KMF BUILDERS & DEVELOPERS LTD.

Regd. Office : 508, Golf Manor NAL Wind Tunnel Road, Murugesh Palya, Bangalore 560017 Tel. : 080-41486142
Corp. Office : 907, 9th Floor, Vikram Tower, Rajendera Place, New Delhi -110008 Tel. : 011-45636075

Site Office : GH-2, Rukmani Vihar, Vrindavan, Mathura. (U.P.) E-mail : kmfbuilders95@gmail.com Web : www.kmfbuilders.com

CIN : L45203KA1995PLC017422 GSTIN No. : 29AAACK8497L1ZO

Date: 05.09.2022

To,
The Secretary,
Corporate Relationship Department,
BSE Limited
PhirozeJeejeebhoy Towers,
Dalal Street,
Fort Mumbai-400001

Subject: -Annual Report for Financial Year 2021-22

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report for the financial year 2021-22.

Kindly take the same on record and oblige.

Yours faithfully,
For KMF Builders and Developers Limited

Priyanka Behl
Company Secretary&
Compliance Officer

# 27th

# ANNUAL REPORT

# 2021-2022

## KMF BUILDERS & DEVELOPERS LIMITED

## KMF BUILDERS AND DVELOPERS BOARD OF DIRECTORS:

| | | |
|---|---|---|
| **a.** | Chairman & Managing Director | : Mr. Gorve Chadha (DIN: 06407884) |
| **b.** | Independent Non-Executive Director | : Mr. Chirag Salaria (DIN: 07145403) |
| **c.** | Independent Non-Executive Director | : Mr. Mani Suresh Babu (DIN:09220270)* (Apointed w.e.f 30.06.2021) |
| **d.** | Woman Director | : Mrs. Kavita Chadha(DIN: 03304018) |

**KEY MANAGERIAL PERSONNEL:**

| | | |
|---|---|---|
| **a.** | Chief Financial Officer | : Mr. Pradeep Kumar Malik*(Resigned w.e.f 14.11.2021) |
| **b.** | Chief Financial Officer | : Ms. Manisha Chadha* (appointed w.e.f 14.11.2021) |
| **c.** | Company Secretary | : Ms. Priyanka Behl |

**AUDITORS** : M/s **CS Nagendra & Co.**
Chartered Accountants
Bangalore

SECRETARIAL AUDITOR : Deepak Sadhu & Co
Company Secretaries
Bangalore

REGISTERED OFFICE : 508 Golf Manor NAL Wind Tunnel Road
Murugesh Palaya Bangalore 560017

REGISTRAR & TRANSFER : Alankit Assignments Limited
Anarkali Complex Jhandewalan
Delhi-110055

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# NOTICE OF 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of KMF Builders and Developers Limited (CIN: L45203KA1995PLC017422) will be held at Hotel SAI Renaissance, Opp. State Bank of India SAI Colony (Whitefield Rly Stn.) Kadugudi, Bangalore 560067 Karnataka, on Tuesday the 27th day of September 2022 at 09.00 A.M for the transaction of the following businesses:-

## ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2022, the Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors.

2. To appoint a Director in place of Mrs. Kavita Chadha (DIN: 03304018) who retires by rotation and, being eligible, offers herself for re-appointment.

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 Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and other applicable provisions, if any and in accordance with the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. B Sreenivasa & Co., Chartered Accountants (Firm Registration No. 009287S), be appointed as Statutory Auditors of the Company to hold office for a consecutive term of 5 years from the conclusion of this 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee from time to time".

## SPECIAL BUSINESS

**4. Prior approval for Related Party Transactions**

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

**"RESOLVED THAT** pursuant to the provisions of Section 188 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions of the Companies Act, 2013 ('the Act') consent of the members be and is hereby accorded to the Board of Directors to enter into transactions, contracts and agreements with Related Parties of the Company at a maximum of Rs. 15 Lacs per transaction.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby severally authorized to determine the terms and conditions for the proposed transactions and all other matters arising out of or incidental thereto.

**FURTHER RESOLVED THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things that may be necessary, proper, desirable and expedient to give effect to the aforesaid resolution."

By order of the Board of Directors
**Gorve Chadha**
**SD/-**

(Chairman & Managing Director)

Place: Delhi
Date: 10-08-2022

DIN: 06407884

**Details of Director seeking reappointment in Annual General Meeting fixed on 27th September 2022**

| | |
|---|---|
| M`l d ne C hqdbsnq | L qr-J `uhs` Bg`cg` 'C HM9/22/3/07( |
| C `sd ne A hqsg | 12./5.0852 |
| C `sd ne @oonhmsl dms | 11./5.1//6 |
| Dwodqshrd hmrodbhehb et mbshnm`k`qd`r | @cl hm`mc L `m`f dl dms |
| C hqdbsnqrg ho hmnsgdq Hmc h`mOt akhb K hl hsdc B nl o`mhdr `r nm20-/2-1/10 | 0 |
| B g`hql `mL dl adq ne sgd B nl l hssddr ne sgd An`qc ne nsgdq Hmc h`mOt akhb K hl hsdc B nl o`mhdr `r nm20-/2-1/10 | / |
| Mn- ne Rg`qdr gdkc hmsgd B nl o`mx | 0/7/3// |
| C hrbknrt qd hmsdql r ne Qdf t k`shnm25 '2( ne RDAH 'K hrshmf N akhf `shnmr`mc C hrbknrt qd Qdpt hqdl dmsr( Qdf t k`shnmr+1/04 | F hudmadknv 9 |

**Details of Directors seeking appointment/ re-appointment at the Annual General Meeting scheduled to be held on September 27, 2022 (Pursuant to Regulation36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015**

| Director's Name & Date of Birth | Brief Resume (Date of Appointment, Qualification, Expertise in specific functional area) | Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 8 Companies) | Chairmanships / Memberships of Committees of other Public Companies | No. of shares held in the Company as on 31.03.2022 | Relationship with Directors and Key Managerial Personnel |
|---|---|---|---|---|---|
| Mrs. Kavita Chadha (DOB-23.06.1963 ) | Graduate by qualification and she joined the Company in 2010 as Director and later on she is working as Project Consultant. She has varied experience in all the major departments such a planning and project execution and had a significant role in formulating the long term business plan of the Company. | She is also the Director in KMF Securities Limited | - | 10,80,400 | Promoter of the Company, Mother of Mr. Gorve Chadha, Managing Director |

**NOTES:**

i) **A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on his behalf. A proxy need not be a Member of the Company.**

a. Proxies, in order to be effective, must be received at the 508 Golf Manor NAL wind tunnel road Murgeshpalya Bangalore 560017, not less than forty-eight hours before the commencement of the AGM i.e. by 09.00 a.m. on Tuesday the 27th day of September 2022

b. Corporate Members are required to send to register office a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote at the AGM.

ii) Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.

iii) Route map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also annexed.

iv) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and administration) Rules, 2014, the Resolutions for consideration at this AGM will be transacted through remote-voting (facility to cast vote from a place other than the venue of the AGM) and also e voting at the AGM venue, for which purpose the Board of Directors of the Company ('the Board') have engaged the services of NSDL. The Board has appointed Mr. Deepak Sadhu practicing company secretary Deepak Sadhu &company, as the Scrutinizer for this purpose.

v) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on 20th September, 2022 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting at the AGM venue. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.

vi) Members may visit the Company's corporate website to view the Financial Statements or access information pertaining to the Company. Queries, if any, should be sent at least 10 days before the AGM to the Company Secretary at the Registered Office of the Company or Corporate Office of the Company 907 Vikram Tower Rajendera Place Delhi-110008.

vii) Members are required to bring their admission slips to the AGM. KMF Builders and Developers Limited will not be in a position to provide duplicate admission slips or copies of the Report and Accounts at the AGM venue.

The procedure with respect to remote e-voting is provided below:-

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTINGARE ASUNDER:-**

**The remote e-voting period begins on 24.09.2022 at 09:00 A.M. and ends on 26.09.2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e20.09.2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 20.09.2022.**

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A. Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL. | 1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e- Voting services under Value added services. Click on **"Access to e Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.<br>2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.<br>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.<br>4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience.<br>NSDL Mobile App is available on<br>App Store Google Play |

| | |
|---|---|
| Individual Shareholders holding securities in demat mode with CDSL | 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br><br>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote.<br><br>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration<br><br>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | 1. You can also login using the login credentials of your demat account through your depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e Voting period |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

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

**B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| **Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical** | **Your User ID is:** |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******. |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12********** then your user ID is 12********** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for shareholders other than Individual shareholders are given below:

a. If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c. How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

Physical User Reset Password?

b. " (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period now you are ready for e-Voting as the Voting page opens.

3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

4. Upon confirmation, the message "Vote cast successfully" will be displayed.

5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to **deepakksadhu@gmail.com**with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (Company email id).

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e.Login method for e-Voting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.infor procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**General Information**

a. There will be one vote for every Client ID No. /registered Folio No .irrespective of the number of joint holders.

**b. The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.** The declared Results, along with the Scrutinizer's Report, will be available forth with on the Company's website www.kmfbuilders.com under the section 'Investor Relations' and on the website of NSDL; such Results will also be forwarded to the BSE Limited where the Company's shares are listed.

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

**Item No. 3: Appointment of Statutory Auditor**

The Members of the Company at the 22nd Annual General Meeting had appointed M/s. CS Nagendra & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of 22nd Annual General Meeting for the period of 5 years until the conclusion of 27th Annual General Meeting of the Company. Accordingly, the current term M/s. CS Nagendra & Co, Chartered Accountants, as Statutory Auditors of the Company concludes at the conclusion of the ensuing Annual General Meeting.

After considering various factors such as qualification and experience, competency & efficiency of the audit team, effectiveness of conduct of audit, independence etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on 10th August, 2022 proposed the appointment of M/s. B Sreenivasa & Co., Chartered Accountants, as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of this 27th Annual General Meeting until the conclusion of 32nd Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee from time to time.

M/s. B Sreenivasa & Co., Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Board recommends the ordinary resolution set out in Item No. 3 of the Notice for the approval of the Members.

**Item No.4: Prior approval for Related Party Transactions**

In view of the provisions of Section 188 (1) of the Companies Act, 2013 and the rules made thereunder, the Audit Committee and Board of Directors have recommended the consent of shareholders to set the maximum limit per transaction that your company may enter with its related parties.

All disclosures prescribed to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of the Board and its Powers) Rules, 2014 are provided in the table appended below for the perusal of the members

| Sr. No. | Name of Related Party | Natureof relationship | Natureof transaction | Maximum expected value of per transactions (Rs.) |
|---|---|---|---|---|
| 1 | Gorve Chadha | Managing Director of the Company | Purchase/Sale of Units | 15,00,000 |
| 2 | Kavita Chadha | Mother of Managing Director of the Company | Purchase/Sale of Units Leasing of properties | 15,00,000 |
| 3 | Companies in which above mentioned parties are Directors, Partners, Sole Proprietors, etc. | Executive Director is interested | Financial Transactions such as Inter Corporate Deposit, Inter-Corporate Borrowings, etc | 15,00,000 |

All the proposed transactions would be carried out as part of business requirements of the Company and are ensured to be on arm's length basis.

Members are hereby informed that pursuant to the second proviso of Section 188(1) of the Companies Act, 2013, no member of the Company shall vote on such ordinary resolution to approve any contract or arrangement, if such member is a related party.

Except Mr. Gorve Chadha, Managing Director and Mrs. Kavita Chadha, Executive Director of the Company and mother of Mr. Gorve Chadha none of the other Directors, Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The special resolution as set out in Item no. 4 of this Notice of AGM is recommended by the Board for your approval.

By order of the Board of Directors

Place: Delhi
Dated: 10-08-2022

**Gorve Chadha**
(Chairman & Managing Director)
DIN: 06407884

Jeevan Exotica
Art Broadband
Sai Renaissance
State Bank of India
Kadugodi Branch 5376
Whitefield - Hoskote Rd
Sri Sathya Sai Institute
Of Higher Learning
Library of Sri
Sathya Sai Institute of ...
Google
Dominos Pizza
OYO 9419
Manu Residency
Kidzee Kadugodi
Satellite

## BOARD'S REPORT

**To the Members of KMF Builders and Developers Limited**

Your Directors, with great pleasure present the 27th Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2022

### 1. FINANCIAL RESULTS

| PARTICULARS | (Fig in Rs.) 2021-22 | (Fig in Rs.) 2022-23 |
|---|---|---|
| **Income** | 3,32,64,933/- | 4,62,29,000/- |
| **Expense** | 2,90,45,725.88/- | 4,19,88,262.86/- |
| **Profit(before tax)** | 42,19,207.12/- | 42,40,737.14/- |
| **Tax Expense** | 10,37,804.50/- | 7,38,288/- |
| **Profit/(loss) for the period** | 31,81,402.62/- | 35,02,449.14/- |
| **Other Comprehensive income** | - | - |
| **Total Period for the year** | **31,81,402.62/-** | **35,02,449.14/-** |

### 2. DIVIDEND

In view of the business condition, during the year the Board of Directors of your Company regret their inability to recommend any dividend for the year ended on 31st March, 2022.

### 3. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the Financial Year 2021-2022

### 4. TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO IEPF

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, dividend and Refund of Share application Money due for refund which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend/ unclaimed account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government and there provisions of Section 125 of the Companies Act, 2013. During the year, no amount was due for transfer to IEPF.

### 5. DEPOSITORY SYSTEM

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2022, 87.35% of the equity shares of the Company were held in dematerialized form.

### 6. CHANGES IN THE NATURE OF BUSINESS

There has been no change in the nature of the business of the Company during the Financial Year 2021-2022

### 7. MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments that occurred subsequent to the end of the financial year till the date of this report, which affects the financial position of the Company.

### 8. CHANGE IN SHARE CAPITAL

There is no change in share capital structure of the Company during the financial Year 2021-2022

### 9. FIXED DEPOSITS

The company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and the rules framed there under apply

### 10. HUMAN RESOURCES DEVELOPMENT

Many initiatives have been taken to support business through organizational efficiently, process change support and

various employee engagement programs which has helped the Organization to achieve higher productivity level. A significant effort has also been undertaken to develop leadership as well as functional capacities in order to meet future talent requirement.

The Company's HR process such as hiring and on-boarding, fair transparent on line performance evaluation and talent management process, state-of-the-art workmen development process and market assigned policies have been seen as benchmark practice in the Industry. The Employees are encouraged to express their views and are empowered to work independently. The Employees are given the opportunity to learn through various small project which make them look at initiatives from different perspectives and thus provide them with the platform to become result oriented. The Management of the Company enjoy cordial relation with its employees at all levels. The Board of Directors wish to place its highest appreciation for the contribution made by all the employees in achieving growth of the Company.

**11. SUBSIDIARY COMPANIES**

The Company does not have any Subsidiary Company.

**12. CORPORATE GOVERNANCE REPORT**

The Company is committed to maintaining the highest standards of Corporate Governance and adhering to the corporate governance requirements as set out by Securities and Exchange Board of India. The report on Corporate Governance for the financial year ended March 31, 2022, as per regulation 34(3) read with Schedule V of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report. Although this is not applicable to company

**13. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A detailed review of operations, performance and future outlook of the Company is covered under Annexure A which forms part of this report.

**14. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(5) the Act, and based on the representations received from the management, the directors hereby confirm that:

I. In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures.

ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on March 31, 2022.

iii. They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act and rules made thereunder, as amended, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. They have prepared the annual accounts for financial year ended March 31, 2022 on a 'going concern' basis.

v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and have been operating efficiently.

vi. They have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

**15. AUDITORS**

**STATUTORY AUDITORS**

The current auditors i.e M/s. CS Nagendra &Co., Chartered Accountants were last re-appointed by the Members in the Annual General Meeting held on 20th September, 2017 to hold the office of statutory auditors from the conclusion of the 22nd Annual General Meeting till the conclusion of the 27th Annual General Meeting, subject to ratification of the Members at each subsequent Annual General Meeting. The term of the current auditors expire at the conclusion of the ensuing Annual General Meeting.

The Board of Directors, at their meeting held on 10th August, 2022, based on the recommendation of the Audit Committee, has recommended the appointment of M/s. B Sreenivasa & Co., Chartered Accountants (Firm Registration No. 009287S) as the statutory auditors of the company for a consecutive term of 5 years, to hold office from the

conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company. The appointment of M/s. B Sreenivasa & Co., Chartered Accountants, as Statutory Auditors of the Company is placed before the members for approval at the ensuing Annual General Meeting.

M/s. B Sreenivasa & Co., Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141, of the Act and that they are not disqualified to be appointed as statutory auditors of the Company.

For Financial Year 2021-22, there is no adverse remark or qualification in the Statutory Auditor's Report as annexed. The Auditors have reported that there is no fraud on or by the Company noticed or reported during the year.

**SECRETARIAL AUDITOR**

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board appointed Mr. Deepak Sadhu, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report of the Company for the Financial Year 2021-2022 is annexed to this Report.

