

**19th  
Annual Report  
2013 - 2014**



**KMF BUILDERS & DEVELOPERS LTD.**

# KMF BUILDERS & DEVELOPERS LIMITED

## **BOARD OF DIRECTORS**

- |                        |                      |
|------------------------|----------------------|
| 1. KAVITA CHADHA       | - CHAIRPERSON        |
| 2. GORVE CHADHA        | - MANAGING DIRECTOR  |
| 3. PRADEEP KR. MALIK   | - WHOLETIME DIRECTOR |
| 4. ANIL RISHIRAJ       | - DIRECTOR           |
| 5. RAVINDER KR. SHARMA | - DIRECTOR           |
| 6. SHYAM SUNDER MITTRA | - DIRECTOR           |

## **REGD. OFFICE**

No. 508, Golf Manor Apartments  
Nal Wind Tunnel Road,  
Murugeshplaya, Bangalore-17

## **CORPORATE OFFICE**

1008, Vikram Tower,  
Rajendra Place,  
New Delhi-110008

## **AUDITORS**

B. Sreenivasan & Co.  
Chartered Accountants  
Bangalore

## **SHARE TRANSFER AGENT**

ALANKIT ASSIGNMENTS LIMITED  
RTA Division-KMF Builders & Developers Ltd.  
2E/21, Jhandewalan Extn.  
New Delhi-110 055  
Ph. No. : 011- 42541234  
E-mail: alankit@alankit.com

<b><i>CONTENTS</i></b>	<b><i>PAGE NO.</i></b>
NOTICE	
DIRECTORS' REPORT	
CORPORATE GOVERNANCE REPORT	
AUDITORS' REPORT	
BALANCE SHEET	
PROFIT & LOSS A/C	
SCHEDULES	
CASH FLOW STATEMENT	

# KMF BUILDERS & DEVELOPERS LIMITED

## NOTICE

(Note: The business of this Meeting may be transacted through electronic voting system)

Notice is hereby given that the 19<sup>th</sup> Annual General Meeting of the members of M/s KMF Builders & Developers Limited will be held on Monday, 29th September, 2014 at 10:30 am at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore-560017 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2014 and profit and loss account for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. Pradeep Kumar Malik who retires by rotation and being eligible offers himself for reappointment.
3. 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 section 139 and other applicable provisions of the Companies Act, 2013, and the Rules made there under, the retiring auditors, M/s B Sreenivasa & Co. Chartered Accountants (Firm Registration No. 009287S), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the 22<sup>nd</sup> annual general meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held thereafter and in this regard Board of Directors of the Company be and are hereby authorised to fix the remuneration of the Auditors and such other expenses in connection with statutory audit and also such other remuneration, as may be decided to be paid by the Board of Directors, for performing duties other than those referred to herein above.”

### SPECIAL BUSINESS

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

#### **Appointment of Mr. Anil Rishiraj as an independent director**

**RESOLVED THAT** pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Mr. Anil Rishiraj (DIN 02853310), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Anil Rishiraj be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

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

## KMF BUILDERS & DEVELOPERS LIMITED

### Appointment of Mr. Shyam Sunder Mittra as an independent director

**RESOLVED THAT** pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Mr. Shyam Sunder Mittra (DIN 01174462), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 up to 31 March 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Shyam Sunder Mittra be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time."

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

### Appointment of Mr. Ravinder Kumar Sharma as an independent director

**RESOLVED THAT** pursuant to the provisions of section 149 and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, approval be and is hereby accorded to the appointment of Mr. Ravinder Kumar Sharma (DIN 05101892), in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013 has been received in the prescribed manner, as an Independent Director on the Board of the Company for a consecutive period of five years, effective from 1 April 2014 upto 31 March 2019.

**RESOLVED FURTHER THAT** pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Ravinder Kumar Sharma be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.

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

**"RESOLVED THAT** approval of members of the company be and is hereby accorded for keeping registers & records of the Company from a place other than registered office under section 94(1) of the Companies Act, 2013, to the head office of the company at 1008, Vikram Tower, Rajendra Palce, New Delhi 110008

**RESOLVED FURTHER THAT** any of the directors of the Company be and is hereby authorized to sign and file necessary forms and documents with Registrar of Companies and to do all needful activities thereto.

Place: Bangalore  
Dated: 14.08.2014

By order of the Board of Directors  
Gorve Chadha  
(Managing Director)

## KMF BUILDERS & DEVELOPERS LIMITED

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY(50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) 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. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.**
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company.
3. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 forms part of this Notice.
4. Brief details of the directors, who are seeking re-appointment, are annexed hereto as per requirements of clause 49 of the listing agreement.
5. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, the current auditors of the Company, M/s B Sreenivasa & Co., Chartered Accountants are eligible to hold office for a period of three years, upto 2017. The appointment of M/s B Sreenivasa & Co., Chartered Accountants as auditors for three years from the conclusion of the ensuing annual general meeting till the conclusion of the 22<sup>nd</sup> annual general meeting, to be scheduled in 2017 and to fix their remuneration for the year 2014-15 has been put up for the approval of members.
6. Pursuant to the provisions of section 91 of the Companies Act, 2013, the register of members and share transfer books of the Company will remain closed from Monday, 22 Sept 2014 to Friday 26 Sept, 2014, both days inclusive.
7. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Alankit Assignments Ltd). Members are requested to keep the same updated.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
9. In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.

## KMF BUILDERS & DEVELOPERS LIMITED

10. To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with Alankit Assignments Ltd. on [lalitap@alankit.com](mailto:lalitap@alankit.com)
11. Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 10:00 a.m. to 1:00 p.m. except holidays, upto the date of the meeting.
12. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Bangalore, which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:
  - i). Register of contracts or arrangements in which directors are interested under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
  - ii) Register of directors' shareholdings under section 307 of the Companies Act, 1956 and Register of directors and KMP and their shareholding under section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person attending the meeting.
13. Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend the annual general meeting.
14. Members/Proxies are requested to bring the copies of annual reports to the meeting.
15. Voting through electronic means In terms of the provisions of section 108 of the Companies Act, 2013 (the Act) read with rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called "the Rules" for the purpose of this section of the Notice) and clause 35B of the listing agreement, the Company is providing facility to exercise votes on the items of business given in the Notice through electronic voting system, to members holding shares as on 23<sup>rd</sup> Sept 2014 (End of Day) being the Cut-off date (Record date for the purpose of Rule 20 (3) (vii) of the Rules) fixed for determining voting rights of members, entitled to participate in the e-voting process, through the e-voting platform provided by Alankit Assignments Ltd. (Alankit)

### **The instructions for members for voting electronically are as under:-**

#### **In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. 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.

## KMF BUILDERS & DEVELOPERS LIMITED

- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN*</b>	<p>Enter your 10 digit alpha -numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>DOB#</b>	<p>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.</p>
<b>Dividend Bank Details#</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>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.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly 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 for the relevant <Company Name> 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 changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



## KMF BUILDERS & DEVELOPERS LIMITED

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. -
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

### **In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### **General instructions:**

- i. The E-voting period commences from 10:00 a.m. on 24<sup>th</sup> Sept 2014 and ends on 10:00 a.m. on 25<sup>th</sup> Sept 2014. During this period, the members of the Company, holding shares either in physical form or in demat form, as on the cut-off date of 23<sup>rd</sup> Sept 2014 may cast their vote electronically. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- ii. The Company has appointed Mr. B. CHANDU NARAYAN of M/s VCS & ASSOCIATES, Practising Company Secretary (ACS No. A23222 COP No. 9517 having address as 112, Singapura Layout, Near Airtel Tower, Vidyanarayapura Post, Bangalore – 560097 as the Scrutinizer to the e-voting process, in a fair and transparent manner.
- iii. The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two (2) witnesses, not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- iv. In the event of a poll, please note that the members who have exercised their right to vote by electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).
- v. Subject to the receipt of sufficient votes, the resolution shall be deemed to be passed at the 19<sup>th</sup> annual general meeting of the Company scheduled to be held on Monday, 29<sup>th</sup> Sept 2014. At the said annual general meeting, the Chairman shall declare the results of voting on the resolutions set out in the Notice. The results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.kmfbuilders.com](http://www.kmfbuilders.com) and on the website of Alankit - [www.alankit.com](http://www.alankit.com), within two days of the passing of the resolutions at the 19th annual general meeting of the Company and shall also be communicated to the Stock Exchanges.



# KMF BUILDERS & DEVELOPERS LIMITED

## **Explanatory Statement Pursuant to section 102 of the Companies Act, 1956**

Section 149 of the Companies Act, 2013, which came into effect from 1 April 2014, requires every listed Company to have one-third of the total number of directors as independent directors. As on 31 March 2014, the Board of Directors of the Company comprised Anil Rishiraj, Shyam Sunder Mittra & Ravinder Kumar Sharma, as independent directors pursuant to erstwhile clause 49 of the listing agreement.

Accordingly with the recommendations of the Remuneration and Nomination Committee, the Board of Directors at its meeting held on 14<sup>th</sup> August 2014, Anil Rishiraj, Shyam Sunder Mittra & Ravinder Kumar Sharma, as independent directors of the Company pursuant to section 149, Schedule IV and other applicable provisions, of the Companies Act, 2013, for a consecutive period of 5 years from 1 April 2014 to 31 March 2019, subject to the approval of shareholders.

Therefore, as required under Schedule IV, appointment of these independent directors is set out in the item 4 to 6 of the Notice for approval of shareholders. In respect of the appointments of the aforesaid directors, a notice in writing in the prescribed manner as required by section 160 of the Companies Act, 2013 and Rules made thereunder has been received by the Company, regarding candidature of the aforesaid directors for the office of the director.

The independent directors have submitted the declaration of independence, as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6). The respective appointee is not disqualified from being appointed as a director in terms of section 164 of the Act.

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member during normal business hours and the same shall also be available at the Company's website.

The Board is of the opinion that the aforesaid directors possess requisite skills, experience and knowledge relevant to the Company's business and it would be in the interest of the Company to continue to have their association with the Company as directors.

Further, in the opinion of the Board, the proposed appointment of independent directors fulfills the conditions specified in the Act and the Rules made thereunder and that the proposed appointment of independent directors is independent of the management.

### **Explanatory Statement to Item No. 4-Mr. Anil Rishiraj**

He has worked in various capacities for more than 30 years including Ministry of Finance as an Executive Officer. Thereafter, worked as Sr.Executive Consultant with KR Information Security Solutions, New Delhi. Presently he is associated with Essar Group in the capacity of Vice President working in Bajaj.

