



3rd October, 2017

To,
The Listing Department
The Stock Exchange, Mumbai,
P. J. Towers,
Fort, Mumbai - 400 001.

Sub: Annual Report for financial year 2016-17 under SEBI (LODR) Listing Regulations, 2015.

Dear Sir,

We are submitting the Annual Report for financial year 2016-17 being approved and adopted in the 32nd Annual General Meeting of the company as per the provisions of the Companies Act, 2013 as on 29th September, 2017 under Regulation 34 of SEBI (LODR) Listing Regulations, 2015.

Kindly acknowledge the receipt of the same.

Thanking You.

Yours faithfully,
For Mukesh Babu Financial Services Ltd.,
CIN No : L65920MH1985PLC035504.


(Dipali Shah)

Whole - time Director & Company Secretary.
(Din : 07141559 & Mem No: 25422)

Encl: As above.

32ND ANNUAL REPORT
2016-2017



MUKESH BABU FINANCIAL SERVICES LIMITED

Board of Directors

Shri Mukesh Babu (Chairman & Managing Director)
Shri K. Chandrasekhar
Shri Pankaj Majithia
Shri Vijay Vora
Ms. Dipali C. Shah

Company Secretary

Ms. Dipali C. Shah

Main Bankers

HDFC Bank
ICICI Bank

Statutory Auditors

Shah, Shah & Shah
Chartered Accountants
502, Damji Shamji Trade Centre,
Vidyavihar - West,
Mumbai - 400086.

Secretarial Auditor

V.V. Chakradeo & Co. ,
Company Secretaries
B-301, Matoshree Residency CHS Ltd.
65, Prarthana Samaj Road, Vile Parle - East
Mumbai - 400057.

Registered Office

Mukesh Babu Financial Services Limited
111, Maker Chambers III,
223, Nariman Point,
Mumbai - 400 021.

Registrar & Share Transfer Agent

Link Intime India Private Limited.
C-101,247 Park,
L.B.S. Marg, Vikroli (W),
Mumbai-400 083

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: NOTICE :

NOTICE IS HEREBY GIVEN THAT THE 32ND ANNUAL GENERAL MEETING OF THE MEMBERS OF MUKESH BABU FINANCIAL SERVICES LIMITED WILL BE HELD ON FRIDAY, 29TH SEPTEMBER, 2017 AT 5.00 P.M. AT CAFÉ ISTAA, 12A/1, NEW SION CO-OP. HSG. SOC. LTD., SION – WEST, MUMBAI – 400022 TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS

1. ADOPTION OF FINANCIAL STATEMENTS AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON:

To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the Company for the financial year ended March 31, 2017, together with the Reports of the Board of Directors and the Auditors thereon.

2. TO DECLARE DIVIDEND

To declare dividend @ Re.1/- per Equity Share for the year ended March 31, 2017.

3. TO APPOINT A DIRECTOR

To appoint a director in place of Mrs. Dipali C. Shah (DIN:07141559), who retires by rotation and being eligible offers herself for re-appointment as a Whole-time Director of the Company liable to retire by rotation.

4. To appoint Auditors in place of the retiring auditors and to fix their remuneration

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

“RESOLVED THAT pursuant to the provisions of Sections 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and pursuant to the recommendations of the Audit Committee, Chaitanya C. Dalal, Chartered Accountants (FRN.101632W), be and are hereby appointed as the Statutory Auditors of the Company for a period of five (5) years, to hold office from the conclusion of this Annual General Meeting (“AGM”) up to the conclusion of the 37th AGM of the Company to be held for the financial year ending 31-03-2022, on a remuneration to be fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, in addition to reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company.”

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

**Dipali Shah
Whole Time Director & Company Secretary
(DIN:07141559) (Mem No: ACS 25422)**

**Place: Mumbai
Date : 01/09/2017**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROX(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form, in order to be effective, must be received by the Company at its Registered Office not less than 48 hours before the commencement of the meeting. Only duly filled, signed and stamped proxy form will be considered valid.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

2. During the period beginning 24 hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a Member would be entitled to inspect the proxies lodged, during the business hours at the Registered Office, provided that not less than three days of notice in writing is given to the Company.
3. Members/ Proxies should bring attendance slips sent herewith duly filled in, for attending the Meeting.
4. In terms of Section 124 & 125 of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended till date, any dividend which remains unpaid or unclaimed for a period of 7 years from the due date of payment is required to be transferred by the Company to the Investor Education & Protection Fund (IEPF) of the Central Government. In accordance with the provisions, for the financial year ended March 31, 2009, the Company shall transfer the unclaimed dividend amount to the IEPF within 30 days from November 05, 2017. Members who have not yet encashed their dividend warrants for the financial year ended March 31, 2009 or thereafter are requested to write to the Company /Registrars and Share Transfer Agents on or before November 05, 2017. Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed or unpaid for a period of seven (7) years from the dates they first became due for payment and transferred to IEPF.
5. Brief resume of Directors including those proposed to be appointed / re-appointed under Item No.3 of the Notice, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) ("SEBI Listing Regulations") are also annexed.
6. Relevant documents referred to in the notice are open for inspection at the Registered Office of the Company on all working days, except Saturdays, Sundays and other holidays between 2.00 P.M. to 4.00 P.M. up to the date of the Annual General Meeting.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 22nd September 2017 to 29th September 2017 (both days inclusive).
8. Members are requested to :
 - (i) Expeditiously intimate change of address, if any, to the Company/Registrar and Share Transfer Agents quoting reference to their Registered Folio Number.
 - (ii) Write to the Company for any information about accounts at least 10 days in advance of the Annual General Meeting.
8. The Members are requested to dematerialize their shareholdings with their Depository Participants as the Company's Shares are traded compulsorily under demat mode on the Stock Exchanges.
9. Members, who are holding Shares in identical order of names in more than one Folio, are requested to apply to the Company/ Share Transfer Agents along with the relevant Share Certificates for consolidation of such Folios in one Folio.
10. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies of Annual Report to the Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
12. Proxy Form is annexed. Members are requested to affix their signature at the space provided and hand over the same at the entrance to the place of meeting.
13. **Members who have not registered their email address so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.**

14. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under and the revised Clause 35B of the Listing Agreement, Company is pleased to provide e-voting facility to all its members to enable them to cast their vote at the Annual General Meeting by electronically means.
15. A member may exercise his vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26th September, 2017 at 10.00 A.M., and ends on 28th September, 2017 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 12th August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Stick indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN No : 170726015 for the relevant Company Name: **“Mukesh Babu Financial Services Limited”** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The e-voting period commences on Tuesday, 26th September, 2017 (10.00 a.m. IST) and ends on Thursday, 28th September, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 12th August, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company.
- ii. Mr. V. V. Chakradeo, Practicing Company Secretary (Membership No.FCS3382 COP No.1705), has been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner.
- iii. The scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company.
- iv. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.mukeshbabu.com and on the website of CDSL within two days of the passing of the resolutions at the Thirty Second AGM of the Company on 29th September, 2017 and communicated to BSE Limited where the shares of the Company are listed.
- v. The resolutions shall be deemed to be passed on the date of Annual General Meeting of the Company, subject to receipt of sufficient votes.
- vi. You can also update your mobile number and Email Id in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting in future. The same may be used in case the Member forgets the password and the same need to be reset.

Contact Detail:

Company	<p>M/s. Mukesh Babu Financial Services Limited CIN: L65920MH1985PLC035504</p> <p>Registered Office:- 111, Maker Chambers III, 223, Nariman Point, Mumbai – 400021.</p> <p>Tel No: 022-2834462,22844015, Fax: 022-24082687 E-mail ID: info@mukeshbabu.com</p>
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Registrar and Share Transfer Agent	M/s. Link Intime India Private Limited C-101, 247 Park, L.B.S. Road, Vikroli – West, Mumbai – 400083. Tel: 022-25963838, Fax : 022-25946969 E-mail ID: mumbai@linkintime.co.in
E-Voting Agency	Central Depository Services (India) Limited. E-mail ID: helpdesk.evoting@cdslindia.com
Scrutinizer	CS V.V. Chakradeo (Practicing Company Secretary) E-mail ID : vvchakra@gmail.com

EXHIBIT TO NOTICE

Pursuant to Regulation 36(3) of SEBI LODR Regulations, following information is furnished in respect of Directors proposed to be appointed/reappointed.

Name of the Director	Mrs. Dipali C. Shah (DIN:07141559)
Date of Birth & Age	27 th December, 1979, 37 years
Date of Appointment	09 th February, 2015
Educational Qualification	B.Com., M.Com., ACS, L.L.B.
Expertise in specific functional areas	10 years
Directorship in other Companies (excluding Foreign and Section 8 Companies) as on March 31, 2017	Sagar Systech Limited
Chairpersonship / Membership of the Committee as on March 31, 2017 (It includes only Audit and Stakeholders' Grievance Committee)	NIL
Number of Equity Shares held on March 31, 2017	NIL
Inter-se relationship with other Directors / Manager / KMP	NIL
Remuneration last drawn by the Director	Refer Table VI -C of the Corporate Governance Report which forms part of this Annual Report

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

**Place: Mumbai
Date : 01/09/2017**

**Dipali Shah
Whole Time Director & Company Secretary
(DIN:07141559) (Mem No: ACS 25422)**

BOARD REPORT

Dear Members,

Your Directors have pleasure in submitting their Thirty Second Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2017.

1. FINANCIAL RESULTS

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

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Income From Operations	53,289,984	60,156,235
Other Income	2,538,122	871,596
Total Income	55,828,106	61,027,831
Profit before Interest, Depreciation & Tax	49,670,492	53,695,877
Less : Interest	11,943,363	19,090,860
Profit Before Depreciation	37,727,129	34,605,017
Less : Depreciation	721,011	700,963
Profit After Depreciation and Interest	37,006,118	33,904,054
Less: Current Income Tax	11,100,000	6,300,000
Less: Previous year Adjustment of Income Tax	915,919	587,566
Less: Deferred Tax	(3,075,423)	(65,549)
Net Profit After Taxation	28,065,622	27,082,037
Less: Dividend	-	6,970,900
Less: Dividend Distribution Tax	-	1,419,111
Less: Transfer to Statutory Reserve	5,613,124	5,416,407
Less: Provision for Standard Assets	(106,251)	(33,558)
Balance carried to Balance Sheet	22,558,749	13,309,177
Earning Per Share (Basic/Diluted)	4.03	3.89

2. TRANSFER TO RESERVE

A sum of Rs.56,13,124/- 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.2,25,68,749 is proposed to be retained in the Profit & Loss account.

3. DIVIDEND

Your Directors are pleased to recommend dividend of Re.1.00 (Rupee One Only) per equity share of Rs.10/- (Rupees Ten Only) each (i.e.10%) for the financial year ended March 31, 2017. The dividend, if approved and declared in the forthcoming Annual General Meeting, would result a Dividend outflow of Rs.69,70,900/- and dividend Distribution Tax of Rs.14,19,111/- aggregating a total outflow of Rs.83,90,011/-.

The Register of Members and Share Transfer Books will remain closed from September 22, 2017 to September 29, 2017 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2017. Dividend will be paid to those Members whose names appear in the Register of Members as on September 21, 2017.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 & 125 of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended till date, any dividend which remains unpaid or unclaimed for a period of 7 years from the due date of payment is required to be transferred by the Company to the Investor Education & Protection Fund (IEPF) of the Central Government. In accordance with the provisions, for the financial year ended March 31, 2009, the Company shall transfer the unclaimed dividend amount to the IEPF within 30 days from November 05, 2017. No claims shall lie against the Company in respect of any amounts which were unclaimed or unpaid for a period of seven (7) years from the dates they first became due for payment and transferred to IEPF.

The Company updates the details of unclaimed / unpaid dividend on the Company's website - www.mukeshbabu.com and on MCA website - www.mca.gov.in from time to time.

5. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2017 is Rs.696.75 Lakhs. 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.

6. PERFORMANCE REVIEW

Your Company earned a net profit of Rs.280.66 Lakhs for the financial year ended March 31, 2017 as compared to net profit of Rs.270.82 Lakhs in the previous financial year. Depreciation during the year is Rs.7.21 Lakh as compared to Rs.7.01 Lakhs in the previous financial year. Provision for taxation for the year is Rs.89.40 Lakhs (including Deferred Tax Provision) as compared to Rs.68.22 Lakhs in the previous financial year.

7. PERFORMANCE OF SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANIES:

a) Subsidiary Company:

During the year under review the Company has only one subsidiary – Mukesh Babu Securities Limited (CIN: U67120MH1994PLC076455)

As on March 31, 2017, the authorised share capital of the Company is Rs. 5 Crores and the paid up Equity Share Capital of the Company is Rs.5 Crores. The net profit of the Company for the year ended March 31, 2017 is Rs. 31.07 Lakhs as compared to Rs.160.63 Lakhs in previous year.

Accounts of Subsidiary:

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

Pursuant to proviso (b) to Section 136(1) of the Companies Act, 2013, a copy of the audited financial statements for the year ended March 31, 2017, of Mukesh Babu Securities Limited, shall be furnished to any shareholder on demand.

The financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of the subsidiary-Mukesh Babu Securities Limited are available on the website of the Company www.mukeshbabu.com

b) Joint Venture / Associate Company

The Company does not have any Joint Venture / Associate Company.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of The Companies (Accounts) Rules, 2014, Statement containing salient features of the financial statements of subsidiary is annexed to this report as **ANNEXURE-A**.

8. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY THAT OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments affecting the financial position of the Company that occurred between the end of the financial year to which this financial statements relate and the date of this report.

9. PUBLIC DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read together with The Companies (Acceptance of Deposits) Rules 2014. There are no outstanding deposits at the end of the year.

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

The provisions of Section 186 of the Companies Act, 2013 pertaining to investment & lending activities is not applicable to the Company since the Company is NBFC whose principal business is investment in securities, financial services & credit

The particulars of guarantees in any provided during the financial year are given in the notes to financial statement.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

During the year under review, the Company had advanced loans to its subsidiary – Mukesh Babu Securities Ltd. There were no materially significant related party transactions made by the Company during the year under consideration with the Promoters, Directors or Key Managerial Personnel which have a potential conflict with the interest of the Company at large.

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

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

12. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

13. RBI GUIDELINES

The Company continues to comply with all the requirements prescribed by the Reserve Bank of India, from time to time.

14. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

15. RISK MANAGEMENT

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the Risk Management Policy for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its efficiency.

16. WHISTLE BLOWER POLICY/ VIGIL MECHANISM

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

The policy provides for adequate safeguard against the victimisation of the employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The Vigil Mechanism is overseen by the Audit Committee.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. There were no cases reported during the financial year ended March 31, 2017.

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

a) RETIREMENT BY ROTATION

In terms of the provisions of Section 152(6) of the Companies Act, 2013, Mrs. Dipali C. Shah, whole-time Director (DIN: 07141559) retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

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

c) THE DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR;

During the year under review no Director or Key Managerial Personnel were appointed or resigned.

19. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received a declaration from Independent Directors, at the time of their respective appointments and also at the first meeting of the Board of Directors held in Financial Year 2016-17, that they meet the criteria of independence specified under subsection (6) and (7) of Section 149 of the Act, read with Rule 5 of the Companies(Appointment and Qualification of Directors) Rules, 2014 and SEBI LODR Regulations, for holding the position of IDs and that they shall abide by the “Code for Independent Directors” as per Schedule IV of the Act.

20. BOARD AND COMMITTEES

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.

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

21. BOARD’S EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the Board has framed an Evaluation Policy for evaluating the performance of the Board, Chairman,

Managing Director, Executive Directors, Independent Directors, Non – Executive Directors and its Committees. Based on the same, the Board carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, CSR Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. A meeting of the Independent Directors was held during the year under review.

The Policy, inter alia, provides the criteria for performance evaluation such as - Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

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

22. POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

As required under Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Policy for Determination of Materiality of Events or Information.

23. POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES

As required under Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Policy for Determination of Material Subsidiaries.

24. COMPANY'S REMUNERATION POLICY

Pursuant to applicable Regulations of the SEBI Listing Regulations and Section 178 (3) of the Companies Act, 2013, the Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and fixing their remuneration including criteria for determining qualification, positive attributes, independence of a director and key managerial personnel. The Remuneration Policy is provided in the Corporate Governance Report, which forms part of this Annual Report.

25. DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submit its Responsibility Statement that —

(a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) they had 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, 2017 and of the profit and loss of the company as on that date;

(c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they had prepared the annual accounts on a going concern basis; and

(e) they, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(f) they had 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. STATUTORY AUDITORS

Pursuant to the provisions of Section 139(2)(b) of the companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 as amended till date Shah, Shah & Shah, Chartered Accountants (FRN- 116457W), will retire by rotation as the Statutory Auditors of the Company at the ensuing AGM.

The Board of Directors of the Company on recommendation of the Audit Committee proposed to appoint Chaitanya C. Dalal ('CCD'), Chartered Accountants (FRN.101632W), as the Statutory Auditors of the Company for a period of five (5) years, to hold office from the conclusion of this Annual General Meeting ("AGM") up to the conclusion of the 37th AGM of the Company to be held for the financial year ending 31-03-2022. CCD have confirmed that their appointment, if made, would be in conformity with the provisions of Sections 139(1) and 141 of the Act, read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 and have given their consent to be appointed as Statutory Auditors of the Company.

The approval of the Members is sought, by passing an Ordinary Resolution, to appoint CCD as Statutory Auditors of the Company to hold office from the conclusion of ensuing AGM till the conclusion of the 37th AGM of the Company to be held for the F. Y. 2021-22 (subject to ratification of their appointment at every AGM).

28. SECRETARIAL AUDITOR

The Board had appointed Mr. V.V. Chakradeo, Practising Company Secretary (Membership No.FCS-3382 & COP No.:1705) to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2016-17. The Secretarial Audit Report is annexed to this report as "**Annexure – C**".

29. STATUTORY AND SECRETARIAL AUDITOR OBSERVATION

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

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

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

Your Company is not engaged in any manufacturing activities and therefore, no particulars are required to be disclosed under the Rule 8(3) of the Companies (Accounts) Rules, 2014, in respect of conservation of energy and technology absorption.

Further, there were no foreign exchange earnings and outgo during the year under review.

30. CORPORATE GOVERNANCE

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

The certificate duly signed by the Managing Director and Chief Financial Officer on the financial Statements of the Company for the year ended March 31, 2017 as submitted to the Board of Directors regarding compliance by the Board members and senior management personnel with Company's Code of Conduct is also enclosed therewith.

32 EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT - 9 as required under Section 134 of the Companies Act, 2013 read with Rule 8 (5) of the Company (Accounts) Rules, 2014 is annexed to this report as “**Annexure E**”.

PARTICULARS OF EMPLOYEES

The disclosures required pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided as “**Annexure F**” to this report. Further disclosure under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

In terms of the provisions of Section 197(12) of the Companies Act 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, no employee was drawing remuneration in excess of the limits set out in the said rules.

33. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

35. GREEN INITIATIVE

As in the previous years, this year too, we are publishing only the statutory disclosures in the print version of the Annual Report. Electronic copies of the Annual Report 2016-17 and Notice of the 32nd Annual General Meeting are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

36. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman
DIN: 00224300

K. Chandrasekhar
Director
DIN:00138951

Date : 12th August 2017
Place: Mumbai

Annexure-A**Form AOC-1**

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

Statement containing salient features of the financial statement of Subsidiary

(Amt. In Rs.)

Name of the Subsidiary	Mukesh Babu Securities Limited
Reporting Period of the subsidiary	April 01, 2016 to March 31, 2017
Reporting currency	Rupees
Share Capital	5,00,00,000
Reserves & Surplus	17,17,67,362
Total Assets	36,20,14,106
Total Liabilities	19,79,78,762
Investments	5,77,32,018
Turnover (Gross Receipt)	1,51,11,942
Profit Before Taxation	32,54,890
Profit After Taxation	31,07,109
Proposed Dividend	69,70,900
% shareholding	51.62%

Form No. AOC-2

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

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (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 during the financial year 2016-17.

Form MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The members,
Mukesh Babu Financial Services Limited,
Mumbai.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion the company had during the audit period covering the financial year ended on 31st March 2017 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 2017 according to the provisions of:

- i) The Companies Act, 2013 (Act) and the rules thereunder;
- ii) 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;
- vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vii) All applicable Labour Laws
- viii) Bombay Shop & Establishment Act,1948
- ix) Indian Contract Act,1872
- x) Income Tax Act,1961 and Indirect Tax Laws

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited.

We further report that

The board of directors of the company is duly constituted with proper balance of executive directors, non executive directors and independent directors. The changes in composition of the board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Place : Mumbai
Date : 12/08/2017

FOR V. V. CHAKRADEO & CO.

V. V. CHAKRADEO
COP 1705. FCS 3382

ANNEXTURE A TO SECRETARIAL AUDIT REPOT

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 : 12/08/ 2017

FOR V. V. CHAKRADEO & CO.

V. V. CHAKRADEO
COP 1705. FCS 3382

ANNEXURE – D

REPORT ON CORPORATE GOVERNANCE

OUR 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 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 core of the Company's business falls into two segments viz. financial services and investment in securities and credit. Our disclosure always seeks to attain the best practices in Corporate Governance. We endeavour to enhance the long-term 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, experience, knowledge and independence. The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") prescribes that where the Company is having a executive chairperson, the Board should have at least one-half of the board of directors as independent directors. As on March 31, 2017, the Board had five members, out of which two are Executive Directors (including one Woman Director), one is Non-executive Director and two are Non-executive independent Directors. The composition of the Board of Directors is in conformity with Regulation 17 of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013. The Board of Directors is chaired by a Executive Chairman who is a Managing Director of the Company. The Board periodically reviews its composition and size and evaluates the need for change, if required. There is no relationship between Directors inter-se.

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. Disclosures to this effect have been received by the Company from all its Directors.

The composition and category of the Board of Directors and the number of Directorships and Committee Chairmanships / Memberships held by them in other public companies as on March 31, 2016 are given herein below:

Name of Director	Designation	Category	No. of other directorships and committee memberships / chairmanships		
			Other directorships	# Committee membership	# Committee chairmanship
Mr. Mukesh Babu (DIN:00224300)	Managing Director	Executive, Promoter	4	0	0
Mr. K. Chandrasekhar (DIN:00138951)	Director	Non – Executive Director	3	7	3
Mr.Pankaj Majithia (DIN:00224833)	Director	Independent Director	2	4	4
Mr. Vijay Vora (DIN:00224394)	Director	Independent Director	1	4	0
Mrs. Dipali Shah (DIN:07141559)	Whole-time Director	Executive Director	1	0	0

Committees considered are Audit Committee and Stakeholders Relationship Committee as per Regulation 26 of the SEBI Listing Regulations.

B. Independent Directors:

The Non-Executive Independent Directors fulfil the criteria of independence specified in Section 149(6) of the Companies Act, 2013 read with The Companies (Audit & Auditors) Rules, 2014 and meet with the requirements of Regulation 16(1) of the SEBI Listing Regulations.

A formal letter of appointment to the Independent Director as provided in the Companies Act, 2013 and the SEBI Listing Regulations has been issued to them. The terms and conditions of appointment of Independent Directors.

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

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

A separate meeting of the Independent Directors was held on February 13, 2017 to discuss inter alia:

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

There are no material pecuniary relationships or transactions between the Independent Directors and the Company, except for the sitting fees drawn by them for attending the meeting of the Board and Committee(s) thereof. None of the Non – Executive Directors hold any shares in the Company.

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 appointing a Director, a formal letter of appointment is given to him / her, which inter alia explains their roles, functions, duties and responsibilities as a Director of the Company. The Director is explained in detail the compliance required from him / her under the Companies Act, 2013, relevant regulations of the SEBI Listing Regulations and other relevant regulations.

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

D. Board Meetings and Annual General Meeting:

During the financial year 2016-17, 4 (four) meetings of the Board of Directors of the Company were held and the maximum gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in every quarter to review the quarterly results and other items on the Agenda. The dates of the meetings of the Board of Directors are as under:

Sr.No.	Period	Date of the meeting
1	1 st Quarter	12/08/2016
2	2 nd Quarter	15/11/2016
3	3 rd Quarter	13/02/2017
4	4 th Quarter	30/05/2017

The attendance of the Directors at the Board Meetings and the Annual General Meeting held during the financial year 2016-17 is as under:

Name of the Directors	Qualification	Number of Board Meetings held	Number of Board Meetings attended	Last Annual General Meeting attended
Mr. Mukesh C. Babu	B.Com, A.C.A.	4	4	YES
Mr. Chandrasekhar Krishnan	B.Com, A.C.A, Grad. I.C.W.A.,A.C.S.,LL.B.	4	4	YES
Mr. Vijay L. Vora	B.COM	4	4	YES
Mr. Pankaj R. Majithia	F.C.A. A.C.S.,LL.B.	4	4	YES
Mrs. Dipali C. Shah	M.Com, C.S, LL.B.	4	4	YES

The necessary quorum was present for all the meetings.

E. Code of Conduct:

The Board has laid down the code of conduct for all the Board members and the senior managerial personnel of the Company, which is in compliance with Regulation 26 of the SEBI Listing Regulations and the same has been posted on the website of the Company at www.mukeshbabu.com

All the Board members and senior managerial personnel of the Company have affirmed compliance with the Code of Conduct framed by the Board and a declaration signed by the Managing Director to this effect as required under Regulation 34 (3) of the SEBI Listing Regulations forms part of the Annual Report for the financial year 2016-17.

II AUDIT COMMITTEE

A. Constitution of the Audit Committee

The Audit Committee of the Company is in alignment with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations. The Company has an Audit Committee consisting of qualified members. The Committee comprises of three Non-Executive Directors out of which two are Independent Directors as on March 31, 2017.

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 Regulations. All the members of the Audit Committee are financially literate and have experience in financial management.

The Company Secretary acts as Secretary to the Committee.

The Committee met 4 (four) times during the financial year 2016-17 i.e. on 12/08/2016, 15/11/2016, 13/02/2017 and 30/05/2017.

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	Designation	No. of Meetings during the year 2016-17	
			Meetings Held	Meetings attended
1	Mr. Pankaj Majithia	Chairman	4	4
2	Mr. K. Chandrasekhar	Member	4	4
3	Mr. Vijay Vora	Member	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:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing and examining the quarterly financial results with the management before submission to the Board;
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval, with particular reference to:

- i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
- ii) Changes, if any, in accounting policies and practices and reasons for the same.
- iii) Major accounting entries involving estimates based on the exercise of judgment by Management.
- iv) Significant adjustments made in the financial statements arising out of audit findings.
- v) Compliance with listing and other legal requirements relating to financial statements disclosure of any related party transactions.
- vi) disclosure of nay related party transactions,
- vii) modified opinion(s) in the draft audit report.
- f) Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- g) approval or any subsequent modification of transactions of the Company with related parties
- h) Scrutiny of inter - corporate loans and investments;
- i) Evaluation of internal financial controls and risk management systems;
- j) reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.
- k) to review the functioning of the whistle blower mechanism.

The Audit Committee shall review the information required as per SEBI Listing Regulations.

The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings.

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

The Company Secretary was appointed as the Compliance Officer by the Board to ensure compliance and effective implementation of the Insider Trading Code.

III. NOMINATION AND REMUNERATION COMMITTEE

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

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

- a) Recommend to the Board the setup and composition of the Board and its committees, including the "formulation of the criteria for determining qualifications, positive attributes and independence of a Director." The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- b) Recommend to the Board the appointment or reappointment of Directors.
- c) Devise a policy on Board diversity.
- d) Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).
- e) Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual Directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.
- f) Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of the employees.
- g) Oversee familiarisation programmes for Directors.

Meeting and Attendance:

The Nomination and Remuneration Committee met only once during the financial year 2016-2017 on 13th February, 2017 and the necessary quorum was present at the meeting.

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

Sr. No.	Name of the Member	Designation	No. of Meetings during the year 2016-17	
			Meetings Held	Meetings attended
1	Mr. Pankaj Majithia	Chairman	1	1
2	Mr. K. Chandrasekhar	Member	1	1
3	Mr. Vijay Vora	Member	1	1

IV Details of remuneration paid to Directors for the financial year ended March 31, 2017 is as follows:

(a) Non-executive Directors

Sr.No.	Name of Director	Sitting Fees (in Rs.)
1	Mr. Pankaj Majithia	20,000
2	Mr. Vijay Vora	20,000

None of the Non-Executive Directors of the Company had any pecuniary relationship with the Company during the financial year 2016-17.

(b) Executive Directors:

(in Rs.)

Name of Director Designation	Mukesh Babu Managing Director	Mrs. Dipali C. Shah Whole-time Director & Company Secretary
Salary	12,00,000	5,11,000
Benefits & perquisites	Nil	Nil
Allowances	Nil	Nil
Performance linked incentives	Nil	Nil
Stock options	Nil	Nil

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has constituted the Stakeholders Relationship Committee comprising of three members of which two are Non-Executive Independent Directors and one Non-Executive Director. 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 Regulations.

The composition of the Committee and the attendance of the members of the Stakeholders Relationship Committee during the financial year 2016-17 is as given below:

Sr. No.	Name of the Member	Designation	No. of Meetings during the year 2016-17	
			Meetings Held	Meetings attended
1	Mr. Pankaj Majithia	Chairman	4	4
2	Mr. K. Chandrasekhar	Member	4	4
3	Mr. Vijay Vora	Member	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 Regulations and SEBI (Prohibition of Insider Trading) Regulations, 1992 and oversees the functioning of the RTA.

During the year under review, the investor complaints received by the Company and its RTA were of general nature, which were resolved to the satisfaction of the Shareholders.

The status of complaints is reported to the Board on a quarterly basis. Details of investors' complaints as on March 31, 2017 are given below:

No. of complaints received during the year	NIL
No. of complaints resolved during the year	NIL
No. of complaints pending at the end of the year	NIL

All Shareholder / Investor complaints were redressed within the time frame prescribed by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there were no pending requests for the financial year ended March 31, 2017.

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

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

Mr. Pankaj Majithia, Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting to answer the queries of the Shareholders.

VI Corporate Social Responsibility Committee (CSR Committee)

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

This fiscal year 2016-17 Company doesn't fall in norms of CSR under section 135 of Companies Act, 2013.

The Committee met once during the year under review on 13th February, 2017. The composition of the Committee and the attendance of the members of the CSR Committee during the financial year 2016-17 is as given below:

Sr. No.	Name of the Member	Designation	No. of Meetings during the year 2016-17	
			Meetings Held	Meetings attended
1	Mr. Pankaj Majithia	Chairman	1	1
2	Mr. K. Chandrasekhar	Member	1	1
3	Mr. Vijay Vora	Member	1	1

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 Regulations during the financial year were entered in the ordinary course of business and on arms' length basis.

Related party transactions have been disclosed under the significant accounting policies and Notes forming part of the financial statements in accordance with "Accounting Standard 18". A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review and recommendation to the Board for their approval.

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

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

b) Prevention of Insider Trading:

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has formulated a code of fair disclosure and conduct for prevention of insider trading. Details of the shareholding of the Non-Executive Directors as on March 31, 2017 is as under:

Name of the Non-executive Directors	No. Of Equity shares held
Mr. Pankaj Majithia	1800
Mr. K. Chandrasekhar	200
Mr. Vijay Vora	NIL

c) Whistle Blower Policy:

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

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

d) Disclosure of Accounting Treatment:

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

e) Risk Management:

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Risk Management Committee.

f) Non-mandatory requirements:

Adoption of non-mandatory requirements of the SEBI Listing Regulations is being reviewed by the Board from time-to-time.

g) Compliance with Corporate Governance Code / Regulations:

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

VIII. DIVIDEND

The Board of Directors at their meeting held on May 30, 2017 recommended a dividend payout, subject to approval of the Shareholders at the ensuing Annual General Meeting of Re.1 per share, on equity shares of the Company for the financial year 2016-17. The dividend shall be paid to the Members whose names appear on the Company's Register of Members as on August 12, 2017 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 shall be paid on or after September 29, 2017.

Unclaimed Dividend:

In terms of Section 124 & 125 of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended till date, any dividend which remains unpaid or unclaimed for a period of 7 years from the due date of payment is required to be transferred by the Company to the Investor Education & Protection Fund (IEPF) of the Central Government. In accordance with the provisions, for the financial year ended March 31, 2009, the Company shall transfer the unclaimed dividend amount to the IEPF within 30 days from November 05, 2017. Members who have not yet encashed their dividend warrants for the financial year ended March 31, 2009 or thereafter are requested to write to the Company /Registrars and Share Transfer Agents on or before November 05, 2017. Members are requested to note that no claims shall lie against the Company in respect of any amounts which were unclaimed or unpaid for a period of seven (7) years from the dates they first became due for payment and transferred to IEPF.

IX. SUBSIDIARY COMPANIES

During the year under review, the Company has only one unlisted subsidiary namely:
Mukesh Babu Securities Ltd.

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

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

X. COMPLIANCE OFFICER

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

12. CEO and CFO certification

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the CEO and CFO certification is provided in this Annual Report.

13. Code of conduct

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiary.

All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2017.

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

14. Prevention of insider trading

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the declarations and disclosures to identified designated employees, and the Board reviews the policy on a need basis. The policy is available on our website

15. General Body Meetings

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

<u>Meeting No.</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
Thirtyone	30.09.2016	5.00 p.m.	Serai Hall, 11A/1, New Sion Co-op Hsg. Soc. Ltd., Sion (West), Mumbai 400022.
Thirtieth	30.09.2015	5.00 p.m.	12-A/4 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.
Twenty Ninth	30.09.2014	5.00 p.m.	12-A/4 New Sion Co-op. Hsg. Soc. Ltd; Sion (W), Mumbai-400 022.

16. Means of Communication

- The quarterly/half-yearly/annual financial results of the Company are published in the Free Press Journal and Navshakti. These results are not distributed / sent individually to the shareholders.
- The financial results are also uploaded on the Company's Website www.mukeshbabu.com.
- All periodic compliance filings like Shareholding pattern, Corporate governance report, Outcome of meetings, etc are carried with the Stock Exchanges on which the Company's shares are listed.
- The Management Discussion and Analysis Report forms part of this Annual Report.

19. General Shareholder Information

a) Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65920MH1985PLC035504.

b) Annual General Meeting

The Thirty Second Meeting will be held as per the following schedule:

Day :Friday

Date :29th September, 2017

Time :5.00 p.m.

Venue : Café Ista, 12A/1, New Sion Co-op Hsg. Soc. Ltd., Sion (West), Mumbai 400022.

c) Book closure

The dates of Book Closure are from Friday 22nd September, 2017 to Friday 29th September, 2017 both days inclusive.

e) Dividend Payment Date

Dividend if declared at the Annual General Meeting is proposed to be credited/dispatched on or after October 3rd, 2017

f) Financial Calendar (Tentative)

First Quarter : August, 2017
Second Quarter & Half-Yearly : November, 2017
Third Quarter: February, 2018
Fourth Quarter & Annual : May, 2018

g) Listing on Stock Exchanges

The Company is listed on the BSE Ltd and the Ahmedabad Stock Exchange Ltd.

Bombay Stock Exchange Limited P.J. Towers, Dalal Street, Fort, Mumbai-400 001. Security Code: 530341	Ahmedabad Stock Exchange Limited Kamdhenu Complex, Near Panjarpole, Opp. Sahajanand College, Ahmedabad-380 015. Security Code:38196
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Annual Listing fees for the year 2016-2017 (as applicable) have been paid by the Company to BSE Limited and Ahmedabad Stock Exchange Limited.

Company ISIN No: INE596B01017

h) Dematerialization of Shares

The Company's shares are available for trading with both the depositories i.e. CDSL and NSDL. As on 31st March 2017, **64,14,900 Equity Shares** forming **92.02%** of the share capital of the Company stand dematerialized.

i) Depositories

- 1) The National Securities Depository Limited (NSDL)
4th Floor, 'A' Wing, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel, Mumbai 400 013
Phone: 022-2499 4200 Fax: 022-2497 6351.
Web: www.nsdl.co.in
- 2) The Central Depository Services (India) Limited (CDSL)
17th Floor, P J Towers, Dalal Street
Mumbai 400 001
Phone: 022-2272 3333 Fax: 022-2272 2072 / 3199
Web: www.cdslindia.com

j) Registrar of Companies

The Registrar of Companies, Maharashtra
100 Everest Building,
Marine Lines,
Mumbai 400022.
Phone: 022-2812645/022-2812627
www.mca.gov.in

k) Share Transfer System

Shares sent for transfer in physical form are normally registered by the Registrars and Share Transfer Agents within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks.

l) Address for Correspondence

1. Registered Office

Ms. Dipali Shah,
 Company Secretary & Compliance Officer
 111, Maker Chambers III, Nariman Point, Mumbai 400021.
 Phone: (022) 22873338, Fax: (022) 24021168
 e-mail: info@mukeshbabu.com
 website: www.mukeshbabu.com

2. Registrar and Share Transfer Agents

Link Intime India Private Limited.
 C-101, 247 Park,
 L.B.S. Marg, Vikroli (W), Mumbai-400 083.
 Phone: (022) 25963838/25946970
 E-mail : rnt.helpdesk@linkintime.co.in

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m) Market Price Data

The Company's shares are listed on BSE Limited & Ahmedabad Stock Exchange Limited. There was no trading of the Company's Shares in Ahmedabad Stock Exchange Limited during the financial year 2016-2017. The monthly high & low quotation as well as the volume of shares traded during the year 2016-2017 at, BSE Limited, is as below:

Month	Year	High Rs.	Low Rs.	No. of (Shares)
April	2016	43.40	36.60	22310
May	2016	46.45	37.40	11476
June	2016	46.00	31.60	16046
July	2016	34.95	29.60	8000
August	2016	43.80	29.65	14124
September	2016	44.45	36.10	9082
October	2016	41.35	34.00	23603
November	2016	43.85	33.45	33198
December	2016	45.00	35.10	26439
January	2017	54.00	40.05	38852
February	2017	57.20	40.70	17187
March	2017	60.00	40.00	61607

n) The Share Holding Pattern and Distribution of Shareholding as on 31st March, 2017

SHAREHOLDING PATTERN AS ON 31.03.2017			DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2017				
Category Shareholding	No. of Shares	%to the total paid up Capital	No. of Shares	Shareholders		Shares	
				Number	%	Amount (Rs.)	% to Equity
Promoters	4381600	62.86	Up to- 500	1453	83.18	301373	4.32
Mutual Funds, UTI	97500	01.40	501-1000	136	07.78	109870	1.58
Financial Institutions & Banks			1001- 2000	62	03.55	88920	1.28
Bodies Corporate	1300	00.02	2001- 3000	21	01.20	55799	0.80
Individuals	825878	11.85	3001- 4000	17	00.97	62378	0.89
Clearing Member	1434863	20.58	4001- 5000	12	00.69	58400	0.84
Market Maker	14030	00.20	5001- 10000	15	00.86	116683	1.67
NRIs and NRN			10001- Above	31	01.77	6177477	88.62
Overseas Bodies corporate	113150	01.62					
HUF	32900	00.47					
	69679	01.00					
Total	6970900	100.00	Total	1741	100.00	6970900	100.00

19. Details of non-compliance

No penalty has been imposed by any stock exchange, SEBI or SEC, nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market over the last three years.

20. Auditors' certificate on corporate governance

As required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Auditors' certificate on corporate governance is annexed to the Board's report. In addition to the certificate by the auditors, the Practicing Company Secretary has also issued a certificate on corporate governance as part of the secretarial audit.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman
DIN: 00224300

K. Chandrasekhar
Director
DIN:00138951

Date: 12th August, 2017
Place: Mumbai

AXXEXURE - E**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****as on financial year ended on 31.03.2017****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/Sub-category of the Company	Public Company - Limited by shares & having a share capital
v	Address of the Registered office & contact details	111, Maker Chambers III, Nariman Point, Mumbai 400021
vi	Whether listed company	LISTED
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Linkintime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikroli (W), Mumbai-400 083

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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

Mukesh Babu Financial Services Limited										
Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2016				Shareholding at the end of the year - 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	4381600	0	4381600	62.8556	4381600	0	4381600	62.8556	'0.0000
(b)	Central Government / State Government(s)	0	0	0	0	0	0	0	0	'0.0000
(c)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	4381600	0	4381600	62.8556	4381600	0	4381600	62.8556	'0.0000
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	'0.0000
(b)	Government	0	0	0	0	0	0	0	0	'0.0000
(c)	Institutions	0	0	0	0	0	0	0	0	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	4381600	0	4381600	62.8556	4381600	0	4381600	62.8556	'0.0000
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	197500	197500	2.8332	0	97500	97500	1.3987	-1.4345
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions / Banks	0	11700	11700	0.1678	0	1300	1300	0.0186	-0.1492
(g)	Insurance Companies	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	209200	209200	3.001	0	98800	98800	1.4173	-1.5837
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	454389	278800	733189	10.5179	388159	288000	676159	9.6997	-0.8182
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	543074	10300	553374	7.9383	723404	35300	758704	10.8839	2.9456
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0
(c)	Employee Trusts	0	0	0	0	0	0	0	0	0
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Hindu Undivided Family	78198	0	78198	1.1218	69679	0	69679	0.9996	-0.1222
	Non Resident Indians (Non Repat)	32010	0	32010	0.4592	14100	0	14100	0.2023	-0.2569
	Non Resident Indians (Repat)	20940	97700	118640	1.7019	1350	97700	99050	1.4209	-0.281
	Overseas Bodies Corporates	0	32900	32900	0.472	0	32900	32900	0.472	0
	Clearing Member	13327	0	13327	0.1912	14030	0	14030	0.2013	0.0101
	Bodies Corporate	815162	3300	818462	11.7411	822578	3300	825878	11.8475	0.1064
	Sub Total (B)(3)	1957100	423000	2380100	34.1434	2033300	457200	2490500	35.7271	1.5837
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	1957100	632200	2589300	37.1444	2033300	556000	2589300	37.1444	0
	Total (A)+(B)	6338700	632200	6970900	100	6414900	556000	6970900	100	0
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0
	Total (A)+(B)+(C)	6338700	632200	6970900	100	6414900	556000	6970900	100	0

Mukesh Babu Financial Services Limited								
Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2016			Shareholding at the end of the year - 2017			% change in year
		NO.OF SHARES HELD	% of total the company	Shares Pledged to total shares	NO.OF SHARES HELD	% of total of the company	%of Shares Pledged/ to total shares	
1	MUKESH C BABU	3431600	49.2275	0	3431600	49.2275	0	0
2	MEENA MUKESH BABU	950000	13.6281	0	950000	13.6281	0	0
	Total	4381600	62.8556	0	4381600	62.8556	0	0
GENERATED ON : 29/06/2017								
	Total	4381600	62.8556	0	4381600	62.8556	0	0
GENERATED ON : 06/08/2016								

Mukesh Babu Financial Services Limited ISIN : INE596B01017							
MGT-9 IV.(iii) Change in Promoters Shareholding							
Sr No.	Name & Type of	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL	DATE OF	NO. OF	NO OF	% OF TOTAL
1	MUKESH C BABU	3431600	49.2275			3431600	49.2275
	AT THE END OF THE YEAR					3431600	49.2275
2	MEENA MUKESH BABU	950000	13.6281			950000	13.6281
	AT THE END OF THE YEAR					950000	13.6281

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

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS_DATE
1	MUKESH C BABU	IN30047643377899	AABPB9901C	3431600	31/03/2016
2	MUKESH C BABU	IN30047643377899	AABPB9901C	3431600	31/03/2017
3	MEENA MUKESH BABU	IN30047643369067	AAFPB1958F	950000	31/03/2016
4	MEENA MUKESH BABU	IN30047643369067	AAFPB1958F	950000	31/03/2017
4	MEENA MUKESH BABU	IN30047643369067	AAFPB1958F	950000	31/03/2017

Mukesh Babu Financial Services Limited ISIN : INE596B01017

MGT-9 IV. Shareholding Pattern of Top Ten Shareholders

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2016		Transactions during the year		Cumulative Shareholding at the end of the year - 2017	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	SAGAR SYSTECH LIMITED	604500	8.6718			604500	8.6718
	AT THE END OF THE YEAR					604500	8.6718
2	THANKI BHARATBHAI TRIKAMJI	218288	3.1314			218288	3.1314
	Transfer			30 Jun 2016	33306	251594	3.6092
	Transfer			07 Oct 2016	(1000)	250594	3.5949
	Transfer			24 Mar 2017	29	250623	3.5953
	Transfer			31 Mar 2017	599	251222	3.6039
	AT THE END OF THE YEAR					251222	3.6039
3	SAURASHTRA SOLID INDUST PVT LTD	44673	0.6408			44673	0.6408
	Transfer			22 Apr 2016	15100	59773	0.8575
	Transfer			29 Apr 2016	1145	60918	0.8739
	Transfer			06 May 2016	2000	62918	0.9026
	Transfer			20 May 2016	498	63416	0.9097
	Transfer			27 May 2016	5445	68861	0.9878
	Transfer			03 Jun 2016	100	68961	0.9893
	Transfer			22 Jul 2016	2018	70979	1.0182
	Transfer			29 Jul 2016	(100)	70879	1.0168
	Transfer			05 Aug 2016	700	71579	1.0268
	Transfer			12 Aug 2016	1994	73573	1.0554
	Transfer			26 Aug 2016	4163	77736	1.1152
	Transfer			02 Sep 2016	349	78085	1.1202
	Transfer			09 Sep 2016	747	78832	1.1309
	Transfer			30 Sep 2016	2300	81132	1.1639
	Transfer			02 Dec 2016	1500	82632	1.1854
	Transfer			09 Dec 2016	2000	84632	1.2141
	Transfer			16 Dec 2016	7106	91738	1.3160
	Transfer			23 Dec 2016	1000	92738	1.3304
	Transfer			30 Dec 2016	2900	95638	1.3720
	Transfer			06 Jan 2017	5635	101273	1.4528
	Transfer			13 Jan 2017	4100	105373	1.5116
	Transfer			20 Jan 2017	1180	106553	1.5285
	Transfer			17 Feb 2017	1450	108003	1.5493
	AT THE END OF THE YEAR					108003	1.5493
4	INDIAN BANK A/C INDIAN BANK M.F.	97500	1.3987			97500	1.3987
	AT THE END OF THE YEAR					97500	1.3987
5	SUBRAMANIAN P	14263	0.2046			14263	0.2046
	Transfer			14 Oct 2016	34990	49253	0.7066
	Transfer			04 Nov 2016	75	49328	0.7076
	Transfer			11 Nov 2016	3572	52900	0.7589
	Transfer			18 Nov 2016	2604	55504	0.7962
	Transfer			25 Nov 2016	496	56000	0.8033
	Transfer			02 Dec 2016	6800	62800	0.9009
	Transfer			09 Dec 2016	7000	69800	1.0013
	Transfer			16 Dec 2016	2000	71800	1.0300
	Transfer			06 Jan 2017	4548	76348	1.0952
	Transfer			13 Jan 2017	1577	77925	1.1179
	Transfer			27 Jan 2017	300	78225	1.1222
	Transfer			03 Feb 2017	1310	79535	1.1410
	Transfer			17 Feb 2017	500	80035	1.1481
	Transfer			03 Mar 2017	1665	81700	1.1720
	Transfer			10 Mar 2017	1501	83201	1.1935
	Transfer			17 Mar 2017	709	83910	1.2037
	Transfer			24 Mar 2017	3468	87378	1.2535
	Transfer			31 Mar 2017	1000	88378	1.2678
	AT THE END OF THE YEAR					88378	1.2678
6	HEMANT CHAMPAKLAL BABU	44700	0.6412			44700	0.6412
	Transfer			12 Aug 2016	25000	69700	0.9999
	AT THE END OF THE YEAR					69700	0.9999

Sr No.	Name & Type of Transaction	Shareholding at the beginning		Transactions during the year		Cumulative Shareholding at	
		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
7	HIRAL DIVYESH SEJPAL	63128	0.9056			63128	0.9056
	AT THE END OF THE YEAR					63128	0.9056
8	MUKESH CHAMPAKLAL BABU	50000	0.7173			50000	0.7173
	AT THE END OF THE YEAR					50000	0.7173
9	ISTAA FASHIONS PRIVATE LIMITED	50000	0.7173			50000	0.7173
	AT THE END OF THE YEAR					50000	0.7173
10	ALOK YOGENDRA BABU	17000	0.2439			17000	0.2439
	Transfer			12 Aug 2016	25000	42000	0.6025
	AT THE END OF THE YEAR					42000	0.6025

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

SR NO	SHAREHOLDER NAME	DPID/Folio	PAN	SHARES	BENPOS_DATE
1	INDIAN BANK A\C INDIAN BANK M.F.	0001004		97500	31/03/2016
2	INDIAN BANK A\C INDIAN BANK M.F.	0001004		97500	31/03/2017
3	SBI CAPITAL MARKETS LTD	0001006		100000	31/03/2016
4	SAGAR SYSTECH LIMITED	IN3015493954	AAACS8115M	604500	31/03/2016
5	SAGAR SYSTECH LIMITED	IN3015493954	AAACS8115M	604500	31/03/2017
6	ISTAA FASHIONS PRIVATE LIMITED	12033700000	AABCN9189P	50000	31/03/2016
7	ISTAA FASHIONS PRIVATE LIMITED	12033700000	AABCN9189P	50000	31/03/2017
8	VSE STOCK SERVICES LTD	13016700000	AABCV4258K	45506	31/03/2016
9	VSE STOCK SERVICES LTD	13016700000	AABCV4258K	6015	31/03/2017
10	MUKESH CHAMPAKLAL BABU	IN3026793713	AADHM1722N	50000	31/03/2016
11	MUKESH CHAMPAKLAL BABU	IN3026793713	AADHM1722N	50000	31/03/2017
12	SAURASHTRA SOLID INDUST PVT LTD	12056600000	AAECS9355D	44673	31/03/2016
13	SAURASHTRA SOLID INDUST PVT LTD	12056600000	AAECS9355D	108003	31/03/2017
14	THANKI BHARATBHAI TRIKAMJI	13016700006	AAWPT3642B	218288	31/03/2016
15	THANKI BHARATBHAI TRIKAMJI	13016700006	AAWPT3642B	251000	31/03/2017
16	BHARAT BHAI TRIKAMJI THANKI	IN3005132064	AAWPT3642B	222	31/03/2017
17	HEMANT CHAMPAKLAL BABU	12033600000	ACCPB7667E	44700	31/03/2016
18	HEMANT CHAMPAKLAL BABU	12033600000	ACCPB7667E	69700	31/03/2017
19	ALOK YOGENDRA BABU	IN3011512664	AITPB3368D	17000	31/03/2016
20	ALOK YOGENDRA BABU	IN3011512664	AITPB3368D	42000	31/03/2017

V. INDEBTNESS

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

Particulars	Secured Loans excluding deposits	Secured Loans excluding deposits	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	128,413,369	18,635,129	-	147,048,498
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	744,406	-	-	744,406
Total (i+ii+iii)	129,157,775	18,635,129	-	147,792,904
Change in Indebtedness during the financial year				
• Addition	82,605,342	-	-	82,605,342
• Reduction	155,272,090	2,609,000	-	157,881,090
Net Change	(72,666,748)	(2,609,000)	-	(75,275,748)
Indebtedness at the end of the financial year				
i) Principal Amount	55,999,510	16,026,129	-	72,025,639
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	491,517	-	-	491,517
Total (i+ii+iii)	56,491,027	16,026,129	-	72,517,156

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	Whole Time Director & Company Secretary	
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	511,000	1,711,000
	(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	511,000	1,711,000
	Ceiling as per Act			N.A.

B. Remuneration to other directors:

Sr.NO.	Particulars of Remunerations	Name of Directors			Total
		Pankaj Majithia	Vijay Vora	----	Rs.
1	Independent Directors				
	(a) For Attending Board / Committee meeting	20,000	20,000		40,000
	(b) As Commission	.			
	(c) Other , please specify				
	Total (1)	20,000	20,000	-	40,000
2	Other Non-Executive Directors				
	(a) For Attending Board / Committee meeting				
	(b) As Commission				
	(c) Other , please specify				
	Total (2)	-	-	-	-
	Total (B) = (1)+(2)	20,000	20,000	-	40,000
	Total Managerial Remuneration (A+B)	1,220,000	531,000	-	1,751,000
	Overall Ceiling As per Act : 11% of Net Profit as per section 198 of the Companies Act, 2013				3,087,218
	Ceiling as per Act : 5% of Net Profit as per section 198 of the Companies Act, 2013				1,403,281

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

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

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES : NIL

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

Annexure-F

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

1. The Board affirms that the remuneration paid is as per the Remuneration Policy of the Company.
2. The ratio of the remuneration of each Director to the median remuneration of employees of the Company for the financial year

Sr.	Name Director	Ration of Remuneration of Director to Remuneration of Employees
1	Mr. Mukesh Babu	1.67: 1
2	Mrs. Dipali Shah	0.71:1
3	Mr. Pankaj Majithia	0.03:1
4	Mr. Vijay Vora	0.03:1

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

Sr.	Name Director	Percentage increase in Remuneration of Each Director
1	Mr. Mukesh Babu	0
2	Mrs. Dipali Shah	21.67
3	Mr. Pankaj Majithia	0
4	Mr. Vijay Vora	0

4. The percentage increase in the median remuneration of employees in the financial year is 1.14 %.
5. The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstance for increase in the managerial remuneration.
6. The number of permanent employees on the rolls of the company.: **Three.**

MANAGEMENT DISCUSSION AND ANALYSIS

The management is pleased to present its Analysis Report.

A. FINANCIAL RESULTS

The Company's financial performance for the year under review along with previous years' figures are given hereunder:

Particulars	Current Year Amount Rs.	Previous Year Amount Rs.
Income From Operations	53,289,984	60,156,235
Other Income	2,538,122	871,596
Total Income	55,828,106	61,027,831
Profit before Interest, Depreciation & Tax	49,670,492	53,695,877
Less : Interest	11,943,363	19,090,860
Profit Before Depreciation	37,727,129	34,605,017
Less : Depreciation	721,011	700,963
Profit After Depreciation and Interest	37,006,118	33,904,054
Less: Current Income Tax	11,100,000	6,300,000
Less: Previous year Adjustment of Income Tax	915,919	587,566
Less: Deferred Tax	(3,075,423)	(65,549)
Net Profit After Taxation	28,065,622	27,082,037
Less: Dividend	-	6,970,900
Less: Dividend Distribution Tax	-	1,419,111
Less: Transfer to Statutory Reserve	5,613,124	5,416,407
Less: Provision for Standard Assets	(106,251)	(33,558)
Balance carried to Balance Sheet	22,558,749	13,309,177
Earning Per Share (Basic/Diluted)	4.03	3.89

B. FINANCIAL REVIEW :

Your Company earned a net profit of Rs. 280.65 Lakhs for the financial year ended 31st March, 2017 as compared to previous year's net profit of Rs.270.82 Lakhs. Depreciation during the year was Rs.7.21 Lakhs as compared to Rs. 7.01 Lakhs in the previous year. Provision for taxation during the year is Rs. 89.40 Lakhs including Deferred Tax Provision as compared to Rs 68.22 Lakhs in previous year.

C. OPPORTUNITIES AND MARKET ENVIRONMENT:

The Indian economy witnessed another challenging year, with Real GDP growth pegged at 7.1% representing a sharp slowdown over 2015-16 (7.9%). In spite of the lack lustre performance during the year as afore stated, green shoots of economic recovery became visible in the latter half of the year. The proposed implementation of the Goods and Services Tax (GST) is expected to transform the indirect tax landscape in the country and accelerate economic growth in the long run by simplifying the tax structure, enhancing tax compliance and facilitating the ease of doing business in a unified common market. On the positive side, India remains the fastest growing major economy in the world. During the year, there was significant improvement on the 'twin deficit' front. Your company continues to believe in investing in companies, which have good potentials and in specific sectors that will do well in times to come.

D. FUTURE PROSPECTS :

It is anticipated that the global economy will perform better and grow by 3.5% in 2017 and improve further to 3.6% in 2018, on the back of synchronised growth momentum in Advanced as well as Emerging economies. It is your Company's belief that businesses can bring about transformational change by pursuing innovative business models that synergise the creation of sustainable livelihoods and the preservation of natural capital with enhancing shareholder value.

Auditor's Certificate on Corporate Governance

To the Members of Mukesh Babu Financial Services Limited.

We have examined the compliance of conditions of corporate governance by **Mukesh Babu Financial Services Limited** for the year ended **31st March 2017**, as stipulated in Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the following:

a) The Company Secretary did not act as compliance officer and Secretary to the Audit Committee Meetings held during the year. (Para 6 (1) of Chapter III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Shah, Shah & Shah
Chartered Accountants**

**(Mehul C. Shah)
Partner
Membership No. 49361
FRN: 116457W**

**Place :Mumbai
Date: 12/08/2017**

Declaration

It is hereby confirmed pursuant to Listing Regulations, 2015 that:

The Board of Directors of MBFS has laid down a code of conduct for all Board Members and senior management of the Company. The said code of conduct has also been posted in the Company's website viz. www.mukeshbabu.com.

All the Board Members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended 31st March, 2017.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Mukesh Babu
Chairman & Managing Director
DIN: 00224300

K. Chandrasekhar
Director
DIN:00138951

Date: 12th August 2017
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

To

The Members,

MUKESH BABU FINANCIAL SERVICES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MUKESH BABU FINANCIAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 and the Rules made there under. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, and to the best of our information, and according to the explanations given to us, the 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:

- (i) in case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017.
- (ii) in case of statement of Profit and Loss , of the Profit of the Company for the year ended on that date.
- (iii) in case of cash flow statement, of cash flow of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' 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 explanation, which to the best of our knowledge and belief were necessary for the purpose 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 and Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid 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 the date of balance sheet, and taken on record by the board of directors, we report that none of the directors is disqualified as on the said date 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. We have been informed by the Company that the pending litigations against the Company would not impact its financial position.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016, and these are in accordance with the books of account maintained by the Company.

**FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS**

**Mehul Shah
Partner
FRN: 116457W
M. No.: 049361**

**Place : Mumbai
Date : 30/05/2017**

ANNEXURE "A:" REFERRED TO IN REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF
OUR REPORT OF EVEN DATE

IN CASE OF MUKESH BABU FINANCIAL SERVICES LIMITED

(i) (a) The Company is maintaining proper records showing full particulars of, including quantitative details and situation, of fixed assets.

(b) The management at reasonable intervals has verified the fixed assets. We have been informed that, no material discrepancies on such verification have been noticed.

(c) As per records presented before us, the title deeds of immovable properties are held in name of the Company. As

(ii) As per the records maintained, the management has conducted physical verification of inventory at reasonable intervals. We have been informed that, no material discrepancies on such verification have been noticed. The

(iii) The Company has granted unsecured loan to a company (subsidiary) covered in the register maintained under section 189 of the Companies Act, 2013.

(a) As explained to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest;

(b) The schedule of repayment of principal and payment of interest has not been stipulated;

(c) Since there is no schedule prescribed, determining the amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest is not possible; although we find that the subsidiary has been repaying the amount periodically.

(iv) As per records maintained and explanation given to us, in respect of loans, investments, guarantees, and security given / made by the Company, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted any deposits from public within the meaning of the provisions of section 73 or any other provisions of the Companies Act, 2013 and the rules made there under. We have been informed by the management that there has been no order passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company with respect to compliance of the provisions of section 73 or any other provisions of the Companies Act 2013.

(vi) We have been informed by the management that, the Central Government has not prescribed the method of maintenance of cost records under section 148 (1) of the Companies Act, 2013 to the industry to which the Company pertains.

(vii) (a) We have been informed by the management that, the Company is generally regular in depositing all undisputed statutory dues with the appropriate authorities and there have been no material arrears of outstanding dues as at the last day of this financial year for more than six months from the date they became payable .

(b) In our opinion, and according to the information and explanation given to us, there are no dues of Income tax, Sales tax, Wealth Tax, and Service tax, Custom Duty, Excise Duty or Cess, or Value Added Tax as applicable to it which have not been deposited on account of any dispute.

(viii) As informed to us by the management, the Company has not defaulted in repayment of any dues to financial institution or banks; whereas there are no debenture holders.

(ix) We have been informed by the management that no money was raised by way of Initial Public offer or Further Public offer(including Debt instrument), and in case of term Loans the amount was applied for the purpose for which they are taken.

(x) As informed by the management, there has not been noticed or reported any fraud on or by the Company during the year.

(xi) We have been informed by the management that managerial remuneration has been paid or provided in (xi) accordance with the requisite approval mandated by the provisions of section 197 read with Schedule V to the (xi) Companies Act, 2013.

(xii) Since the Company is not a Nidhi Company, the provisions of this clause are not applicable to the Company

(xiii) In our view, and as per the explanation given to us by the management, 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 standard.

(xiv) we have been informed by the management that Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) As per the explanation given to us by the management, and as per records maintained, the Company has not entered into any non-cash transactions with directors or any persons connected with him as prescribed by section 192 of the Companies Act 2013.

(xvi) In our view, the Company has carried out any activities in nature of activities carried out by non banking financial companies, and thus is required to get registered under section 45-IA of the Reserve Bank of India Act, 1934, and has obtained the required registration.

**AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS**

**Mehul Shah
Partner
FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 30/05/2017**

ANNEXURE "B:" REFERRED TO IN REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF
OUR REPORT OF EVEN DATE

IN CASE OF MUKESH BABU FINANCIAL SERVICES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Mukesh Babu Financial Services Limited** (“the Company”) as of **31 March 2017** 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 over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the 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 ICAI 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, both 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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; and (3) 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 at **31 March 2017**, 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 Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS**

**Mehul Shah
Partner
FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 30/05/2017**

MUKESH BABU FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	March 31, 2017		March 31, 2016	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	434,409,118		406,237,245	
(c) Money received against share warrants		-	504,084,118	-	475,912,245
2 Share application money pending allotment					
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)	10	-		882,239	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	267,049	267,049	373,300	1,255,539
4 Current liabilities					
(a) Short-term borrowings	4	72,517,156		147,792,904	
(b) Trade payables	5	41,505,509		26,251,278	
(c) Other current liabilities	6	2,284,956		2,629,234	
(d) Short-term provisions	7	18,086,238	134,393,859	15,235,505	191,908,921
TOTAL			638,745,026		669,076,705
II. ASSETS					
1 Non-current assets					
(a) Fixed assets					
(i) Tangible assets	8	8,506,957		7,237,842	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	9	325,409,960		329,809,960	
(c) Deferred tax assets (net)	10	2,193,184		-	
(d) Long-term loans and advances	11	42,054,400		44,454,400	
(e) Other non-current assets	12	998,127	379,162,628	998,127	382,500,329
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	131,986,357		130,599,626	
(c) Trade receivables		-		-	
(d) Cash and Bank Balances	14	13,794,614		22,360,045	
(e) Short-term loans and advances	15	64,776,005		104,865,428	
(f) Other current assets	16	49,025,422	259,582,398	28,751,277	286,576,376
TOTAL			638,745,026		669,076,705

Contingent Liabilities & Commitments 17

NOTES ON ACCOUNT 24

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

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

Mehul Shah
Partner
FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 30/05/2017

Mukesh Babu **K. Chandrasekhar** **Dipali Shah**
Managing Director Director Director & Company Secretary
DIN:00224300 DIN: 00138951 DIN: 07141559 & Mem.No. 25422

Place : Mumbai
Date : 30/05/2017

MUKESH BABU FINANCIAL SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	March 31, 2017		March 31, 2016	
		₹	₹	₹	₹
I Revenue from operations	18		53,289,984		60,156,235
II Other income	19		2,538,122		871,596
III Total Revenue (I + II)			55,828,106		61,027,831
IV Expenses:					
Employee benefits expense	21	2,639,759		2,425,882	
Finance costs	22	11,943,363		19,090,860	
Depreciation	8	721,011		700,963	
Other expenses	23	3,517,855		4,906,072	
Total expenses			18,821,988		27,123,777
V Profit before exceptional and extraordinary items and tax (III-IV)			37,006,118		33,904,054
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			37,006,118		33,904,054
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			37,006,118		33,904,054
X Tax expense:					
(1) Current tax		11,100,000		6,300,000	
(2) Taxation of earlier years		915,919		587,566	
(3) Deferred tax		(3,075,423)	8,940,496	(65,549)	6,822,017
XI Profit (Loss) for the period from continuing operations (VII-VIII)			28,065,622		27,082,037
XII Profit/(loss) from discontinuing operations					-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit (Loss) for the period (XI + XIV)			28,065,622		27,082,037
XVI Earnings per equity share:					
(1) Basic			4.03		3.89
(2) Diluted			4.03		3.89

NOTES ON ACCOUNT

24

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

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

Mehul Shah
Partner

Mukesh Babu
Managing Director
DIN:00224300

K. Chandrasekhar **Dipali Shah**
Director **Director & Company Secretary**

DIN: 00138951 DIN: 07141559 & Mem.No. 25422

FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 30/05/2017

Place : Mumbai
Date : 30/05/2017

MUKESH BABU FINANCIAL SERVICES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		37,006,118		33,904,054
Adjustments for :				
Depreciation & Misc. Exp. Written off	721,011		700,963	
Bad Debts written off			-	
Excess Provision for Taxation		721,011	-	700,963
Operating Profit Before Working Capital Changes		37,727,129		34,605,017
Changes in Working Capital:				
Inventories	(1,386,731)		(20,288,448)	
Sundry Debtors	-		-	
Loans and Advances	43,200,799		13,041,879	
Other Current Assets	(20,274,144)		(8,444,255)	
Sundry Creditors	15,254,231		8,524,966	
Other Liabilities	1,517,965	38,312,119	2,670,734	(4,495,125)
Cash Generated from Operations		76,039,248		30,109,892
Direct Taxes Paid		(11,133,682)		(8,241,129)
Cash Flow Before Extraordinary Items		64,905,567		21,868,763
Extraordinary Items		106,251		33,558
Net Cash From Operating Activities		65,011,818		21,902,321
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(1,990,126)		(24,255)	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
Sale of Investments	4,400,000	2,409,874	-	(24,255)
Net cash used in Investing Activities		2,409,874		(24,255)
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings	-		(7,053,754)	
Repayment of Loan Short Term Borrowings	(75,275,748)		-	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid	-		(6,970,900)	
Increase in Misc. & Public Issue Expenses	-	(75,275,748)	-	(14,024,654)
Net cash used in Financing Activities		(75,275,748)		(14,024,654)
Net Increase / (Decrease) in Cash & Cash Equivalents		(7,854,056)		7,853,412
Cash & Cash Equivalents at the Beginning of the Year		9,116,495		1,263,083
Cash & Cash Equivalents at th Closing of the Year		1,262,439		9,116,495

FOR SHAH SHAH & SHAH
Chartered Accountants

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

(MEHUL C. SHAH)
Partner
Membership No.49361
FRN: 116457W
Place : Mumbai
Date : 30/05/2017

Mukesh Babu
Managing Director
DIN:00224300

K. Chandrasekhar
Director
DIN: 00138951

Dipali Shah
Director & Company Secretary
DIN: 07141559 & Mem.No. 25422

Place : Mumbai
Date : 30/05/2017

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 1 SHARE CAPITAL

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

Share Capital	March 31, 2017		March 31, 2016	
	Number	₹	Number	₹
Authorised Equity Shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
Issued Equity Shares of ₹ 10 each	6,970,900	69,709,000	6,970,900	69,709,000
Subscribed and fully Paid up Equity Shares of ₹ 10 each fully paid	6,960,600	69,606,000	6,960,600	69,606,000
Subscribed but not fully Paid up Equity Shares of ₹ 10 each, not fully paid up	10,300	103,000	10,300	103,000
Less: Unpaid Calls		34,000		34,000
Total	6,970,900	69,675,000	6,970,900	69,675,000

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

Particulars - Equity Shares	March 31, 2017		March 31, 2016	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	6,970,900	69,709,000	6,970,900	69,709,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,970,900	69,709,000	6,970,900	69,709,000

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act 2013 (more than 5% holding)

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MUKESH CHAMPAKLAL BABU	3,431,600	49.23%	3,431,600	49.23%
MEENA MUKESH BABU	950,000	13.63%	950,000	13.63%
SAGAR SYSTECH LIMITED	604,500	8.67%	604,500	8.67%

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

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

Particulars	March 31, 2017		March 31, 2016	
	Number	Description	Number	Description
Equity Shares	6,970,900	Pari Pasu	6,970,900	Pari Pasu
Restrictions on the distribution of dividends		None		None
voting rights or with differential voting rights as to dividend		All shares have equal Voting Rights		All shares have equal Voting Rights

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

Unpaid Calls	₹
By Directors	-
By Officers	-
Others	34,000

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 2 RESERVES AND SURPLUS

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
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	73,392,864	67,976,457
(+) Current Year Transfer	5,613,124	5,416,407
	-	-
Closing Balance	79,005,988	73,392,864
d. General Reserve		
Opening Balance	21,082,871	21,082,871
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	21,082,871	21,082,871
e. Surplus Profit and Loss A/c		
Opening balance	231,120,510	217,811,334
(+) Net Profit/(Net Loss) For the current year	28,065,622	27,082,037
(-) Provision for Dividends	-	6,970,900
(-) Provision for Dividend Tax	-	1,419,111
(-) Transfer to Statutory Reserves (As per RBI Regulations)	5,613,124	5,416,407
(-) Provision for Standard Assets (As per RBI Regulations)	-106,251	-33,558
Closing Balance	253,679,259	231,120,510
Total Reserves & Surplus	434,409,118	406,237,245

Note 3 LONG TERM PROVISIONS

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Provision for Long Term Liabilities		
Total (a)	-	-
(b) Others		
Contingent Provision against Standard Assets (As per RBI Regulations)	267,049	373,300
Total (b)	267,049	373,300
Total Long Term Provisions	267,049	373,300

MUKESH BABU FINANCIAL SERVICES LIMITED

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 4 SHORT-TERM BORROWINGS

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
Secured		
<u>From Banks (Bank Overdraft)</u>	-	-
(Secured against Pledge of Fixed Deposit Receipt)		
Terms of repayment: Working Capital Loans		
Period of Maturity 1 Year		
Number and amount of instalments Not Applicable		
Applicable rate of interest 10.00%		
<u>From other parties</u>	56,491,027	129,157,775
(Secured against Pledge of Stock of Shares)		
Terms of repayment: Working Capital Loans		
Period of Maturity Not Applicable		
Number and amount of instalments Not Applicable		
Applicable rate of interest 13.50% to 17.00%		
Total Secured Short Term Borrowings	56,491,027	129,157,775
Unsecured		
(a) Loans repayable on demand		
from banks (Refer note no. 3. of Other Notes to Accounts)	16,026,129	18,635,129
Total Unsecured Short Term Borrowings	16,026,129	18,635,129
Total Short Term Borrowings	72,517,156	147,792,904

Note 5 TRADE PAYABLES

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Trade Payables	41,505,509	26,251,278
Total Trade Payables	41,505,509	26,251,278

Note 6 OTHER CURRENT LIABILITIES

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Unclaimed Dividends	2,284,956	2,629,234
Total Trade Payables	2,284,956	2,629,234

Note 7 SHORT TERM PROVISIONS

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Provision for Short Term Liabilities	-	-
(b) Provision for Expenses	181,292	180,508
(c) Others (Specify nature)		
Provision for Taxation (Net of Pre-paid Taxes)	10,143,146	6,628,932
Other Provisions	7,761,800	1,455,165
Provision for Dividend	-	6,970,900
Total Short Term Provisions	18,086,238	15,235,505

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 8 FIXED ASSETS

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

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	01/04/2016	Additions/ (Disposals)	01/04/2017	01/04/2016	Depreciation for the year	On disposals	01/04/2017	01/04/2016	01/04/2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a Tangible Assets									
Office Premises	14,883,250	-	14,883,250	10,257,538	225,272	-	10,482,810	4,625,712	4,400,440
Guest House	2,669,990	1,020,126.00	3,690,116	936,228	88,574	-	1,024,802	1,733,762	2,665,314
Furniture and Fixtures	3,729,511	-	3,729,511	3,322,108	105,477	-	3,427,585	407,403	301,926
Electrical Fittings	312,776	970,000.00	1,282,776	268,746	157,893	-	426,639	44,030	856,137
Office equipment	1,477,654	-	1,477,654	1,438,376	17,703	-	1,456,079	39,278	21,575
Computers	615,481	-	615,481	553,202	24,476	-	577,678	62,279	37,803
Vehicals	3,005,288	-	3,005,288	2,679,910	101,616	-	2,781,526	325,378	223,762
Total (Current Year)	26,693,950	1,990,126	28,684,076	19,456,108	721,011	-	20,177,119	7,237,842	8,506,957
Total (Previous Year)	26,669,695	24,255	26,693,950	18,755,145	700,963	-	19,456,108	7,914,550	7,237,842

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 9 NON CURRENT INVESTMENTS

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

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%) (if Known only)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			31/03/2016	31/03/2017			31/03/2016	31/03/2017	31/03/2016	31/03/2017		
1	2	3	4	5	6	7	8	9	10	11	12	13
A.	TRADE INVESTMENTS		-	-					-	-		
B.	OTHER INVESTMENTS											
a.	Investment in Properties								-	-		
b.	Investment in Equity Instruments											
	Steelcast Ltd	Others	10,000	10,000	Quoted	Fully Paid	-	-	450,000	450,000	Yes	N.A.
	Rushil Industries Ltd.	Others	50,000	-	Unquoted	Fully Paid	-	-	500,000	-	Yes	N.A.
	Dynamic Ship Recyclers Pvt.Ltd.	Others	400,000	400,000	Unquoted	Fully Paid	-	-	1,500,000	1,500,000	Yes	N.A.
	Mukesh Babu Securities Ltd	Subsidiary	2,580,996	2,580,996	Unquoted	Fully Paid	51.62	51.62	25,809,960	25,809,960	Yes	N.A.
	The Gaekwar Mills Ltd	Others	75,000	36,000	Quoted	Fully Paid	-	-	7,500,000	3,600,000	Yes	N.A.
									35,759,960	31,359,960		
c.	Investments in Preference Shares											
	Balance Equity Broking (India) P. Ltd	Others	1,500,000	1,500,000	Unquoted	Fully Paid	-	-	15,000,000	15,000,000	Yes	N.A.
									15,000,000	15,000,000		
d.	Investments in Government or Trust securities											
	UTI-IEF units	Other	5,000	5,000	Quoted	Fully Paid	-	-	50,000	50,000	Yes	N.A.
									50,000	50,000		
e.	Investments in Debentures/ Bonds											
	The Gaekwar Mills Ltd (9%)	Other	3,000	3,000	Unquoted	Fully Paid	-	-	229,000,000	229,000,000	Yes	N.A.
	The Gaekwar Mills Ltd (0%)	Other	500	500	Unquoted	Fully Paid	-	-	50,000,000	50,000,000	Yes	N.A.
									279,000,000	279,000,000		
Total									329,809,960	325,409,960		

Particulars	31/03/2016	31/03/2017
	₹	₹
Aggregate amount of quoted investments (Market Value ₹ 34,17,150/- (Previous Year ₹ 36,72,150/-)	8,000,000	4,100,000
Aggregate amount of unquoted investments	321,809,960	321,309,960
TOTAL	329,809,960	325,409,960

MUKESH BABU FINANCIL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 10 DEFERRED TAX ASSET / LIABILITIES (NET)

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	842,956	882,239
Gross deferred tax liability	842,956	882,239
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	3,036,140	0
Gross Deferred tax asset	3,036,140	-
Net deferred tax liability / (asset)	2,193,184	(882,239)

Note 11 LONG TERM LOANS AND ADVANCES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
a. Loans and advances to related parties	-		-	
Total (a)	-	-	-	-
b. Other loans and advances				
Unsecured, considered good:- Advances Against Projects	42,054,400	42,054,400	44,454,400	44,454,400
Total (b)		42,054,400		44,454,400
Total Long Term Loans and Advances (a)+(b)		42,054,400		44,454,400

Note 12 OTHER NON CURRENT ASSETS

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Security Deposits :				
Unsecured, considered good		998,127		998,127
Total Other Non-Current Assets		998,127		998,127

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 13 INVENTORIES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
a. Stock of Shares (Trading Stock of shares Valued at lower of cost or net realisable value)	131,986,357		130,599,626	
		131,986,357		130,599,626
Total Inventories		131,986,357		130,599,626

Note 14 CASH AND BANK BALANCES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks In Current Accounts with Scheduled Banks	1,096,691		7,721,140	
		1,096,691		7,721,140
B. Cash on hand Cash and Cash Equivalents		165,748		1,395,355
		1,262,439		9,116,495
C. Other Bank Balances				
In Fixed Deposits with Scheduled Banks	10,125,000		10,125,000	
In Unclaimed Dividends Account	2,284,956		2,629,234	
Interest Accrued not due on Fixed Deposits	122,219	12,532,175	489,316	13,243,550
Total Cash and Bank Balances (A+B+C)		13,794,614		22,360,045

Note 15 SHORT TERM LOANS AND ADVANCES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
A. Loans and advances to related parties		-		32,256,902
Sub Total (A)		-		32,256,902
B. Others				
Unsecured, considered good		62,259,080		68,519,526
Prepaid Expenses		10,925		-
Staff & Associates		2,506,000		4,089,000
Sub Total (B)		64,776,005		72,608,526
Total Short-term loans and advances (A+B)		64,776,005		104,865,428

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 16 OTHER CURRENT ASSETS

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
a. Taxation	-	-	-	-
b. Non-Taxation				
Margin Money with Brokers	49,025,422		28,751,277	
		49,025,422		28,751,277
Total Other Current Assets		49,025,422		28,751,277

Note 17 CONTINGENT LIABILITIES AND COMMITMENTS

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
A. Contingent Liabilities				
(1) Claims against the company not acknowledged as debt - Refer sub-note no. 3 of Note 24	-		-	
(2) Guarantees	-		-	
(3) Other money for which the company is contingently liable	-		-	
Sub Total (A)		-		-
B. Commitments				
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	-		-	
(2) Uncalled liability on shares and other investments partly paid	-		-	
(3) Other commitments (specify nature)	-		-	
Sub Total (B)		-		-
Total Contingent Liabilities and Commitments (A+B)		-		-

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 18 REVENUE FROM OPERATIONS

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

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Interest Income		13,708,508		13,695,285
Dividend Income		10,440,882		18,450,564
Profit on Shares and Securities		29,140,594		28,010,386
Net Revenue From Operations		53,289,984		60,156,235

Note 19 OTHER INCOME

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Profit on sale of Investments		1,750,000		-
Interest on Term Deposits		788,122		871,596
Total Other Income		2,538,122		871,596

Note 20 (INCREASE) / DECREASE IN INVENTORIES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Inventories at the end of the year				
Stock of Shares	131,986,357	131,986,357	130,599,626	130,599,626
Inventories at the beginning of the year				
Stock of Shares	130,599,626	130,599,626	110,311,178	110,311,178
Net Increase / (Decrease) in Inventories		1,386,731		20,288,448

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 21 EMPLOYEE BENEFIT EXPENSES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries	661,675		622,000	
Bonus	55,425		87,000	
Directors' Remuneration	1,751,000	2,468,100	1,650,000	2,359,000
(b) Staff welfare expenses		171,659		66,882
Total Employee Benefit Expenses		2,639,759		2,425,882

Note 22 FINANCE COST

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
<u>Interest expense</u>				
Interest on Loans	11,918,597		19,009,769	
Interest on Bank Overdraft	24,766	11,943,363	81,091	19,090,860
Total Finance Cost		11,943,363		19,090,860

Note 23 OTHER EXPENSES

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Auditors' Remuneration		84,897		38,677
Business Promotion Expenses		788,582		1,724,171
Conveyance & Travelling Expenses		239,093		641,549
Electricity Expenses		332,920		341,825
Professional & Consultancy Fees		874,600		748,683
Listing Fees		229,000		236,120
Membership & Subscriptions		89,001		60,450
Motor Car Expenses		16,525		75,774
Office Expenses		32,609		35,369
Postage and Courier Expenses		66,659		62,495
Printing and Stationery Expenses		153,995		151,829
Publishing Expenses		51,240		68,878
Rent, Rates & Taxes		306,241		294,642
Repairs and Maintenance Expenses		97,473		208,168
Telephone Expenses		80,613		74,322
Sundry Expenses		74,407		143,120
Total Other Expenses		3,517,855		4,906,072

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

NOTE:- 24 OTHER NOTES - NOTES ON ACCOUNTS

**1 SIGNIFICANT ACCOUNTING POLICIES:
ACCOUNTING CONCEPTS**

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

FIXED ASSETS

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

DEPRECIATION

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

INVESTMENTS

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

INVENTORIES

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

REVENUE RECONGNITION:

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

EMPLOYEE BENEFITS:

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

IMPAIRMENT OF ASSETS

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

USE OF ESTIMATES

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

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

EARNINGS PER SHARE

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

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

CASH FLOW STATEMENT

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

BORROWING COSTS

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

STATUTORY RESERVE

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

PRUDENTIAL NORMS

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

TAXES ON INCOME:

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

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

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

2

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

3

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

4

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

Particulars	March 31, 2017	March 31, 2016
As Auditors	46,000	33,147
Other Professional Services	38,897	12,359
	84,897	45,506

MUKESH BABU FINANCIAL SERVICES LIMITED

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

5 Earning per share is calculated as under:

Particulars	March 31, 2017	March 31, 2016
Basic earning per share		
Net profit after Taxation	28,065,622	27,082,037
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	4.03	3.89
Diluted earning per share		
Net profit after Taxation	28,065,622	27,082,037
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	4.03	3.89

Particulars	March 31, 2017	March 31, 2016
6 Directors' Remuneration		
Within the limits of Schedule V to the Companies Act 2013.	1,751,000	1,650,000

7

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

8

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

9

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

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

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount reversed during the year	Closing Balance
	₹	₹	₹	₹
Income-tax	6,628,932	8,940,496	5,426,282	10,143,146

11 The year end position of Loans and advances given to the following companies which are under the same management within the meaning of 186 of the Companies Act 2013.

NAME OF THE COMPANY	March 31, 2017	March 31, 2016
Mukesh Babu Securities Limited (Subsidiary)	-	32,256,902

Maximum outstanding during the Year

NAME OF THE COMPANY	March 31, 2017	March 31, 2016
Mukesh Babu Securities Limited (Subsidiary)	34,197,619	44,837,827

MUKESH BABU FINANCIAL SERVICES LIMITED

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

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

A. Relationships:

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

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

B. Transactions with related Parties:

TRANSACTIONS DURING THE YEAR	Relationship	March 31, 2017	March 31, 2016
Opening Balances	Subsidiary Company	32,256,902	44,837,827
Loans & Advances taken during the year	Key Managerial Persons	25,000,000	44,837,827
	Associates	-	-
Loans & Advances given during the year	Subsidiary Company	-	12,005,856
Interest Charged during the Year	Subsidiary Company	1,940,717	3,570,244
	Associates	-	-
Amounts received back during the year	Subsidiary Company	34,197,619	28,157,025
Loans & Advances refunded during the year	Key Managerial Persons	25,000,000	
	Associates	-	-
Remuneration & Sitting Fees	Key Managerial Persons	1,751,000	1,650,000
Closing Balances	Subsidiary Company	0.00	32,256,902
	Key Managerial Persons	-	
	Associates	-	-

13 Income and Expenses in Foreign Currency:

March 31, 2017	March 31, 2016
NIL	NIL

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

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	6373286	163169	1540908	4995547
Value (in ₹)	130,599,626	13,500,270	18,343,899	131,986,357

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

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

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

Particulars		Amount in Rs.	
LIABILITIES SIDE:			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
	a. Loan Against Securities (Secured Against shares)	56,491,027	NIL
	b. Loans from Banks (Unsecured)	16,026,129	
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	106,830,405	
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	NIL	
5	Break-up of Investments :		
	Current Investments :		
	Long Term Investments :		
	1 Quoted :		
	(i) Shares : (a) Equity	4,050,000	
	(b) Preference		
	(ii) Units of Mutual Funds	50,000	
	2 Unquoted :		
	(i) Shares : (a) Equity	27,309,960	
	(b) Preference	15,000,000	
	(ii) Debtntures and Bonds	279,000,000	
6	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :	NIL	
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
	Category	Market Value / Break up or fair Value or NAV	Book Value (Net of Provisions)
	1. Related Parties		
	a. Subsidiaries	25,809,960	25,809,960
	b. Other Related Parties	-	-
	2. Other than Related Parties	299,600,000	299,600,000
	Total	325,409,960	325,409,960
8	OTHER INFORMATION		
	Particulars	Amount	
	(i) Gross Non-Performing Assets		
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(ii) Net Non-Performing Assets		
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(iii) Assets acquired in satisfaction of Debt	NIL	

16 SPECIFIC DISCLOSURES

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

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

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

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	

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

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016			
	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	-	39,573	39,573
(+) Permitted receipts	-	95,000	95,000
(-) Permitted payments	-	98,355	98,355
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	36,218	36,218

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

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

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

(Mukesh Babu)
Managing Director
DIN:00224300
Place : Mumbai
Date : 30/05/2017

(K. Chandrasekhar)
Director
DIN: 00138951

(Dipali Shah)
Director & Company Secretary
DIN: 07141559 & Mem.No. 25422

Mehul Shah
Partner
FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 30/05/2017

32nd

ANNUAL REPORT 2016-2017

MUKESH BABU FINANCIAL SERVICES LIMITED [CONSOLIDATED ACCOUNTS]

Board of Directors

Shri Mukesh Babu (Chairman & Managing Director)
Shri K. Chandrasekhar
Shri Pankaj Majithia
Shri Vijay Vora
Mrs. Dipali C. Shah

Company Secretary

Ms. Dipali C. Shah

Main Bankers

Bank of India
HDFC Bank
ICICI Bank

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CONTENTS

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Registered Office

111, Maker Chambers III,
223, Nariman Point,
Mumbai - 400 021.

Auditors Report	1	Auditors
Balance Sheet	6	
Statement of Profit and Loss	7	Shah, Shah & Shah
Cash Flow Statement	8	Chartered Accountants
Notes forming part of Accounts	9	502, Damji Shamji Trade Centre,
Other Notes forming part of Accounts	10	Vidyavihar - West, Mumbai - 400086.

**INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF
MUKESH BABU FINANCIAL SERVICES LIMITED AND ITS SUBSIDIARY**

To
The Board of Directors,
Mukesh Babu Financial Services Limited

- 1 We have audited the accompanying consolidated financial statements of **Mukesh Babu Financial Services Limited** ("the Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at **March 31, 2017**, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

- 2 The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

- 3 Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the 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 and the Rules made thereunder. 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 the 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 consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, 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, of the consolidated state of affairs of the Company, as at 31 March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiary as at 31st March, 2017; and
- (ii) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date
- (iii) in the case of consolidated cash flow statement, of the cash flows of the Group 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 of the aforesaid consolidated financial statements.

(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 it appears from our examination of those books

(c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(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 the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Group 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. We have been informed by the Company that the pending litigations against the Company would not impact its financial position.
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and subsidiary companies incorporated in India.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016, and these are in accordance with the books of account maintained by the Company.

Other Matters

(a) The accompanying consolidated financial statements include total assets of RS.4197.46 Lac as at March 31, 2017, and total revenues of RS. 151.12 Lac and net cash outflows of RS. 12.88 Lac for the year ended on that date, in respect of one subsidiary which have been audited by other auditors, whose financial statements, other financial information and auditors' reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of such other auditors.

**FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS**

**(Mehul Shah)
M. No. 049361
FRN: 116457W
Place : Mumbai
Date : 30/05/2017**

ANNEXURE "A:" REFERRED TO IN REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS
OF OUR REPORT OF EVEN DATE
Mukesh Babu Financial Services Limited
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Mukesh Babu Financial Services Limited Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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 over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the 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") issued by ICAI and the Standards on Auditing, issued by ICAI 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 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 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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 at 31 March 2017, 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 Over Financial Reporting issued by the ICAI.

**FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS**

**(Mehul Shah)
PARTNER
M. No. 049361
FRN: 116457W**

**Place : Mumbai
Date : 30/05/2017**

MUKESH BABU FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note No.	March 31, 2017		March 31, 2016	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
1 Shareholders' funds					
(a) Share capital	1	69,675,000		69,675,000	
(b) Reserves and surplus	2	523,075,435		493,299,672	
(c) Money received against share warrants			592,750,435		562,974,672
2 Mionority Interest			107,291,090		105,787,870
3 Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)	10	-		802,053	
(c) Other Long term liabilities		-		-	
(d) Long-term provisions	3	267,049	267,049	373,300	1,175,353
4 Current liabilities					
(a) Short-term borrowings	4	119,775,870		199,937,007	
(b) Trade payables	5	41,818,769		26,564,538	
(c) Other Current Liabilities	6	152,284,956		152,629,234	
(d) Short-term provisions	7	17,814,494	331,694,089	17,303,716	396,434,495
TOTAL			1,032,002,663		1,066,372,390
II. ASSETS					
1 Non-current assets					
(a) Fixed assets	8	25,574,158		24,252,980	
(i) Tangible assets		-		-	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	9	357,332,019		361,732,019	
(c) Deferred tax assets (net)		2,362,587		-	
(d) Long-term loans and advances	11	42,054,400		44,454,400	
(e) Other non-current assets	12	24,438,344	451,761,508	24,338,344	454,777,743
2 Current assets					
(a) Current investments		-		-	
(b) Inventories	13	131,986,357		130,599,626	
(c) Trade receivables	14	8,547,667		8,762,667	
(d) Cash and Bank Balances	15	114,148,713		123,137,365	
(e) Short-term loans and advances	16	276,532,996		320,343,712	
(f) Other current assets	17	49,025,422	580,241,155	28,751,277	611,594,647
TOTAL			1,032,002,663		1,066,372,390

Contingent Liabilities & Commitments 18

NOTES ON ACCOUNT 24

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

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

Mehul Shah
Partner
FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 30/05/2017

Mukesh Babu
Managing Director
DIN:00224300

K. Chandrasekhar
Director
DIN:00138951

Dipali Shah
Director & Company Secretary
DIN:7141559 ACS:25422

Place : Mumbai
Date : 30/05/2017

MUKESH BABU FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note No.	March 31, 2017		March 31, 2016	
		₹	₹	₹	₹
I Revenue from operations	19		51,349,267		56,585,991
II Other income	20		17,650,064		34,836,034
III Total Revenue (I + II)			68,999,331		91,422,025
IV Expenses:					
Employee benefits expense	21	6,502,790		6,377,683	
Finance costs	22	14,232,067		21,809,242	
Depreciation	8	1,498,968		1,174,427	
Other expenses	23	6,504,498		9,772,046	
Total expenses			28,738,323		39,133,398
V Profit before exceptional and extraordinary items and tax (III-IV)			40,261,008		52,288,627
VI Exceptional items			-		-
VII Profit before extraordinary items and tax (V - VI)			40,261,008		52,288,627
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			40,261,008		52,288,627
X Tax expense:					
(1) Current tax		11,250,000		8,800,000	
(2) Taxation for Earlier Years		1,002,917		462,070	
(2) Deferred tax		(3,164,639)	9,088,278	(118,820)	9,143,250
XI Profit (Loss) for the period from continuing operations (VII-VIII)			31,172,730		43,145,377
XII Profit/(loss) from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit (Loss) for the period (XI + XIV)			31,172,730		43,145,377
XVI Earnings per equity share:					
(1) Basic			4.47		6.19
(2) Diluted			4.47		6.19

NOTES ON ACCOUNT

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AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH
CHARTERED ACCOUNTANTS

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

Mehul Shah
Partner

Mukesh Babu
Managing Director
DIN:00224300

K. Chandrasekhar
Director
DIN:00138951

Dipali Shah
Director & Company Secretary
DIN:7141559 ACS:25422

FRN: 116457W
M. No.: 049361
Place : Mumbai
Date : 30/05/2017

Place : Mumbai
Date : 30/05/2017

MUKESH BABU FINANCIAL SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017.

	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
A. Cash flow from Operating Activities :				
Net Profit Before Tax and Extraordinary Item		40,261,008		52,288,627
Adjustments for :				
Depreciation & Misc. Exp. Written off	1,498,968		1,174,427	
Non Operating Interest / Dividend Received	(2,818,903)		(7,296,859)	
Interest Paid	14,232,067		21,809,242	
Excess Provision for Taxation	-	12,912,132	-	15,686,810
Operating Profit Before Working Capital Changes		53,173,140		67,975,437
Changes in Working Capital:				
Inventories	(1,386,731)		(20,288,448)	
Sundry Debtors	215,000		(343,000)	
Loans and Advances	46,210,716		(4,794,358)	
Other Current Assets	(20,527,582)		(8,411,118)	
Sundry Creditors	15,254,231		8,524,965	
Other Liabilities	(741,804)	39,023,830	5,987,282	(19,324,677)
Cash Generated from Operations		92,196,970		48,650,760
Interest Paid		(14,232,067)		(21,809,242)
Direct Taxes Paid		(11,450,862)		(10,562,361)
Cash Flow Before Extraordinary Items		66,514,041		16,279,157
Extraordinary Items		106,251		33,558
Net Cash From Operating Activities		66,620,292		16,312,715
B. Cash Flow from Investing Activities :				
Purchase of Fixed Assets	(2,820,146)		(2,724,255)	
Sale of Fixed Assets			-	
Purchase of Investments	-		(1,350,000)	
Dividend and Interest	2,818,903		7,296,859	
Sale of Investments	4,400,000	4,398,757	802,889	4,025,493
Net cash used in Investing Activities		4,398,757		4,025,493
C. Cash Flow from Financing Activities :				
Proceeds from Issue of Share Capital	-		-	
Proceeds from Short Term Borrowings			-	
Proceeds from Long term Borrowings			-	
Repayment of Loan Short Term Borrowings	(80,161,137)		(5,594,109)	
Repayment of Finance Lease Liabilities	-		-	
Dividends Paid			(6,970,900)	
Increase in Misc. & Public Issue Expenses	-	(80,161,137)	-	(12,565,009)
Net cash used in Financing Activities		(80,161,137)		(12,565,009)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS		(9,142,089)		7,773,199
Cash & Cash Equivalents at the Beginning of the Year		12,714,372		4,941,173
Cash & Cash Equivalents at th Closing of the Year		3,572,283		12,714,372

FOR SHAH SHAH & SHAH
Chartered Accountants

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

(MEHUL C. SHAH)
Partner
Membership No.49361
FRN: 116457W
Place : Mumbai
Date : 30/05/2017

Mukesh Babu
Managing Director
DIN:00224300
Place : Mumbai
Date : 30/05/2017

K. Chandrasekhar
Director
DIN:00138951

Dipali Shah
Director & Company Secretary
DIN:7141559 ACS:25422

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 1 SHARE CAPITAL

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

Share Capital	March 31, 2017		March 31, 2016	
	Number	₹	Number	₹
Authorized Equity Shares of ₹ 10 each	10,000,000	100,000,000	10,000,000	100,000,000
Issued Equity Shares of ₹ 10 each	6,970,900	69,709,000	6,970,900	69,709,000
Subscribed and fully Paid up Equity Shares of ₹ 10 each fully paid	6,960,600	69,606,000	6,960,600	69,606,000
Subscribed but not fully Paid up Equity Shares of ₹ 10 each, not fully paid up	10,300	103,000	10,300	103,000
Less: Unpaid Calls	-	34,000	-	34,000
Total	6,970,900	69,675,000	6,970,900	69,675,000

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

Particulars - Equity Shares	March 31, 2017		March 31, 2016	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	6,970,900	69,709,000	6,970,900	69,709,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,970,900	69,709,000	6,970,900	69,709,000

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

Name of Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MUKESH CHAMPAKLAL BABU	3,431,600	49.23%	3,431,600	0
MEENA MUKESH BABU	950,000	13.63%	950,000	0
SAGAR SYSTECH LIMITED	604,500	8.67%	604,500	0

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

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

Particulars	March 31, 2017		March 31, 2016	
	Number	Description	Number	Description
Equity Shares	Number	Pari Pasu	Number	Pari Pasu
Restrictions on the distribution of dividends		None		None
voting rights or with differential voting rights as to dividend		All shares have equal Voting Rights		All shares have equal Voting Rights

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

Unpaid Calls	₹
By Directors	-
By Officers	-
Others	34,000

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 2 RESERVES AND SURPLUS

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
a. Capital Reserves		
Opening Balance	7,081,000	7,081,000
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	7,081,000	7,081,000
b. Securities Premium Account		
Opening Balance	73,628,000	73,628,000
Add: Securities premium credited on Share issue	-	-
Less: Premium Utilized for various reasons	-	-
Less: Unpaid Calls	68,000	68,000
Closing Balance	73,560,000	73,560,000
c. Statutory Reserve		
Opening Balance	73,392,864	67,976,457
(+) Current Year Transfer	5,613,125	5,416,407
	-	-
Closing Balance	79,005,989	73,392,864
d. General Reserve		
Opening Balance	21,082,871	21,082,871
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	21,082,871	21,082,871
e. Surplus Profit and Loss A/c		
Opening balance	318,182,937	296,581,863
(+) Net Profit/(Net Loss) For the current year	31,172,730	43,145,377
(-) Transferred to Minority Interest	1,503,218	7,771,443
(-) Provision for Dividends	-	6,970,900
(-) Provision for Dividend Tax	-	1,419,111
(-) Transfer to Statutory Reserves (As per RBI Regulations)	5,613,125	5,416,407
(-) Provision for Standard Assets (As per RBI Regulations)	-106,251	-33,558
Closing Balance	342,345,575	318,182,937
Total Reserves & Surplus	523,075,435	493,299,672

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 3 LONG TERM PROVISIONS

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Provision for Long Term Liabilities	-	-
Total (a)	-	-
(b) Others	-	-
Contingent Provisions against Standard Assets (As per RBI Regulations)	267,049	373,300
	267,049	373,300
Total Long Term Provisions (a+b)	267,049	373,300

Note 4 SHORT-TERM BORROWINGS

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
Secured		
<u>From Banks (Cash Credit Facility)</u>	20,129,283	23,947,113
(Secured against Fixed Deposit Receipts of the Company)		
Period of Maturity	C.C. A/c	
Number & Amount of Installments of due.	Between 1 to 3 years	
Applicable rate of Interest	10.50%	
<u>From other parties</u>	56,491,027	129,157,775
(Secured against Shares)		
Terms of repayment:	Working Capital Loans	
Period of Maturity	Not Applicable	
Number and amount of installments	Not Applicable	
Applicable rate of interest	14.50%	
Other significant relevant terms	-	
Total Secured Short Term Borrowings	76,620,310	153,104,888
Unsecured		
(a) Loans repayable on demand		
from banks (Refer note no. 3. of Other Notes to Accounts)	43,155,560	46,832,119
Total Unsecured Short Term Borrowings	43,155,560	46,832,119
Total Short Term Borrowings	119,775,870	199,937,007

Note 5 TRADE PAYABLES

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Trade Payables	41,818,769	26,564,538
Total Trade Payables	41,818,769	26,564,538

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 6 OTHER CURRENT LIABILITIES

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Unclaimed Dividends	2,284,956	2,629,234
(b) Deposits		
Margin Accounts	150,000,000	150,000,000
Total Current Liabilities	152,284,956	152,629,234

Note 7 SHORT TERM PROVISIONS

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Provision for Short Term Liabilities		
(b) Provision for Expenses	394,008	384,896
(c) Others (Specify nature)		
Provision for Taxation (Net of Pre-paid Taxes)	9,464,614	8,135,730
TDS payable	194,072	357,025
Other Provisions	7,761,800	1,455,165
Provision for Dividend	-	6,970,900
Total Short Term Provisions	17,814,494	17,303,716

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 8 FIXED ASSETS

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

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	01/04/2016	Additions/ (Disposals)	31/03/2017	01/04/2016	Depreciation for the year	On disposals	31/03/2017	01/04/2016	31/03/2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹
a. Tangible Assets									
Office Premises	26,313,640		26,313,640	10,257,538	225,272	-	10,482,810	16,056,102	15,830,830
Premises	2,797,490	732,230	3,529,720	-		-	-	2,797,490	3,529,720
Guest House	2,669,990	1,020,126	3,690,116	936,228	88,574	-	1,024,802	1,733,762	2,665,314
Furniture and Fixtures	5,470,953		5,470,953	5,009,914	119,363	-	5,129,277	461,039	341,676
Electrical Fittings	1,148,749	970,000	2,118,749	822,801	246,415	-	1,069,216	325,948	1,049,533
Office equipment	3,680,931	50,000	3,730,931	3,504,434	79,548	-	3,583,982	176,497	146,949
Computers	7,124,560	47,790	7,172,350	6,995,976	56,126	-	7,052,102	128,584	120,248
Vehicals	7,802,023		7,802,023	5,228,465	683,670	-	5,912,135	2,573,558	1,889,888
Total (Current Year)	57,008,336	2,820,146	59,828,482	32,755,356	1,498,968	-	34,254,324	24,252,980	25,574,158
Total (Previous Year)	54,284,081	2,724,255	57,008,336	31,580,929	1,174,427	-	32,755,356	22,703,152	24,252,980

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 9 NON CURRENT INVESTMENTS
 Disclosure pursuant to Note no. K (i) of Part I of Schedule III to the Companies Act 2013

A. Details of Other Investments												
Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			31/03/2016	31/03/2017			31/03/2016	31/03/2017	31/03/2016	31/03/2017		
1	2	3	4	5	6	7	8	9	10	11	12	13
a.	Investment in Properties	-	-	-	-	-	-	-	-	-	-	-
b.	Investment in Equity Instruments											
	Steelcast Ltd	Others	10,000	10,000	Quoted	Fully Paid	Not known	Not known	450,000	450,000	Yes	N.A.
	Rushil Industries Ltd.	Others	50,000	50,000	Unquoted	Fully Paid	Not known	Not known	500,000	-	Yes	N.A.
	Dynamic Ship Recyclers Pvt.Ltd.	Others	400,000	400,000	Unquoted	Fully Paid	Not known	Not known	1,500,000	1,500,000	Yes	N.A.
	The Gaekwar Mills Ltd	Others	75,000	75,000	Quoted	Fully Paid	Not known	Not known	7,500,000	3,600,000	Yes	N.A.
	ABB LTD.	Others	500	500	Quoted	Fully Paid	Not known	Not known	120,000	120,000	Yes	N.A.
	ACC LTD.	Others	500	500	Quoted	Fully Paid	Not known	Not known	183,500	183,500	Yes	N.A.
	Afteck Ltd.	Others	1,162	1,162	Quoted	Fully Paid	Not known	Not known	62,000	62,000	Yes	N.A.
	Ambalal Sarabhai Enterprises Ltd	Others	100	100	Quoted	Fully Paid	Not known	Not known	940	940	Yes	N.A.
	Ambuja Cements Ltd.	Others	30,000	30,000	Quoted	Fully Paid	Not known	Not known	246,904	246,904	Yes	N.A.
	Bajaj Auto Ltd.	Others	6,000	6,000	Quoted	Fully Paid	Not known	Not known	1,652,000	1,652,000	Yes	N.A.
	Bombay Stock Exchange Ltd	Others	70,694	35,347	Quoted	Fully Paid	Not known	Not known	9,793,838	9,793,838	Yes	N.A.
	Bajaj Financial Services Ltd.	Others	3,300	3,300	Quoted	Fully Paid	Not known	Not known	195,000	195,000	Yes	N.A.
	Bajaj Holdings & Investment Ltd.	Others	3,000	3,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Ballarpur Industries Ltd.	Others	300	300	Quoted	Fully Paid	Not known	Not known	85,775	85,775	Yes	N.A.
	BF Investment Ltd.	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	BF Utilities Ltd.	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Bharat Forge Ltd.	Others	240,000	240,000	Quoted	Fully Paid	Not known	Not known	6,858,642	6,858,642	Yes	N.A.
	Bharat Heavy Electricals Ltd.	Others	2,000	2,000	Quoted	Fully Paid	Not known	Not known	175,000	175,000	Yes	N.A.
	Biopac India Corporation Ltd.	Others	1,000	1,000	Quoted	Fully Paid	Not known	Not known	14,000	14,000	Yes	N.A.
	Cadbury India Ltd	Others	50	50	Quoted	Fully Paid	Not known	Not known	15,533	15,533	Yes	N.A.
	Dish TV India Ltd.	Others	15,000	15,000	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	DSQ Software	Others	5,200	5,200	Quoted	Fully Paid	Not known	Not known	62,400	62,400	Yes	N.A.

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			31/03/2016	31/03/2017			31/03/2016	31/03/2017	31/03/2016	31/03/2017		
1	2	3	4	5	6	7	8	9	10	11	12	13
	Garware Polyester & Plastics Ltd.	Others	1,400	1,400	Quoted	Fully Paid	Not known	Not known	194,853	194,853	Yes	N.A.
	Global Trust Bank Ltd	Others	5,000	5,000	Quoted	Fully Paid	Not known	Not known	5,850	5,850	Yes	N.A.
	Grasim Ltd	Others	1,000	5,000	Quoted	Fully Paid	Not known	Not known	455,000	455,000	Yes	N.A.
	HDFC Bank Ltd.	Others	100,000	100,000	Quoted	Fully Paid	Not known	Not known	1,473,463	1,473,463	Yes	N.A.
	Hindalco Industries Ltd.	Others	2,500	2,500	Quoted	Fully Paid	Not known	Not known	328,305	328,305	Yes	N.A.
	Hindustan Oil Exploration Ltd.	Others	125,000	125,000	Quoted	Fully Paid	Not known	Not known	7,031,250	7,031,250	Yes	N.A.
	Indian Telephone Industries Ltd.	Others	10,000	10,000	Quoted	Fully Paid	Not known	Not known	1,650,000	1,650,000	Yes	N.A.
	Indogulf Industries Ltd.	Others	520	520	Quoted	Fully Paid	Not known	Not known	72,800	72,800	Yes	N.A.
	ITC Ltd.	Others	3,000	4,500	Quoted	Fully Paid	Not known	Not known	137,000	137,000	Yes	N.A.
	Kesoram Industries Ltd.	Others	40	40	Quoted	Fully Paid	Not known	Not known	5,400	5,400	Yes	N.A.
	Kirlosker Pneumatics Co. Ltd.	Others	100,000	100,000	Quoted	Fully Paid	Not known	Not known	4,521,000	4,521,000	Yes	N.A.
	Larsen & Toubro Ltd.	Others	2,500	3,750	Quoted	Fully Paid	Not known	Not known	687,500	687,500	Yes	N.A.
	LML Ltd.	Others	19,550	19,550	Quoted	Fully Paid	Not known	Not known	713,575	713,575	Yes	N.A.
	Milton Plastics Ltd.	Others	85,000	85,000	Quoted	Fully Paid	Not known	Not known	6,695,000	6,695,000	Yes	N.A.
	Nexus Software Ltd.	Others	44	44	Quoted	Fully Paid	Not known	Not known	220	220	Yes	N.A.
	Número Uno Projects Ltd.	Others	2,030	2,030	Quoted	Fully Paid	Not known	Not known	5,278	5,278	Yes	N.A.
	P.M. Telelinks Ltd.	Others	100	100	Quoted	Fully Paid	Not known	Not known	400	400	Yes	N.A.
	Pooja Intertainment & Films Ltd.	Others	500	500	Quoted	Fully Paid	Not known	Not known	2,890	2,890	Yes	N.A.
	Ranbaxy Laboratories Ltd.	Others	450	450	Quoted	Fully Paid	Not known	Not known	294,975	294,975		N.A.
	Reliance Communications Ltd.	Others	1,500	1,500	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Reliance Industries Ltd.	Others	3,000	3,000	Quoted	Fully Paid	Not known	Not known	1,776,658	1,776,658	Yes	N.A.
	Sun Infoways Ltd.	Others	400	400	Quoted	Fully Paid	Not known	Not known	2,800	2,800	Yes	N.A.
	Tata Consultancy Services Ltd.	Others	200	650	Quoted	Fully Paid	Not known	Not known	192,000	192,000	Yes	N.A.
	Tata Motors Ltd.	Others	53,000	53,000	Quoted	Fully Paid	Not known	Not known	4,361,238	4,361,238	Yes	N.A.
	Ultratech Cement Ltd	Others	1,000	1,000	Quoted	Fully Paid	Not known	Not known	186,630	186,630	Yes	N.A.
	Vedanta Ltd	Others	20,000	20,000	Quoted	Fully Paid	Not known	Not known	1,522,000	1,522,000	Yes	N.A.
	Siti Cable Network Limited	Others	35,181	35,181	Quoted	Fully Paid	Not known	Not known	380,000	380,000	Yes	N.A.
	Zee Entertainment Enterprises Ltd.	Others	60,000	60,000	Quoted	Fully Paid	Not known	Not known	4,770,402	4,770,402	Yes	N.A.
	Zee Learn Ltd	Others	7,500	8,313	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Zee News Ltd	Others	13,727	13,727	Quoted	Fully Paid	Not known	Not known	-	-	Yes	N.A.
	Total								66,882,019	62,482,019		

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			31/03/2016	31/03/2017			31/03/2016	31/03/2017	31/03/2016	31/03/2017		
1	2	3	4	5	6	7	8	9	10	11	12	13
c.	Investment in Preference Shares											
	Balance Equity Broking (I)P.Ltd	Others	1,500,000	1,500,000	Unquoted	Fully Paid	Not known	Not known	15,000,000	15,000,000	Yes	N.A.
d.	Investments in Government or Trust securities, Mutual Fund								15,000,000	15,000,000		
	UTI-IEF units	Others	5,000	5,000	Quoted	Fully Paid	Not known	Not known	50,000	50,000	Yes	N.A.
	UTI Index Equity Fund	Others	50,000	50,000	Quoted	Fully Paid	Not known	Not known	500,000	500,000		
	SBI Mutual Fund	Others	30,000	30,000	Quoted	Fully Paid	Not known	Not known	300,000	300,000		
								850,000	850,000			
e.	Investments in Debentures or Bonds											
	The Gaekwar Mills Limited (9%)	Others	3,000	3,000	Unquoted	Fully Paid	Not known	Not known	229,000,000	229,000,000	Yes	N.A.
	The Gaekwar Mills Limited (0%)	Others	500	500	Unquoted	Fully Paid	Not known	Not known	50,000,000	50,000,000		
								279,000,000	279,000,000			
	Total								361,732,019	357,332,019		

Note: Market Value of Quoted Investment as of 31st March, 2017 is ₹/- 1,44,22,63,062 (Previous Year ₹ 60,01,19,280/-)

MUKESH BABU FINANCIL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 10 DEFERRED TAX ASSETS / LIABILITIES (NET)

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

Particulars	March 31, 2017	March 31, 2016
	₹	₹
Deferred tax liability		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortisation charged for financial reporting	673,554	802,053
Gross deferred tax liability	673,554	802,053
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	3,036,141	0
Gross Deferred tax asset	3,036,141	-
Net deferred tax liability / (asset)	(2,362,587)	802,053

Note 11 LONG TERM LOANS AND ADVANCES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
a. Loans and advances to related parties	-		-	
Total (a)		-		-
b. Other loans and advances				
Unsecured, considered good:- Advances Against Projects	42,054,400	42,054,400	44,454,400	44,454,400
Total (b)		42,054,400		44,454,400
Total Long Term Loans and Advances		42,054,400		44,454,400

Note 12 OTHER NON CURRENT ASSETS

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Security Deposits :				
Unsecured, considered good		998,127		998,127
Interest Free Deposits		23,440,217		23,340,217
Total Other Non-Current Assets		24,438,344		24,338,344

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 13 INVENTORIES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
a. Stock of Shares <i>(Trading Stock Valued at lower of cost or net realisable value)</i>		131,986,357		130,599,626
Total Inventories		131,986,357		130,599,626

Note 14 TRADE RECEIVABLES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
a. Trade receivables outstanding for a period exceeding six months from the date they are due. Unsecured, considered good	8,547,667	8,547,667	8,762,667	8,762,667
Total Trade Receivables (A+B)		8,547,667		8,762,667

Note 15 CASH AND BANK BALANCES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
CASH AND CASH EQUIVALENTS				
A. Balances with banks In Current Accounts with Scheduled Banks	3,142,020	3,142,020	10,054,260	10,054,260
B. Cash on hand Cash and Cash Equivalents		430,263		2,660,112
		3,572,283		12,714,372
C. Other Bank Balances In Fixed Deposits with Scheduled Banks In Unclaimed Dividends Accounts Interest Accrued not due on Fixed Deposits	105,613,814 2,284,956 2,677,660	110,576,430	105,541,634 2,629,234 2,252,125	110,422,993
Total Cash and Bank Balances (A+B+C+D)		114,148,713		123,137,365

Note 16 SHORT TERM LOANS AND ADVANCES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
A. Loans and advances to related parties		-		-
B. Others				
Unsecured, considered good	272,650,491		316,043,632	
Advances for Expenses	1,150,000		-	
Prepaid Expenses	226,505		-	
Staff & Associates	2,506,000	276,532,996	4,300,080	320,343,712
Total Short-term loans and advances		276,532,996		320,343,712

Note 17 OTHER CURRENT ASSETS

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
A. Taxation				
B. Non-Taxation				
Margin Money with Brokers	49,025,422	49,025,422	28,751,277	28,751,277
Total Other Current Assets		49,025,422		28,751,277

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 18 CONTINGENT LIABILITIES AND COMMITMENTS

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
A. Contingent Liabilities				
(1) Claims against the company not acknowledged as debt - Refer sub-note no. 3 of Note 24	-		-	
(2) Guarantees	-		-	
(3) Other money for which the company is contingently liable	-		-	
Sub Total (A)		-		-
B. Commitments				
(1) Estimated amount of contracts remaining to be executed on capital account and not provided for	-		-	
(2) Uncalled liability on shares and other investments partly paid	-		-	
(3) Other commitments (specify nature)	-		-	
Sub Total (B)		-		-
Total Contingent Liabilities and Commitments (A+B)		-		-

Note 19 REVENUE FROM OPERATIONS

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

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Interest Income	11,767,791		10,125,041	
Dividend Income - Holding Company	10,440,882		18,450,564	
Profit on Shares and Securities	29,140,594		28,010,386	
		51,349,267		56,585,991
Net Revenue From Operations		51,349,267		56,585,991

Note 20 OTHER INCOME

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Expenses written Back		-	-	
Dividend Income -Subsidiary Company	2,811,147		7,031,513	
Rent Income	-		75,000	
Profit on Sale of Investment	1,750,000		13,185,119	
Interest Income - Others	4,017,305		4,817,294	
Interest on Term Deposits	9,063,856		9,461,762	
Interest on Income Tax Refund	7,756	17,650,064	265,346	34,836,034
Total Other Income		17,650,064		34,836,034

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2017

Note 21 EMPLOYEE BENEFIT EXPENSES

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
(a) Salaries and bonus				
Salaries	1,776,775		1,555,600	
Bonus	188,775		214,100	
Stipend	-		132,000	
Dearness Allowances	102,250		98,400	
House Rent Allowances	363,400		348,000	
Directors' Remuneration	2,951,000	5,382,200	2,850,000	5,198,100
(b) Contribution to Provident Fund		240,406		233,520
(c) Staff welfare expenses		880,184		946,063
Total Employee Benefit Expenses		6,502,790		6,377,683

Note 22 FINANCE COST

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

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Interest expense				
Interest on Loans other than bank	11,918,597		19,009,769	
Interest on Bank Limits	2,313,470	14,232,067	2,799,473	21,809,242
Total Finance Cost		14,232,067		21,809,242

Note 23 OTHER EXPENSES

Particulars	March 31, 2017		March 31, 2016	
	₹	₹	₹	₹
Auditors' Remuneration		131,097		85,333
Business Promotion Expenses		788,582		2,553,087
Conveyance		349,900		864,010
Electricity Expenses		616,550		788,458
Professional & Consultancy Fees		1,019,900		1,021,583
Listing Fees		229,000		236,120
Membership & Subscription		89,001		60,450
Motor Car Expenses		354,638		483,507
Office Expenses		150,418		262,737
Printing and Stationery Expenses		216,232		295,549
Publishing Expenses		51,240		68,878
Rent, Rates & Taxes		686,121		794,274
Repairs and Maintenance Expenses		593,281		704,184
Telephone & Courier Expenses		414,453		498,863
Sundry Expenses		221,953		459,633
Stock Exchange Expenses		313,949		345,469
Travelling Expenses		278,183		249,911
Total Other Expenses		6,504,498		9,772,046

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE:- 24 OTHER NOTES - NOTES ON ACCOUNTS

1 SIGNIFICANT ACCOUNTING POLICIES:
ACCOUNTING CONCEPTS

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

FIXED ASSETS

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

DEPRECIATION

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

INVESTMENTS

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

INVENTORIES

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

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

EMPLOYEE BENEFITS:

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

IMPAIRMENT OF ASSETS

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

USE OF ESTIMATES

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

EARNINGS PER SHARE

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

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2017

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

CASH FLOW STATEMENT

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

BORROWING COSTS

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

STATUTORY RESERVE

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

PRUDENTIAL NORMS

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

TAXES ON INCOME:

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

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

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

2

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

3

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

4

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

Particulars	March 31, 2017	March 31, 2016
As Auditors	69,700	79,803
Other Professional Services	61,397	5,530
	131,097	85,333

5 Earning per share is calculated as under:

Particulars	March 31, 2017	March 31, 2016
Basic earning per share		
Net profit after Taxation	31,172,730	43,145,377
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Basic earning per share	4.47	6.19
Diluted earning per share		
Net profit after Taxation	31,172,730	43,145,377
Number of shares issued (Nominal Value RS.10)	6,970,900	6,970,900
Diluted earning per share	4.47	6.19

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2017

6	Directors' Remuneration	March 31, 2017	March 31, 2016
	Within the limits of Schedule V to the Companies Act 2013.	2,951,000	2,850,000

7

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

8

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

9

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

10

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

Particulars	Opening Balance	Additional provisions during the year	Amount Used & Unused amount reversed during the year	Closing Balance
	₹	₹	₹	₹
Income-tax	8,135,730	9,088,278	7,759,394	9,464,614

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

A. Relationships:

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

B. Transactions with related Parties:

	Relationship	March 31, 2017	March 31, 2016
TRANSACTIONS DURING THE YEAR			
Loans & Advances taken during the year	Key Managerial Persons	25,000,000	-
Loans & Advances refunded during the year	Key Managerial Persons	-25,000,000	-
Closing Balance Loans & Advances	Key Managerial Persons	-	-
Remuneration & Sitting Fees	Key Managerial Persons	2,951,000	2,850,000

11 Income and Expenses in Foreign Currency:

March 31, 2017	March 31, 2016
NIL	NIL

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

Particulars	Opening Stock	Purchases	Sales	Closing Stock
Shares (Qty in Nos.)	6373286	163169	1540908	4995547
Value (in ₹)	130,599,626	13,500,270	18,343,899	131,986,357

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

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2017

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

Particulars		Amount in Rs.	
		Amount Outstanding	Amount Overdue
LIABILITIES SIDE:			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:		
	a. Loan Against Securities (Secured Against shares)	56,491,027	NIL
	b. Loans from Banks (Unsecured)	16,026,129	
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	106,830,405	
4	Break up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities	NIL	
5	Break-up of Investments :		
	<u>Current Investments :</u>		
	<u>Long Term Investments :</u>		
	1 Quoted :		
	(i) Shares : (a) Equity	4,050,000	
	(b) Preference		
	(ii) Units of Mutual Funds	50,000	
	2 Unquoted :		
	(i) Shares : (a) Equity	27,309,960	
	(b) Preference	15,000,000	
	(ii) Debtntures and Bonds	279,000,000	
6	Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances :	NIL	
7	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
		Market Value / Break up or fair Value or NAV	Book Value (Net of Provisions)
	Category		
	1. Related Parties		
	a. Subsidiaries	25,809,960	25,809,960
	b. Other Related Parties	-	-
	2. Other than Related Parties	299,600,000	299,600,000
	Total	325,409,960	325,409,960
8	OTHER INFORMATION		
	Particulars	Amount	
	(i) Gross Non-Performing Assets		
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(ii) Net Non-Performing Assets		
	(a) Related Parties	NIL	
	(b) Other than related parties	NIL	
	(iii) Assets acquired in satisfaction of Debt	NIL	

14 SPECIFIC DISCLOSURES

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

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

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

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

MUKESH BABU FINANCIAL SERVICES LIMITED
NOTES TO CONSOLIDATED ANNUAL ACCOUNTS
FOR THE YEAR ENDED MARCH 31, 2017

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

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

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

Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016			
	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	900,000	66,965	966,965
(+) Permitted receipts	-	270,000	270,000
(-) Permitted payments	-	121,550	121,550
(-) Amount deposited in Banks	900,000	-	900,000
Closing cash in hand as on 30.12.2016	-	215,415	215,415

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

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

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

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

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

AS PER OUR REPORT OF EVEN DATE
FOR SHAH, SHAH & SHAH

(Mukesh Babu)
Managing Director
DIN:00224300
Place : Mumbai
Date : 30/05/2017

(K. Chandrasekhar)
Director
DIN:00138951

(Dipali Shah)
Director & Company Secretary
DIN:7141559 ACS:25422

Mehul Shah
Partner
FRN: 116457W
M. No.: 049361

MUKESH BABU FINANCIAL SERVICES LIMITED

CIN: L65920MH1985PLC35504

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

Phone: 022-22834462/22844015 **Fax:** 022-24082687

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

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

ATTENDANCE SLIP

I/We hereby record my/our presence at the 32nd Annual General Meeting of the Company held at Café Ista, 12A/1, New Sion C.H.S. Ltd., Sion – West, Mumbai 400022, at 05.00 p.m. on Friday, the 29th day of September, 2017.

Name and Address of the Shareholder (s):		
If shareholder(s), Please sign here		If Proxy, please mention name and sign here
	Name of Proxy	Signature

Notes:

- (1) Shareholder / Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.
- (2) Members are requested to advise the change of their address, if any, to Link Intime India Pvt. Ltd., at the above address.

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):
Registered Address:
E-mail ID:
Folio No./ Client ID:

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

2. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

3. Name: _____ Address: _____

E-mail Id: _____ Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the company, to be held on the 29th day of September, 2017 at 05.00 p.m. at Café Ista, 12A/1, New Sion C.H.S.Ltd., Sion – West, Mumbai - 400022 and at any adjournment thereof in respect of such resolutions as given on next page:

Resolutions		For	Against
<i>Ordinary Business:</i>			
1	ADOPTION OF FINANCIAL STATEMENTS AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON		
2	To Declare Dividend		
3	Reappointment of , Mrs. Dipali C. Shah, Whole-time Director who retires by rotation		
4	To appoint Auditors in place of the retiring auditors		

Signed this _____ day of _____, 2017

Signature of shareholder _____

Signature of Proxy holder(s) _____

Notes:

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorization should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

BOOK POST

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