**16. AUDITOR'S AND SECRETARIAL AUDITOR'S REPORT**

There are no disqualifications, reservations or adverse remarks or disclaimers in the Auditors and Secretarial Auditors Report.

The Board further confirms that the Company has complied with all the provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India

17. **FRAUD REPORTING:**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act and Rules framed thereunder either to the Company or to the Central Government.

**18. BOARD'S RESPONSE ON THE REMARKS MADE BY STATUTORY AUDITORS AND SECRETARIAL AUDITORS**

There were no qualifications, reservations and adverse remarks made by the statutory auditors in their Audit Report and by the Company Secretary in practice in their Secretarial Audit report.

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

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are set out in an Annexure-1 to this Report.

**20. ANNUAL RETURN**

In compliance with the provisions of section 134 (3)(a) of Companies Act, 2013 , the extract of Annual Return of the company as per Sub-Section (3) of Section 92 of the act is available on the company website of the company www.kmfbuilders.com

**21. DEPOSIT FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

**22. DETAILS OF DIRECTORS OR KMP'S APPOINTMENT OR RESIGNATION DURING THE YEAR**

There is a change in director and CFO during the year;

a. Mr. Mani Suresh Babu was appointed as Non Executive Independent Director w.e.f 30th June, 2021.
b. Mr. Pradeep Kumar Malik resigned as CFO of the company due to personal reasons w.e.f 14th November, 2021
c. Ms. Manisha Chadha appointed as CFO of the Company w.e.f 14th November, 2021

**Retirement**

Mr. Kavita Chadha, Director, retires by rotation and being eligible, has offered her for re-appointment. The Board recommends the same for your approval.

The brief resume of the Directors seeking appointment in the forthcoming Annual General Meeting, in Pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Annual General Meeting Notice.

**23. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the Articles of Association of the Company and the provisions of the Section 152(6)(c) of the Companies Act, Mrs. Kavita Chadha (DIN: 03304018) will retire by rotation at the ensuing Annual General Meeting and being eligible, offered herself for re-appointment.

Mr. Gorve Chadha (DIN: 06407884) – Executive Chairman and Managing Director, Ms. Manisha Chadha - Chief Financial Officer and Ms. Priyanka Behl – Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company as at the date of this Report. Mr. Chirag Salaria and Mr. Mani Suresh Babu are Non Executive Directors of the company.

**24. DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received the necessary declaration from each Independent Director, in accordance with Section 149(7) of the Companies Act, 2013, that he met the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and the Regulation 16(1)(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise in the field of finance, strategy, auditing, tax, risk advisory, financial services and infrastructure and real estate industry and they hold the highest standards of integrity.

In compliance with the rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the independent directors have registered themselves with the Indian Institute of Corporate Affairs. Since majority of the independent directors of the Company have served as directors or key managerial personnel in listed companies or in an unlisted public company having a paid-up share capital of Rs. 10 crore or more for a period not less than 10 years, they are not required to undertake the proficiency test as per rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**CEO / CFO CERTIFICATION:**

As required by Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The CEO / CFO certificate for the financial year 2021-22 has been submitted to the Board and the copy thereof is contained in Annual Report as Annexure B.

**25. BOARD DIVERSITY**

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The Board recognises the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity.

**26. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION:**

The policy of the Company on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act,is appended as Annexure III to this Report

**27. BOARD EVALUATION**

The performance of the whole-time Director, KMP and Senior Management Personnel is evaluated at regular intervals (half yearly/ yearly) by the whole-time Directors/ Managing Director, as applicable. The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, basis the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and suggestions given in this regard.

A separate meeting of the independent directors ("Annual ID meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID meeting, the collective

feedback of each of the Independent Directors was discussed by the Chairman of the NRC with the Board's Chairman covering performance of the Board as a whole; performance of the non-independent directors and performance of the Board Chairman.
Some of the key criteria for performance evaluation are as follows –

Performance evaluation of Directors:
- Attendance at Board or Committee meetings
- Contribution at Board or Committee meetings
- Guidance/support to management outside Board/Committee meetings

Performance evaluation of Board and Committees:
- Degree of fulfilment of key responsibilities
- Board Structure and composition
- Effectiveness of Board Processes, information and functioning
- Board culture and dynamics
- Quality of relationship between Board and Management
- Efficacy of communication with external stakeholders

**28. MEETINGS OF THE BOARD**
A calendar of Meetings is prepared and circulated in advance to the Directors. The Board met seven times during the financial year, the details of which are given in the Corporate Governance Report which is annexed and forms a part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**29. NUMBER OF MEETINGS OF THE BOARD:**
The Board met 7 (Seven) times in the financial year ended June 30, 2021, July 29, 2021, August 13, 2021, October 27, 2021, November 14, 2021, February 14, 2022 and March 31 ,2022.

**30. COMPOSITION OF AUDIT COMMITTEE**
The Audit Committee of the Company comprises of Independent and Executive members. Board Elect Mr. Chirag Salaria as Chairman and Ms. Manisha Chadha .The Board has accepted all recommendations made by the Audit Committee during the year.
The composition and other relevant details of other board level committees i.e. Nomination and Remuneration Committee and Stakeholders Relationship Committee are disclosed separately in the Corporate Governance Report which is annexed to and forms a part of this Report.

**31. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**
The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by Mr. Gorve Chadha, Managing Director and forms part of the Annual Report.

**32. PREVENTION OF INSIDER TRADING**
The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

**33. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**
The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statement.

**34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract /

arrangement / transaction of material nature with any of the related parties which are in conflict with the interest of the Company. Related party disclosures are given in the notes to the financial statement.

**35. SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE COMPANY'S GOING CONCERN STATUS AND OPERATIONS IN FUTURE**

During the period under review, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

**36. ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company had laid down guidelines, policies, procedures and structure to enable implementation of appropriate internal financial controls across the Company. These control processes enable and ensure the orderly and efficient conduct of company's business, including safeguarding of assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and timely preparation & disclosure of financial statements.

**37. RISK MANAGEMENT**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

**38. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Company has practice of conducting familiarization program of the independent directors as detailed in the Corporate Governance Report which forms part of the Annual Report.

**39. DISCLOSURE ON THE NOMINATION AND REMUNERATION POLICY OF THE COMPANY PURSUANT TO SECTION 134(3) (e) AND SECTION 178 (3)**

The policy of the Company on Director's appointment and remuneration, including criteria for determining qualifications, independence and other matters as provided under subsection (3) of Section 178 of the Companies Act, 2013 forms part of this Annual Report.

**40. VIGIL MECHANISM**

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns. For details, please refer to the Corporate Governance Report attached to this Report.

**41. CORPORATE SOCIAL RESPONSIBILITY:**

A Corporate Social Responsibility (CSR) Committee has been constituted in accordance with Section 135 of the Companies Act. This is not applicable on our company.

**42. DISCLOSURE UNDER SECTION 23 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013**

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

**43. PARTICULARS OF EMPLOYEES:**

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The information required pursuant to Section 197 of the Companies Act read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is available for inspection by the Members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.

**44. PARTICULARS OF REMUNERATION**

The information required under Section 197(12) of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

**(a) ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

(Amount in Rs.)

| S. No. | Name | Designation | CTC | Median Employee salary | Ratio |
|---|---|---|---|---|---|
| 1. | Gorve Chadha | Managing Director | 11,50,000 | 604000 | 1.9:1 |

**(b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;** -. There is no increase in the remuneration of Company Secretary.

**(c) The percentage increase in the median remuneration of employees in the financial year -** There was average in the median remuneration of employees in the financial year.

**(d) The number of permanent employees on the rolls of company:** There were 09 permanent employees on the rolls of Company as on March 31, 2022.

**(e) The explanation on the relationship between average increase in remuneration and company performance; -** There is average increase in the remuneration of employees in the last financial year.

**(f) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**

| Particulars | Amount (Rs.) |
|---|---|
| Remuneration of Key Managerial Personnel (KMP) during financial year 2021-2022 (aggregated) | 18,93,535 |
| Revenue from operations | 3,27,50,010 |
| Remuneration (as % of revenue) | 5.78% |
| Profit before tax (PBT) | 42,19,207.12 |
| Remuneration (as % of PBT) | 44.87% |

**(g) variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year; -**

| Particulars | Unit | As at 01st April 21 | As at 31st Mar 22 | Variation |
|---|---|---|---|---|
| Closing rate of share at BSE | Rs. | 4.32 | 5.32 | 23.15% |
| EPS (Consolidated) | Rs. | 0.29 | 0.26 | -10.344 |

**(h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration –**

There is no average increase in salaries of employees in 2021-2022 except managing director remuneration. There is 5.04% increase in the salary of Company secretary in the managerial remuneration for the financial year.

**(I) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

| Particulars | Managing Director | Chief Financial Officer | Company Secretary |
|---|---|---|---|
| Remuneration | 11,50,000 | - | 3,23,535 |
| Revenue | 3,27,50,010 | 3,27,50,010 | 3,27,50,010 |
| Remuneration (as % of revenue) | 3.51 | 0 | 0.987 |
| Profits before tax (PBT) | 42,19,207.12 | 42,19,207.12 | 42,19,207.12 |
| Remuneration (as % of PBT) | 27.25 | 0 | 7.66 |

**(j) The key parameters for any variable component of remuneration availed by the directors;**
There is no variable component in the remuneration availed by the Directors.
**(k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**
Managing Director is the highest paid Director. No employee received remuneration higher than the Managing Director.
**(l) Affirmation that the remuneration is as per the remuneration policy of the Company**
It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2022 is as per the Remuneration Policy of the Company.

**45. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS**
During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

**46. LISTING**
The Equity shares of your company were listed at Bombay Stock Exchange Limited and Delhi Stock Exchange Limited. However, the Delhi Stock Exchange Limited has been de-recognized as a Stock Exchange during the year, so, presently the Company is listed on Bombay Stock Exchange Limited only. The Company has paid listing fees to the Bombay Stock Exchange for the year 2021-2022.

**47. STATUTORY DISCLOSURES**
None of the Directors of your Company are disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015.

**48. APPRECIATION**
Yours Directors wish to extend their appreciation to business associates for their support and contribution during the year. Yours Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.
The Directors also acknowledge the hard work, dedication and commitment of the employees.

**By order of the Board of Directors**

Place : Delhi
Date : 10-08-2022

**Gorve Chadha**
**(Chairman & Managing Director)**
DIN: 06407884
Add: - U-2 Green Park Main Delhi-110016

## ANNEXURE- 1

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014, are as follows:

**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 taken place during the year under review.

| **C. FOREIGN EXCHANGE EARNING & OUTGO** | **Fig in Rs.** |
|---|---|
| Total foreign exchange earnings | —NIL— |
| Total foreign exchange outgo | —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.

## ANNEXURE- II

**EXTRACT OF ANNUAL RETURN**

## ANNEXURE III TO THE DIRECTORS' REPORT

**NOMINATION & REMUNERATION POLICY (DIRECTORS, KMP & SENIOR MANAGEMENT)**

**INTRODUCTION**

In pursuance of the Company's philosophy to consider its employees as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and, in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination & Remuneration Committee and approved by the Board of Directors

**OBJECTIVE**

The objective and purpose of the Policy are as given below:

**1.** To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

**2.** To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

**3.** To retain, motivate and promote talent and to ensure long term retention of talented managerial persons and create competitive advantage.

**DEFINITIONS**

1. Board means Board of Directors of the Company.

2. Director means Directors of the Company.

3. Committee means Nomination & Remuneration Committee of the Company as constituted or reconstituted by the Board.

4. Company means KMF Builders and Developers Limited

5. Independent Director means a director referred to in Section 149 (6) of the Companies Act, 2013.

6. Key Managerial Personnel (KMP) means
i. Executive Chairman and / or Managing Director;
ii. Chief Financial Officer;
iii. Company Secretary;
iv. Such other officer as may be prescribed under the applicable statutory provisions / regulations.
v. Senior Management
Senior Management means personnel of the Company occupying the position of Chief Officer, senior staff of the Company.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

**APPOINTMENT**

1. The candidate for a position at Director, KMP or Senior Management level is met by the Head HR and the Director to whom the position reports into. The interview is targeted at assessing the candidate on his/ her functional & leadership capabilities and cultural fitment to the organization.

2. The MD assesses the shortlisted candidates.

3. The selected candidate's details and the proposed compensation is shared with the Nomination & Remuneration Committee for their review and suggestions. The same is shared with the Board at the next board meeting.

**TERM/ TENURE**

The tenure for Directors of Company shall be governed by the terms defined in the Companies Act, 2013. However, the tenure for other KMP and Senior Management Personnel will be governed by KMF HR policy.

**ANNEXURE -2**
**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014**

**As on financial year ended on 31.03.2022**

## I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| 1. | CIN | L45203KA1995PLC017422 |
| 2. | Registration Date | 21.03.1995 |
| 3. | Name of the Company | **KMF BUILDERS AND DEVELOPERS LIMITED** |
| 4. | Category/Sub-category of the Company | COMPANY LIMITED BY SHARES |
| 5. | Address of the Registered office & contact details | FLAT NO. 508, GOLF MANOR, NAL WIND TUNNEL ROAD, MURGESHPALYA, BANGALORE-560017, Ph. : 25238007, 41486142-43 |
| 6. | Whether listed company (Yes/No) | YES |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | ALANKIT ASSIGNMENTS LIMITED, 205-208 ANARKALI COMPLEX JHANDEWALAN EXTENSION NEW DELHI -110055 TEL: 011-42541234 EMAIL: alankit@alankit.com |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---|---|---|---|
| 1 | DEVELOPMENT AND CONSTRUCTION OF PROPOERTIES | 410 | 100% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES The Company has no holding, subsidiary and associates companies as defined under the Companies Act, 2013.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### A. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [01.04.2021] | | | | No. of Shares held at the end of the year [31.03.2022] | | | | % Change |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | during the year |
| **A. Promoters** | | | | | | | | | |
| (1) **Indian** | | | | | | | | | |
| a) Individual/ HUF | 4082700 | 0 | 4082700 | 33.51 | 4082348 | 0 | 4082348 | 33.51 | 0.0086 |
| | | | | | | | | | % |
| b) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corp. | 1793100 | 0 | 1793100 | 14.7 | 1793100 | 0 | 1793100 | 14.7 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-Total (A) (1)** | **5875800** | **0** | **5875800** | **48.23** | **5875448** | **0** | **5875448** | **48.23** | **0** |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| (2) Foreign | | | | | | | | | |
| a) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (Non-Resident | | | | | | | | | |
| Individuals/Foreign | | | | | | | | | |
| Individuals) | | | | | | | | | |
| b) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Qualified | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Investor | | | | | | | | | |
| e) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (specify) | | | | | | | | | |
| **Sub-Total (A)(2)** | | | | | 0 | 0 | 0 | 0 | 0 |
| **Total shareholding** | **5875800** | **0** | **5875800** | **48.23** | **5875448** | **0** | **5875448** | **48.23** | **0** |
| **of Promoter (A)** | | | | | | | | | |
| **B. Public** | | | | | | | | | |
| **Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / Fi | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Funds | | | | | | | | | |
| f) Insurance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Companies | | | | | | | | | |
| g) FIIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Funds | | | | | | | | | |
| I) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B)(1):-** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| I) Indian | 1179185 | 343800 | 1522985 | 12.5 | 1777471 | 343800 | 2121271 | 17.41 | (3.86) |
| ii) Overseas | 0 | 0 | 0 | 0 | | | | | |
| b) Individuals | | | | | | | | | |
| I) Individual | 581866 | 574400 | 1156266 | 9.49 | 1146208 | 574400 | 1720608 | 14.12 | 4.63 |
| shareholders | | | | | | | | | |
| holding nominal | | | | | | | | | |
| share capital | | | | | | | | | |
| up to Rs. 2 lakh | | | | | | | | | |
| ii) Individual | 3004349 | 622600 | 3626949 | 29.77 | 1842073 | 622600 | 2464673 | 20.23 | (9.54) |
| shareholders | | | | | | | | | |
| holding nominal | | | | | | | | | |
| share capital in | | | | | | | | | |
| excess of Rs 2akh | | | | | | | | | |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non Resident | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Indians | | | | | | | | | |
| Overseas Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Bodies | | | | | | | | | |
| Foreign Nationals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clearing Members | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Bodies-DR | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B)(2):-** | **47,65,400** | **15,40,800** | **6306200** | **51.77** | **47,65,752** | **15,40,800** | **6306200** | **51.77** | 0 |
| Total Public | **47,65,400** | **15,40,800** | **6306200** | **51.77** | **47,65,752** | **15,40,800** | **6306200** | **51.770** | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Sharcholding | | | | | | | | | |
| (B)=(B)(1)+ (B)(2) | | | | | | | | | |
| **C. Shares held by** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Custodian for** | | | | | | | | | |
| **GDRs & ADRs** | | | | | | | | | |
| **Grand Total** | **10,641,200** | **15,40,800** | **1,21,82,000** | **100** | **10,641,200** | **15,40,800** | **1,21,82,0** | **00** | 0 |
| **(A+B+C)** | | | | | | | **00** | | |

**B) Shareholding of Promoter-**

| S. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | % Change |
| 1 | Mr. Gorve Chadha | 1159000 | 9.719 | 0 | 1159000 | 9.719 | 0 | 0 |
| 2 | Ms. Manisha | 992100 | 8.14 | 0 | 992100 | 8.14 | 0 | 0 |
| | Chadha** | | | | | | | |
| 3 | Mr. Pradeep Kumar Malik* | 4,20,200 | 3.4 | 0 | 419848 | 3.4 | 0 | 0.08 |
| 4 | Mrs. Satyawati Chadha | 4,31,000 | 3.54 | 0 | 4,31,000 | 3.54 | 0 | 0 |
| 5 | Mrs. Kavita Chadha | 10,80,400 | 8.87 | 0 | 10,80,400 | 8.87 | 0 | 0 |
| 6 | M/s. KMF Securities Ltd. | 1793100 | 14.7 | 0 | 17,93,100 | 14.7 | 0 | 0 |

*Mr. Pradeep Kumar Malik resigned as CFO w.e.f 14/11/2021

**Ms Manisha Chadha appointed as CFO w.e.f. 14/11/2021

C) **Change in Promoters' Shareholding including Increase / Decrease in each of the Promoters Shareholding during the year specifying the reasons for increase / decrease (please specify, if there is no change)**

| S. No. | Name of the Shareholders | Shareholding at the beginning of the year as on 01.04.2021 | | Shareholding at the end of the year as on 31.03.2022 | | % change in shareholding during the year | Reason for Change |
|---|---|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | | |
| 1. | Mr. Gorve Chadha | 1159000 | 9.719 | 1159000 | 9.719 | 0 | No change |
| 2. | Ms. Manisha Chadha** | 992100 | 8.14 | 992100 | 8.14 | 0 | No change |
| 3. | Mr. Pradeep Kumar Malik* | 4,20,200 | 3.449 | 419848 | 3.4 | (0.083%) | Transfer of share |
| 4. | Mrs. Satyawati Chadha | 4,31,000 | 3.54 | 4,31,000 | 3.54 | 0 | No change |
| 5. | Mrs. Kavita Chadha | 10,80,400 | 8.87 | 10,80,400 | 8.87 | 0 | No change |
| 8. | M/s. KMF Securities Ltd. | 1793100 | 14.7 | 17,93,100 | 14.7 | 0 | No change |

*Mr. Pradeep Kumar Malik resigned as CFO w.e.f 14/11/2021

**Ms Manisha Chadha appointed as CFO w.e.f. 14/11/2021

**D) Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| Name of the Shareholders | Shareholding at the beginning of the year as on 01.04.2021 | | Change in Shareholding during the year | | Shareholding at the end of the year as on 31.03.2022 | |
|---|---|---|---|---|---|---|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| Mohit Sansanwal | 810002 | 6.65 | 0 | 0 | 810002 | 6.65 |
| KMT properties private limited | 1007459 | 8.269 | 594194 | 4.88 | 1601653 | 13.14 |
| Hitesh Ramji Javeri | 3,80,000 | 3.12 | 0 | 0 | 3,80,000 | 3.12 |
| Anagram Securities Limited | 3,39,000 | 2.78 | 0 | 0 | 3,39,000 | 2.78 |
| Harsha Hitesh Javeri | 2,24,000 | 1.84 | 0 | 0 | 2,24,000 | 1.84 |
| Kamlesh Balchand Shah | 139400 | 1.15 | 0 | 0 | 139400 | 1.15 |
| Rasiklal Kasalchnad Shah | 138800 | 1.13 | 0 | 0 | 138800 | 1.13 |
| Dinesh Chhablidas Shah | 117000 | 0.96 | 0 | 0 | 117000 | 0.96 |
| Poonam Sharma | 102851 | 0.84 | 0 | 0 | 102851 | 0.84 |
| Kirnanben shailesh bhai shah | 76500 | 0.62 | 0 | 0 | 76500 | 0.62 |

**E) Shareholding of Directors and Key Managerial Personnel including Date wise Increase / Decrease in Directors Shareholding during the year specifying the reasons for increase / decrease (please specify, if there is no change)**

| Name | Shareholding | | Date | Increase/ Decrease in Shareholding | Cumulative Shareholding during the year | | Reason for Change |
|---|---|---|---|---|---|---|---|
| | No. of Shares at the beginning (01.04.2021) / end of the year (31.03.2022) | % of total shares of the company | | | No. of shares | % of total shares of the company | |
| Mr. Gorve Chadha | 11,59,000 | 9.5 | 01.04.2021 | - | | | Nil movement during the year |
| | | | | | 11,59,000 | 9.5 | |
| | 11,59,000 | 9.5 | 31.03.2022 | | | | |
| Mrs. Kavita Chadha | 10,80,400 | 8.87 | 01.04.2021 | - | | | Nil movement |
| | | | | | 10,80,400 | 8.87 | during the year |
| | 10,80,400 | 8.87 | 31.03.2022 | | | | |
| Ms. Manisha Chadha | 992100 | 8.14 | 01.04.2021 | | | | Nil movement during the year |
| | | | | - | | | |
| | 992100 | 8.14 | 31.03.2022 | | 992100 | 8.14 | |
| Mr. Chirag Salaria | 0 | 0 | 01.04.2021 | | | | Nil movement during the year |
| | | | | - | | | |
| | 0 | 0 | 31.03.2022 | | 0 | 0 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Mr.Mani Suresh Babu | 0 | 0 | 01.04.2021 | | | | Nil movement during the |
| | | | | - | | | |
| | 0 | 0 | 31.03.2021 | | 0 | 0 | |
| Ms. Priyanka Behl | 0 | 0 | 01.04.2021 | | | | Nil movement during the year |
| | | | | - | | | |
| | 0 | 0 | 31.03.2022 | | 0 | 0 | |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

| SN. | Particulars of Remuneration | Name of MD/WTD/ Manager | | Total Amount (Rs.) |
|---|---|---|---|---|
| | | Mr. Grove Chadha | | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 11,50,000 | | 11,50,000/- |
| | (b) Value of perquisites u/s 17(2) | - | - | - |
| | Income-tax Act, 1961 | | | |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | - as % of profit | - | - | - |
| | Others, specify… | - | - | - |
| 5 | Others, please specify | - | - | - |
| | Total (A) | 11,50,000 | | 11,50,000/- |
| | Ceiling as per the Act | - | - | - |

**B. Remuneration to other directors**

| SN. | Particulars of Remuneration | Name of Directors | | | Total Amount |
|---|---|---|---|---|---|
| | | CHIRAG SALARIA | MANI SURESH BABU | | |
| 1 | Independent Directors | - | - | | - |
| | Fee for attending board committee meetings | - | - | | - |
| | Commission | - | - | | - |
| | Others, please specify | - | - | | - |
| | Total (1) | - | - | | - |
| 2 | Other Non-Executive Directors | - | - | | - |
| | Fee for attending board committee meetings | - | - | | - |
| | Commission | - | - | | - |
| | Others, please specify | - | - | | - |
| | Total (2) | - | - | | - |
| | Total (B)=(1+2) | - | - | | - - |
| | Total Managerial Remuneration | - | - | - | - |
| | Overall Ceiling as per the Act | - | - | - | - |

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

| SN | Particulars of Remuneration | Key Managerial Personnel | |
|---|---|---|---|
| | | Company Secretary | Total (Rs.) |
| 1 | Gross salary | 3,23,535 | 3,23,535 |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | |

| | | | |
|---|---|---|---|
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - |
| 2 | Stock Option | - | - |
| 3 | Sweat Equity | - | - |
| 4 | Commission | - | - |
| | - as % of profit | - | - |
| | others, specify… | - | - |
| 5 | Others, please specify | - | - |
| | Total | 3,23,535 | 3,23,535 |

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

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | | | **NIL** | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

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

FOR THE FINANCIAL YEAR ENDED: **31.03.2022**

To
The Members,
**KMF BUILDERS & DEVELOPERS LIMITED,**
**Bangalore**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KMF BUILDERS & DEVELOPERS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on March 31, 2022 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:
I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment Overseas Direct Investment and External Commercial Borrowings: There were no FEMA provisions applicable during the Audit period.
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
    d. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
    e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
    g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

**I have also examined compliance with the applicable clauses of the following:**

a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.

b. SEBI (Listing Obligations and Disclosure Requirements) 2015 for the year ended 31st March 2022 with Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I have not examined compliance by the Company with:**

a. Applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

**I further report that:**

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

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

Mr. Pradeep Kumar Malik resigned from the post as the CFO and Ms. Manisha Chadha was appointed as the CFO of the company via board meeting held on 14/11/2021; Mr. Mani Suresh Babu having DIN 09220270 was appointed as the Independent Director of the Company via board meeting held on 30/06/2021 and was regularized during the AGM held on 20/09/2021;

Disclosures towards LODR regulations, Policies, Annual Reports have not been updated in the website of the company;

Quarter ending June 2021 the results were filed on 30th June 2021 and then the same results were filed on 05th July 2021 with the subject line read as "Delay in Financial Results";

Quarter ending Sept 2021 there was a delay of 11 days in closure of trading window;

Quarter ending Sept 2021 financial results were filed on 14th Nov 2021 but again revised financial statements were filed on 10th Dec 2021;

Quarter ending Dec 2021 disclosure of trading window closure not disclosed;

Quarter ending Dec 2021 Compliance certificate under Reg 74(5) was not found;

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

**I further report that during the audit period, there were no instances of:**

a. There was no event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **DEEPAK SADHU,**
**COMPANY SECRETARIES**

**(Deepak Sadhu)**
Authorised Signatory
ACS: **39541**; CP No: **14992**
Bangalore

Date:
UDIN: **A039541D000836139**
Peer Review Number: **2387/2022**

**ANNEXURE – A**

To
The Members,
**KMF BUILDERS & DEVELOPERS LIMITED**

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

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

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

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

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **DEEPAK SADHU,**
**COMPANY SECRETARIES**

**(Deepak Sadhu)**
Authorised Signatory
ACS: **39541**; CP No: **14992**
Bangalore
UDIN: **A039541D000836139**
Peer Review Number: **2387/2022**

## CORPORATE GOVERNANCE REPORT

"Corporate Governance is concerned with maintaining the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society." - A Report Your Directors present the Company's Report on Corporate Governance in compliance with Regulation 34(3) read with part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

## PREVENTION OF INSIDER TRADING:

The Company has adopted a code of conduct for Prevention of Insider Trading with a view to regulate trading in securities by Directors and designated employees of the Company. The Code of conduct require pre-disclosure for dealing in the Company's Shares and prohibit the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when trading windows is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed the compliance of the Code

## HUMAN RESOURCES DEVELOPMENT:

Many initiatives have been taken to support business through organizational efficiently, process change support and various employee engagement program which has helped the Organization to achieve higher productivity level. A significant efforts has also been undertaken to develop leadership as well as technical / functional capacities in order to meet future talent requirement.

The Company's HR process such as hiring and on-boarding, fair transparent on line performance evaluation and talent management process, state-of-the-art workmen development process and market assigned policies have been seen as benchmark practice in the Industry. The Employees are encouraged to express their views and are empowered to work independently. The Employees are given the opportunity to learn through various small project which make them look at initiatives from different perspectives and thus provide them with the platform to become result oriented. The Management of the Company enjoy cordial relation with its employees at all levels. The Board of Directors wish to place its highest appreciation for the contribution made by all the employees in achieving growth of the Company

## Role of the Company Secretary in Overall Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. She ensures that all relevant information, details and documents are made available to the directors for effective decision making at the meetings. She is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the company and regulatory authorities. All the Directors of the Company have access to the services of the Company Secretary.

## Selection and Appointment of New Directors on the Board

Considering the requirements of the skill-sets on the Board, eminent persons having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment of new Directors on the Board. The number of directorships and memberships in various committees of other companies by such persons is also considered.

## Selection criteria of Board Members

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual member. Board members are expected to possess expertise, leadership skills required to manage and guide a high growth. The members are not related to any Executive or Independent Director.

## Familiarization Program of Independent Director

The Independent directors of KMF are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies to enable them to familiarize with the Company's

procedures and practices. Periodic presentations are made by Senior Management on business and performance updates of the Company, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

**Prevention of Insider Trading**

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 1992, a Securities Dealing Code `KMF Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices' for prevention of insider trading is in place. The objective of the Code is to prevent purchase and / or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Designated persons (Directors, Advisors, Officers and other concerned employees / persons) are prevented from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is also required. The aforesaid Code is available at the website of the Company www.kmfbuilders.com.

**Vigil Mechanism**

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company. The employees can directly contact the Chairman of the Audit Committee on the email address as mentioned in the `Vigil Mechanism Policy' uploaded at the website of the Company.

**Disclosure Policy**

In line with requirements under Regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website. The objective of this policy is to have uniform disclosure practices and ensure timely, adequate and accurate disclosure of information on an ongoing basis.

**Policy for Preservation of Documents**

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the organization who handle the prescribed categories of documents.

**Board of Directors**

**(A) Composition of Board**

The present Board of the Company consists of three Executive Director including one woman director and three Non-Executive Directors. The Company has an appropriate size of the Board for real strategic discussion and avails benefit of diverse experience and viewpoints. All directors are individuals of integrity and courage, with relevant skills and experience to bring judgment to bear on the business of the Company.

**(B) Non-Executive Directors' compensation and disclosures**

The Non-Executive Directors are not paid any compensation. No stock options were granted to Non-Executive Directors during the year under review. The Non-Executive Directors did not have any material pecuniary relationship or transactions with the Company during the year 2021-2021 Independent Directors are not serving as Independent Directors in more than seven listed companies.

None of Directors of the Company hold the position as whole Time Director in company itself nor serve as Independent Director in more than three listed companies.

**(C) Performance evaluation of Independent Directors:**

The Nomination and Remuneration Committee evaluates the performance of Independent Directors. The evaluation mechanism of Independent Directors is detailed in Directors Report.

**(D) Other provisions as to Board and Committees**

The Board comprises of Mr. Gorve Chadha, Chairman & Managing Director, Mrs. Kavita Chadha as Executive Director, Mr. Pradeep Kumar Malik & Ms. Manisha Chadha as CFO** and Mr. Chirag Salaria, and Mr. Mani Suresh Babu as Non-Executive Independent Directors. & Ms. Priyanka Behl appoint as Company secretary.

*Mr. Pradeep Kumar Malik resigned as CFO w.e.f 14/11/2021
**Ms Manisha Chadha appointed as CFO w.e.f. 14/11/2021

During the year 2021-2022, 7 (Seven) meetings of the Board of Directors were held on June 30, 2021, July 29, 2021, August 13, 2021, October 27, 2021, November 14, 2021, February 14, 2022 and March 31 ,2022. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31st March, 2022 have been made by the Directors as per Regulation 26 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015. Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 20 September,2021, with particulars of their

Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31 March, 2022 are given below:-

| Name | Category | Attendance | | No. of directorships in other public companies | No. of committees and positions held in other public companies | |
|---|---|---|---|---|---|---|
| | | Board Meetings | Last AGM | | Member | Chairman |
| Mr. Gorve Chadha (MD) DIN 06407884 | Executive & Managing Director | 7 | Yes | - | - | - |
| Ms. Kavita Chadha DIN 03304018 | Executive Director & Promoter | 7 | No | - | - | - |
| Mr. Pradeep Kumar Malik* DIN 00755555 | CFO & Promoter | 5 | Yes | - | - | - |
| Ms. Manisha Chadha | CFO & Promoter | 2 | No | - | - | - |
| Mr Mani Suresh Babu DIN 09220270 | Independent & Non Executive Director | 6 | Yes | - | - | - |
| Mr. Chirag Salaria DIN 07504249 | Independent & Non Executive Director | 7 | Yes | - | - | - |

Mr. Pradeep Kumar Malik resigned w.e.f 14/11/2022

Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and of companies incorporated outside India.

Chairmanships/Memberships of Board Committees include only Audit, Stakeholders Relationship and Nomination and Remuneration Committees of public limited companies.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board. None of the Directors are related to each other as on date except Mr. Gorve Chadha and Ms. Kavita Chadha, having relation of son and mother.

**(E) Code of Conduct**

(i) The Board of Directors has laid down Code of Conduct for Non-Executive Directors, Independent Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company - www.kmfbuilers.com. (ii) The Members of the Board and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended on 31 March, 2022. The Annual Report of the Company contains a Certificate by the Managing Director in terms of Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

**I. Board Committees**

**Audit Committee**

**(A) Qualified and Independent Audit Committee**

The Company complies with Section 177 of the Companies Act, 2013 as well as requirements stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the Audit Committee. Its functioning is as under:

(i) The Audit Committee presently consists of the three Directors, out of which two are Independent Non Executive Directors;

(ii) All members of the Committee are financially literate and having the requisite financial management expertise;

(iii) The Chairman of the Audit Committee is an Independent Director;

(iv)The Chairman of the Audit Committee was present at the last Annual General Meeting held on 20 September, 2021.

**(B) Terms of reference**

¿ The roles and responsibilities of the Audit Committee include inter-alia:

¿ Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

¿ Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

¿ Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

¿ Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

¿ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

¿ Changes, if any, in accounting policies and practices and reasons for the same

¿ Major accounting entries involving estimates based on the exercise of judgment by management

¿ Significant adjustments made in the financial statements arising out of audit findings

¿ Compliance with listing and other legal requirements relating to financial statements

¿ Disclosure of any related party transactions

¿ Qualifications in the draft audit report

¿ Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

¿ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

¿ Review and monitor the auditor's independence and performance, and effectiveness of audit process;

¿ Approval or any subsequent modification of transactions of the company with related parties;

¿ Scrutiny of inter-corporate loans and investments;

¿ Valuation of undertakings or assets of the company, wherever it is necessary;

¿ Evaluation of internal financial controls and risk management systems;

¿ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

¿ Reviewing the adequacy of internal audit function, if any, 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;

¿ Discussion with internal auditors of any significant findings and follow up there on;

¿ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

¿ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

¿ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

¿ To review the functioning of the Whistle Blower mechanism;

¿ Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

¿ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

¿ The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

¿ Management discussion and analysis of financial condition and results of operations;

¿ Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

¿ Management letters / letters of internal control weaknesses issued by the statutory auditors;

¿ Internal audit reports relating to internal control weaknesses; and

¿ The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

¿ The powers of the Audit Committee includes:

¿ To investigate any activity within its terms of reference.

¿ To seek information from any employee.

¿ To obtain outside legal or other professional advice.

¿ To secure attendance of outsiders with relevant expertise, if it considers necessary.

**(C) Composition, names of Members and Chairperson, its meetings and attendance:**

Mr. Chirag Salaria elect as Chairman. He with Mr. Mani Suresh Babu as members of the Committee. During the year, four Audit Committee meetings were held on 30th June 2021, 13th August, 2021, 14th November, 2021 and 14th February 2022

The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

| Name of Member | Category | Meetings held during FY 2021-22 | Meetings attended |
|---|---|---|---|
| Mr. Chirag Salaria | Independent Director | 4 | 4 |
| Mr. Mani Suresh Babu | Independent Director | 4 | 3 |
| Mr. Pradeep Kumar Malik* | Executive Director | 4 | 3 |

*Mr. Pradeep Kumar Malik resigned w.e.f 14/11/2021

The Committee meetings are attended by invitation by the Managing Director, CFO, the representatives of Statutory Auditors and representatives of the Internal Auditors. The Company Secretary acts as the Secretary of the Audit Committee.

**Nomination and Remuneration Committee**

**(A) Constitution**

Mr. Chirag Salaria elect as Chairman. He with Mr. Mani Sures Babu and Mrs. Kavita Chadha as members of the Committee.

**(B) Terms of reference**

¿ Terms of reference of the Nomination and Remuneration Committee include:

¿ Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

¿ Formulation of criteria for evaluation of Independent Directors and the Board;

¿ Devising a policy on Board diversity;

¿ Formulate a Remuneration Policy as specified under Section 178 of the Companies Act, 2013, from time to time.

¿ Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria lay down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

**(C) Meetings and attendance during the year:**

During the year, two meeting of Nomination and Remuneration Committee were held on 29th July, 2021 and 27th October, 2021.The composition of the Nomination and Remuneration Committee and number of meetings attended by the Members during the year are given below:

| Name of Member | Category | Meetings held during FY 2021-22 | Meetings attended |
|---|---|---|---|
| Mr. Chirag Salaria | Independent Director | 2 | 2 |
| Mr. Mani Suresh Babu | Independent Director | 2 | 2 |
| Ms. Kavita Chadha | Executive Director | 2 | 2 |

**(D) Remuneration policy**

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavors to attract, retain, develop and motivate a high performance workforce. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

**(E) Remuneration to Managing Director**

Mr. Gorve Chadha is the Managing Director ("MD") of the Company. The salary, benefits and perquisites paid to Mr. Gorve Chadha, MD during the year 2021-2022 was Rs. 11, 50,000/- p.a.

**(F) Remuneration to Non-Executive Directors**

Mr. Chirag Salaria, and Mr. Mani Suresh Babu the Non-Executive Directors, are not paid any sitting fee for attending the Board/Committee Meetings. Nothing was paid to the Non-Executive Directors during the year under review. The Non-Executive Directors have disclosed that they do not hold any shares in the Company. There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review.

**Stakeholders Relationship Committee**

**(A) Composition, Members, its meetings and attendance**

Stakeholders Relationship Committee comprises of Mr. Chirag Salaria elect as Chairman, Mr. Mani Suresh Babu as members of the Committee.

The Committee is set up to consider & resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend.

During the year, two meeting of the Stakeholders Relationship Committee was held on 29th July, 2021 and 27th October, 2021.

The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members during the year are given below:

| Name of Member | Category | Meetings held during FY 2021-22 | Meetings attended |
|---|---|---|---|
| Mr. Chirag Salaria | Independent Director | 2 | 2 |
| Mr. Mani Suresh Babu | Independent Director | 2 | 2 |

**(B) Name and Designation of the Compliance Officer**

Ms. Priyanka Behl, Company Secretary has been designated as Compliance Officer of the Company in line with the requirement of Listing Agreement with the Stock Exchanges and can be contacted at:

Tel: 011-45636075 E-mail: Priyanka@kmfbuilders.com

**(C) Complaints received and redressed during the year 2021-22**

There was no compliant received during the year 2021-2022. Pursuant to regulation 40(9) of SEBI (Listing and Obligations Requirement) Regulation 2020, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchange within stipulated time.

**I. Independent Directors Meeting**

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Mr. Chirag Salaria and Mr. Mani Suresh Babu met on 27.10.2022 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

**II. Subsidiary Company**

The Company does not have any Indian and/or foreign Subsidiary Company.

**VII. Disclosures**

**(A) Basis of related party transactions**

- The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- There are no related party transactions that may have potential conflict with the interest of the Company at large.
- There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years. As required under regulation 23 of Listing Regulations, the Company has adopted a policy on Related Party Transactions. The abridged policy on Related Party Transactions is available on the Company's website.

**B) Disclosure of Accounting Treatment**

The financial statements of the Company for the year ended March 31, 2019, are the first financials prepared in compliance with Ind AS recognition and measurement principles. The date of transition to Ind AS is April 1, 2017. The financial statements upto the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, and other relevant provisions of the Act, considered as the "Previous GAAP" .The financial statements for the year ended March 31, 2022, have been restated in accordance with the Ind AS recognition and measurement principles.

**(C) Board Disclosures - Risk Management**

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization procedures. The Audit Committee and Board of Directors review these procedures periodically.

**(D) Proceeds from public issues, right issues, preferential issues etc.**

The Company did not have any of the above issues during the year under review.

**(E) Secretarial Audit Report**

The Company has obtained Secretarial Audit Report from the Company Secretary in practice for compliance with Section 204(1) of the Companies Act, 2013, SEBI (LODR) Regulation 2015, SEBI Regulations on Takeover, Insider Trading and Depositories & Participants. A text of the Annual Secretarial Audit Report is annexed elsewhere.

**(F) Management Discussion and Analysis Report**

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

**(G) Shareholders**

(I) The quarterly results and presentations made by the Company to analysts are put on the Company's website www.kmfbuilders.com under the Disclosure Requirements Section.

(ii) The Company has also sent Annual Report through email to those Shareholders who have registered their email ids with Depositary Participant.

(iii) Mrs. Kavita Chadha is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment as Executive Director.

**(H) CEO and CFO Certification**

The Managing Director and CFO of the Company give quarterly/annual certification on financial reporting and internal controls to the Board in terms of regulation 17(8) and 33(2) of the SEBI (Listing Obligation and Requirement) Regulation 2015.

**(I) Certificate on Corporate Governance**

The quarterly compliance report has been submitted to the Stock Exchange where the Company's equity shares are listed in the requisite format. Pursuant to Listing Regulations, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

**IV. General Body Meetings**

**Location and time of General Meetings held in the last 3 years:**

| Year | Date | Venue of Meeting | Time | Whether any special resolution passed in previous AGM |
|---|---|---|---|---|
| 2018-19 | 23.09.2019 | Hotel SAI Renaissance, Opp. SBI, SAI Colony Kadugudi, Bangalore 560067 | 09:00 am | Yes<br><br>Related Party Transaction |
| 2019-20 | 23.12.2020 | Hotel SAI Renaissance, Opp. SBI, SAI Colony Kadugudi, Bangalore 560067 | 09:00 am | Reappointment of Managing Director |
| 2020-21 | 20.09.2021 | Hotel SAI Renaissance, Opp. SBI, SAI Colony Kadugudi, Bangalore 560067 | 09:00 am | Appointment of Mr. Mani Suresh Babu as Non-Executive Independent Director |

**Means of Communication**

The Company's website is a comprehensive reference on KMF's management, policies, and corporate governance and investor relations. The section on Investors serves to inform the shareholders, by giving complete financial details, Shareholding Patterns, information relating to Stock Exchanges and Registrars & Share Transfer Agents. The Company interacts with the shareholders through the multiple channels of communication such as Annual Report and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

| | |
|---|---|
| Quarterly Report sent to each household shareholders | The result of the Company are published in the newspaper |
| Quarterly results and in which newspaper normally published in | Results are published in the Financial Express (all editions) and in Vishwani (Bangalore endition) |
| Any website where displayed | Yes, the results are displayed on the Company's website www.kmfbuilders.com under Investor Centre –Disclosure Requirement Section |
| Whether it also displays official news release | Yes |

**IV. General Shareholder Information**

**Annual General Meeting:**

**(i) Date, time and Venue**: 27th September, 2022 at 09:00AM.

**(ii) Financial Year**: 1st April to 31st March

**(iii) Date of Book Closure**: 19th September, 2022 to 23rd September, 2022 (both days inclusive)

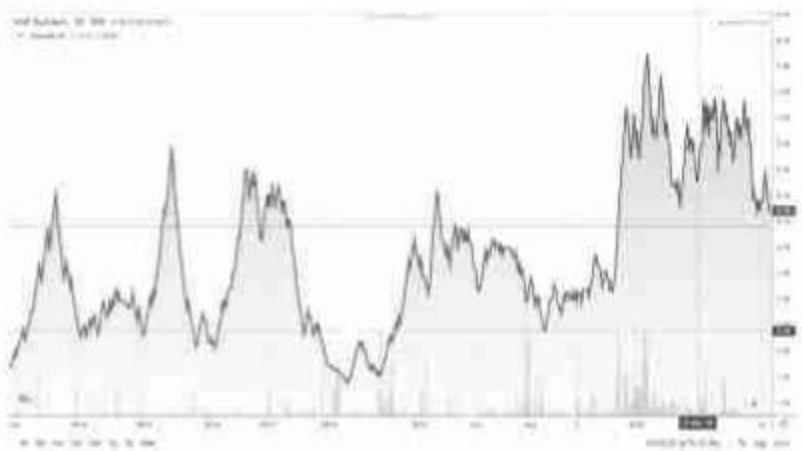
**(iv) Dividend**: Nil

**(v) Listing**

The Stock Exchanges on which the Company's shares are listed: BSE Limited

**(vi) Stock Code**

BSE Limited-53178
The ISIN of the Company for its shares: INE580H01026
Listing Fees for Bombay Stock Exchange Limited for 2022-23 has been paid.



b. Performance

The performance of the Company's scrip on the BSE as compared to the Sensex is as under:

| | 1st April, 2021 | 31st March, 2022 | % Change |
|---|---|---|---|
| Company Share Price (Closing) | 4.32 | 5.32 | 23.15% |
| SENSEX (Closing) | 50,029.83 | 58,568.51 | 17.06% |

(viii) **Registrars and Share Transfer Agents**

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents – M/s Alankit Assignments Limited quoting their Folio Number, Client ID and DP ID at the following address:
M/s Alankit Assignments Limited
205-208, Anarkali Complex
Jhandewalan Extension
New Delhi 110055
Tel: 91 -11-42541234
Fax: 91 -11-235552001
Email: info@alankit.Com

**(ix) Shareholding as on 31 March, 2022**

**(a) Distribution of shareholding as on 31 March, 2022**

| No. of Equity Shares | No. of Shareholders | % of Shareholders | Total No. of Shares | % of holding |
|---|---|---|---|---|
| 1-500 | 1210 | 68.40 | 145812 | 1.20 |
| 501-1000 | 220 | 12.44 | 184203 | 1.51 |
| 1001-2000 | 133 | 7.52 | 224434 | 1.84 |
| 2001-3000 | 46 | 2.60 | 121068 | 0.99 |
| 3001-4000 | 33 | 1.87 | 123221 | 1.01 |
| 4001-5000 | 33 | 1.87 | 152339 | 1.25 |
| 5001-10000 | 34 | 1.92 | 257707 | 2.12 |
| 10001-999999 | 60 | 3.39 | 10973216 | 90.08 |
| **Total** | 1769 | 100 | 12182000 | 100 |

**(x) Shareholding pattern as on 31 March, 2022**

| Category | No. of Shares held | % of issued share capital |
|---|---|---|
| Promoter | 58,75,448 | 48.23% |
| Mutual Funds & UTI | 0 | 0 |
| Financial institutions/insurance Companies | 0 | 0 |
| FIIs | 0 | 0 |
| NRIs/Foreign Nationals | 0 | 0 |
| Corporate Bodies | 21,21,271 | 17.42% |
| Indian Public & Other | 41,85,281 | 34.35% |
| Total | 1,21,82,000 | 100 |

**(xi) Capital of the Company**

The authorized and paid-up capital of your Company is Rs. 20, 00, 00,000/- and Rs. 60,910,000/- respectively.

**(xii) Top ten Shareholders as on 31 March, 2022**

| Category | Name | No. of Shares held | % of issued share capital |
|---|---|---|---|
| Corporate/ Body Corporate | KMT properties private limited | 1601653 | 13.14 |
| Corporate/ Body | Anagram Securities Limited | 3,39,000 | 2.78 |
| Corporate | | | |
| Individual | Hitesh Ramji Javeri | 3,80,000 | 1.84 |
| Individual | Mohit Sansanwal | 810002 | 6.65 |
| Individual | Harsha Hitesh Javeri | 2,24,000 | 1.84 |
| Individual | Kamlesh Balchand Shah | 139400 | 1.15 |
| Individual | Rasiklal Kasalchnad Shah | 138800 | 1.13 |
| Individual | Dinesh Chhablidas Shah | 117000 | 0.96 |
| Individual | Poonam Sharma | 102851 | 0.84 |
| Individual | Kirnanben shailesh bhai shah | 76500 | 0.62 |

**(xiii) Dematerialisation of shares and liquidity**

As on 31st March, 2022, a total of 1,06,41,200 equity shares have been dematerialized by approx. 87.35% of the total share Capital. The Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. Equity shares are actively traded in BSE.

**(ix) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**(xv) Plant locations**

The Company is not a manufacturing unit and thus not having any Plant.

**(xvi) Address for correspondence**

**Ms. Priyanka Behl**
The Company Secretary
KMF Builders & Developers Limited
907 Vikram Tower Rajendera Place
Tel.:011-45636075
Fax:41537810
Email:kmfbuilders95@gmail.com

**Reconciliation of Share Capital**

As stipulated by SEBI, a qualified Practising Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted, issued and listed capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

## X. Details of mandatory requirement of Listing Regulations

| Particulars | Regulation No. | Complied Status |
|---|---|---|
| Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or eligibility | 16(1)(b) & 25(6) | Complied with |
| Board Composition | 17(1) | Complied with |
| Meeting of Board of Directors | 17(2) | Complied with |
| Review of Compliance Report | 17(3) | Complied with |
| Plans for orderly succession for appointments | 17(4) | Complied with |
| Code of conduct | 17(5) | Complied with |
| Fees/compensation | 17(6) | Complied with |
| Minimum Information | 17(7) | Complied with |
| Compliance Certificate | 17(8) | Complied with |
| Risk Assessement & Management | 17(9) | Complied with |
| Performance Evaluation of Independent Director | 17(10) | Complied with |
| Composition of Audit Committees | 18(1) | Complied with |
| Meeting of Audit Committee | 18(2) | Complied with |
| Composition of Nomination & Remuneration Committee | 19(1) & (2) | Complied with |
| Composition of Stakeholder Relationship Committee | 20(1) & (2) | Complied with |
| Vigil Mechanism | 22 | Complied with |
| Policy for related party transactions | 23(1), (5), (6), (7) & (8) | Complied with |
| Prior or omnibus approval of audit committee for all related party transactions | 23(2), (3) | Complied (if any) |
| Approval for material related party transactions | 23(4) | Complied (if any) |
| Maximum Directorship & Tenure | 25(1) & (2) | Complied with |
| Other corporate governance requirements with respect to subsidiary of listed entity | 24(2), (3), (4), (5) & (6) | NA |

## Auditor's Certificate on Corporate Governance

To
The Members of
KMF Builders & Developers Ltd
508, Golf Manor, NAL Wind
Tunnel Road, Murgeshpalya,
Bangalore-560017

We have examined the compliance of conditions of Corporate Governance by KMF Builders and Developers Limited (hereinafter referred as "Company") for the Financial year ended March 31, 2022 as prescribed under Regulations 15 under chapter IV (Obligations of Listed Entity which has listed its specified securities ) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 . Non Applicability of regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of 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 our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

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. This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

**For CS Nagendra & Co.**
**Chartered Accountants**

**Place:** Bangalore
**Dated:** 10.08.2022

CA CS Nagendra
Proprietor- ICAI Reg. No. 027390

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

This is to certify that the Company has laid down Code of Conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company – www.kmfbuilders.com.
Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the Code applicable to them during the year ended 31 March, 2022

**For KMF Builders & Developers Ltd**

**Sd/-**
**Gorve Chadha**
**Managing Director**

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### REAL ESTATE SECTOR

Real Estate Industry The Indian real estate sector has been trying to get back on its feet and come to terms with multiple reforms and changes brought in by demonitization, RERA, GST, IBC, NBFC crisis and subvention scheme ban. While it was tough task for sector to align itself with these new regulations, the measures have been instrumental to bring transparency, accountability and fiscal discipline over last few years. Over reliance on NBFC funding led to severe funding issues after the IL&FS default, wherein RBI had asked NBFC's to bring down their exposure to real estate sector. According to industry estimates, 90% of workforce employed in real estate and construction sector is engaged in the core construction activities, while the rest 10% is involved in other ancillary activities. The recent liquidity crisis has worsened the situation for smaller players which were anyway finding it difficult to adhere to new norms laid by RERA leading to new wave of consolidation. Larger established players with strong access to funding are expected to gain market share. Also, the current situation is expected to open up a lot of business development opportunities for well capitalized developers. The consolidation phase is likely to get accelerated further with the COVID19 outbreak and many weak players may cease to exist

### RESIDENTIAL REAL ESTATE MARKET

The Indian residential sector has been grappling with subdued demand for the past few years and the recent developments (ongoing impact of COVID19) have made things even more difficult for the sector. While certain measures such as the consecutive rate cuts by the RBI, the reduction of GST rates to 1% for affordable housing and 5% for others and the setting up of an Alternative Investment Fund (AIF) have helped home-buyer sentiments, they've had little impact on the sales for the sector.

### BANGALORE

In 2021, while the sales momentum was slow due to lack of clarity on the new GST rates for under-construction projects; the sales recovered in the 2021 period. Bangalore has managed to record robust sales which were up 10% in CY2021. In terms of sales volumes growth, Bangalore has been the top performer amongst the cities under consideration. The improved buyer sentiment along with steady demand has resulted in higher launches in CY2021.

COVID19 Impact on Residential Real Estate COVID-19 has severely hit residential real estate business and the sector has come to a standstill in the short term. While the sector was coming out of the woods after the liquidity crisis and subsequent fallouts of sales, the pandemic outbreak could further impact residential sector.

Drop in new launches and slump in sales volumes amidst the current COVID-19 outbreak, the sector is likely to witness major disruptions due to construction delays and financing issues. Also, many prospective customers could consider postponing their decisions either to stay away from the project sites or in the expectations of a price correction

### OPPORTUNITIES CONSOLIDATION

As India awaits policy reforms to pick up speed, your Company firmly believes that the demand for Real Estate in a country like India should remain strong in the medium to long term. Your Company's well accepted brand, contemporary architecture, well designed projects in strategic locations, strong balance sheet and stable financial performance even in testing times make it a preferred choice for customers and shareholders. Your Company is ideally placed to further strengthen its development potential by acquiring new land parcels.

### DIGITAL REAL ESTATE SALES

With the rapidly evolving marketing landscape, digital marketing tools have emerged as important tools for real estate companies to amplify their sales and reach out to customers globally. With a sharp focus on building consumer experience and connection through digital means, established brands will be ahead of the curve, giving a competitive edge to their business Social media platforms can be extensively used to promote listings, maintain relationships with existing customers and find new prospects. The recent lockdown due to COVID19 has forced real estate companies to focus much more on digital marketing and online platforms.

### MONETARY EASING

The real estate sector performance is closely linked to the country's economic fundamentals and monetary policies. The Reserve Bank of India cut its benchmark repo rate by 250 bps since February 2019 to 4.0%, which is the lowest ever repo rate in its attempt to support the slowing economy from further deterioration due to COVID19. Monetary easing

initiatives are expected to provide an impetus to housing demand once the economy revives and encourage home buyers and real estate developers.

**THREATS & CHALLENGES**

Regulatory Hurdles Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector. This NBFC crisis has further deteriorated the liquidity situation for smaller developers like us .who had to resort to alternative funding in absence of long term loans from banks. While established developers with lean balance sheets continue to have funding access, many developers are facing significant liquidity pressure.

**OUTLOOK**

As the real estate sector continues to tackle the existing issues created by the aftershocks of liquidity crisis and resulting disruption of COVID 19, we see an opportunity for well established players in the industry. The start of FY 2023 may be muted due to the lockdown and subsequent impact on economy, but we believe our strong project pipeline and healthy balance sheet will help maintain operational performance going ahead. The pace of consolidation in sector is also expected to accelerate further we expect to gain market share. Also, amidst COVID 19, and prevailing liquidity crunch, the visibility on business development is getting stronger. Our focus on our core markets, strong brand and existing portfolio leaves us on strong foot to take advantage of this opportunity.

**DEEPAK SADHU**
MBA (Finance), A.C.S.

No.450, 9" cross, JP Nagar,
COMPANY SECRETARY
2™ phase, Bangalore - 560078
CP No: 14992, ACS No: 39541

**DEEPAK SADHU & Co**
COMPANY SECRETAIRES

MOBILE: 9115731257 / 9886096664
E-mail: deepakksadhu@gmail.com
Web: www.deepaksadhu.com

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To: The Members,
**KMF BUILDERS AND DEVELOPERS LIMITED**
Bangalore

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KMF BUILDERS AND DEVELOPERS LIMITED having CIN L45203KA1995PLC017422 and having registered office at FLAT NO.508, GOLF MANOR APARTMENTS, NAL WIND TUNNEL ROAD, MURUGESH PALYA, BANGALORE KA 560017 IN (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(4) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| DIN | NAME | DESIGNATION | DATE OF APPOINTMENT |
|---|---|---|---|
| 03304018 | KAVITA CHADHA | DIRECTOR21/10/2010 | |
| 06407884 | GORVE CHADHA | MANAGING DIRECTOR | 14/10/2012 |
| 07504249 | CHIRAG SALARIA | DIRECTOR | 02/05/2016 |

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

For **DEEPAK SADHU & CO**
**COMPANY SECRETARIES**

**SD/-**
**DEEPAK SADHU**
**MEMBERSHIP NUMBER: 39541**
**COP: 14992**
**UDIN: A039541D000836139**
**Peer Review Number: 2387/2022**

## INDEPENDENT AUDITORS' REPORT

To the Members of KMF BUILDERS AND DEVELOPERS LIMITED
Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of KMF Builders and Developers Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the Aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting Principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and Profit and other comprehensive income, changes in equity and its cash flows for the year ended on
that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**B. Revenue recognition - refer note 2.2(a)(i) to the standalone financial statements**

| Key Audit Matter | How the Matter was addressed in Our Audit |
|---|---|
| **Measurement of revenue on contractual construction projects recorded over time which is dependent on the estimates of the costs to complete**<br><br>Revenue recognition from contractual projects represents a significant portion of the total revenues of the Company. | **Our audit procedures on revenue recognition on contractual construction projects included the following:**<br><br>• Evaluation of Company's accounting policies for revenue recognition on contractual projects are in line with the applicable accounting standards and their application to customer contracts, including consistent application; |

| | |
|---|---|
| Revenue recognition from contractual projects involves significant estimates primarily pertaining to measurement of costs to complete the projects.<br><br>Revenue from projects is recorded based on Company's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete.<br><br>Due to inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue, hence this is considered as a key audit matter. | • Identifying and testing operating effectiveness of key controls around budgeting of project cost, approval of purchase orders, recording of actual cost, raising of invoices and estimating the cost to complete the project;<br>• For samples selected during the year, verifying the underlying documents – contracts with customers, invoices raised and collections from the customers;<br>• Comparing the estimated costs to complete with the budgeted costs and analysis of the variances, if any;<br>• Sighting approvals for budgeted costs with the rationale for the changes;<br>• Assessment of costs incurred on projects, which is used by the Company to determine the percentage of completion;<br>• Considering the adequacy of the disclosures in note 2.2(a)(i) to the standalone financial statements in respect of judgements taken to recognise revenue for contractual projects; and<br>• Considering the adequacy of the disclosures in notes to the standalone financial statements in respect of revenue recognised, cost incurred, amount received/ retentions due from customers, work in progress, value of inventories and profit recognised till date. |

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state

of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance
with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation
Of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as Applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under
Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

Conclude on the appropriateness of the Management and Board of Directors Use of the going concern basis of accounting and, based on the audit evidence Obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going Concern. If we conclude that a material uncertainty exists, we are required to Draw attention in our auditor's report to the related disclosures in the

standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report. unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept By the Company so far as it appears from our examination of those books.

   c. The standalone balance sheet, the standalone statement of profit and loss (Including other comprehensive income), the standalone statement of Changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report

accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer notes to the standalone financial statements;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities ("Intermediaries"), with the understanding,whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or
- on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, Other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or
- on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For CS Nagendra and Co**
Chartered Accountants
ICAI Firm Registration Number:

**CA C S Nagendra**
Proprietor
Membership Number:
UDIN:

Place: Bangalore
Date:

Annexure A to the Independent Auditor's Report on Standalone Financial Statements of Sobha Limited ('the Company')

With reference to the Annexure A referred to in the Independent Auditors' report to the members of the Company on the standalone financial statement for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during

the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the Physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the Basis of our examination of the records of the Company, the Company Has not been sanctioned working capital limits

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to limited liability partnership or any other parties during the year. The Company has not made any investments in companies, limited liability partnership or any other parties.

(a) Based on the audit procedures carried on by us and as per the information and Explanations given to us, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:
**ParticularsGuarantee (₹ in Thousands)Loans(₹ in Thousands)**Aggregate Amount during the year to Related Parties-670.00Balance Outstanding as at balance sheet date to Related Parties-6910.60
*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular, Further, the Company has not given any advance in the nature of loan to any other party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been

complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and Cost Audit not Applicable to the Company.

(vii) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares Or fully or partly convertible debentures during the year. Accordingly,

Clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, Clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the

immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For CS Nagendra and Co
Chartered Accountants
ICAI Firm Reg No:

CA C S Nagendra
Proprietor
Membership Number:
UDIN:

Place: Bangalore
Date:

Annexure B to the Independent Auditors' report on the standalone financial statements of KMF Builders and Developers Limited for the period ended
31 March 2022.

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

**(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to financial statements of KMF Builders and Developers Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's Responsibility for Internal Financial Controls**

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely Preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to

financial statements include those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements
may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For CS Nagendra and Co
Chartered Accountants
ICAI Firm Reg no:

CA C S Nagendra
Proprietor
Membership Number:
UDIN:

Place:Bangalore
Date:

| KMF Builders and Developers Limited | | | |
|---|---|---|---|
| STANDALONE BALANCE SHEET as at 31 March 2022 | | | |
| | | | |
| **Particulars** | **Note** | **As at 31 March 2022** | **As at 31 March 2021** |
| **Assets** | | | |
| **Non Current Assets** | | | |
| Property Plant and Equipment | 8 | 2,18,307.86 | 1,60,632.60 |
| Investment property | 11 | 21,66,887.86 | 21,66,887.86 |
| Right of use assets | 9 | 31,71,643.15 | 38,27,333.78 |
| Trade receivables | 15 | - | 24,13,466.00 |
| Deferred Tax Asset (net) | 23 | 4,36,827.00 | 5,04,070.00 |
| | | **59,93,665.87** | **90,72,390.24** |
| **Current assets** | | | |
| Inventories | 10 | 14,21,09,851.14 | 14,89,00,850.14 |
| Cash and cash equivalents | 13&14 | 4,88,33,448.52 | 4,19,55,954.28 |
| Other current Financial assets | 12 | 1,09,81,716.35 | 1,02,75,384.62 |
| | | **20,19,25,016.01** | **20,11,32,189.04** |
| **Total assets** | | **20,79,18,681.88** | **21,02,04,579.28** |

| | | | |
|---|---|---|---|
| **Equity and liabilities Equity** | | | |
| Other equity | 16 | 5,80,48,452.80 | 5,48,67,049.98 |
| Equity attributable to owners of the Company | 17 | 6,09,10,000.00 | 6,09,10,000.00 |
| **Total equity** | | **11,89,58,452.80** | **11,57,77,049.98** |
| | | | |
| **Non-current liabilities** | | | |
| Financial liabilitiesBorrowings | 19 | 47,80,128.80 | 52,74,583.80 |
| | | **47,80,128.80** | **52,74,583.80** |
| **Current liabilities** | | | |
| Financial liabilities | 25 | 8,02,28,386.74 | 7,93,28,376.74 |
| Trade payables | 24 | 16,94,928.74 | 76,80,789.00 |
| Other current financial liabilities | 25 | 13,17,265.80 | 12,40,126.76 |
| Provisions | 22 | 9,39,519.00 | 9,03,653.00 |
| | | **8,41,80,100.28** | **8,91,52,945.50** |
| **Total liabilities** | | **8,89,60,229.08** | **9,44,27,529.30** |
| **Total equity and liabilities** | | **20,79,18,681.88** | **21,02,04,579.28** |
| Summary of significant accounting policies | 1.0 | | |
| The accompanying notes are an integral part of the standalone financial statements. | | | |

**For and on behalf of Board of Directors**
**M/S. KMF Builders and Developers Limited**

**As per our report of even date**
**For C S Nagendra & Co**
**Chartered Accountants**
**Firm Regn No: 009486S**

| | | |
|---|---|---|
| **Kavita Chadha** | **Gorve Chadha** | **Priyanka Behl** |
| **Director** | **Managing Director** | **Company Secretary** |
| **DIN: 03304018** | **DIN: 06407884** | **FCS 11900** |
| Place : Bangalore | | |
| Date: | | |

**CA C S Nagendra**
**Proprietor**
**ICAI Reg No:027390**

KMF Builders and Developers Limited

STANDALONE STATEMENT OF CHANGES IN EQUITY

| a. Equity share capital | | |
|---|---|---|
| Particulars | No. of shares | Amount |
| Balance as at 31 March 2021 | 1,21,82,000.00 | 6,09,10,000.00 |
| Balance as at 1 April 2021 | 1,21,82,000.00 | 6,09,10,000.00 |
| Balance as at 31 March 2022 | 1,21,82,000.00 | 6,09,10,000.00 |

| b. Other equity | | | |
|---|---|---|---|
| Attributable to owners of the Company | | | |
| Reserves and Surplus | | | |
| | Surplus | Capital Reserve | OCI |
| **As at 1 April 2020** | **4,45,43,101.46** | **68,21,500.00** | |
| Profit for the year | 35,02,449.14 | - | |
| Other comprehensive income (net of tax) | - | - | |
| **Total comprehensive income** | - | - | |
| **Transfer to other reserves** | - | - | |
| Capital Reserve | - | - | |
| **Total transfer to other reserves** | - | - | |
| **As at 31 March 2021** | **4,80,45,550.60** | **68,21,500.00** | |

| | | | |
|---|---|---|---|
| **As at 1 April 2021** | **4,80,45,550.60** | **68,21,500.00** | |
| Profit for the year | 31,81,402.62 | - | |
| Other comprehensive income (net of tax) | - | - | |
| **Total comprehensive income** | - | - | |
| **Transfer to other reserves** | - | - | |
| Capital Reserve | - | - | |
| **Total transfer to other reserves** | - | - | |
| Transaction with owners, recorded directly in equityDistribution to owners | - | - | |
| Dividend (including dividend distribution tax) refer note 18 | - | - | |
| **Total distribution to owners** | - | - | |
| **As at 31 March 2022** | **5,12,26,953.22** | **68,21,500.00** | |

Summary of significant accounting policies 1.0

**For and on behalf of Board of Directors**
**M/S. KMF Builders and Developers Limited**

**As per our report of even date**
**For C S Nagendra & Co**
**Chartered Accountants**
**Firm Regn No: 009486S**

| **Kavita Chadha** | **Gorve Chadha** | **Priyanka Behl** |
|---|---|---|
| **Director** | **Managing Director** | **Company Secretary** |
| **DIN: 03304018** | **DIN: 06407884** | **FCS 11900** |

Place : Bangalore
Date:

**CA C S Nagendra**
**Proprietor**
**ICAI Reg No:027390**

**KMF Builders and Developers Limited**

| STANDALONE STATEMENT OF PROFIT AND LOSS | | | |
|---|---|---|---|
| | | | |
| **Income** | | | |
| Revenue from operations | 26 | 3,27,50,010.00 | 4,62,29,000.00 |
| Other Income | 27 | 5,14,923.00 | 0.00 |
| **Total income** | | **3,32,64,933.00** | **4,62,29,000.00** |
| **Expenses** | | | |
| Cost of raw materials and components consumed | 29 | 1,08,75,001.21 | 78,68,033.00 |
| Changes in Inventories of Raw materials, Land stock, Work in | 30 | 67,90,999.00 | 2,31,17,996.86 |
| Employee benefits expense | 31 | 36,94,825.00 | 34,54,180.00 |
| Finance costs | 28 | -12,37,123.44 | -2,73,510.00 |
| Depreciation and amortization expense | 32 | 6,92,636.76 | 7,93,139.00 |
| Other expenses | 33 | 82,29,387.35 | 70,28,424.00 |
| **Total expenses** | | 29045725.88 | 41988262.86 |
| **Profit before tax** | | 42,19,207.12 | 42,40,737.14 |
| **Tax expenses** | | | |
| Current tax | 20 | **9,70,561.50** | **8,08,778.00** |
| Deferred tax (credit) /charge | 23 | **67,243.00** | **-70,490.00** |
| **Income tax expense** | | 10,37,804.50 | 7,38,288.00 |
| **Profit for the year** | | 31,81,402.62 | 35,02,449.14 |
| **Other comprehensive income** | | | |
| Item that will not be reclassified to profit or loss in subsequent periods: | | | |
| **Total comprehensive income for the year** | | 0.00 | 0.00 |
| **Earnings per equity share [nominal value of ₹ 5 fully paid (31** | | | |
| Basic and diluted (amount in ₹) | 38 | **0.26** | **0.29** |
| Summary of significant accounting policies | 1.0 | | |
| The accompanying notes are an integral part of the standalone financial statements. | | | |

**For and on behalf of Board of Directors**
**M/S. KMF Builders and Developers Limited**

**As per our report of even date**
**For C S Nagendra & Co**
**Chartered Accountants**
**Firm Regn No: 009486S**

**Kavita Chadha**
**Director**
**DIN: 03304018**

**Gorve Chadha**
**Managing Director**
**DIN: 06407884**

**Priyanka Behl**
**Company Secretary**
**FCS 11900**

Place : Bangalore
Date:

**CA C S Nagendra**
**Proprietor**
**ICAI Reg No:027390**

KMF Builders and Developers Limited
STANDALONE STATEMENT OF CASH FLOWS

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| **Net Profit\(loss) Before Tax** | 42,19,207.12 | 42,40,737.14 |
| **Adjustments for:** | | |
| Depreciation | 6,92,636.76 | 7,93,139.00 |
| Adjustment for Reserves | - | - |
| Other Income | - | - |
| Loss on sale of Asset | - | 2,87,432.00 |
| Interest & Finance Charges | -12,37,123.44 | -2,73,510.00 |
| **Operating Profit before Working Capital Changes** | **36,74,720.44** | **50,47,798.14** |
| **Adjustments for:** | | |
| Decrease/(Increase) in Receivables | 24,13,466.00 | 5,00,000.00 |
| Decrease/(Increase) in Current Financial Assets | - | - |
| Decrease/(Increase) in Inventories | 67,90,999.00 | 2,31,17,996.73 |
| Increase/(Decrease) in Other Current Assets | -7,06,331.73 | 9,81,432.50 |
| Increase/(Decrease) in Payables | -59,85,860.26 | 2,58,157.76 |
| Increase/(Decrease) in Financial Liabilities | 9,00,010.00 | - |
| Increase/(Decrease) in other current liabilites | 77,139.04 | 25,54,419.88 |
| Increase/(Decrease) in short term provisions | 35,866.00 | 3,63,718.50 |
| **Cash generated from operations** | **72,00,008.49** | **3,28,23,523.51** |
| Income Tax paid | 9,70,561.50 | 8,08,778.00 |
| Comprehensive Income/Expense | - | - |
| **Net Cash flow from Operating activities** | **62,29,446.99** | **3,20,14,745.51** |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchase of Fixed Assets | -94,621.19 | -9,322.00 |
| Long term Capital Gain | - | - |
| Interest Income | 15,99,207.00 | 5,42,417.00 |
| Sale of Fixed Asset | - | 2,34,461.00 |
| (Decrease)/Increase other non-current assets | | - |
| **Net Cash used in Investing activities** | **15,04,585.81** | **7,67,556.00** |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Increase\(Decrease) in Long term Borrowings | -4,94,455.00 | -17,43,278.00 |
| Increase in Share Capital | - | - |
| Interest paid | -3,62,083.56 | -2,68,907.00 |
| **Net Cash used in financing activities** | **-8,56,538.56** | **-20,12,185.00** |
| **Net change in cash & Cash Equivalents(A+B+C)** | 68,77,494.24 | 3,07,70,116.51 |
| Cash and Cash equivalents at Beginning of the year | 4,19,55,954.28 | 1,11,85,837.77 |
| Cash and Cash equivalents at the end of the year | 4,88,33,448.52 | 4,19,55,954.28 |

Summary of significant accounting policies 1

The accompanying notes are an integral part of the consolidated financial statements.

**For and on behalf of Board of Directors**
**M/S. KMF Builders and Developers Limited**

**As per our report of even date**
**For C S Nagendra & Co**
**Chartered Accountants**
**Firm Regn No: 009486S**

| **Kavita Chandha** | **Gorve Chadha** | **Priyanka Behl** | **CA C S Nagendra** |
|---|---|---|---|
| **Director** | **Managing Director** | **Company Secretary** | **Proprietor** |
| **DIN: 03304018** | **DIN: 06407884** | **FCS 11900** | **ICAI Reg No:027390** |

Place: Bangalore
Date: 10.08.2022

**8. Property, Plant and Equipment**

| Assets | Office Equipment | Plant &Machinery | Office Building | Computer | Furniture | TOTAL |
|---|---|---|---|---|---|---|
| **CostAs at 1 April 2020** | 53,168.00 | 84,583.00 | 2,78,272.00 | - | 1,05,210.00 | 5,21,233.00 |
| Additions during the year 2021 | - | - | - | 9,322.00 | - | 9,322.00 |
| Deletions during the year 2021 | - | - | - | - | - | - |
| **As at 31 March 2021** | **53,168.00** | **84,583.00** | **2,78,272.00** | **9,322.00** | **1,05,210.00** | **5,30,555.00** |
| Additions during the year 2022 | 94,621.19 | - | - | - | - | 94,621.19 |
| Deletions during the year | - | - | - | - | - | - |
| **As at 31 March 2022** | **1,47,789.19** | **84,583.00** | **2,78,272.00** | **9,322.00** | **1,05,210.00** | **6,25,176.19** |
| | | | | | | |
| **Accumulated depreciation As at 1 April 2020** | 49,367.40 | 45,111.07 | 1,48,412.00 | - | 96,810.00 | **3,39,700.47** |
| Charge for the year | 3,800.00 | 5,638.87 | 9,275.73 | 3,107.33 | 8,400.00 | **30,221.93** |
| Deletions during the year | - | - | - | - | - | - |
| **As at 31 March 2021** | 53,167.40 | 50,749.94 | 1,57,687.73 | 3,107.33 | 1,05,210.00 | **3,69,922.40** |
| Charge for the year | 18,924.00 | 5,638.87 | 9,275.73 | 3,107.33 | - | **36,945.93** |
| Deletions during the year | - | - | - | - | - | - |
| **As at 31 March 2022** | **72,091.40** | **56,388.81** | **1,66,963.46** | **6,214.66** | **1,05,210.00** | **4,06,868.33** |
| | | | | | | |
| **Carrying amount** | | | | | | |
| **As at 31 March 2022** | 75,697.79 | 28,194.19 | 1,11,308.54 | 3,107.34 | - | **2,18,307.86** |
| **As at 31 March 2021** | 0.60 | 33,833.06 | 1,20,584.27 | 6,214.67 | - | **1,60,632.60** |

Note:

9 Right of use assets

| | Vehicles |
|---|---|
| **Cost as at 01 April 2020** | 61,03,337.00 |
| Additions During the year | - |
| Other Adjustments | 8,57,812.00 |
| **As at 31 March 2021** | **52,45,525.00** |
| Additions During the year | - |
| Deletions During the year | - |
| **As at 31 March 2022** | **52,45,525.00** |
| | |
| **Accumulated Depreciation** | |
| **As at 01 April 2020** | 9,91,193.13 |
| Charge for the Year | 4,26,998.09 |
| Other Adjustments | - |
| **As at 31 March 2021** | **14,18,191.22** |
| Charge for the Year | 6,55,690.63 |
| Deletions during the year | - |
| **As at 31 March 2022** | **20,73,881.85** |
| | |
| **Carrying Amount** | |
| As at 31 March 2022 | 31,71,643.15 |
| As at 31 March 2021 | 38,27,333.78 |
| | |
| **No Other Availble Right to use assets in the Name of Company** | |

10 Inventories

in ₹ Thousands

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Raw materials and components | - | 0.00 |
| Building materials | - | 0.00 |
| Land stock * | - | 0.00 |
| Work-in-progress * | - | 0.00 |
| Stock in trade - flats * | 14,21,09,851.14 | 14,89,00,850.14 |
| Finished goods | - | 0.00 |
| | **14,21,09,851.14** | **14,89,00,850.14** |

* Carrying amount of inventories not pledged as securities against borrowings as at 31 March 2022 and Its freely available to Sale of Service

11 Investments

in ₹ Thousands

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Trade investments (valued at cost unless stated otherwise)** | | |
| **Unquoted equity shares** | 21,66,887.86 | 21,66,887.86 |
| **Total investments carried at cost** | **21,66,887.86** | **21,66,887.86** |

12 Other financial assets

in ₹ Thousands

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Unsecured, considered good** | | |
| Security deposits | 9,67,469.00 | 10,47,271.21 |
| Loans to related parties (refer note 35 & 51) | 69,10,600.00 | 75,60,600.00 |
| Others | 31,03,647.35 | 16,67,513.41 |
| Non-current bank balances* | - | - |
| | **1,09,81,716.35** | **1,02,75,384.62** |

* Bank deposits due to mature after twelve months from the reporting date.

**13** Cash and Cash Equivalents

in ₹ Thousands

| | Current | |
|---|---|---|
| | As at 31 March 2022 | As at 31 March 2021 |
| Cash on hand | 36,83,139.24 | 20,57,683.24 |
| Cheques/ drafts on hand | - | - |
| ***Balances with banks:*** | | |
| – On current accounts | 3,95,61,831.28 | 3,44,80,625.04 |
| | **4,32,44,970.52** | **3,65,38,308.28** |

14 Bank balance other than cash and cash equivalents

in ₹ Thousands

| | Current | |
|---|---|---|
| | As at 31 March 2022 | As at 31 March 2021 |
| **Bank balance other than cash and cash equivalents** | | |
| – Deposits in Bank account | 55,88,478.00 | 54,17,646.00 |
| – Margin money deposit | - | - |
| | **55,88,478.00** | **54,17,646.00** |

**Margin money deposits given as security**

Margin money deposits with a carrying amount of ₹0 (31 March 2021 -₹0) are subject to secure the Company's borrowings.

Short-term deposits are made for varying periods of between seven day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

15. Trade Receivables

| | Non Current | | Current | |
|---|---|---|---|---|
| | As at 31st March 2022 | As at 31st March 2021 | As at 31st March 2022 | As at 31st March 2021 |
| **Trade Receivables** | | | | |
| Unsecured, Considered Good | | | | |
| Unsecured, Considered Doubtful | 24,13,466.00 | 24,13,466.00 | | |
| Less: Allowances for Credit Loss | 24,13,466.00 | - | | |
| **Net Trade Receivables** | - | 24,13,466.00 | | |

**Trade Receivables ageing Schedule**

| **As at 31 March 2022** | | | | | | |
|---|---|---|---|---|---|---|
| Outstanding for Following periods from Due Date of Payment | **Less than 6 months** | **6 months- 1year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Undisputed Trade receivables considered Good | - | - | - | - | - | - |
| Undisputed Trade receivables considered Doubtful | - | - | - | - | - | - |
| Undisputed Trade receivables Credit Impaired | - | - | - | - | - | - |
| Disputed Trade receivables considered Good | - | - | - | - | - | - |
| Disputed Trade receivables considered Doubtful | - | - | - | - | - | - |
| Disputed Trade receivables Credit Impaired | - | - | - | - | - | - |
| **Total** | - | - | - | - | - | - |
| **As at 31 March 2021** | | | | | | |
| Outstanding for Following periods from Due Date of Payment | **Less than 6 months** | **6 months- 1year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Undisputed Trade receivables considered Good | - | - | - | - | - | - |
| Undisputed Trade receivables considered Doubtful | - | - | - | - | 24,13,466.00 | 24,13,466.00 |
| Undisputed Trade receivables Credit Impaired | - | - | - | - | - | - |
| Disputed Trade receivables considered Good | - | - | - | - | - | - |
| Disputed Trade receivables considered Doubtful | - | - | - | - | - | - |
| Disputed Trade receivables Credit Impaired | - | - | - | - | - | - |
| **Total** | - | - | - | - | **24,13,466.00** | **24,13,466.00** |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

| 16 Equity share capital | | |
|---|---|---|
| | | |
| | As at 31 March 2022 | As at 31 March 2021 |
| Issued, subscribed and fully paid-up shares | | |
| 1,21,82,000 (31 March 2021 - 1,21,82,000) equity shares of ₹5 each fully paid up | 6,09,10,000.00 | 6,09,10,000.00 |
| **Total issued, subscribed and fully paid-up share capital** | **6,09,10,000.00** | **6,09,10,000.00** |
| | | |
| **(a) Reconciliation of the equity shares outstanding at the end of the reporting year** | | |
| No of shares | 1,21,82,000.00 | 1,21,82,000.00 |
| At the beginning of the year | 1,21,82,000.00 | 1,21,82,000.00 |

**(b) Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹5 per share fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares would 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.

***Equity shares of ₹5 each fully paid up***

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| No of shares | 1,21,82,000.00 | 1,21,82,000.00 |
| At the beginning of the year | 1,21,82,000.00 | 1,21,82,000.00 |

Note : As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**(d) Details of equity shareholders holding more than 5% shares in the Company**

| Name | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Gorve Chadha | 11,59,000.00 | 11,59,000.00 |
| Manisha Chadha | 9,92,100.00 | 9,92,100.00 |
| Kavita Chadha | 10,80,400.00 | 10,80,400.00 |
| Kmf Securities ltd | 17,93,100.00 | 17,93,100.00 |
| kmt properties ltd | 16,01,653.00 | 16,01,653.00 |
| mohit sansanwal | 8,10,002.00 | 8,10,002.00 |

| 17 | Other equity | | |
|---|---|---|---|
| | | | |
| | | **As at 31 March 2022** | **As at 31 March 2021** |
| | **Capital Reserve** | | |
| | Balance at the beginning and end of the year | 68,21,500.00 | 68,21,500.00 |
| | **Closing balance** | **68,21,500.00** | **68,21,500.00** |
| | | | |
| | **Securities premium** | | |
| | Balance at the beginning and end of the year | - | - |
| | **Closing balance** | - | - |
| | | | |
| | **General reserve** | | |
| | Balance at the beginning of the year | - | - |
| | Add: Transfer from statement of profit and loss | - | - |
| | **Closing balance** | - | - |
| | | | |
| | **Surplus in the statement of profit and loss** | | |
| | Balance at the beginning of the year | 4,80,45,550.18 | 4,45,43,100.84 |
| | Profit for the year | 26,66,479.62 | 35,02,449.14 |
| | | **5,07,12,029.80** | **4,80,45,549.98** |
| | | | |
| | ***Other comprehensive income*** | | |
| | Re-measurement gains/ (loss) on defined benefit plans | 5,14,923.00 | - |
| | Less: Appropriations | | |
| | Dividend (including dividend distribution tax) refer note 18 | - | - |
| | Transfer to general reserve | - | - |
| | | 5,14,923.00 | - |
| | **Net surplus in the statement of profit and loss** | **5,12,26,952.80** | **4,80,45,549.98** |
| | **Total other equity** | **5,80,48,452.80** | **5,48,67,049.98** |

18 Distribution made and Proposed

In Thousands

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Cash dividend on equity shares paid** | | |
| Final dividend for the year ended 31 March 2021 paid during the current year | - | - |
| **Proposed dividend on equity shares** | | |
| Final dividend for the year ended 31 March 2022 paid during the current year | - | - |
| Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2022. | | |

19 Borrowings

In Thousands

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Non-current borrowings** | | |
| **Secured loans** | | |
| Term loans from banks | 36,99,580.00 | 41,94,035.00 |
| Term loans from financial institutions | 0.00 | 0 |
| Finance lease obligations | 0.00 | 0.00 |
| Equipment loans | 0 | 0 |
| | **36,99,580.00** | **41,94,035.00** |
| Amount disclosed under the head "other current financial liabilities" (refer note 20) | 0.00 | 0.00 |
| **Total non-current borrowings** | **36,99,580.00** | **41,94,035.00** |

* Term loan from banks and financial institutions represents amount repayable within the operating cycle amounting to ₹ 36,99,580 (31 March 2021 - ₹41,94,035).

As at 31 March 2022, the Company is not in breach of any covenants as defined in the loan agreements.

20 Income taxes

The significant components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

**A. Amounts charged to statement of profit and loss**

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Adjustments in respect of current income tax of previous year | - | - |
| **Deferred tax:** | | |
| Relating to origination and reversal of temporary differences | 0.00 | 0.00 |
| **Income tax expense reported in the statement of profit and loss** | **0.00** | **0.00** |

**B. Income tax recognised in other comprehensive income**

| | 0 |
|---|---|
| | **31 March 2022** | **31 March 2021** |
| Net loss/(gain) on remeasurements of defined benefit plans | - | - |
| **Income tax charge to other comprehensive income** | **-** | **-** |

**C. Reconciliation of effective tax rate**

| | 0 |
|---|---|
| **Particulars** | As at 31 March 2022 | As at 31 March 2021 |
| Accounting profit before income tax | 31,81,402.62 | 35,02,449.14 |
| Tax on accounting profit at statutory income tax rate 25.17% (31 March 2022: 25.17%)* | 8,00,759.04 | 8,81,566.45 |
| Adjustments in respect of current income tax of previous years | 3,53,160.50 | - |
| *Non-deductible expenses for tax purposes:* | | |
| Permanent disallowances | 35,866.00 | 88,750.00 |
| *Others:* | - | - |
| *Non taxable income for tax purposes:* | | |
| *Other :* | | |
| Effect of increase in surcharge | - | - |
| MAT credit reversal/(entitlement) | - | - |
| At the effective income tax rate of 25.17% (31 March 2022: 25.17%) | 6,17,401.00 | 8,08,778.00 |
| **Tax expense reported in the statement of profit and loss** | **9,70,561.50** | **8,08,778.00** |

* The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the year ended 31 March 2022 and has accordingly re-measured its deferred tax assets/(liabilities) basis the rate prescribed in the said section. Further, the MAT credit available from earlier years has been reversed in the previous year on the exercise of this said option.

## 21 Other Financial Liabilities

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Non-trade payable | | |
| Payable to related parties | 10,80,548.80 | 10,80,548.80 |
| Payable for purchase of property, plant and equipment | | |
| **Total Other Financial Liabilities** | **10,80,548.80** | **10,80,548.80** |

22 **Provisions**

| | Current | |
|---|---|---|
| | As at 31 March 2022 | As at 31 March 2021 |
| **Provision for Employee Benefits** | | |
| Provision for Gratuity | 9,39,519.00 | 9,03,653.00 |
| Provision for Compensated absence | - | - |
| Total Provisions | **9,39,519.00** | **9,03,653.00** |

**23. Deferred tax**

**Deferred tax assets and liabilities relates to the following**

| | Balance as at 01 April 2020 | Movement during 2020-21 | Balance as at 31 March 2021 | Movement during 2021-22 | Balance as at 31 March 2022 |
|---|---|---|---|---|---|
| Property, plant and equipment | | 4,33,58000490.00 | 5,04,070.00 | -67,243.00 | 4,36,827.00 |
| Provision for gratuity | | - - | - | - | - |
| Provision for exgratia | | - - | - | - | - |
| Provision for doubtful debts | | - - | - | - | - |
| Difference of finance lease depreciation and interest as per IT act | | - - | - | - | - |
| Deferred tax adjustment for opening Ind AS | | - - | - | - | - |
| Deferred tax adjustment on adoption of Ind AS | | - - | - | - | - |
| Deferred tax adjustment for periods Ind AS | | - - | - | - | - |
| **Deferred tax expense / (income)** | | **4,33,58000490.00** | **5,04,070.00** | **-67,243.00** | **4,36,827.00** |
| **Net deferred tax assets / (liabilities)** | | | | | |

(*) adjusted against current tax liability

**Reconciliation of deferred tax assets/(liabilities), net:**

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Balance at the beginning of the year** | 5,04,070.00 | **4,33,580.00** |
| Tax income/(expense) during the period recognised in profit or loss | -67,243.00 | 70,490.00 |
| Deferred tax adjustment on adoption of Ind AS 115 | - | - |
| Tax income/(expense) during the period recognised in OCI | | |
| **Closing balance** | **4,36,827.00** | **5,04,070.00** |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31 March 2022 and 31 March 2021, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

24 Trade payables

0

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Dues of micro enterprises and small enterprises | - | - |
| Dues of creditors other than micro enterprises and small enterprises | 16,94,928.74 | 76,80,789.00 |
| | **16,94,928.74** | **76,80,789.00** |

**Terms and conditions of the above financial liabilities:**

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms. For explanations on the Company's credit risk management processes, refer to note 48.

**Trade payable ageing schedule**

| Outstanding for Following Periods from Due date of Payment | | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | Total |
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 6,42,428.74 | 2,500.00 | - | 10,50,000.00 | 16,94,928.74 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| **Total** | **6,42,428.74** | **2,500.00** | **0.00** | **10,50,000.00** | **16,94,928.74** |

**Trade payable ageing schedule**
**As at 31 March 2021**
**Outstanding for following periods from due date of payment**

| | Less than 1 year | 1-2 years | 2-3 years | more than 3 years | Total |
|---|---|---|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises | - | - | - | - | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 4,32,787.00 | 2,70,000.00 | - | 69,78,002.00 | 76,80,789.00 |
| Disputed dues of micro enterprises and small enterprises | - | - | - | - | - |
| Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| **Total** | **4,32,787.00** | **2,70,000.00** | **0.00** | **69,78,002.00** | **76,80,789.00** |

## 25 Other liabilities

in ₹

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Advance from customers | 8,02,28,386.74 | 7,93,28,376.74 |
| | **8,02,28,386.74** | **7,93,28,376.74** |

**Breakup of financial liabilities carried at amortised cost**

in ₹

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Borrowings | 0.00 | 0.00 |
| Other financial liabilities | 13,17,265.80 | 12,40,126.76 |
| Trade payables | 0.00 | 0.00 |
| **Total financial liabilities carried at amortised cost** | **13,17,265.80** | **12,40,126.76** |

## 26 Revenue from operations

in ₹

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Sale of products/ finished goods** | | |
| Income from Sale of Flats | 3,27,50,010.00 | 4,62,29,000.00 |
| | **3,27,50,010.00** | **4,62,29,000.00** |

**27 Other Non Operating Income**

in ₹

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Sale Tax Refund | 5,14,923.00 | - |
| | **5,14,923.00** | - |

28 Finance income

in ₹

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Interest Income | 15,99,207.00 | 5,42,417.00 |
| Finance Charge | 3,62,083.56 | 2,68,907.00 |
| | **12,37,123.44** | **2,73,510.00** |

29 Cost of raw material and components consumed

in ₹

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Raw material at the beginning of the year | 0.00 | 0.00 |
| Add: Purchases during the year | 42,89,547.21 | 26,50,846.00 |
| Add: Direct Expenses | 65,85,454.00 | 52,17,187.00 |
| Less: Raw Material at the end of the year | 0.00 | 0.00 |
| **Cost of raw material and components consumed** | **1,08,75,001.21** | **78,68,033.00** |

30 Changes in Inventories of Raw Materials, Land stock, Work in Progress, Stock in Trade and Finished Goods

in ₹

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Inventories at the end of the year | | |
| Work-in-progress | 0.00 | 0.00 |
| Stock in trade - flats | 14,21,09,851.14 | 14,89,00,850.14 |
| | **14,21,09,851.14** | **14,89,00,850.14** |
| Inventories at the beginning of the year | | |
| Work-in-progress | 0.00 | 0.00 |
| Stock in trade - flats | 14,89,00,850.14 | 17,20,18,847.00 |
| | 14,89,00,850.14 | 17,20,18,847.00 |
| **(Increase)/ decrease** | **67,90,999.00** | **2,31,17,996.86** |

| 31 Employee benefits expense | | in ₹ |
|---|---|---|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Salaries, wages and bonus | 36,94,825.00 | 34,54,180.00 |
| Staff welfare expenses | 0.00 | 0.00 |
| | **36,94,825.00** | **34,54,180.00** |

| 32 Depreciation and amortization | | in ₹ |
|---|---|---|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Depreciation of property, plant and equipment | 6,92,636.76 | 7,93,139.00 |
| Amortization of intangible assets | - | - |
| Depreciation of investment properties | - | - |
| | **6,92,636.76** | **7,93,139.00** |

| 33 Other expenses | | in ₹ |
|---|---|---|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Accounting Charges | 46,800.00 | 46,800.00 |
| Advertisment Exp. | 2,26,482.00 | 4,16,812.00 |
| Annunal Listing Fees Exp. | 46,000.00 | 57,735.00 |
| Audit Fees | 1,00,000.00 | 1,10,000.00 |
| Bad Debts | 13,642.21 | 5,00,000.00 |
| Business Promotion | 1,34,793.90 | - |
| Car Repair & Maintances | 4,76,766.64 | - |
| Cleaning House Service Exp. | 64,000.00 | - |
| Commision Paid | 5,45,000.00 | 5,30,000.00 |
| Compensation | - | 19,990.00 |
| Computer Repair & Maintance | 49,589.50 | - |
| Conveyance Expenses | 3,02,828.00 | 3,61,780.00 |
| Corporate Gifts | 31,355.93 | - |
| DSC Expenses | 24,000.00 | - |
| Document Chaarges A\c | 2,500.00 | - |
| Dussehra Expenses A\c | 12,000.00 | - |
| Electricity Exp. | 2,52,597.72 | 2,36,442.00 |
| Festival Expenses | 16,341.00 | - |
| Golf Manor-Annually Maintaince Charges | 1,81,170.00 | 96,624.00 |
| GST Charged | 9,03,632.00 | - |
| Insurance Exp. | 1,11,475.08 | 36,454.00 |
| Interest on Tds | 340.00 | 4,134.00 |
| Lift Maintances | 25,620.00 | - |
| Medical Camp Expenses | 36,800.00 | |

| | | |
|---|---|---|
| Medical Exp.- | 41,876.42 | - |
| Meeting Expenses | 4,28,381.00 | 34,300.00 |
| Office Annual Maintnance Charges | 44,649.88 | - |
| Office Expenses | 1,97,387.59 | 2,56,507.00 |
| Postage & Courier Exp. | 72,127.00 | 77,873.00 |
| Printing & Stationery | 63,975.00 | 60,896.00 |
| Professional Charges | 8,42,150.00 | 7,37,000.00 |
| Registration & Renewals | 45,769.50 | 42,410.00 |
| Rent | 18,79,700.00 | 20,65,730.00 |
| Repair & Maintance | 3,90,150.00 | 4,33,120.00 |
| Roc Fees | 34,000.00 | 52,707.00 |
| Staff Welfare Exp | 1,32,590.00 | - |
| Stock Exchange Annual Listing Fees | 3,00,000.00 | 3,10,000.00 |
| Telephone Exp. | 36,647.68 | - |
| Tour & Travelling Exp. | 99,442.93 | 1,08,517.00 |
| Water Exp | 16,757.77 | 7,087.00 |
| Short & Excess | 48.60 | 592.00 |
| Loss on Sale of Assets | - | 2,87,432.00 |
| Communication Expense | - | 1,37,482.00 |
| **TOTAL** | **82,29,387.35** | **70,28,424.00** |

| **34 *Payment to auditor** | | in ₹ |
|---|---|---|
| | **For the year ended 31 March 2022** | **For the year ended 31 March 2021** |
| As auditor: | | |
| Other services | 1,00,000.00 | 1,00,000.00 |
| Reimbursement of expenses | - | - |
| | **1,00,000.00** | **1,00,000.00** |

35 Details of CSR expenditure:

Not Applicable

| 36 Related party disclosures | | in ₹ |
|---|---|---|
| **Party Name** | **Nature** | **Amount** |
| Director - Gorve Chadha | Remuneration | 11,50,000.00 |
| Director - Kavita Chadha | Remuneration | 4,20,000.00 |
| Company Secretary- Priyanka Behl | Salary | 3,23,535.00 |

37 Segment information

**"Basis of segmentation**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Managing Director (MD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below, which are the Company's strategic business units. These business units offer different products and services, and are managed separately because they require different marketing strategies. For each of the business units, the Company's MD reviews internal management reports on at least a quarterly basis.

The MD monitors the operating results of its business units separately for the purpose of making
decisions about resource allocation and performance assessment. Accordingly, the Group has identified following as its reportable segment for the purpose of Ind AS 108:

a) Real estate segment.

b) Contractual and manufacturing segment.

Real Estate segment (RE) comprises development, sale, management and operation of all or any part of townships, housing projects, also includes leasing of self owned commercial premises.

The operation of the Contractual and Manufacturing segment (CM) comprises development of commercial premises and other related activities, also includes manufacturing activities related to interiors, glazing and metal works and concrete products.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a overall basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following tables present revenue and profit information for the Company's operating segments for the year ended 31 March 2022 and 31 March 2021 respectively:"

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Segment revenue** | | |
| Real estate | 3,27,50,010.00 | 4,62,29,000.00 |
| **Total segment revenue** | **3,27,50,010.00** | **4,62,29,000.00** |
| Inter segment revenues | 0.00 | 0.00 |
| **Net revenue from operations** | **3,27,50,010.00** | **4,62,29,000.00** |

38. Earning Per Share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

in Thousands

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Profit after tax attributable to shareholders | 31,81,402.62 | 35,02,449.14 |
| Weighted average number of equity shares of ₹5 each fully paid outstanding during the year used in | 1,21,82,000.00 | 1,21,82,000.00 |
| Earnings per share - Basic and diluted | 0.26 | 0.29 |

* The Company does not have any potential dilutive equity shares and therefore basic and diluted EPS are same.

| 39. Contingent liabilities | | |
|---|---|---|
| **Contingent liabilities (to the extent not provided for)** | | in ₹ Thousands |
| **Particulars** | **31 March 2022** | **31 March 2021** |
| i Guarantees given by the Company | 3,11,114.00 | 3,11,114.00 |
| ii Income tax matters in dispute | 0 | 0.00 |
| iii Sales tax matters in dispute | 0.00 | 0.00 |
| iv Service tax matters in dispute | 0.00 | 0.00 |
| v Excise duty matters in dispute | 0.00 | 0.00 |
| | **3,11,114.00** | **3,11,114.00** |

DOUBT

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

**a. Regulatory Matters**

In respect of matters relating to certain transactions entered into by the Company in earlier years, the Company was asked to provide contracts, documents, correspondences, business rationale and justification for these transactions by regulatory authorities, the Company has been responding to the same from time to time. Securities and Exchange Board of India (SEBI) had further summoned the Company under section 11(2), and 11C(2), 11C(3) of the SEBI Act, 1992 for production of documents and responses in respect of the aforesaid transactions. The Company has duly responded to the e-mail queries and the Summons within the time allotted.

During the current year, the Company has not in default, with the other parties, for a manner of settlement of the dues amounting to ₹0. Based on this, ₹0 has been settled by transfer of other parties' units of an ongoing launched project (Project 1). The Company has sold these units in its normal course of business during the current year

**b. Other litigations**

(a) Claims have been levied on the Company by Bruhat Bengaluru Mahanagara Palike ('BBMP') towards certain statutory charges which includes betterment charges, ground rent charges, etc. on certain real estate projects undertaken by the Company, the impact of which is not quantifiable. These claims are pending with various courts and are scheduled for hearings. Based on internal assessment, the management is confident that the matter would be decided in its favour, accordingly no provisions has made in this regard.

40 Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 200E

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis or the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small mid Medium Enterprises Development Act, 2006 except as set out in the following disclosures.

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the standalone financial statement as at 31 March 2022 and 31 March 2021 based on the information received and available with the Company.

in ₹ Thousand

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Opening capital work in progress | - | - |
| **Add: Expenses incurred during the year** | - | - |
| Subcontractor and other charges | - | - |
| Salaries, wages and bonus | - | - |
| Rent | - | - |
| Others | - | - |
| **Sub-total** | - | - |
| Less: Expenses charged to profit and loss account | - | - |
| Less: Expenses capitalised as investment property | - | - |
| **Sub-total** | - | - |
| **Closing capital work in progress** | - | - |

41 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include instruments, trade and other receivables, cash and bank balances, land advances and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

**A. Market risk**

in ₹ Thousands

| |
|---|
| **31 March 2022** |
| INR |
| **31 March 2021** |
| INR |
| * determined on gross basis i.e. with out considering inventorisation of such borrowing cost. |

**B. Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

**Trade receivables**

(a) Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

(b) Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

(c) Revenue from one customer individually accounted for more than 10% of the company's revenue for the year ended 31 March 2022 and 31 March 2021. No single customer individually accounted for more than 10% of the trade receivable balance of the company as at 31 March 2022 and 31 March 2021.

**C. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans. The following table summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

42 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade payables and other financial liabilities (excluding liability under JDA), less cash and bank balances.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

43 Disclosure required for Borrowing based on security of current Assets

The Company has not been sanctioned borrowings amounting to ₹0 Thousand, in aggregate, from banks or financial institutions on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks or financial institutions which are in agreement with books of account of the Company.

44 Disclosure of Struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

45 Other Statutory Information

a) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

b) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

c) The company is not declared as wilful defaulter by any bank of financial institution or other lenders.

d) The Company does not have any approved schemes of arrangements during the year.

e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,

**(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.**

**No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:**

a) Crypto currency or Virtual Currency.

b) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

46 Impact due to outbreak of COVID-19

The management has assessed and determined that considering the nature of its operations and overall revenue model, the second and the third wave of COVID-19 have not had any material impact on the Company's financial position as at 31 March 2022, its financial performance for the year then ended and its internal control over financial reporting as at 31 March 2022. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

47 Prior year comparatives

The previous period / year figures have been regrouped / reclassified, wherever necessary, to conform to the current quarter presentation in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.

**KMF BUILDERS AND DEVELOPERS LIMITED**

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2022**

**Description**

**Significant accounting policies:**

**Basis of Preparation and Presentation of Financial Statements**

The financial statements of the company have been prepared in accordance with the Indian Accounting Standards("Ind AS") asnotified by the Ministry of corporate Affairs pursuant to section 133 of the companies Act, 2013 ("Act") , the companies (IndianAccounting Standards) Rules, 2015, as amended, and other applicable provisions of the Act.

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity have been prepared and presented in the format prescribed in the Division II of the Schedule III to the Companies Act, 2013. Statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 Statement of Cash Flows. The disclosure requirements with respect to the items in the Balance Sheet and Statement of Profit and Loss Account are presented by way of notes forming part of financial statements.
The Company has considered a period of twelve months as the operating cycle for classification of assets and liabilities as current and non-current

**Basis of Measurement**

These financial statements have been prepared based on accrual and going concern principles following the historical cost conventions except for those financial assets and liabilities that are measured at fair value.

**Key Estimates & Assumptions**

In preparing these Ind AS compliant financial statements, the Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities (including contingent liabilities), income and expenses. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable and a continuous evaluation is done on the estimation and judements based on historical experience and other factors.

**Inventories**

Value of inventories are measured at Cost. Cost Comprises of Land, Development Rights, Materials, Services, and other expenses attributable to the Project. Cost of Construction / development ( including cost of land) incurred is charged to the standalone statement of profit & loss Proportionate to area sold and the balance cost is carried over under inventories as WIP.

**Revenue recognition**

Revenue from Construction activity is recognized to the extent that it is probable that the economic benefits will flowfrom the customer, all significant risks and rewards of ownership are transferred to the customers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of Consideration.
Revenue from Construction Activity is recognised at a point in time when significant risks & rewards are transferred to the customer i.e,

When the control of residential flats is transferred to the Customers.
Cost of Construction/Development includes all cost directly related to the project and other expenditure as identified by the management which are reasonably allocable to the project

.

**e) Property, Plant and Equipment(PPE)**

**Recognition and Measurement**

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE other than freehold land is stated at original cost including import duties, non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition for its intended use, net of tax/duty credits availed, if any, after deducting rebates and trade discounts, less accumulated depreciation and accumulated impairement losses, if any. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items(major components) of PPE

**Depreciation & Amortisation**

Depreciation is provided using the Straight Line Method (SLM) as per the useful life of the assets estimated by the management.
Depreciation on Addition/Deletion of PPE made during the year is provided on Prorata basis from/up to date of addition/deletion.
The useful life of assets estiumated by the management is same as prescribed in scheduled II of the Act, except in respect of the following category of asset given below-
Where the life is different than that of schedule II to the Act.

**The following are the useful lives of the various classes of the property, plant and equipment**

| Class description | Useful life |
|---|---|
| AIR CONDITIONER | 5 |
| AUTO LEVEL | 5 |
| BOILER | 5 |
| BOREWELL & TUBEWELL | 5 |
| COMPUTERS | 3 |
| CYCLE | 10 |
| D G SET | 5 |
| DIESEL ENGINE | 15 |
| FIRE FIGHTING EQUIPMENT | 5 |
| FURNITURE & FIXTURES | 10 |
| INVERTOR | 5 |
| LIFT | 15 |
| MACHINARY A/C | 15 |
| MOTOR VEHICLE | 8 |
| MIXTURE | 15 |
| OFFICE BUILDING | 30 |
| REFRIGERATOR | 5 |
| ROAD ROLLER | 10 |
| UPS | 5 |
| VIBRATOR | 5 |
| LAPTOP | 3 |
| OFFICE EQUIPMENT | 5 |

**f) Share Capital**

Ordinary shares are classified as equity. Costs directly attributable to issuance of new ordinary shares are charged to profit and loss account on the basis of predetermined period in equal proportions.

**g) Taxes on Income**

Current tax is the expected income tax payable/recoverable in respect of the taxable profit/(tax loss) for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the amount used for tax purposes.

**h) Employee benefits**

**Short term obligations:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Long term obligations:**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are accounted on accrual basis.

**Post employment benefits:**

The entity operates the Gratuity scheme as defined benefit plan and the obligations for these benefits are recognized as per the Acturial Valuation.

**Actuarial Measurement of Gratuity**

| Net Asset/ Liability Recognised in the Balance Sheet | 31-03-2021 | 31-03-2021 |
|---|---|---|
| Present value of Defined Benefits Obligation At Beginning | 903,653 | 814,903 |
| (Opening)urrent Service Cost | - | - |
| Interest Cost | - | - |
| Acturial (Gains) / Loss | | |
| Benefits Paid | 35,866 | 88,750 |
| | - | - |
| Present value of Defined Benefits Obligation at the end (Closing) | 939,159 | 903,653 |

**i) Provisions and Contingent Liabilities**

Provisions are recognised when the company has a present obiligation(legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability, using a current pre-tax rate that reflects the current market assessment of the time value of money and risks specific to the obligation. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed in the notes to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the best estimates.

**j) Investments**

Investment consist of the following :

**NON Current Investment :-**

Investment carried at Ammortised Cost :-

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Hariq Crank Shaft | 68,211.00 | 68,211.00 |
| Infosys Ltd | 58,832.00 | 58,832.00 |
| JSW Steels Ltd | 11,999.00 | 11,999.00 |
| Oil & Natura | 20,309.00 | 20,309.00 |
| Tata Teleservices (TTML) | 969,050.00 | 969,050.00 |
| TCS | 100,336.00 | 100,336.00 |
| Tech Mahindra | 845,096.00 | 845,096.00 |
| Unitech Ltd | 10,335.00 | 10,335.00 |
| Vishal Export | 82,719.00 | 82,719.00 |

The Above Inestments in Shares are held in the name of Director Mrs. Kavita Chadha as per the Board Resolution dt.29-5-2019 and are free from the any liability on behalf of M/s KMF Builders & Developers Ltd.

k) Segment Information

i) The Company operates in construction of Residential flats

**l) Related Party Disclosures**

a) Individuals having control and relatives

| | |
|---|---|
| Gorve Chadha | Director |
| KMF Securities Ltd | Relative is a Director |

**b) Significant transactions with Related Parties :-**

| Particulars | Relation | Amount | Nature of Transaction/Balance |
|---|---|---|---|
| 1. Gorve Chadha | Director | 1150000 | Salary |
| 2. kavitha Chadha | | 420000<br>660548 | Salary<br>Unsecure Loan Payable |
| 3. Manisha Chadha | Director Relative | 420000 | Unsecure Loan Payable |

| | | | |
|---|---|---|---|
| 1. KMF Ltd | Comman Director | 6910600 | Amount Receivable |

**m) General**

Accounting policies which are not specifically stated are consistant and in consonance with Indian Accounting Standards

**2. Retirement Benefit**

a) All the Employees 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

**3. Taxation**

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.

**3. 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.

**4. Goods and Service Tax Input**

GST 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 /utilizing the credits. At the year end GST Input underlying in books charged to Direct Expenses.

**5. Earnings per share**

Basic earnings per share has been calculated by dividing the profit/(loss) attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**6. Income & Expenditure in foreign currency**

Inflow of foreign Currency:
Amount Received is Nil
Outflow of foreign Currency:
Amount paid in form of Foreign Currency – Nil

7. Previous year's figures have been re-grouped/re-arranged wherever necessary to make them comparable with current year's figures.

**Place: Bangalore**
**Date:**

**As per our report of even date**
**For C S Nagendra & Co**
**Chartered Accountants**
**Firm Regn No: 009486S**

**For and on behalf of Board of Directors**
**M/s KMF Builders and Developers Limited**

| | | | |
|---|---|---|---|
| **Kavita Chadha** | **Gorve Chadha** | **Priyanka Behl** | **CA C S Nagendra** |
| **Director** | **Managing Director** | **Company Secretary** | **Proprietor** |
| **DIN: 03304018** | **DIN:06407884** | **FCS 11900** | **ICAI Reg No:027390** |

Notes forming part of the financial statements for the year ended 31st March 2022

**Note 48 : Ratios as per the Schedule III requirements**

**(a) Current Ratio = Current Assets divided by Current Liabilities**

| Particulars | As at 31 March 2022 | As at 31 March 2021 | Remarks |
|---|---|---|---|
| Current Assets | 20,19,25,016 | 20,11,32,189 | |
| Current Liabilities | 8,41,80,100 | 8,91,52,946 | |
| Ratio | **2.40** | **2.26** | Due to Decrease in Revenue and Decrease in Cost for Generating Revenue |
| % Change from previous period / year | 6.32% | | |

**(b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings**

| Particulars | As at 31 March 2022 | As at 31 March 2021 | Remarks |
|---|---|---|---|
| Total Debt | 8,89,60,229 | 9,44,27,529 | |
| Total Equity | 11,89,58,453 | 11,57,77,050 | Due to Decrease in business |
| Ratio | **0.75** | **0.82** | Profit result into Decrease in |
| % Change from previous period / year | -8.31% | | Ratio compared to Last year |

**(c) Debt Service Coverage Ratio (DSCR) = Earnings available for debt services divided by Total interest and principal repayments**

| Particulars | As at 31 March 2022 | As at 31 March 2021 | Remarks |
|---|---|---|---|
| Profit for the year | 31,81,403 | 35,02,449 | |
| Add: Non cash operating expenses and finance cost : | | | |
| Depreciation and amortisation expense | 6,92,637 | 7,93,139 | |
| Bad debts written off | 13,642 | 5,00,000 | |
| Loss on sale of fixed assets (Net) | - | **2,87,432** | |
| Finance costs | (12,37,123) | (2,73,510) | Secured Loan Payable amount decreased |
| Earnings available for debt services | **26,50,558** | **48,09,510** | |
| Interest cost on borrowings | **3,58,083** | **2,56,264** | |
| Principal repayments (including certain prepayments ) | **4,94,455** | **3,05,965** | |
| Total Interest and principal repayments | **8,52,538** | **5,62,229** | |
| Ratio | **3.11** | **8.55** | |
| % Change from previous period / year | -63.66% | | |

**(d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity**

| Particulars | As at 31 March 2022 | As at 31 March 2021 | Remarks |
|---|---|---|---|
| Profit for the year | 31,81,403 | 35,02,449 | |
| Total Equity | **11,89,58,453** | **11,57,77,050** | Due to profit in the current year |
| Ratio | 0.03 | 0.03 | reduced when compared to |
| Change in basis points (bps) from previous period / year | | | previous financial period. |
| % Change from previous period / year | -12% | | |

**(e) Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory :**

| Particulars | 4,94,455.00 | 3,05,965.00 | Remarks |
|---|---|---|---|
| Cost of materials Consumed | 1,08,75,001 | 78,68,033 | |
| Closing Stock in Trade | 14,21,09,851 | 14,89,00,850 | Due to Increase in Cost of |
| Ratio | 0.08 | 0.05 | materials Consumed Ratio has |
| % Change from previous period / year | 44.82% | | gone up. |

**(f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables**

| Particulars | As at 31 March 2022 | As at 31 March 2021 | Remarks |
|---|---|---|---|
| Credit Sales | 3,27,50,010 | 4,62,29,000 | |
| Closing Trade Receivables | - | 24,13,466 | |
| Ratio | | 19.15 | |
| % Change from previous period / year | -100.00% | | No Closing Trade Receivables when compared with Previous Financial Period. |

**(g) Trade payables turnover ratio = Credit purchases divided by closing trade payables**

| Particulars | As at 31 March 2022 | As at 31 March 2021 | Remarks |
|---|---|---|---|
| Credit Purchases | **1,08,75,001** | **78,68,033** | |
| Closing Trade Payables | 16,94,929 | 76,80,789 | Due to increase in Cost the credit purchase has gone up |
| Ratio | 6.42 | 1.02 | |
| % Change from previous period / year | 526.35% | | |

**(h) Net capital Turnover Ratio =Revenue from Operations divided by Net Working capital whereas net working capital= current assets - current**

| Particulars | As at 31 March 2022 | As at 31 March 2021 | Remarks |
|---|---|---|---|
| Revenue from operations | 3,27,50,010 | 4,62,29,000 | Revenue as gone down and aslo resulted into better current assets in FY 21-22 |
| Net Working Capital | 11,77,44,916 | 11,19,79,244 | |
| Ratio | 0.28 | 0.41 | |
| % Change from previous period / year | -32.63% | | |

**(i) Net profit ratio = Net profit after tax divided by Revenue from operations.**

| Particulars | As at 31 March 2022 | As at 31 March 2021 | Remarks |
|---|---|---|---|
| Profit for the year | 31,81,403 | 35,02,449 | Due to Profit in current year reduced when comapred to Previous periods resulted in Loss |
| Revenue from operations | 3,27,50,010 | 4,62,29,000 | |
| Ratio | 9.71% | 7.58% | |
| Change in basis points (bps) from previous period / year | | - | |
| % Change from previous period / year | 28.22% | | |

**(j) Return on Capital employed- pre cash (ROCE)=Earnings before interest and taxes (EBIT) divided by Capital Employed- pre cash**

| Particulars | As at 31 March 2022 | As at 31 March 2021 | Remarks |
|---|---|---|---|
| Profit/(Loss) before tax* (A) | 42,19,207 | 42,40,737 | Due to profit in current FY and reduction in Total assets (AR & UBR) the ratio has gone down |
| Finance Costs* (B) | (12,37,123) | (2,73,510) | |
| Other Income* (C) | 5,14,923 | - | |
| EBIT (D) = (A)+(B)-(C) | **24,67,161** | **39,67,227** | |
| Capital Employed- Pre Cash (J)=(E)-(F)-(G)-(H)-(I) | **7,49,05,133** | **7,90,95,680** | |
| Total Assets (E) | 20,79,18,682 | 21,02,04,579 | |
| Current Liabilities (F) | 8,41,80,100 | 8,91,52,946 | |
| Current Investments (G) | - | - | |
| Cash and Cash equivalents (H) | 4,88,33,449 | 4,19,55,954 | |
| Bank balances other than cash and cash equivalents (I) | - | - | |
| Ratio (D)/(J) | **0.03** | **0.05** | |
| % Change from previous period / year | **-34.33%** | | |

k **Retun on Investments = Average Investment Value/ Fair Value of Investments : Not Applicable**

Form No. MGT-11

Proxy Form

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

| | |
|---|---|
| CIN: | L45203KA1995PLC017422 |
| Name of the Company: | KMF Builders & Developers Limited |
| Registered office | Flat No. 508, Golf Manor, Nal Wind Tunnel Road, Murgeshpalya, Bangalore-560017 |

Name of the Member(s):
Registered Address:
Email Id:
Folio No./Client Id:
DP ID:

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

| | | |
|---|---|---|
| 1 | Name: | |
| | Address: | |
| | E-Mail Id: | |
| | Signature: | |

Or failing him/her

| | | |
|---|---|---|
| 2 | Name: | |
| | Address: | |
| | E-Mail Id: | |
| | Signature: | |

Or failing him/her

| | | |
|---|---|---|
| 3 | Name: | |
| | Address: | |
| | E-Mail Id: | |
| | Signature: | |

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Tuesday, 27th day of September, 2022 at 09:00 a.m. at Hotel Sai Renaissance Opposite SBI Bank, SAI Colony (Whitefield railway station) Kadugudi Bengaluru-560067 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Res.No. | Description of Resolutions | Assent | Dissent |
|---|---|---|---|
| **ORDINARY BUSINESS** | | | |
| 1. | To consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2022, the Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors. | | |
| 2. | To appoint a Director in place of Mrs. Kavita Chadha (DIN: 03304018) who retires by rotation and, being eligible, offers herself for re-appointment. | | |
| 3. | Appointment of M/s. B Sreenivasa & Co., Chartered Accountants (Firm Registration No. 009287S) as statutory auditor of the Company. | | |
| **SPECIAL BUSINESS** | | | |
| 4. | Prior Approval of Related Party Transactions. | | |

Signed this ..... day of..... .....2022

Signature of Shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.

**BOOK-POST**

**If Undelivered, Please return to:-**

**KMF BUILDERS & DEVELOPERS LIMITED**
No.508, Golf Manor Apartments
NAL Wind Tunnel Road
Murgeshpalya Bangalore-560017

**CORPORATE OFFICE**
907 Vikram Tower Rajendera Place
Delhi-110008