The Company has received a notice in writing from members under section 160 of the Companies Act, 2013, signifying his intention to propose the name of Mr. Anil Rishiraj as a candidate for the office of director.

None of the directors of the Company are in any way interested in the Resolution, except Mr. Anil Rishiraj himself. The Board recommends the resolution for your approval.

### **Explanatory Statement to Item No. 5-Mr. Shyam Sunder Mittra**

Mr. Shyam Sunder is a Bachelor in Commerce having over 25 years of experience in purchase of raw materials in the manufacturing field.

The Company has received a notice in writing from members under section 160 of the Companies Act, 2013, signifying his intention to propose the name of Mr. Shyam Sunder as a candidate for the office of director.

## KMF BUILDERS & DEVELOPERS LIMITED

None of the directors of the Company are in any way interested in the Resolution, except Mr. Shyam Sunder himself. The Board recommends the resolution for your approval.

### **Explanatory Statement to Item No. 6-Mr. Ravinder Kumar Sharma**

He has retired from Indian Railways in senior capacity. He is having good experience in financial planning and cost reduction.

The Company has received a notice in writing from members under section 160 of the Companies Act, 2013, signifying his intention to propose the name of Mr. Ravinder Kumar Sharma as a candidate for the office of director.

None of the directors of the Company are in any way interested in the Resolution, except Mr. Ravinder Kumar Sharma himself. The Board recommends the resolution for your approval.

### **Explanatory Statement to Item No. 7-Place of keeping registers & returns of the company**

As the company is having its corporate office at 1008, Vikram Towers, Rajendra place, New Delhi 110008, the board of directors of the company has proposed in their meeting held on 14 Aug. 2014 the same should to keep at corporate office.

Following the provisions of Section 94 (1) of the Companies Act, 2013, the company seeks your permission to pass the resolution as Special Resolution.

### **Information to Shareholders in pursuance of Clause 49 (IV) (G) of Listing Agreement with reference to appointment/ reappointment of Directors (item no. 2, 4, 5 & 6)**

Director	Brief Resume	Hold Directorship in Other companies	Membership in Committees	No. of shares held As on (31.03.2014)	Relationship between directors inter-se
Mr. Pradeep Kumar Malik	Bachelor of Commerce	NIL	Audit Committee & Stakeholders Relationship Committee	420200	Promoter of the company- No relation to any other director (s)
Mr. Anil Rishiraj	BA (PM & IR) and Diploma in HRM	NIL	Audit Committee, Nomination & Remuneration committee and Stakeholders Relationship Committee	47501	NIL
Mr. Shyam Sunder Mittra	Bachelor in Commerce. Has over 25 years of experience in purchase of raw materials in the manufacturing field.	Hansaflon Platochem Limited	Audit Committee, Nomination & Remuneration committee and Stakeholders Relationship Committee	NIL	NIL
Ravinder Kumar Sharma	Bachelor of Arts and he have rich experience in the field of cost reduction & finance for more than 20 years.	NIL	Audit Committee, Nomination & Remuneration committee and Stakeholders Relationship Committee	NIL	NIL

Place: Bangalore  
Dated: 14.08.2014

By order of the Board of Directors  
Gorve Chadha  
(Managing Director)

# KMF BUILDERS & DEVELOPERS LIMITED

## DIRECTORS' REPORT

Dear Shareholders

Your directors have pleasure in presenting the 19<sup>th</sup> Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2014.

### **FINANCIAL REVIEW:**

<b>FINANCIAL PERFORMANCE :</b>	<b>(Fig in Rs.)</b>	<b>(Fig in Rs.)</b>
	<b>2013-14</b>	<b>2012-13</b>
Income from Operation (net of excise)	6,50,36,139.37	104,388,204
Other Income	-	-
Profit (before financial charges ,depreciation and tax)	69,86,307	11,474,643
Financial charges (Net Off)	(1,13,262.61)	(332,285)
Depreciation	9,62,535	879,927
Profit before tax	61,31,358	10,927,000
Provision for tax (after adjustment of deferred tax)	19,78,626	4,066,902
Profit after tax	<b>41,52,732</b>	<b>6,860,100</b>

### **FUTURE OUTLOOK**

The real estate sector is quite promising with various advantages like Construction of the multi building projects on the feasible location in the country, good structured national network facilities the boom of construction industry.

Real estate development is on high and it is attracting the focus of the industry towards construction.

Our running projects are Residential Apartments "Gokul Dham" at Mathura and "Purab Manor" at Bangalore.

Your Directors are quite hopeful for the success of both the projects as well and will earn excellent earning out of it.

### **DIVIDEND**

Your Directors do not recommend any dividend for the Financial Year 2013-14

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with Section 217(2AA) of the Companies Act, 1956 as amended by the Companies Amendment Act, 2000, the directors of your company subject to notes appended to accounts and auditor's report, confirm:

That in preparation of annual accounts for the financial year ended 31<sup>st</sup> March'2014, the applicable accounting standards have been followed and that there are no material departures.

That such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year as at 31.03.2014 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2014.

That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

That the annual accounts have been prepared on a going concern basis.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Pradeep Kumar Malik, Whole Time Director retires by rotation and being eligible offers himself for reappointment.

### **ANNUAL REPORT 2013-2014**

# KMF BUILDERS & DEVELOPERS LIMITED

## **LISTING**

The Equity shares of your company are listed at Bombay Stock Exchange & Delhi Stock Exchange. The Company has paid listing fee to the Bombay Stock Exchange for the year 2013-14.

## **AUDITORS**

M/s B. Sreenivasa & Co., Chartered Accountants, the statutory auditors of the company retire at the conclusion of ensuing Annual General Meeting of the company and being eligible, offer themselves for reappointment.

## **AUDITORS' REPORT**

The observation of the auditors is self-explanatory and/or is suitably explained in the notes to the accounts.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Reports on Corporate Governance and Management Discussion & Analysis Report have been included in this annual report as separate section (forming part of Directors' Report) along with the Auditors' Certificate.

## **DEPOSITS**

Your company has not accepted any deposit under the Companies Act, 1956 or under chapter V of the Companies Act, 2013 & rules made there under.

## **PARTICULARS OF EMPLOYEES**

None of the employee of the Company is falling under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2002 for the FY 2013-14.

## **ADDITIONAL INFORMATION**

Information pursuant to section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is furnished hereunder:

### **A. CONSERVATION OF ENERGY**

Your Company being a real estate company, Form A for Conservation of Energy is not applicable to it.

### **B. TECHNOLOGY ABSORPTION**

No such activity has been took place during the year under review.

### **C. FOREIGN EXCHANGE EARNING & OUTGO**

Total foreign exchange earnings  
Total foreign exchange outgoings

**Fig in Rs.**

---NIL---  
---NIL---

### **D. ENVIRONMENT**

The Company is not involved in any type of activity hazardous to environment and does not discharge any trade effluents (solid, liquid or gaseous) causing pollution.

## **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to great fully acknowledge the valuable co-operation and assistance extended by all of its Government of India, Government of Karnataka, Government of Uttar Pradesh and the company's bankers for their continued support and guidance. Your directors also wish to place on record their sincere appreciation of the dedication and efforts shown by all employees of the company and are thankful to the shareholders for their continued patronage, trust and confidence in the company.

**For and on behalf of the Board of Directors**

Place: Bangalore  
Date: 14.08.2014

Kavita Chadha  
Chairperson

# KMF BUILDERS & DEVELOPERS LIMITED

## **Corporate Governance Report**

In terms of clause 49 of the Listing Agreement of the Stock exchanges, the Compliance Report on Corporate Governance is as reported below:

### **Company philosophy on Corporate Governance**

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

The Company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders.

### **Corporate Governance Monitoring and Review Process at KMF Builders & Developers Ltd.:**

KMF Builders & Developers Ltd. continuously reviews its policies and practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also constantly endeavors to implement the best international practices of Corporate Governance, in the overall interest of all stakeholders.

## **Board of Directors**

### **(I) Composition of Board**

The Board of Directors of your company has a combination of executive, non-executive and independent directors. The Board comprises of six directors headed by an executive Chairman. Half of the Board comprises independent directors who do not have any pecuniary relationship or transactions with the Company, promoters or management which may affect the judgment of any independent director. The Board of Directors approves and reviews strategy and oversees the actions and results of management to ensure that the long term objectives of maximizing profit and enhancing shareholder value are achieved.

Name	Category	Designation	Directorship held in other public limited Companies	No. of Chairmanships/ Memberships of Committees of Board	
				Chairmanship	Membership
Mr.Gorve Chadha	Executive Director	Managing Director	-	-	-
Ms.Kavita Chadha	Promoter Director	Executive Chairman	1	-	-
Mr.Pradeep Kumar Malik	Promoter Director	Whole time Director	-	-	3
Mr. Anil Rishiraj	Independent/Non executive Director	Director	-	-	3
Mr. Ravinder Kumar Sharma	Independent/Non Executive Director	Director	-	3	3
Mr. Shyam Sunder Mittra	Independent Director/Non Executive Director	Director	1	-	3

## KMF BUILDERS & DEVELOPERS LIMITED

- None of the Directors are related to each other as on date except Mr. Gorge Chadha & Ms. Kavita Chadha, having relation of son and mother.
- “Independent Directors” means a director who, apart from receiving Director's remuneration, does not have any other material pecuniary relationship with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board may affect the independence of Directors.
- None of the Directors is a member of more than ten Board level committees, or a Chairman of more than five such committees as required under Clause 49 of the Listing Agreement.

### **(II) BOARD MEETINGS, ITS COMMITTEE MEETINGS AND PROCEDURES**

#### **Institutionalized decision making process**

The annual calendar of Board Meetings is agreed upon at the beginning of the year.

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

The Board of Directors is the apex body constituted by the shareholders entrusted with the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interest of the shareholders is being served.

The following sub-sections deal with the practice of these guidelines at KMF Builders & Developers Ltd.

#### **A. Scheduling and selection of Agenda Items for Board meetings**

- Minimum four Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- The meeting are usually held at the Company's Registered Office at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore – 560 017
- All divisions/ departments of the Company are advised to schedule their work plan well in advance, particularly with regards to matters requiring discussion/approval/decision at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee meetings
- The Board is given presentation covering **FINANCE, SALES, MARKETING, MAJOR BUSINESS SEGMENTS AND OPERATIONS** of the Company, including business opportunities, business strategy and the risk management practices before taking on record the quarterly/annual financial results of the Company.

