KMF BUILDERS & DEVELOPERS LTD.

Regd. Office : 508, Golf Manor Nal Wind Tunnel Road, Murgesh Palya, Bangalore - 560017 Tel. : 080-41486142-43
Corp. Office : 4E/15, Ashoka Center 4th Floor, Jhandewalan Extension, New Delhi - 110055 Tel. : 011-45795060

Date: 16/11/17

The Bombay Stock Exchange of India Ltd.
Phiroz Jeejeebhoy Tower
Dalal Street, Mumbai-400001
Fax No. 022-22723121/3719/2037

Sub: Resubmission of Annual Report under Regulation on 34(1)of the SEBI(Listing Obligation and Disclosure Requirements) Regulations 2015

Dear Sir,

Reference to your mail dated 14 November, 2017 regarding annual report is not clear , in this regard we hereby again enclosed the Annual Report of the Company for the financial year 2016-17. This is for your information and records. Kindly acknowledge the same

Thanking you,

Yours faithfully

For KMF Builders & Developers Ltd.

For KMF Builders & Developers Ltd.
Secretary & Compliance

(Priyanka Behl)

Company Secretary & Compliance Officer

Encl: As above

22nd

ANNUAL REPORT

2016-2017

KMF BUILDERS & DEVELOPERS LIMITED

BOARD OF DIRECTORS

1. Mr. Gorve Chadha - Chairman & Managing Director
2. Mrs. Kavita Chadha - Executive Director
3. Mr. Pradeep Kumar Malik - Whole Time Director
4. Mr. Shyam Sundar Mittra - Director
5. Mr. Chirag Salaria - Director
6. Mr. Aniruddh Singh - Director
7. Ms. Priyanka Behl – Company Secretary

REGD. OFFICE
No.508, Golf Manor Apartments
NAL Wind Tunnel Road
Murgeshpalya Bangalore-560017
CIN: - L45203KA1995PLC017422
Tel:+90(080)41486412,25238007
Email: - kmfbuilders95@gmail.com

CORPORATE OFFICE
4E/ 15 4th floor Ashoka Centre Jhandewalan
New Delhi-110055

AUDITORS
B. Sreenivasan & Co.
Chartered Accountants
Bangalore

SHARE TRANSFER AGENT
Alankit Assignments Limited
RTA Division- KMF Builders and Developers Limited
2E/21, Jhandewalan Extn
New Delhi-110055
Ph No. 011-42541234
Email: - alankit@alankit.com

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Notice to the 22nd Annual General Meeting

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the members of KMF Builders and Developers Limited (CIN: L45203KA1995PLC017422) will be held on Wednesday, 20th September 2017, at 11:00 AM at the 508 Golf Manor NAL Wind Tunnel Road Murgeshpalya Bangalore 560017 Karnataka, India, to transact the following business:

Ordinary business

Item no.1 – Adoption of financial statements

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2017 including audited Balance Sheet as at 31st March, 2017 and profit and loss account for the year ended on that date together with the reports of the Auditors and Directors thereon.

Item no.2 – Appointment of Mrs. Kavita Chadha as a director liable to retire by rotation

To appoint a director in place of Mrs. Kavita Chadha, who retires by rotation and being eligible offers herself for re-appointment.

Item no.3- Appointment of Auditors

To appoint the auditors of the Company, and to fix their remuneration.

Explanation: The companies Act, 2013 ('the Act') was notified effective April 1, 2014. Section 139 of the Act lays down the criteria for appointment and mandatory rotation of statutory auditors. Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors M/s B Sreenivasa & Co. Chartered Accountants (Firm Registration No. 009287S) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuring 22nd AGM.

The audit committee of the Company has proposed and on August 14, 2017, the Board has recommended the appointment M/s C S Nagendra & Co. Firm of Chartered Accountants (FRN 009486S) as the statutory auditors of the Company. M/s C S Nagendra & Co will hold office for a period of five years consecutive years from the conclusion of the 22nd Annual General Meeting of the Company till the conclusion of the 27th Annual General Meeting to be held in 2022. The first year of audit will be financial statements for the year ending March, 2018 which will include the audit of the quarterly financial statements for the year.

To align with the above, the Board has also approved the appointment of M/s C S Nagendra & Co Chartered Accountants as the independent registered public accounting firm of the Company. This appointment is effective the year ending March 31, 2018.

Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under, as amended from time to time, pursuant to the proposals of the audit committee of the Board and

recommendation of the Board, M/s C S Nagendra & Co Chartered Accountants be and is hereby appointed as the statutory auditors of the Company, to hold office for a period of five consecutive years commencing from the financial year 2017-18, on a remuneration plus service tax, out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

Item no. 4 - 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 the Section 196, 197, 203, Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) and Articles of Association of the Company and subject to such other necessary approval(s), permission(s) as may be required, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Pradeep Kumar Malik (DIN: 00755555) as Whole-time Director of the Company for a period of one year w.e.f. 01st April, 2017, not liable to retire by rotation, on the terms & conditions and remuneration as set out below:

Remuneration

i) Salary: Rs. 10,000/- per month
ii) Perquisites: Nil

Overall Remuneration

The aggregate of salary and perquisites in any financial year shall not exceed the limits prescribed form time to time under section 197, 198 & other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V and rules made thereunder to the said Act as may for the time being, be in force.

Minimum Remuneration

Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Mr. Pradeep Kumar Malik, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the maximum as laid down in Section II of Part II of Schedule V to the Companies Act, 2013 as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary, alter or modify the terms and conditions of his appointment including remuneration and/or perquisites payable or to be provided (including any monetary value thereof) to him to the extent the Board of Directors deem fit."

Item no. 5 - To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015 Mr. Aniruddh Singh (DIN: 02961295), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective 27nd February 2017 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Aniruddh Singh (DIN: 02961295) as a candidate for the office of Director of the Company, be and is here by appointed as an Independent Director of the Company with effect from 27nd February 2017 to 27nd February 2022 and the term shall not be subject to retirement by rotation."

Item no. 6 - To consider and if thought fit, to pass, with or without modification, the following resolution as an Special Resolution:

Reclassification of Category from Promoter to non promoter

Mr. Madan Lal and Mr. Chanderpal on behalf of KMF Limited make request to company to change his category from promoter to non promoter

RESOLVED THAT pursuant to Regulation 31 A (5) and other relevant provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and applicable provisions if any of the Companies act, 2013 read with takeover regulations.

RESOLVED FURTHER THAT the outgoing Promoters as on end of financial year seeking reclassification will not - Have any special rights through formal or informal agreements•

The approval of the Company be and is hereby accorded for reclassification of the existing promoters with effect from 01st April, 2017.

Place: Bangalore
Dated: 14.08.2017

Gorve Chadha
(Chairman & Managing Director)
DIN: 06407884

Registered Office:
Flat No. 508, Golf Manor Apartments,
NAL Wind Tunnel Road, Murgeshpalya,
Bangalore - 560017
CIN: L45203KA1995PLC017422
Tel: +91(080)25238007, 41486142-43
Email: kmfbuilders95@gmail.com
Website: www.kmfbuilders.com

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.**

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company.
3. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special businesses to be transacted at the Annual General Meeting is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting.
4. Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on 20th September, 2017 are provided in Annexure A of this Notice. The Company has received the consents / declarations for their appointments / re-appointments under the Companies Act, 2013 and the rules thereunder.
5. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Alankit assignments Ltd). Members are requested to keep the same updated.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat

accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA. SEBI has also mandate that for registration of transfer of Securities, the transferee (s) as well as transferor shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

7. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
8. To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with Alankit Assignments Ltd. at lalitp@alankit.com.
9. Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 01.00 p.m. except holidays, upto the date of the meeting.
10. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Bangalore, which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:

i). Register of contracts or arrangements in which directors are interested under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.

ii) Register of directors' shareholdings under section 307 of the Companies Act, 1956 and Register of directors and KMP and their shareholding under section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person attending the meeting.

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

12. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
13. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

14. Members/Proxies are requested to bring the copies of annual reports to the meeting.

15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.

16. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new Share Transfer Form SH-4 for this purpose.

15. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:-

a. The change in the residential status on return to India for permanent settlement
b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
16. The route map to reach the venue of the Annual General Meeting is annexed.
17. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their votes on resolutions through e-voting services provided by National Securities Depository Ltd. (NSDL).

    In order to enable its Members, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice the Company is enclosing a Ballot Form with the Notice. Instructions for voting through Ballot Form are given at the back of the said form and instructions for e-voting are given in the below annexed to this Notice. Resolution(s) passed by Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the AGM.

18. The facility for voting, either through electronic voting system or ballot form or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
19. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
20. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
21. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to evoting@alankit.com by mentioning their Folio/DP ID and Client ID No. However, the dully completed Ballot Form should reach the Registrars & Transfer Agent at Alankit Assignments Limited, (205-208, Anarkali Complex Jhandewalan Extension New Delhi 110055 not later than 13th Sept, 2017 (5:00 p.m. IST). Ballot Form received after this date will be treated as invalid.

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

(1) The Voting Period begins on 17.09.2017 at 10.00 a.m. and ends on 19.09.2017 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13.09.2017, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

(2) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Annual General Meeting ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

(3) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

(4) The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

(5) The remote e-voting period commences on 17th September, 2017 (10:00 am) and ends on 19th September, 2017 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the

cut-off date of 13rd September,2017, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

I. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "remote e-voting.pdf".

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put your user ID and password. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "KMF Builders and Developers Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of Annual General Meeting [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the Annual General Meeting :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) To Sl. No. (xii) Above, to cast vote.

II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

III. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on ***www.evoting.nsdl.com****.*

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

V. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 13rd September, 2017.

VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 13.09.2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or alankit@alankit.com .
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using *"Forgot User Details/Password?" or "Physical User Reset Password?"* option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the Annual General Meeting.

VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

VIII. Mr. Deepak Sadhu of M/s Deepak Sadhu & Co., Practicing Company Secretary (ACS No. 39541 CP No. 14992) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

IX. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" and "Poling Paper" for

all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the Annual General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.kmfbuilders.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

General instructions:

i. The e-voting period commences on 17th September, 2017 (10:00 a.m. IST) and ends on 19th September, 2017 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 13th September, 2017, may cast their vote electronically. The e-voting module shall be disabled by Alankit for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 13rd September, 2017. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut- off date only shall be entitled to avail the facility of remote e-voting.

iii. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut -off date i.e. 13th September, 2017, may obtain the login Id and password by sending a request at evoting@alankit.com. However, if you are already registered with Alankit for remote e-voting then you can use your exiting user ID and password for casting your vote.

iv. The Company has appointed Mr. Deepak Sadhu of M/s DEEPAK SADHU & Co, Practicing Company Secretary (ACS No. A39541 CP No. 14992), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

v. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting

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

vi. In the event of a poll, please note that the members who have exercised their right to vote by electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).

vii. The notice of the meeting will be displayed on the Company' website at www.kmfbuilders.com.

viii. The details of the person responsible to address the grievances connected with facility for voting by electronic means:

Name: - Priyanka Behl
Designation: - Compliance officer
Address: - 4E/15 Ashoka Centre, Jhandewalan, New Delhi - 110 055
Email id: - Priyanka@kmfbuilders.com
Phone No.:- 01145795060

ix. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kmfbuilders.com and on the website of Alankit within two days of the passing of the resolutions at the AGM on 20th September, 2017 and communicated to the Stock Exchanges where the shares of the Company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Board of Directors vide its resolution dated 31st March, 2017 appointed Mr. Pradeep Kumar Malik as Whole-time Director of the Company with effect from 01st April, 2017 pursuant to Section 196, 197, 203, Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with the Articles of Association of the Company. In terms of section 160 of the Companies Act, 2013, the Company has received notice in writing from a member along with a deposit of Rs. 1 Lakh proposing the candidature of Mr. Pradeep Kumar Malik for appointment as Whole-time Director as per the provisions of Sections 196, 197, 203, Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board of Directors, Mr. Pradeep Kumar Malik, Director fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his

appointment as Whole-time Director of the Company and he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Except Mr. Pradeep Kumar Malik, being appointee or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 4. The Board of Directors recommend the resolutions at Item No. 4 for approval of the Members.

ITEM NO. 5

The Board of Directors vide its resolution dated 27th February,2017 appointed Mr. Aniruddh Singh (DIN: 02961295) as an Additional Director of the Company in the capacity of Independent Director with effect from 27th February,2017 pursuant to Section 161 of the Companies Act read with the Articles of Association of the Company. In terms of section 160 of the Companies Act, 2013, the Company has received notice in writing from a member along with a deposit of Rs. 1 Lakh proposing the candidature Mr. Aniruddh Singh (DIN: 02961295) for appointment as Independent Director as per the provisions of Sections 149 and152 of the Companies Act, 2013. Mr. Aniruddh Singh (DIN: 02961295) has given declaration to the Board of Directors of the Company that he met the criteria of Independence as required under Section 149 of the Companies Act, 2013. In the opinion of the Board of Directors, Mr. Aniruddh Singh (DIN: 02961295), Director fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management. Mr. Aniruddh Singh is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Except Mr. Aniruddh Singh, being appointee or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution set out at item No. 5. The Board of Directors recommend the resolutions at Item No. 5 for approval of the Members.

By order of the Board of Directors

Place: Bangalore
Dated: 14.08.2017

Gorve Chadha
(Chairman & Managing Director)
DIN: 06407884

Registered Office:
Flat No. 508, Golf Manor Apartments,
NAL Wind Tunnel Road, Murugeshpalya,
Bangalore - 560017
CIN: L45203KA1995PLC017422
Tel:+91(080)25238007, 41486142-43
Email: kmfbuilders95@gmail.com
Website: www.kmfbuilders.com

Annexure A

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting scheduled to be held on September 20, 2017 (Pursuant to Regulation 36(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 31.03.2017	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.	-	630,400	Promoter of the Company, Mother of Mr. Gorve Chadha, Managing Director
Mr. Aniruddh Singh (DIN: 02961295)	Graduate in commerce from Delhi University. He has business experience more than 5 years	-	-	-	-
Mr. Pradeep Kumar Malik (DOB-01.12.1954)	B.Com from Delhi University. He has worked in various Senior Capacities for more than 20 years, he is in charge of construction activity and stationed at Bangalore, he was overall in charge of the successfully completed de lux apartment projects at Bangalore & Kalyan.	-	-	420200	-

DIRECTORS' REPORT

To the Members of KMF Builders and Developers Limited

Your Directors have pleasure in presenting the 22nd Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2017

1. FINANCIAL RESULTS

PARTICULARS	(Fig in Rs.)	(Fig in Rs.)
	2016-17	2015-2016
Income	23,760,370.56	5,62,73,512
Expenses	18,728,446.87	4,94,89,598
Profit (before financial charges, depreciation and tax)	50,31,923	67,83,913
Net Finance Expense / (Income)	(1481.27)	53,553
Depreciation and amortization Expenses	12,92,435	11,95,766
Profit before tax	37,40,969	55,34,594
Tax Expense	13,21,898	15,26,123
Net Profit for the year	**24,19,071.96**	**40,08,471**

2. FUTURE OUTLOOK

The sector witnessed a visible temporary slowdown since the announcement of the government demonetization policy. Real estate development is on high and it is attracting the focus of the industry towards construction. Our running projects are Residential Apartments "Gokul Dham" at Mathura and "Purab Manor" at Bangalore. Yours Directors are quite hopeful for the success of both the projects as well and will earn excellent earning out of it.

3. DIVIDEND

Your Directors do not recommend any dividend for the Financial Year 2016-2017.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the Financial Year 2016-2017

5. 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 under the provisions of Section 125 of the Companies Act, 2013. During the year, no amount was due for transfer to IEPF.

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 2016-2017.

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 2016-2017.

9. HUMAN RESOURCES DEVELOPMENT

The Company has continuously adopted structures that help attract best external talent and promote internal talent to higher roles and responsibilities. KMF's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year.

Company's Health and Safety Policy commits to provide a healthy and safe work environment to all employees. The Company's progressive workforce policies and benefits, various employee engagement

And welfare initiatives have addressed stress management, promoted work life balance.

10. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

11. CORPORATE GOVERNANCE REPORT

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2017, 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.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis forms a part of this annual report and is annexed to this report.

13. 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 2016-17, the applicable accounting standards have been followed and there are no 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 at the end of the financial year and of the profit of the Company for the financial year;
iii. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They
Confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv. They have prepared the annual accounts 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 operating properly and
vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

14. AUDITORS

STATUTORY AUDITORS

Pursuant to Section 139 of the Act and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of two terms of five consecutive years. The rules also lay down the transitional period that can be served by the existing auditors depending on the number of consecutive years for which an audit firm has been functioning as auditor in the same company. The incumbent auditors M/s B Sreenivasa & Co. Chartered Accountants (Firm Registration No. 009287S) have served the Company for over 10 years before the Act was notified and will be completing the maximum number of transitional period (three years) at the ensuring 22nd AGM.

The audit committee of the Company has proposed and on August 14, 2017, the Board has recommended the appointment M/s C S Nagendra & Co. Firm of Chartered Accountants (FRN 009486S) as the statutory auditors of the Company. M/s C S Nagendra & Co will hold office for a period of five years consecutive years from the conclusion of the 22nd Annual General Meeting of the Company till the conclusion of the 27th Annual General Meeting to be held in 2022. The first year of audit will be financial statements for the year ending March, 2018 which will include the audit of the quarterly financial statements for the year.

SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has 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 2016-17is annexed to this Report.

INTERNAL AUDITOR

The Company has appointed Mrs. Poonam Sharma wife of Mr. Atul Sharma as Internal Auditor of the Company for the Financial Year 2016-2017.

15. AUDITOR'S AND SECRETARIAL AUDITOR'S REPORT

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

16. 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.

17. 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.

18. EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Sub-Section (3) of Section 92 of the Companies Act, 2013 (the "Act") is enclosed at **Annexure-2** in the prescribed form **MGT-9** and forms part of this Report.

19. 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.

20. DETAILS OF DIRECTORS OR KMPS APPOINTMENT OR RESIGNATION DURING THE YEAR

I. Appointment

Mr. Aniruddh Singh, was appointed as an Additional Director in the capacity of Independent Director in the meeting of Board of Directors of the Company effective from 27nd February 2017 and who shall hold office only upto the date of ensuing Annual General Meeting and is eligible for appointment as Director.

Mr. Pradeep Kumar Malik was appointed as Whole-time Director in the meeting of Board of Directors of the Company effective from 01st April, 2017 for a period of one year and his appointment is subject to the approval of shareholders.
Ms. Priyanka Behl was appointed as Company Secretary & Compliance Officer in the meeting of Board of Director of the effective company from 12th September 2016.

The Board recommends their appointments and accordingly resolutions seeking approval of the members for their appointment have been included in the Notice of forthcoming Annual General Meeting of the Company.

II. Resignation

During the year, Mrs. Megha Bata give her resignation from the post of Company Secretary w.e.f 1st September,2016 and Mr. Ravinder Kumar Sharma, Director resigned from the Board of the Company effective from 01st December, 2016.

III. Retirement

Mr. Kavita Chadha, Director, retires by rotation and being eligible, has offered herself for re-appointment. The Board recommends the same for your approval.
The brief resume of the Directors seeking appointment/reappointment 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.

21. 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/she 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.

22. 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.

23. BOARD EVALUATION

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation. Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors.
Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC).
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

24. 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.

25. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company comprises of Independent and Executive members. Mr. Ravinder Kumar Sharma gives his resignation w.e.f 01.12.2016 the current members of the committee are Mr. Shyam Sunder Mittra Chairman, Mr. Chirag Salaria, Mr. Aniruddh Singh and Mr. Pradeep Kumar Malik.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.

26. 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.

27. 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.

28. 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.

29. TRANSACTIONS 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. Thus, the provisions of Section 188(1) of the Companies Act, 2013 are not applicable. 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.

30. 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.

31. 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.

There are control processes both on manual and IT applications, wherein the transactions were approved and recorded. Review and control mechanisms are built in to ensure that such control systems are adequate and operating effectively.

32. 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. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

33. 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.

34. 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.

35. 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.

36. DISCLOSURE UNDER SECTION 22 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.

37. PARTICULARS OF EMPLOYEES

The information required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as there was no Personnel who was in receipt of remuneration aggregating to Rs. 60,00,000/- per annum if employed throughout the financial year and Rs. 5,00,000/- per month if employed for a part of financial year.

38. 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	2,25,000	2,52,500	0.89:1
2.	Pradeep Kumar Malik	Whole Time Director	3,85,000	2,52,500	1.52:1

(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 12% average increase in the remuneration of Company Secretary.

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

(d) the number of permanent employees on the rolls of company: There were 9 permanent employees on the rolls of Company as on March 31, 2017

(e) the explanation on the relationship between average increase in remuneration and company performance; - There is average increase (12%) 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 2016-2017 (aggregated)	8,90,000
Revenue from operations	23,76,03,70.56
Remuneration (as % of revenue)	3.74%
Profit before tax (PBT)	37,40,969.96
Remuneration (as % of PBT)	23.79%

(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 31st Mar 17	As at 31st Mar 16	Variation
Closing rate of share at BSE	Rs.	4.78	3.53	26.15%
EPS (Consolidated)	Rs.	0.20	.33	0.39
Market Capitalization	Rs.	5,82,29,960	4,30,02,460	1,52,27,500

(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 average increase in salaries of employees in 2016-2017. There is 12% percentage 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	3,00,000	3,85,000	2,80,000
Revenue	23760370.56	23760370.56	23760370.56
Remuneration (as % of revenue)	1.2	1.62	1.17
Profits before tax (PBT)	3740969.96	3740969.96	3740969.96
Remuneration (as % of PBT)	8.01	10.29	7.4

(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;
The Chief Financial Officer is the highest paid Director. No employee received remuneration higher than the Chief Financial Officer.
(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, 2017 is as per the Remuneration Policy of the Company.

39. 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.

40. 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 2017-2018.

41. 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.

42. ACKNOWLEDGEMENTS
The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The 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.

By order of the Board of Directors

Place: Bangalore
Dated: 14.08.2017

Gorve Chadha
(Chairman & Managing Director)
DIN: 06407884
Add: - 1008 Vikram Tower
Rajendera Place, Delhi-110008

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- 2
EXTRACT OF ANNUAL RETURN

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 31.03.2017

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, 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	90.3%

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 [01.04.2016]				No. of Shares held at the end of the year [31.03.2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	41,04,200	0	41,04,200	33.69	41,82,700	0	41,82,700	34.335	0.645%
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.	12,36,000	0	12,36,000	10.15	10,84,000	0	10,84,000	8.898	(1.252%)
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any other	0	0	0	0	0	0	0	0	
Sub-Total (A)(1)	**53,40,200**	**0**	**53,40,200**	**43.837**	**52,66,700**	**0**	**52,66,700**	**43.233**	**(0.604%)**

(2) Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
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 Foreign Investor	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (A)(2)					0	0	0	0	0
Total shareholding of Promoter (A)	**53,40,200**	**0**	**53,40,200**	**43.837**	**52,66,700**	**0**	**52,66,700**	**43.233**	**(0.604%)**
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 Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
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	11,42,378	3,43,800	14,86,178	12.20	11,58,624	3,43,800	15,02,424	12.33	0.13%
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	10,07,141	66,96,00	16,76,741	13.76	97,59,50	66,96,00	16,45,550	13.508	(.252%)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	31,24,481	55,44,00	36,78,881	30.20	32,12,926	55,44,00	37,67,326	30.92	0.70%
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
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 - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	**52,74,000**	**15,67,800**	**68,41,800**	**56.16**	**53,47,500**	**15,67,800**	**69,15,300**	**56.77**	0.61%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**52,74,000**	**15,67,800**	**68,41,800**	**56.16**	**53,47,500**	**15,67,800**	**69,15,300**	**56.77**	0.61%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**1,06,14,200**	**15,67,800**	**1,21,82,000**	**100**	**1,06,14,200**	**15,67,800**	**1,21,82,000**	**100**	0

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. Madan Lal	2,89,000	2.372	0	0	0	0	100
2	Mrs. Sneh Lata	2,85,600	2.34	0	773100	6.34	0	4.0
3	Mr. Gorve Chadha	4,81,900	3.956	0	1039000	8.52	0	4.56
4	Ms. Tanu Chadha	3,79,000	3.111	0	289000	2.37	0	0.74
5	Ms. Manisha Chadha	7,37,100	6.05	0	600000	4.92	0	1.13
6	Mr. Pradeep Kumar Malik	4,20,200	3.449	0	4,20,200	3.449	0	-
7	Mrs. Satyawati Chadha	4,31,000	3.54	0	4,31,000	3.54	0	-
8	M/s. KMF Ltd.	5,02,000	4.12	0	0	0	0	100
9	Mrs. Kavita Chadha	10,80,400	8.87	0	6,30,400	5.17	0	(3.70)
10	M/s. KMF Securities Ltd.	7,34,000	6.025	0	1084000	8.89	0	2.87

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 01.04.2016		Shareholding at the end of the year as on 31.03.2017		% 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.	Mrs. Kavita Chadha	10,80,400	8.87	6,30,400	5.17	3.7	Transfer (Inter se transfer)
2.	Mr. Gorve Chadha	481900	3.95	1039000	8.52	4.57	Transfer (Inter se transfer)
3.	Ms. Tanu Chadha	379000	3.11	289000	2.37	0.74	Transfer (Inter se transfer)
4.	Ms. Snehlata	285600	2.34	773100	6.34	4.00	Transfer (Inter se transfer)

5.	Ms. Manisha Chadha	737100	6.05	600000	4.92	1.13	Transfer (Inter se transfer)
6.	M/s KMF Limited	502000	4.12	0	0	100	Transfer (Inter se transfer)
7.	Mr. Madan Lal	289000	2.37	0	0	100	Transfer (Inter se transfer)
8.	M/s KMF Securities Limited	734000	6.02	1084000	8.89	2.87	Transfer (Inter se transfer)

D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of the Shareholders	Shareholding at the beginning of the year as on 01.04.2016		Change in Shareholding during the year		Shareholding at the end of the year as on 31.03.2017	
		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
1.	Manu Investment (P) Ltd.	8,24,850	6.77	-	-	8,24,850	6.77
2.	Mr. Mohit Sansanwal	0	0	180000	1.47	180000	1.47
3.	M/s Surender /kumar HUF	240043	1.97			240043	1.97
4.	Mr. Hitesh Ramji Javeri	3,80,000	3.12	-	-	3,80,000	3.12
5.	Anagram Securities Limited	3,39,000	2.78	-	-	3,39,000	2.78
6.	Mrs. Sushma Batra	4,87,956	4.01	-	-	4,87,956	4.01
7.	Mrs. Gitanjali Sabharwal	3,08,997	2.53	-	-	3,08,997	2.53
8.	Mrs. Shashi Bhasin	4,43,303	3.63	-	-	4,43,303	3.63
9.	TMG Properties P Ltd.	2,80,000	2.30	-	-	2,80,000	2.30
10.	Mrs. Harsha Hitesh Javeri	2,24,000	1.84	-	-	2,24,000	1.84

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 (01.04.2016)/ end of the year (31.03.2017)	% of total shares of the company			No. of shares	% of total shares of the company	
Mr. Gorve Chadha	4,81,900	3.96	25.11.2016	Increase	100000	0.82	
			23.02.2017	Increase	20000	0.16	Inter se transfer
	10,39,000	8.52	23.03.2017	Increase	437100	3.58	
Mrs. Kavita Chadha	10,80,400	8.08	24.03.2017	Decrease	4,50,000	3.69	Inter se transfer
	6,30,400	5.17					

Mr. Pradeep Kumar Malik	4,20,200	3.45	01.04.2016				Nil movement during the year
				0			
	4,20,200	3.45	31.03.2017		4,20,200	3.45	
Mr. Chirag Salaria	0	0	01.04.2016				Nil movement during the year
				0			
	0	0	31.03.2017		0	0	
Mr. Ravinder Kumar Sharma	0	0	01.04.2016				Nil movement during the year
				0			
	0	0	31.03.2017		0	0	
Mr. Shyam Sunder Mittra	0	0	01.04.2016				Nil movement during the year
				0			
	0	0	31.03.2017		0	0	
Ms. Priyanka Behl	0	0	01.04.2016				Nil movement during the year
				0			
	0	0	31.03.2017		0	0	
	0	0	01.04.2016				
Ms. Megha Bata *	0	0	01.04.2016				Nil movement during the year
			31.03.2017				

* resign from 31.08.2016

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,24,551.30	4,21,040	0	7,45,591.30
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**3,24,551.30**	**4,21,040**	**0**	**7,45,591.30**
Change in Indebtedness during the financial year				
* Addition	0	3845000	0	3845000
* Reduction	(130618.5)	(2991591)	0	(3122209.5)
Indebtedness at the end of the financial year				
i) Principal Amount	**193932.8**	1274449	**0**	**1468381.8**
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**193932.8**	1274449	**0**	**1468381.8**

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	Mr. Pradeep Kumar Malik		
1	Gross salary		3,00,000	3,85,000	6,85,000/-
	(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 (A)		3,00,000	3,85,000	6,85,000/-
	Ceiling as per the Act	-	-		-

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		CHIRAG SALARIA	SHYAM SUNDER MITTRA	ANIRUDDH SINGH		
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	2,70,000	2,70,000
	(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	2,70,000	2,70,000

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: **31.03.2017**

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, 2017 (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);

vi. a. A Prosecution is pending by the Company filed against Mr. OP Tiwari & others under section 138 of the Negotiable Instruments Act, 1881 and the matter has been shifted from Tis Hazari Court, New Delhi to Saket Court, New Delhi.

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 2017 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.

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 & CO,**
COMPANY SECRETARIES

(DeepakSadhu)
Proprietor
ACS: 39541; CP No: 14992
Bangalore
Date: **12th Aug 2017**

CORPORATE GOVERNANCE REPORT

The Securities and Exchange of Board of India (SEBI) has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") on September 2015 replacing the earlier listing agreement (w.e.f. December 1, 2015) and it aimed to consolidate and streamline the provisions of earlier listing agreement for different segments of the capital market viz. equity, debentures, debt instruments etc. The LODR regulations have incorporated the principles for corporate governance in line with the organization for Economic Co-operation and Development (OECD) principles and provide broad principles for periodic disclosures by listed entities. In terms of SEBI (Listing and Obligations Requirement) Regulations 2015 the Compliance Report on Corporate Governance is as reported below:

Company's philosophy on Corporate Governance

Our Corporate Governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

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

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

1. **Key Board activities during the year**

The Board provides and critically evaluates strategic direction of the Company, management policies and their effectiveness. Their main function is to ensure that long-term interests of the stakeholders are being served. The agenda for Board reviews / include strategic review from each of the Board Committees, a detailed analysis and review of annual strategic and operation plans and capital allocation and budgets. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for future growth of the Company. Voluntary Corporate Governance Guidelines of the Ministry of Corporate Affairs, Government of India broadly outline a framework for corporate sector on important parameters like appointment of directors, guiding principles to remunerate directors, responsibilities of the Board, risk management, the enhanced role of Audit Committee and conduct of Secretarial Audit and Secretarial Standards as per guidelines of ICSI and Companies Act, 2013 (Act).

2. **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.

3. **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.

4. **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.

5. **Familiarization Program of Independent Directors**

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.

6. **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.

7. **Vigil Mechanism**

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report to the appropriate authorities of unethical behaviour, 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.

8. **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.

9. **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.

I. **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 2016-2017

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 as Whole time Director and Mr. Chirag Salaria, Mr. Ravinder Kumar Sharma* , Mr. Aniruddh Singh and Mr. Shyam Sunder Mittra as Non-Executive Independent Directors. