP &/or 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)		(54,609,664)		-54,609,664
Interest income		2,936,071		2,936,071
Net Loans & advances taken/(returned)	31,424,826			31,424,826
Interest paid	(1,241,425)			(1,241,425)
CSR Expenditure			450,000	450,000
Remuneration paid to KMP	3,150,200			3,150,200
Closing Balance				-
Loans and Advances(31.3.2021)	-	12,855,568	-	12,855,568
Loans and Advances(31.3.2020)	(30,183,401)	64,529,161	-	34,345,760

(Figures in Brackets indicates the credit balance)

C Closing Balances

Particulars	Relationship	31/03/2021	31/03/2020
Loans and advances given/(taken)			
Sagar Systech Ltd	Entity controlled by KMP and/or his relatives	2,782,792	201,197
Ashtavinayak Infra Tech Pvt. Ltd.		12,539,798	0
Istaa Fashions Pvt. Ltd.		(2,517,022)	4,091,208
Istaa Infotech Private Ltd		-	47,295,260
Mukesh Babu Management Consultants P.Ltd.		25,000	-
Mukesh Babu Stock P. Ltd		25,000	-
Mukesh Babu (Credit Balance)	KMP	-	(30,138,024)
Meena Babu (Credit Balance)	KMP	-	(45,377)

(Figures in Brackets indicates the credit balance)

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2021

Note 35 Income and Expenses in Foreign Currency:

31.03.2021	31.03.2020
NIL	NIL

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

Particulars	31/03/2021	31/03/2020
	₹	₹
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)		

Note 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

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

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

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

If, in the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated.

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

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

Note 39 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses, including derivatives, on such long term contracts has been made in the books of account.

Note 40 The Company has reviewed its pending litigations and proceedings and has adequately provided for where Provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

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

Note 42 As required by paragraph 32 of 'Ind AS' - 101 net profit reconciliation between the figures reported under Previous GAAP and 'Ind-AS' is not appliable for previous year ending 31/03/2021.

Note 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	188,289,570	NIL
	b. Loan from Other than NBFC Unsecured	94,418,712	
	c. Loans from Directors	0	
2	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**	NIL	NIL
	ASSETS SIDE:	Amount Outstanding	
3	**Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :**		
	a. Secured	NIL	
	b. Unsecured	454,955,415	
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	193,799,336	
	(b) Preference	0	
	(ii) Units of Mutual Funds	0	
	2 Unquoted :		
	(i) Shares : (a) Equity	19,954,168	
	(b) Preference	25,581,441	
	(ii) Debtntures and Bonds	279,000,000	
	3 Other Investments (Immovable Properties)	17,400,000	
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	535,734,945	535,734,945
Total	535,734,945	535,734,945

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

Note 44 Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020

Type of borrower	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	0	0	0	0	0
Corporate persons*	0	0	0	0	0
Of which, MSMEs	0	0	0	0	0
Others	0	0	0	0	0
Total	0	0	0	0	0

Note 45 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 : 21035809AAAAGN4303
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 : 29th June 2021

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

Nupur Chaturvedi
Company Secretary
ACS: A30139

Place : Mumbai
Date : 29th June 2021



Mukesh Babu Financial Services Limited
CIN: L65920MH1985PLC035504
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