#### **B. Information required to be placed before the Board:**

The board has unfettered and complete access to any information within the company among others, the information regularly supplied to the board includes:

**ANNUAL REPORT 2013-2014**



## KMF BUILDERS & DEVELOPERS LIMITED

---

- Annual operating plans and budgets and any updates
- Capital budgets and any updates.
- Quarterly Audited results of the company
- Minutes of meetings of board, audit committee and other committees of the board.
- Information on recruitment and removal of senior officers just below the board level.
- Declaration of dividend.
- Materially important litigation, show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company or substantial nonpayment for goods sold by the company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed stricture on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transaction that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Significant sale of investments, subsidiaries, assets which are not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movements.
- Non-compliance of any regulatory, statutory nature or listing requirements as well as share holder services such as non-payment of dividend and delays in share transfer.
- Risk Assessment & Minimization procedures.

### **C. Board Material distributed in advance**

Agenda and Notes on Agenda are circulated to the Directors, in advance. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.

### **D. Recording Minutes of proceedings at Board and Committee meetings**

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The final minutes are entered in the minute's book within 30 days from conclusion of the meeting.

### **E. Post Meeting Follow-up Mechanism**

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. The important decisions taken at the Board/Committee meetings are communicated to the departments/ divisions concerned promptly. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.



## KMF BUILDERS & DEVELOPERS LIMITED

F. The Company Secretary while preparing the agenda, notes on agenda, minutes etc. of the meeting(s), is responsible for and is required to ensure compliance with all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued there under.

### (III) Number of Board Meetings

During the last financial year, five board meetings were held during the year. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board meetings are as under:

S.No.	Date	Board Strength	No. of Directors Present
1	27.05.2013	6	6
2	14.08.2013	6	6
3	23.08.2013	6	5
4	15.11.2013	6	6
5	15.02.2014	6	6

### Directors' attendance record

Name	Position	Attendance at Board Meetings		Attendance at last AGM
		No. of meetings held	No. of meetings attended	
Mr. Gorge Chadha	Managing Director	5	5	Yes
Ms. Kavita Chadha	Promoter Director	5	5	Yes
Mr. Pradeep Kumar Malik	Whole Time Director	5	5	Yes
Mr. Anil Rishiraj	Independent/Non-Executive Director	5	4	Yes
Mr. Ravinder Kumar Sharma	Independent/Non-executive Director	5	5	Yes
Mr. Shyam Sunder Mittra	Independent Director/Non-executive Director	5	5	Yes

### Director's Interest in the Company

Director	Relationship with other directors	Business relationship with the Company, if any	Loans and advances received from the Company	Remuneration paid during 2013-2014 (All figures in Rupees)			
				Sitting fee	Salary & perks	Commis-sion	Total
Mr. Gorge Chadha	Son of Ms. Kavita Chadha	-	-	-	108000	-	108000
Mr. Pradeep Kumar Malik	-	-	-	-	420000	-	420000
Mrs. Kavita Chadha	Mother of Mr. Gorge Chadha	-	-	-	-	-	-

# KMF BUILDERS & DEVELOPERS LIMITED

## Details of related party transactions are as follows:

S. No.	Name of the Party	Nature of Transaction	31.03.2014	31.03.2013
1	P K Malik – Director	Imprest Advance	4,41,800.00	2,41,800.00 (Cr)
2	K M F LTD	Investment in Shares	22,06,424.44	22,06,424.44
3	K M F LTD	Advance	69,30,600.00	1,00,80,600.00
4	KMF Ltd	Rent received	48000.00	48000.00
5	KMF securities	Rent received	72,000.00	72,000.00

## **(IV). BOARD COMMITTEES**

Committees appointed by the board focus on specific areas, and take decisions within the authority delegated to them by the board. The committees also make specific recommendations to the board on various matters from time to time. All decisions and recommendations of the committees are placed before the board for information or approval. Company has following committees as per the requirements of Listing Agreement:

- Audit committee.
- Shareholders Grievances Committee
- Remuneration committee

### **A. AUDIT COMMITTEE**

The Audit Committee was constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The Committee comprises of four directors including one Promoter and two independent directors. The composition of the committee is as under:

Director	Executive/ Non Executive/ Independent	Position
Mr. Ravinder Kumar Sharma	Independent Director	Chairman
Mr. Pradeep Kumar Malik	Whole time Director	Member
Mr. Anil Rishiraj	Independent Director	Member
Mr. Shyam Sunder Mittra	Independent Director	Member

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the company's financial statements, the appointment, independence and performance of internal auditors and the Company's risk management policies.

### **Terms of reference of the Audit Committee inter alia includes:**

#### **(i) Review of the following information:**

- Any change in Accounting policies and practices;
- Major accounting entries involving estimates based on exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Going concern assumption;
- Compliance with the listing and other legal requirements concerning financial statements;
- Reviewing with the management performance of statutory auditors and adequacy of internal control systems;

## KMF BUILDERS & DEVELOPERS LIMITED

- To look into the reasons for substantial defaults in the payment to the shareholders (in case of payment of declared dividends) and creditors;
- The functioning of whistle Blowing mechanism;
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Management discussion and analysis of financial condition and results of operations;
- Discussion with internal auditors any significant findings and follow up there on;
- Management letters/letters of internal control weakness issued by the statutory auditors.

### (ii) Disclosure of the following information;

- Related party transaction;
- Identification of related parties as per AS18
- Statement in summary form of transactions with related parties in the ordinary course of business
- Statement of material individual transactions with related parties which are not in the normal course of business
- Material transaction with related parties or others, which are not on arm's length basis.
- Compliance with Accounting Standards, and if in preparation of financial statements, a treatment different from that prescribed in an Accounting standard has been followed, management explanation for the same;
- Audit query/report for the quarter;
- Quarterly financial statements before submission to the Board for approval.

### (iii) Meetings:

The Audit Committee met five times in the year. The details of the attendance of members of the committee are as follows:

<b>Meeting held on</b>	<b>Chairman Present</b>	<b>No. of members present</b>
27.05.2013	Yes	4
14.08.2013	Yes	4
23.08.2013	Yes	3
15.11.2013	Yes	4
15.02.2014	Yes	4

The Chairman of the Audit Committee was present at the last Annual General Meeting.

### Attendance of each Member at the Audit Committee meetings held during the year:

<b>Name Of the Committee Member</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
Mr. Ravinder Kumar Sharma	5	5
Mr. Pradeep Kumar Malik	5	5
Mr. Anil Rishiraj	5	4
Mr. Shyam Sunder Mittra	5	5

## KMF BUILDERS & DEVELOPERS LIMITED

### B. SHAREHOLDER'S GRIEVANCE COMMITTEE

#### Composition:

Director	Executive/ Non Executive/ Independent	Position
Mr. Ravinder Kumar Sharma	Independent Director	Chairman
Mr. Pradeep Kumar Malik	Whole time Director	Member
Mr. Anil Rishiraj	Independent Director	Member
Mr. Shyam Sunder Mittra	Independent Director	Member

#### Terms of Reference:

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redresses of shareholders complaints related to transfer of shares, non-receipts of Balance Sheets, non-receipts of declared dividends, etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulation, 1992. The Board has delegated the power of approving transfer of securities to the Managing director/or the Company Secretary. To expedite the process of share transfers, the Board has delegated the power of share transfer to Alankit Assignments Limited viz. Registrar and Share Transfer Agents who will attend to the share transfer formalities at least once in fortnight.

#### Meetings:

One meeting was held of the members of Shareholders Grievance committee on 15.11.2013, all the members were present.

The Chairman of the Shareholder's Grievance Committee was present at the last Annual General Meeting.

#### Attendance of each Member at the Shareholder's Grievances Committee meetings held during the year:

Name Of the Committee Member	No. of meetings held	No. of meetings attended
Mr. Ravinder Kumar Sharma	1	1
Mr. Pradeep Kumar Malik	1	1
Mr. Anil Rishiraj	1	1
Mr. Shyam Sunder Mittra	1	1

### C. REMUNERATION COMMITTEE

#### Composition:

Director	Executive/ Non Executive/ Independent	Position
Mr. Ravinder Kumar Sharma	Independent Director	Chairman
Ms. Kavita Chadha	Executive	Member
Mr. Anil Rishiraj	Independent Director	Member
Mr. Shyam Sunder Mittra	Independent Director	Member

#### Meetings:

One meeting was held of the members of Remuneration committee on 14.08.2013, all the members were present.

#### Compliance Officer:

The Compliance Officer for these committees, at present, is Ms. Shweta Gupta, Company Secretary.

# KMF BUILDERS & DEVELOPERS LIMITED

## D. ANNUAL GENERAL MEETINGS

### Details of last 3 Annual General Meetings

Year	Location	Date	Time
2012-2013	Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore – 560 017	23.09.2013	10:30 AM
2011-2012	Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore – 560 017	30.06.2012	10:30 AM
2010-2011	Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore – 560 017	02.12.2011	11:00AM

Note: No postal ballots were used /invited for voting at these meetings.

## E. DISCLOSURES

The disclosure on material transactions with the promoters, directors or the management, their subsidiaries and relatives etc. is made in Directors' Interest Statement.

## F. MEANS OF COMMUNICATION

The quarterly & half yearly results are not being sent separately to each household of shareholders. All financial results of your Company are forthwith communicated to all the Stock Exchange, namely Bombay Stock Exchange, Delhi Stock Exchange, where the securities of the Company are listed as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are usually published in Financial Express (English) & Samyayukta (Kannad) These results as well as latest information and official news have also been posted on the Company's website, [www.kmfbuilders.com](http://www.kmfbuilders.com).

Financial results and shareholding pattern of the Company are also available on [www.bseindia.com](http://www.bseindia.com)

## G. GENERAL SHAREHOLDERS' INFORMATION

<b>Date of Book Closure/Record Date</b>	: 22.09.2014 to 26.09.2014, both days inclusive
<b>Date and Venue of AGM</b>	
<b>Date</b>	: 29 <sup>th</sup> September, 2014
<b>Day</b>	: Monday
<b>Time</b>	: 10:30 am
<b>Venue of A.G.M.</b>	: Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore- 17
<b>Dividend declared</b>	: NIL

### Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending June 30, 2014	Aug, 2014
Financial reporting for the second quarter ending Sept 30, 2014	Nov, 2014
Financial reporting for the third quarter ending Dec 31, 2014	Feb, 2015
Financial reporting for the year ending Mar 31, 2015	May, 2015
Annual General Meeting for the year ending Mar 31, 2015	Sept, 2015

### Listing on Stock Exchanges :

The shares of your Company are listed on the following Stock Exchanges:

<b>The Bombay Stock Exchange</b>	<b>The Delhi Stock Exchange Association Ltd.</b>
PhiroeJeejeebhoy Tower, Dalal Street, Mumbai – 400 001.	DSE House, 3/1 Asafali Road New Delhi-110002

# KMF BUILDERS & DEVELOPERS LIMITED

## Stock Codes

The Stock Exchange, Mumbai : 531578

ISIN No. for NSDL and CDSL : INE580H01026

The Listing Fee for the financial year 2012-2013 has been paid to all the Stock Exchanges.

## Stock market data\*

The monthly high and low prices and volume during the financial year 2013-14,:- All prices in Rs.

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover
Apr 13	2.06	2.44	1.81	2.44	7,640	25	15,033
May 13	2.32	2.87	2.21	2.74	4,898	20	12,387
Jun 13	2.87	3.89	2.87	3.53	14,589	9	49,597
Jul 13	3.70	4.55	3.36	4.55	30	18	108
Aug 13	4.68	5.25	3.75	3.75	1,232	16	5,135
Sep 13	3.57	3.57	3.40	3.40	300	2	1,045
Oct 13	3.56	3.73	3.38	3.38	79	7	270
Nov 13	3.54	3.54	3.06	3.21	630	9	2,174
Dec 13	3.22	3.22	2.54	2.54	20,065	6	53,462
Jan 14	2.42	2.62	2.38	2.38	686	6	1,674
Mar 14	2.27	2.38	2.27	2.37	175	3	404

\*Source:-BSE website

### – Share transfer procedure

Share transfer request received by the Company or its Registrar & Share Transfer Agent are registered within a period of 15 days from the date of receipt, if the documents are in order in all respect. The Share Transfer Committee meets twice a month.

### – Distribution of shareholding as on 31<sup>st</sup> March' 2014

No. of equity shares held	Folios		Shares	
	Numbers	%	Numbers	%
1-100	92	11.344	2781	0.023
101- 500	243	29.963	65276	0.536
501-1000	157	19.359	132197	1.085
1001-5000	204	25.154	528500	4.338
5001-10000	41	5.055	299035	2.455
10001-20000	23	2.836	348613	2.862
20001-30000	6	0.740	147850	1.214
30001-40000	7	0.863	247598	2.032
40001-50000	5	0.617	217400	1.785
50001-100000	5	0.617	346750	2.846
100001-500000	23	2.836	6789800	55.736
500001-above	5	0.617	3056200	25.088
<b>TOTAL</b>	<b>811</b>	<b>100.000</b>	<b>12182000</b>	<b>100.000</b>

# KMF BUILDERS & DEVELOPERS LIMITED

## Pattern of shareholding by ownership as on 31st March 2014

Category	Shareholding	
	Numbers of shares held	Shareholding %
<b>Promoter's holding</b>		
Promoters		
-Indian Promoters	5375200	44.124
-Foreign Promoters	-	-
Persons acting in concert	-	-
<b>Sub-Total (A)</b>	<b>5375200</b>	<b>44.124</b>
<b>Non- Promoters Holding</b>		
Institutional Investors	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institutional, Insurance Companies	-	-
(Central/State Govt. Institutions/ Non Government Institutions)	-	-
FIIS	-	-
<b>Sub-Total (B)</b>	<b>-</b>	<b>-</b>
<b>Others</b>	<b>-</b>	<b>-</b>
Corporate Bodies	1507732	12.377
Indian Public (including NSDL & CDSL)	5299068	43.499
NRIs/OCBS	-	-
Trust & Clearing Members	-	-
<b>Sub-Total (C)</b>	<b>6806800</b>	<b>55.876</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>12182000</b>	<b>100.00</b>

### - As at 31.03.2014:

**Shares held in Physical form** :1668000 shares (13.70% of share capital)

**Shares held in Dematerialized form** :10514000 shares (86.30% of share capital)

### - Shareholding of Promoters/ Directors, their relatives, associate companies & officers of the Company pursuant to SEBI Regulations:

Name	Relation	No. of Shares	% to total
Chadha Family & Associates	Promoter Group	4955000	40.675
Pradeep Kumar Malik	Promoter Group	420200	3.449

### - Outstanding GDR/ADR/Warrants or any convertible instrument

No outstanding GDR/ADR/Warrants or any convertible instrument as on 31.03.2014.

### - Share Transfer Agent

"Alankit Assignments Limited"

RTA Division – KMF Builders & Developers Ltd.

2E/21, Jhandewalan Extn.,

New Delhi – 110055.

Ph.No: 011-51540060 – 64

alankit@alankit.com

### - Investors' correspondence may be addressed to:

KMF Builders & Developers Ltd.,

1008, Vikram Tower, Rajendra Place,

New Delhi- 110 008 Tel : 011 -41537811

Fax :011-41537810 Email: Kmfbuilder95@gmail.com



## KMF BUILDERS & DEVELOPERS LIMITED

Or

“Alankit Assignments Limited”

RTA Division – KMF Builders & Developers Ltd

2E/21, Jhandewalan Extn.,

New Delhi – 110 055.

Ph.No: 51540060 – 64”

E-mail: alankit@alankit.com

**- Other information**

- For safe and prompt payment of dividend, shareholders can give their mandate i.e. Bank name, A/c No. with address.
- Any change in address or mandate should be intimated to Company or its transfer agent at the earliest for prompt services.
- While corresponding with the Company or its Registrar & Transfer Agent, members are advised to quote their Folio No. and No. of shares held. Any such correspondence should be signed by the member(s) or their duly authorised power of attorney. Company shall not entertain any letter, which is not duly signed as an endeavour to protect the interest of members and to avoid any possible fraud.
- Members holding shares in identical orders of names in more than one folio are requested to write to the Company or Alankit Assignments Limited and send their share certificates to enable consolidation of their holding into one folio.

**Note:** The details are given purely by way of information. Members may make their own judgment and are further advised to seek independent guidance before deciding on any matter based on the information given therein. Neither the Company nor its officials would be held responsible.

### **CERTIFICATE UNDER CLAUSE 49 of LISTING AGREEMENT**

To the Members of

KMF Builders & Developers Ltd

508, Golf Manor, NAL Wind Tunnel Road,

Murgeshpalya,

Bangalore-560017

We have examined the compliance conditions of Corporate Governance by KMF Builders & Developers Ltd for the year ended 31<sup>st</sup> March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance 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 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per the records maintained by the Company except one shareholder, Mr. Suresh

## KMF BUILDERS & DEVELOPERS LIMITED

Kumar Kharkia, who filed a suit bearing no. 46 of 2012, in the Court of Principal Senior Civil Judge, Ahmedabad Rural of Mirzapur, Ahmedabad, Gujrat state. The matter is sub-judice. 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 B. Sreenivasa & Co.  
Chartered Accountants**

Place : Bangalore  
Dated : 14.08.2014

CA B Sreenivasa Setty  
Proprietor  
ICAI Reg. No. 205645

**CODE OF CONDUCT  
FOR  
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL  
ANNUAL DECLARATION**

(in pursuance of Clause 49 (1D) of the Listing Agreement)

This is to certify that to the best of my knowledge and belief and based upon declarations made by the members of the Board of Directors and senior management officers, provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL, as adopted by the company in compliance of Clause 49 (1D) of the Listing Agreement are fully followed and complied with during the financial year ending 31st March 2014.

**For KMF Builders & Developers Ltd.  
Kavita Chadha  
Director**

**Certification by CEO/CFO**

The Board of Directors  
KMF Builders & Developers Ltd.  
508, Golf Manor, NAL Wind, Tunnel Road,  
Murgeshpalya,  
Bangalore-560017

**Ref: Certification by CEO/CFO for Financial Year 2013-14**

We, the undersigned, in our respective capacities as Chief Executive Officer and Finance Head of KMF Builders & Developers Ltd ("the Company") to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year 2013-14 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

## KMF BUILDERS & DEVELOPERS LIMITED

- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken and/or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee, wherever applicable, the following:
- significant changes in internal control over financial reporting during the year;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For KMF Builders & Developers Ltd.**

Place: Bangalore  
Date: 14.08.2014

Pradeep Kumar Malik  
Finance Head

KavitaChadha  
Director

### MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### The Macro Economic Environment

##### Global Economy

Global growth is projected to remain subdued at slightly above 3 percent in 2013, the same as in 2012. This is less than forecast in the April 2013 World Economic Outlook (WEO), driven to a large extent by appreciably weaker domestic demand and slower growth in several key emerging market economies, as well as a more protracted recession in the euro area. Downside risks to global growth prospects still dominate: while old risks remain, new risks have emerged, including the possibility of a longer growth slowdown in emerging market economies, especially given risks of lower potential growth, slowing credit, and possibly tighter financial conditions if the anticipated unwinding of monetary policy stimulus in the United States leads to sustained capital flow reversals. Stronger global growth will require additional policy action.

Specifically, major advanced economies should maintain a supportive macroeconomic policy mix, combined with credible plans for reaching medium-term debt sustainability and reforms to restore balance sheets and credit channels. The emerging market faces a tradeoff between macroeconomic policies to support weak activity and those to contain capital outflows. Macro-prudential and structural reforms can help make this tradeoff less stark.

##### Indian Economy

The government's initial estimates peg the growth in gross domestic product (GDP) at 4.9% in Fiscal Year 2013-14, slightly higher than the Asian Development Outlook (ADO) Update 2013 forecast of 4.7%. The estimate could be a tad optimistic, as achieving it would require growth to be boosted to 5.5% in the fourth quarter of FY2013-14. The marginal pickup in headline GDP growth masks underlying weakness in the economy as it was due to stronger agriculture. Excluding agriculture, GDP growth slipped from 5.0% in FY2012 to 4.9% in FY2013-14.

The recovery of the monsoon in the season's second half in 2012 and a good monsoon in 2013 helped agriculture to grow by 4.6% in FY2013-14, though growth moderated somewhat in the second half of the year. Food grain production is estimated to have increased by 2.4% in FY2013-14, reaching a record of 263.2 million tons.

## KMF BUILDERS & DEVELOPERS LIMITED

After growing by a tepid 1.0% in FY2012-13, industry decelerated further to 0.7% in FY2013-14. While mining has been in the red for nearly 2 years because policy bottlenecks plaguing coal and natural gas have seen little resolution, the contraction in manufacturing output was a new low. Continuing contraction in the output of capital goods and consumer durables reflects very weak investment and consumer demand. Bottlenecks restricting fuel supplies have hampered electricity generation.

The industrial slowdown and weak recovery in advanced economies caused growth in services to drop below 7%.

### **Industry Structure & Development**

The real estate sector is quite promising with various advantages like Construction of the multi building projects on the feasible location in the country, good structured national network facilities the boom of construction industry. Real estate development is on high and it is attracting the focus of the industry towards construction.

Your Company is to create business premises, residences, buildings that are known for their quality, distinct in design and elegantly crafted. We are focused in our quest to provide our customers, first and foremost, an elegant and beautiful surrounding. We are committed to delivering the expected quality at the promised time.

Your company has successfully implemented various projects including KMF Gardens at Kalyan, Golf Manor at Bangalore. The construction of of Purab Manor Project at Bangalore is complete. We hope that very soon we will complete your project in Mathura Vrindavan.

### **Opportunity & Threats**

The Real estate sector is full of opportunities but on the same time it cannot be denied that is also full of threats. Following are few of the examples of both which your company is foreseeing:-

- Continuous private sector housing boom will create more construction and opportunities.
- Entry of a number of domestic & foreign players, increasing competition and consumer affordability.
- Positive outlook of global investors.
- Fiscal incentives to developers and simplification of urban development guidelines.
- Infrastructure support and development initiatives by the government. Easy access to project financing options.
- Improved quality of real estate assets.
- Significant rise in consumerism and rapid urbanization.
- Public sector projects through public private partnership will bring further opportunities.
- Developing supply chain through involvement in large projects is likely to enhance the chances in construction.
- Renewable energy projects will offer opportunities to develop skills and capacity in new markets.
- More flexible training delivery techniques are now available.
- Financial supports like loan and insurance and growth in income of people is in support of construction industry.
- Long-term market instability and uncertainty may damage the opportunities and prevent the expansion of training and development facilities.
- Current economic situation and uncertainty may have an adverse impact on construction industry.
- Political and security conditions in the region and late legislative enforcement measures are always threats to any industry in India.
- Infrastructure safety is a challenging task in construction industry.
- Lack of political willingness and support on promoting new strategies.
- Natural abnormal causalities such as earthquake and floods are uncertain and can prevent the construction boom.
- Inefficient accessibility in planning and concerning the infrastructure and signs.

# KMF BUILDERS & DEVELOPERS LIMITED

## **Segment wise or Product wise Performance:**

Over valuation of commercial properties is also a matter of concern.

Currently your company is trying to diversify its product and range of industry it caters to. Your company is now also searching possibilities to work with government projects.

## **Future Outlook**

To achieve international standards of excellence with a focus on quality, aesthetics and customer satisfaction. To provide high quality, safe & innovative construction services in Design, Engineering, Construction with overall Project Management in Hydrocarbon, Metallurgy, Power and Ports & Terminals as well as Information Technology and other selected sectors of Industry.

To achieve prominence in developing, adopting and assimilating state-of-the-art technology for competitive advantage. To acquire and provide technology and services through sustained Research &

Development and promote linkages among Engineering Organizations, Equipment Manufacturers Operating Companies and R&D Organizations to upgrade technologies on a continuous basis.

To cultivate high standards of ethics and quality for a strong corporate identity and brand equity. To help enrich the quality of life of the community and preserve ecological balance and heritage through services provided with a strong environmental conscience.

Completed projects in your Company include "Golf Manor" at NAL wind tunnel road and "Royal Manor" off Airport Road, behind Leela Palace Hotel in Bangalore. Our other projects include a star hotel in Dalhousie, Himachal Pradesh and a residential apartment complex namely KMF Gardens at Kalyan, near Mumbai.

The company has started already another residential project at Vrindavan, Mathura. The company is quite hopeful for the success of Gokul Dham Project as well and will earn excellent earnings out of it.

## **Risks & Concerns**

The concerns listed above in the point Opportunities & Threats will continue to be risks and concerns for your company. The company will leave no stone unturned to improve the net worth in coming year.

## **Financial Performance**

The construction of Wing B of Purab Manor Project at Bangalore is complete. We hope that very soon we will complete your project in Mathura Vrindavan. During this financial year turnover of your company is Rs. 6,50,36,139/- & profit is Rs. 41,52,732/-.

Net worth of your company as on 31<sup>st</sup> March, 2014 is Rs. 10,34,73,115/-

## **Internal Control System**

Your company has adequate internal control systems commensurate with its size and operations, although not documented.

## **Human Resources / Industrial Resources**

The Company believes that the human capital is the key engine for its growth and competitiveness. It continues to focus on HR practices, systems and people development initiatives that encourage continuous learning on the job and meritocracy and which enhance the organization's capability.

The changing business scenario necessitates continuous development of employees in terms of skills and competencies in line with the Company's requirements.

## **Cautionary Statement**

The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.

# KMF BUILDERS & DEVELOPERS LIMITED

## INDEPENDENT AUDITOR'S REPORT

To the Members of

**M/s. KMF BUILDERS & DEVELOPERS LTD.,**

We have audited the accompanying financial statements of **M/s. KMF BUILDERS & DEVELOPERS LTD.**, which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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. 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.

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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date;
- and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

## KMF BUILDERS & DEVELOPERS LIMITED

---

- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- c) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B Sreenivasa & Co.,  
Chartered Accountants  
Firm Reg No. 009287S

CA B Sreenivasa Setty  
Proprietor  
Membership No. 205645

PLACE: BANGALORE  
DATED: 30/05/2014



# KMF BUILDERS & DEVELOPERS LIMITED

## ANNEXURE TO AUDITORS REPORT

Annexure to the Auditor's Report of even date to the members of M/s KMF BUILDERS & DEVELOPERS LTD. for the year ended 31<sup>st</sup> March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed records.  
  
b) The company has a regular programme of physical verification of its fixed assets on yearly basis. In our opinion, it is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
c) In our opinion and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- 2 a) According to the information and explanations given to us, the stocks of building materials, spare parts and the materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
  
b) The Procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3 The Company has not taken/granted unsecured loans from Companies listed in the register maintained under section 301 of the Companies Act, 1956. According to the information and explanations furnishing to us, **the Inter Corporate Deposit granted to M/s KMF Ltd and M/s KMF Securities Ltd was interest free loan**. Other than this no other loan taken/granted by the company.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- 5 a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.  
  
b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five lacs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year covered under section 58A of the Companies Act, 1956 and the rules framed there under.

## KMF BUILDERS & DEVELOPERS LIMITED

- 7 In our opinion and according to the information and explanations given to us, **the company has not introduced internal audit system during the year.**
- 8 According to the information and explanations given to us, the Central Government has not prescribed the maintenance of costs records by the company under section 209 (1)(d) of the Companies Act 1956, for the products of the company.
- 9
  - a) According to the information and explanation given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including income-tax, tax deduction at source, and other material statutory dues with the appropriate authorities.
  - b) According to the information and explanation given to us, no undisputed amounts payable in respect of income-tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.
  - c) According to the information and explanation given to us, there are no dues of income-tax, sales tax, customs duty, excise duty and cess which have not been depositing on account of any dispute.
10. The company has no accumulated loss as on 31<sup>st</sup> March, 2014 and it has not incurred any cash loss in the financial year ended on that date or in the immediately preceding financial year.
11. In our opinion and according to the information and explanation given to us, the company has not taken any loans from financial institution and banks **except** car loans from HDFC Bank. Company has not defaulted in repayment of dues to a bank or a financial institution as at the balance sheet date.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities other than its employees.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion, the company do not have any term loans **except** car loans.
17. According to the information and explanation given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short terms basis have been used for long term investment. No long term funds have been used to finance short term assets.
18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

## **KMF BUILDERS & DEVELOPERS LIMITED**

19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
20. The company has not raised from the any money from the public issues during the year.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For B Sreenivasa & Co.,**  
Chartered Accountants  
Firm Reg No. 009287S

CA B Sreenivasa Setty  
Proprietor  
Membership No. 205645

PLACE: BANGALORE  
DATED: 30/05/2014

# KMF BUILDERS & DEVELOPERS LIMITED

## Balance Sheet as at 31 March 2014

	Note	31 Mar 2014 ₹ Rs	31 Mar 2013 ₹ Rs
<b>Equity and Liabilities</b>			
<b>Shareholders' Funds</b>			
Share capital	2	60,910,000.00	60,910,000.00
Reserves and surplus	3	42,563,115.36	38,410,383.05
		<b>103,473,115.36</b>	<b>99,320,383.05</b>
<b>Non-Current Liabilities</b>			
Long-term borrowings	4	654,598.69	654,518.00
Deferred tax liabilities (net)	5	386,830.00	424,507.00
Other long-term liabilities	6	0.00	0.00
Long-term provisions	7	0.00	0.00
		<b>1,041,428.69</b>	<b>1,079,025.00</b>
<b>Current Liabilities</b>			
Short-term borrowings	8	638,288.00	532,776.00
Trade payables	9	14,722,741.00	25,625,138.65
Other current liabilities	9	42,099,237.94	20,292,113.94
Short-term provisions	7	897,729.00	6,608,631.00
		<b>58,357,995.94</b>	<b>53,058,659.59</b>
<b>Total</b>		<b>162,872,539.99</b>	<b>153,458,067.64</b>
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Tangible assets	10	5,724,281.00	5,823,262.00
Intangible assets	11	0.00	0.00
Capital work-in-progress		0.00	0.00
		<b>5,724,281.00</b>	<b>5,823,262.00</b>
Current investments	12	6,147,760.26	6,147,760.26
Properties held for development	16	0.00	0.00
Deferred tax assets (net)		0.00	0.00
Long-term loans and advances	13	0.00	0.00
Trade receivables	14	0.00	0.00
Other non-current assets	15	0.00	0.00
		<b>11,872,041.26</b>	<b>11,971,022.26</b>
<b>Current Assets</b>			
Inventories	16		
Raw materials		0.00	0.00
Properties under development/construction		132,642,297.78	117,414,783.98
Properties held for sale		0.00	0.00
		<b>132,642,297.78</b>	<b>117,414,783.98</b>
Trade receivables	14	500,000.00	500,000.00
Cash and bank balances	17	6,402,155.75	3,042,706.20
Short-term loans and advances	13	9,135,179.99	18,250,787.99
Other current assets	15	2,320,865.21	2,278,767.21
		<b>151,000,498.73</b>	<b>141,487,045.38</b>
<b>Total</b>		<b>162,872,539.99</b>	<b>153,458,067.64</b>
<b>Significant accounting policies and Notes on Accounts</b>	1	As per our Report attached For B Sreenivasa & Co., Chartered Accountants Firm Reg No. 009287S	
For & on behalf of the Board of Directors of KMF Builders & Developers Ltd			

(Malik Pradeep Kumar)  
Whole Time Director

(Gorve Chadha)  
Managing Director

(Shweta Gupta)  
Company Secretary

CA B Sreenivasa Setty  
Proprietor  
Icai Reg No. 205645

Place: Bangalore

Date: 30.05.2014

# KMF BUILDERS & DEVELOPERS LIMITED

## Statement of Profit and Loss for the year ended 31 March 2014

	Note	31 Mar 2014 ₹ Rs	31 Mar 2013 ₹ Rs
<b>Income</b>			
Revenue from operations			
Revenue from projects	18	65,036,139.37	104,388,204.00
Other income	19	0.00	0.00
<b>Total-I</b>		<b>65,036,139.37</b>	<b>104,388,204.00</b>
<b>Expenses</b>			
Construction cost	20	35,926,902.00	75,224,798.00
Changes in inventories of WIP	21	9,762,000.00	1,693,000.00
Employee benefit expenses	22	2,870,016.46	3,793,491.00
Other expenses	23	9,496,590.21	12,202,271.83
<b>Total-II</b>		<b>58,055,508.67</b>	<b>92,913,560.83</b>
<b>Earnings before interest, tax, depreciation and prior period items</b>		<b>6,980,630.70</b>	<b>11,474,643.17</b>
Depreciation and amortization expenses	24	962,535.00	879,927.00
Net finance expense / (Income)	25	(113,262.61)	(332,284.90)
<b>Profit before tax and prior period items</b>		<b>6,131,358.31</b>	<b>10,927,001.07</b>
Tax expense	26	197,862.00	406,690.00
<b>Profit after tax and before prior period items</b>		<b>4,152,732.31</b>	<b>6,860,099.07</b>
Prior period income (net of tax expense)		0.00	0.00
<b>Net profit for the year</b>		<b>4,152,732.31</b>	<b>6,860,099.07</b>
<b>Earnings per share (( Nominal value Rs 5 per share) (Previous Year Rs 5 per share))</b>			
Basic (₹)	27	0.34	0.56
Diluted (₹)		0.34	0.56

**Significant accounting policies and Notes to Accounts** 1

For & on behalf of the Board of Directors of  
KMF Builders & Developers Ltd

As per our Report attached  
For B Sreenivasa & Co.,  
Chartered Accountants  
Firm Reg No. 009287S

(Malik Pradeep Kumar)  
Whole Time Director

(Gorve Chadha)  
Managing Director

(Shweta Gupta)  
Company Secretary

CA B Sreenivasa Setty  
Proprietor  
Icai Reg No. 205645

Place: Bangalore

Date: 30.05.2014

# KMF BUILDERS & DEVELOPERS LIMITED

	31 Mar 2014 ₹ Rs	31 Mar 2013 ₹ Rs
<b>2 Share Capital</b>		
<b>Authorised shares</b>	200000000.00	200000000.00
<b>Issued, subscribed and fully paid up shares</b>		
	60,910,000.00	60,910,000.00
	<b>60,910,000.00</b>	<b>60,910,000.00</b>

## a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

### Equity shares

	31 Mar 2014		31 Mar 2013	
	No.	₹ Rs	No.	₹ Rs
At the beginning of the period	12,182,000	60,910,000.00	12,182,000	60,910,000.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	<b>12,182,000</b>	<b>60,910,000.00</b>	<b>12,182,000</b>	<b>60,910,000.00</b>

## b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share. And Board of Director did not proposed any Dividend for Current financial year (Previous Year equity shares par value is Rs 5 per share)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## c. Details of shareholders holding more than 5% shares in the company

	31 Mar 2014		31 Mar 2013	
	No.	% holding in the class	No.	% holding in the class
<b>Equity shares of ₹ 5 each fully paid</b>				
Manu Investment	823,800.00	6.762%	823,800.00	6.762%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

	31 Mar 2014 ₹ Rs	31 Mar 2013 ₹ Rs
<b>3 Reserves and Surplus</b>		
<b>Capital Reserve (profit on forfeited shares)</b>		
Balance at the beginning of the year	6,821,500.00	6,821,500.00
Additions / (deductions) during the year	-	-
Balance at the end of the year	<b>6,821,500.00</b>	<b>6,821,500.00</b>
<b>Debenture Redemption Reserve</b>		
Balance at the beginning of the year	-	-
Less: Premium paid on redemption of debentures	-	-
Less: Written back to statement of profit and loss during the year	-	-
Add: Transfer from statement of profit and loss	-	-
Balance at the end of the year	<b>0.00</b>	<b>0.00</b>
<b>General Reserve</b>		
Balance at the beginning of the year	-	-
Add: Transfer from statement of profit and loss	-	-
Balance at the end of the year	<b>0.00</b>	<b>0.00</b>
<b>Profit and Loss Account</b>		
Balance at the beginning of the year	31,588,883.05	24,728,783.98
Add: Net profit for the year	4,152,732.31	6,860,099.07
Balance at the end of the year	<b>35,741,615.36</b>	<b>31,588,883.05</b>
	<b>42,563,115.36</b>	<b>38,410,383.05</b>

# KMF BUILDERS & DEVELOPERS LIMITED

## 4 Long-term borrowings

	Non-current portion		Current portion	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	₹ Rs	₹ Rs	₹ Rs	₹ Rs
<b>Term loans (secured)</b>				
From Banks	654,598.69	654,518.00		
From financial institutions	-	-		
From others	-	-		
<b>Finance lease obligation</b>				
	654,598.69	654,518.00	0.00	0.00
<b>The above amount includes</b>				
Secured borrowings	654,598.69	654,518.00	-	-
Unsecured borrowings	-	-	-	-
Amount disclosed under head "Other current liabilities" note 9	-	-	-	-
	654,598.69	654,518.00	0.00	0.00

Note: Secured borrowings is against hypothecation of car

## 5 Deferred tax liability (Net)

	31 Mar 2014	31 Mar 2013
	₹ Rs	₹ Rs
Deferred tax liability arising on account of depreciation	386,830.00	424,507.00
	<b>386,830.00</b>	<b>424,507.00</b>

## 6 Other long-term liabilities

Retention money held from contractors	-	-
Security Deposits	-	-
	<b>0.00</b>	<b>0.00</b>

## 7 Provisions

	Long term		Short Term	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	₹ Rs	₹ Rs	₹ Rs	₹ Rs
<b>Provision for employee benefits</b>				
Gratuity	-	-	340,066.00	305,066.00
<b>Other provisions</b>				
Income Tax provision			(338,818.00)	3,800,000.00
Duties & Taxes			267,821.00	2,076,141.00
Other Payable			628,660.00	427,424.00
	<b>0.00</b>	<b>0.00</b>	<b>897,729.00</b>	<b>6,608,631.00</b>

## 8 Short-Term Borrowings

	31 Mar 2014	31 Mar 2013
	₹ Rs	₹ Rs
<b>Term loans (secured)</b>		
From Banks	638,288.00	532,776.00
From financial institutions	-	-
From others	-	-
<b>Other loans and advances</b>		
<b>Finance lease obligation</b>		
	638,288.00	532,776.00
<b>The above amount includes</b>		
Secured borrowings	638,288.00	532,776.00
Unsecured borrowings	-	-
Amount disclosed under head "Other current liabilities" note 9	-	-
	<b>638,288.00</b>	<b>532,776.00</b>

Note: Secured borrowings is against hypothecation of car



# KMF BUILDERS & DEVELOPERS LIMITED

**KMF BUILDERS AND DEVELOPERS LIMITED**  
**No.508, Golf Manor Aptments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore-560 017**  
**FIXED ASSETS SCHEDULE - 10**  
**F.Y.2013-14**

Sl. No.	Description	Rate of Depn.	GROSS BLOCK			DEPRECIATION BLOCK				NET BLOCK	
			As on 01.04.2013	Additions Dg. The year	Deletions Dg. The year	Total As on 31.03.14	Upto 31.03.2013	For the Year	Deletions 31.03.2014	As on 31.03.2014	As on 31.03.2013
1	OFFICE BUILDING	1.63%	320000.00			320000.00	88672.00	5216.00	0.00	226112.00	231328.00
2	BOREWELL & TUBEWELL	4.75%	669247.00			669247.00	572202.00	31789.00	0.00	65256.00	97045.00
3	D.G. SET	4.75%	314320.00			314320.00	98814.00	14930.00	0.00	200576.00	215506.00
4	FIRE FIGHTING EQUIPMENT	4.75%	690962.50			690962.50	555749.50	32821.00	0.00	102392.00	135213.00
5	LIFT	4.75%	1696051.25			1696051.25	1450116.25	80562.00	0.00	165373.00	245935.00
6	AIR CONDITIONER	4.75%	299820.00	118000.00		417820.00	47481.00	19616.00	0.00	350723.00	252339.00
7	VIBRATOR	4.75%	61000.00			61000.00	20593.00	2898.00	0.00	37509.00	40407.00
8	BOILER	4.75%	56250.00			56250.00	20022.00	2672.00	0.00	33556.00	36228.00
9	ROAD ROLLER	4.75%	213750.00			213750.00	74576.00	10153.00	0.00	129021.00	139174.00
10	DIESEL ENGINE	4.75%	99000.00			99000.00	49643.00	4703.00	0.00	44654.00	49357.00
11	INVERTOR	4.75%	68200.00			68200.00	7310.00	3240.00	0.00	57650.00	60890.00
12	MIXTURE	4.75%	536625.00			536625.00	184296.00	25490.00	0.00	326839.00	352329.00
13	PLANT & MACHINERY	4.75%	84586.00			84586.00	2444.00	4018.00	0.00	78124.00	82142.00
14	OFFICE EQUIPMENT	4.75%	283340.00			283340.00	8195.00	13459.00	0.00	261686.00	275145.00
15	FURNITURE & FIXTURES	6.23%	263582.00			263582.00	119430.00	16421.00	0.00	127731.00	144152.00
16	CYCLE	7.07%	2508.00			2508.00	1378.00	177.00	0.00	953.00	1130.00
17	MOTOR VEHICLE	9.50%	6655601.00	690754.00		7346355.00	3251592.00	677588.00	0.00	3417175.00	340409.00
18	COMPUTERS	16.21%	518250.50			518250.50	518250.50	0.00	0.00	0.00	0.00
19	UPS	16.21%	3120.00			3120.00	3120.00	0.00	0.00	0.00	0.00
20	AUTO LEVEL	16.21%	19773.01			19773.01	19773.01	0.00	0.00	0.00	0.00
21	REFRIGERATOR	4.75%	41200.00			41200.00	4371.00	1957.00	0.00	34872.00	36829.00
22	LAPTOP	16.21%	49716.25	54800.00		104516.25	25612.25	14825.00	0.00	64079.00	24104.00
<b>TOTAL</b>			<b>12946902.51</b>	<b>863554.00</b>	<b>0.00</b>	<b>13810456.51</b>	<b>7123640.50</b>	<b>962535.00</b>	<b>0.00</b>	<b>5724281.00</b>	<b>5823262.00</b>
<b>Previous Year</b>			11018188.51	1928714.00	0.00	12946902.51	6243713.50	879927.00	0.00	5823262.00	4774475.00

# KMF BUILDERS & DEVELOPERS LIMITED

	31 Mar 2014 ₹ Rs	31 Mar 2013 ₹ Rs
<b>9 Other current liabilities</b>		
Trade payables (refer note on dues to Micro and small enterprises)	14,722,741.00	25,625,138.65
<b>Other liabilities</b>		
Current maturities of long term borrowings (note 4)	-	-
Advances received from customers	42,099,237.94	20,292,113.94
	<b>42,099,237.94</b>	<b>20,292,113.94</b>
	<b>56,821,978.94</b>	<b>45,917,252.59</b>
<b>11 Intangible Assets:</b>	-	-
	<b>31 Mar 2014 ₹ Rs</b>	<b>31 Mar 2013 ₹ Rs</b>
<b>12 Current Investments:</b>		
Trade Investments (Valued at cost unless stated otherwise)	3941335.82	3941335.82
Unquoted equity instements	2206424.44	2206424.44
Investment in subsidiaries (fully paidup)	0	0
	<b>6147760.26</b>	<b>6147760.26</b>
	<b>Non-current</b>	<b>Current</b>
	<b>31 Mar 2014 ₹ Rs</b>	<b>31 Mar 2013 ₹ Rs</b>
<b>13 Loans and advances</b>		
<b>Security deposits</b>		
Unsecured, considered good	-	-
	<b>0.00</b>	<b>0.00</b>
<b>Loans and advances to related parties</b>		
(Unsecured, considered good)		
Loans to associates	-	6,930,600.00
Loans to subsidiaries	-	10,080,600.00
	<b>0.00</b>	<b>6,930,600.00</b>
<b>Other loans and advances</b>		
(Unsecured, considered good)		
Advances to suppliers	-	604,300.00
Advances for land contracts	-	1,117,880.00
Advance income tax (net of provision for taxation)	-	-
Prepaid expenses	-	34,787.00
Taxes and duties recoverable	-	122,786.00
Other advances	-	6,894,734.99
	<b>0.00</b>	<b>2,204,579.99</b>
<b>Total loans and advances</b>	<b>0.00</b>	<b>9,135,179.99</b>
<b>14 Trade receivables</b>		
(Unsecured, considered good)		
Outstanding for a period exceeding six months	-	500,000.00
Other receivables	-	500,000.00
	<b>0.00</b>	<b>500,000.00</b>
<b>Trade receivables include :</b>		
Due from related parties	-	-
<b>15 Other Current Assets</b>		
Other Current Assets	-	2,320,865.21
	<b>0.00</b>	<b>2,320,865.21</b>

# KMF BUILDERS & DEVELOPERS LIMITED

	Non-current		Current	
	31 Mar 2014 ₹ Rs	31 Mar 2013 ₹ Rs	31 Mar 2014 ₹ Rs	31 Mar 2013 ₹ Rs
<b>16 Inventories</b>				
<b>Properties held for development</b>				
At the beginning of the year	-	-	41,027,000.00	42,720,000.00
Add : Additions during the year	-	-	-	-
Less: Deletions during the year	-	-	9,762,000.00	1,693,000.00
Less: Transferred to Properties Under Development	-	-	-	-
	<b>0.00</b>	<b>0.00</b>	<b>31,265,000.00</b>	<b>41,027,000.00</b>
<b>Raw materials</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Properties under development</b>				
Land, Material and construction cost (Mathura Project)	-	-	-	-
Profit recognized to-date	-	-	101,377,297.78	76,387,783.98
Less: Progress payments received and receivable	-	-	-	-
	<b>0.00</b>	<b>0.00</b>	<b>101,377,297.78</b>	<b>76,387,783.98</b>
<b>Properties held for sale</b>				
At the beginning of the year	-	-	-	-
Add : Additions during the year	-	-	-	-
Less: Sales during the year	-	-	-	-
Less: Write downs during the year	-	-	-	-
Less: Properties transferred to Fixed assets	-	-	-	-
	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	<b>0.00</b>	<b>0.00</b>	<b>132,642,297.78</b>	<b>117,414,783.98</b>
<b>17 Cash and bank balances</b>				
<b>Cash and cash equivalents</b>			1,208,879.34	985,661.34
<b>Balances with scheduled banks:</b>				
On current accounts			(208,276.59)	(8,359,508.14)
Deposits with original maturity of less than three months			-	-
On unpaid dividend account			-	-
<b>Balance with non-scheduled banks:</b>				
On current account:			-	-
On current account:			-	-
			-	-
			<b>1,000,602.75</b>	<b>-7,373,846.80</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	-	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	5,401,553.00	10,416,553.00
Margin money deposit	-	-	-	-
	<b>0.00</b>	<b>0.00</b>	<b>5,401,553.00</b>	<b>10,416,553.00</b>
Amount disclosed under non-current assets	0.00	0.00		
	<b>0.00</b>	<b>0.00</b>	<b>6,402,155.75</b>	<b>3,042,706.20</b>
<b>18 Revenue from operations</b>				
<b>Revenue from projects</b>				
From sale of flats			64,732,000.00	104,062,000.00
<b>Other operating revenue</b>				
Other Income			304,139.37	326,204.00
			<b>65,036,139.37</b>	<b>104,388,204.00</b>

# KMF BUILDERS & DEVELOPERS LIMITED

## 19 Other income

Rental income	0.00	0.00
Others	0.00	0.00
	<b>0.00</b>	<b>0.00</b>

## 20 Construction cost

Land, Material and contract costs	25,301,576.00	49,575,413.00
Other direct costs	9,641,034.00	24,704,476.00
Electricity, fuel and water	984,292.00	944,909.00
	<b>35,926,902.00</b>	<b>75,224,798.00</b>

## 21 Changes in Inventories of WIP:

<b>Opening Stock</b>	41,027,000.00	42,720,000.00
<b>Less: Closing Stock</b>	31,265,000.00	41,027,000.00
	<b>9,762,000.00</b>	<b>1,693,000.00</b>

## 22 Employee benefit expenses

Salaries, wages and bonus	2,426,573.00	3,460,741.00
Contribution to provident fund	-	-
Gratuity expenses	35,000.00	35,000.00
Staff welfare	408,443.46	297,750.00
	<b>2,870,016.46</b>	<b>3,793,491.00</b>

## 23 Other expenses

Travel and conveyance	914,145.17	880,609.05
Repairs and maintenance	267,706.00	453,686.00
Legal and professional charges	1,101,707.00	1,527,670.00
Rent rates and taxes	144,331.39	3,745,054.10
Insurance	101,919.00	-
Electricity Charges	228,158.98	311,683.75
Communication costs	245,610.07	218,498.19
Printing and stationery	85,010.00	152,565.00
Audit fees	112,360.00	100,000.00
Advertising and sales promotion	1,056,583.19	2,096,456.10
Brokerage and referral charges	284,000.00	596,715.00
Miscellaneous expenses	4,955,059.41	2,119,334.64
	<b>9,496,590.21</b>	<b>12,202,271.83</b>

### Payment to auditor

#### As auditor:

Audit fee	112360.00	100000.00
-----------	-----------	-----------

#### In other capacity:

	0.00	0.00
	<b>112,360.00</b>	<b>100,000.00</b>

### Year ended

31 Mar 2014	31 Mar 2013
₹ Rs	₹ Rs

## 24 Depreciation and amortization expense

Depreciation of tangible assets	962,535.00	879,927.00
Amortization of intangible assets	0.00	0.00
	<b>962,535.00</b>	<b>879,927.00</b>

# KMF BUILDERS & DEVELOPERS LIMITED

## 25 Net finance expense / (Income)

### Finance expense:

Interest on term loans	128,880.69	609,117.00
Bank charges	476,139.61	31,921.41
	<b>605,020.30</b>	<b>641,038.41</b>

Less:

### Finance Income:

Bank deposits	718,282.91	973,323.31
Interest on loan to associates		
Others		
Interest received from customers		
	<b>718,282.91</b>	<b>973,323.31</b>

### Net finance expense / (Income)

<b>(113,262.61)</b>	<b>(332,284.90)</b>
---------------------	---------------------

## 26 Tax expense

Current tax	2,016,303.00	3,800,000.00
Tax of earlier years	0.00	296,117.00
Deferred tax charge/(credit)	(37,677.00)	(29,215.00)
	<b>1,978,626.00</b>	<b>4,066,902.00</b>

## 27 Earnings per share (EPS)

Net profit after tax attributable to equity shareholders	4,152,732.31	6,860,099.07
Weighted average number of shares outstanding during the year (lakhs)	12,182,000	12,182,000
Add: Dilutive effect of stock options (Number in lakhs)	0	0
Weighted average number of shares used to compute diluted EPS (lakhs)	<b>12,182,000</b>	<b>12,182,000</b>
Earnings per share ( ₹ ) :		
Basic	0.34	0.56
Diluted	0.34	0.56
Nominal value - Rupees per equity share	5.00	5.00

# KMF BUILDERS & DEVELOPERS LIMITED

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2014

PARTICULARS	31 Mar 2014 ` Rs	31 Mar 2013 ` Rs
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) before tax	6,131,358.31	10,927,001.07
Adjustments to reconcile profit before tax to cash provided by opening activities:		
Depreciation	962,535.00	879,927.00
Interest Income	(718,282.91)	(973,323.31)
Other Income	-	-
Deferred Tax	37,677.00	29,215.00
<b>Changes in assets and liabilities:</b>		
Trade Receivable, Inventories, Loans and Advances	(6,191,680.80)	(42,311,869.88)
Current Liabilities and provisions	5,299,336.35	27,512,071.25
	5,520,942.95	(3,936,978.87)
Income Tax Paid	2,016,303.00	4,096,117.00
Net Cash Generated by Operating Activities	<b>3,504,639.95</b>	<b>(8,033,095.87)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Fixed Assets		
Purchase of Fixed Assets	(863,554.00)	(1,928,714.00)
Purchase of Investments	-	-
Dividend/Interest & Other Income Received	718,282.91	973,323.31
NET CASH USED IN INVESTING ACTIVITIES - B	<b>(145,271.09)</b>	<b>(955,390.69)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long Term Borrowings	80.69	(937,295.77)
Proceeds from issue of shares	-	-
NET CASH USED IN FINANCING ACTIVITIES - C	<b>80.69</b>	<b>(937,295.77)</b>
Net Increases/ (Decreases) in cash and cash equivalents	3,359,449.55	(9,925,782.33)
Opening Cash and Bank Balances	3,042,706.20	12,968,488.53
Closing Cash and Bank Balances	6,402,155.75	3,042,706.20

For & on behalf of the Board of Directors of  
KMF Builders & Developers Ltd

As per our Report attached  
For B Sreenivasa & Co.,  
Chartered Accountants  
Firm Reg No. 009287S

(Malik Pradeep Kumar)  
Whole Time Director

(Gorve Chadha)  
Managing Director

(Shweta Gupta)  
Company Secretary

CA B Sreenivasa Setty  
**Proprietor**  
Icai Reg No. 205645

Place: Bangalore  
Date: 30.05.2014

# KMF BUILDERS & DEVELOPERS LIMITED

## NOTES FORMING PART OF FINANCIAL INFORMATION

### CORPORATE INFORMATION:

**Company Background:** The Company was incorporated on March 21, 1995 as KMF BUILDERS AND DEVELOPERS LIMITED to carry on business in development and construction of flats.

### 1.00 SIGNIFICANT ACCOUNTING POLICIES

#### 1.01 BASIS FOR PREPARATION:

The Financial statements have been prepared and presented under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India (Indian GAAP) to comply with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The accounting policies have been consistently applied.

#### 1.02 USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Differences between the actual results and estimates are recognized in the period in which the results are known/materialized.

#### 1.03 INVENTORIES:

##### **Purab Manor Project:**

Inventories are valued at cost. The total estimated costs to complete the Residential Project is estimated and accordingly, the cost of sales is worked out and transferred to the Statement of Profit and Loss out of the work in progress. Balance cost incurred is carried as inventory cost.

##### **Mathura Project:**

Total Cost spent on project shown as Inventory - WIP

#### 1.04 EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET:

Material events occurring after the date of Balance Sheet are taken into cognizance and dealt accordingly.

#### 1.05 REVENUE RECOGNITION: RESIDENTIAL COMPLEX:

Revenue in respect of residential project is recognized based on percentage completion method as per Accounting Standard 7 issued by the ICAI. Under this method, revenue is recognized based on the estimated total cost of the project and estimated sale value based on the transfer of ownership/possession/ GPA/ Katha Transfer/Agreements.

Effective 1st April, 2012 in accordance with the 'Guidance Note on Accounting for Real Estate Transactions (Revised 2012 Guidance Note)' all projects commencing on or after the said date or projects where revenue is recognized for the first time on or after the above date, construction revenue on such projects have been recognized on percentage completion method provided the following threshold have been met:

- all critical approvals necessary for the commencement have been obtained.
- the expenditure incurred on construction and development costs is not less than 25% of the total estimated construction and development cost.
- at least 25% of the saleable project area is secured by agreements with buyers and
- at least 10% of the agreements are realised at the reporting date in respect of such contracts.



## KMF BUILDERS & DEVELOPERS LIMITED

Interest income recognized on time proportionate basis and other income is recognized on accrual basis

In respect of interest on IT refund/Insurance claim. Income will be recognized on cash basis

### **1.06 INFLATION:**

Assets and liabilities are recorded at historical cost. These costs are not adjusted to reflect the changing value in the purchasing power of money.

### **1.07 FIXED ASSETS & DEPRECIATION:**

#### **Tangible Fixed Assets:**

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### **Intangible Assets:**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### **1.08 TREATMENT OF EXPENDITURE ON CONSTRUCTION WORK:**

The expenditure incurred/borrowing cost on construction work was directly allocated to projects, wherever the expenses were not identifiable those expenses were apportioned to the administration and other projects which are in progress.

### **1.09 INVESTMENTS:**

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

### **1.10 RETIREMENT BENEFIT:**

a) One Employee is covered under gratuity scheme. The company has determined the gratuity liability.

b) In case of leave encashment benefits offered to employees, there is no liability for provision of leave encashment benefit at the end of the year.

c) The Company's total number of employees has not exceeded the stipulation limit of the PF Act., 1952, hence the company has not registered under PF Act., 1952

## KMF BUILDERS & DEVELOPERS LIMITED

### 1.11 DEFERRED TAXES:

Deferred tax recognized subject to the consideration of prudence, on timing differences between taxable income and accounting income, that originates in one period and are capable of reversal in one or more subsequent periods.

### 1.12 TAXATION:

#### **Income tax:**

Income tax expense comprises current tax for the year determined in accordance with the income-tax Act, 1961.

#### **Deferred tax:**

Deferred taxation is provided using the liability method in respect of the taxation effect originating from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to reverse in subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only when there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or, written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

#### **Minimum Alternative Tax:**

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

### 1.13 SEGMENTAL REPORTING:

The Company Operates in only one segment of business, namely, development of an Residential Housing. Hence segment reporting is not applicable.

### 1.14 IMPAIRMENT OF ASSETS:

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

### 1.15 INSURANCE CLAIMS

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

### 1.16 SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

### 1.17 EARNINGS PER SHARE:

In determining earning per share, the company considers the net profit after tax and includes the post tax effect of extraordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

## KMF BUILDERS & DEVELOPERS LIMITED

### **1.18 BORROWINGS COST:**

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### **1.19 PROVISIONS AND CONTINGENT LIABILITIES:**

A provision is recognized when the company has present obligations as a result of past event, it is probable that an outflow of resources will be required to settle the obligations, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on the best estimates required to settle the obligations at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect a current best estimate.

All known liabilities wherever material are provided for. Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts wherever necessary.

### **1.20 FOREIGN CURRENCY TRANSACTIONS AND TRASLATIONS**

#### **Initial Recognition:**

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### **Measurement of foreign currency monetary items at the Balance Sheet date**

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

However there are no foreign currency transactions during the year.

## **ATTENDANCE SLIP**

KMF BUILDERS & DEVELOPERS LIMITED

CIN: L45203KA1995PLC017422

Registered Office: 508, Golf Manor, NAL Wind Tunnel Road, Murgesh Palya, Bangalore 560017

### **PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL**

(joint shareholders may obtain the attendance slip at the venue of the meeting)

<b>DP ID*</b>		<b>Folio No.</b>	
<b>Client ID*</b>		<b>No. of Shares</b>	

Name & Address of the shareholder:.....  
hereby record my presence at the 19<sup>th</sup> AGM of the company held on Monday, 29<sup>th</sup> Sept 2014 at 10:30 AM at 508, Golf Manor, NAL Wind Tunnel Road, Murgesh Palya, Bangalore 560017

\*Applicable for investors holding shares in electronic form

\_\_\_\_\_  
(Signature of shareholder/ proxy)

## **PROXY FORM**

KMF BUILDERS & DEVELOPERS LIMITED

CIN: L45203KA1995PLC017422

Registered Office: 508, Golf Manor, NAL Wind Tunnel Road, Murgesh Palya, Bangalore 560017

<b>Name of the member (s):Registered address:</b>		<b>e-mail id: Folio No/*Client id: *DP id:</b>	
---	--	--	--

I/We, being the member(s) of \_\_\_\_\_ shares of KMF Builders & Developers Limited, , hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ of failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ of failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

And whose signature (s) are appended below as my/our proxy to attend and vote (on a poll) for me. us and on my/our behalf at the 19<sup>th</sup> Annual General Meeting of the Company , to be held on Monday , Sept 29, 2014 at 10:30 a.m. at 508, Golf Manor, NAL Wind Tunnel Road, Murgesh Palya, Bangalore 560017 and any adjournment thereof in respect of such resolution as are indicate below:

\*\* I wish my above Proxy to vote in the manner as indicate in the box below:

Resolutions	For	Against
1. Consider and adopt: Audited Financial Statement , Report of the Board of Directors and Auditors		
2. Re-appointment of Pradeep Kumar Malik who retires by rotation		
3. Appointment of Auditors and fixing their remuneration		
4.Appointment of Shri Anil Rishiraj as an Independent director		
5. Appointment of Shri Shyam Sunder Mittra as an Independent Director		
6. Appointment of Shri Ravinder Kumar Sharma as an independent Director		
7. Place of keeping registers & records at some other place than registered office of the company		

Signed this.....day of .....2014

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of first Proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

Affix a  
15 paisa  
Revenue  
Stamp

### **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) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share of the capital of the Company carrying voting rights. A member holding more than 10% 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.
- 4) This is only optional. Please put a **X** in the appropriate column against the resolutions indicate in the Box. If you leave the For or Against column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 5) In the 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 :*

**KMF BUILDERS & DEVELOPERS LIMITED**

No. 508, GOLF MANOR APPARTMENTS  
NAL WIND TUNNEL ROAD,  
MURGESHPALYA, BANGALORE-17

OR

1008, VIKRAM TOWER, RAJENDER PLACE,  
NEW DELHI-110008





**B. Sreenivasa & CO**  
CHARTERED ACCOUNTANTS

Tel : +91-80-26615278  
Cell : +91-9845101463  
E-mail : sreenivasa@bsac.co.in  
ca\_sreenivasa@yahoo.co.in

**FROM A**

Format covering letter of Annual Audit Report  
to be filed with the Stock Exchange

1	Name of the Company	KMF Builders & Developers
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2014
3	Type of Audit Observation	Un-Qualified
4	Frequency of Observation	Repetitive from many years i.e., appointment of Internal Auditor
5	To be signed by – <ul style="list-style-type: none"><li>- CEO/Managing Director</li><li>- CFO</li><li>- Auditor of the Company</li><li>- Audit Committee Chairman</li></ul>	<p>For KMF Builders &amp; Developers Ltd.</p> <p><i>[Signature]</i> Managing Director</p> <p>For KMF Builders &amp; Developers Ltd.</p> <p><i>[Signature]</i> Director</p>

For KMF Builders & Developers Ltd.  
*[Signature]*  
Authorised Signatory

For B. Sreenivasa & Co.  
Chartered Accountants  
Firm Reg. No. 205645

*[Signature]*  
Proprietor  
M.S. No. 205645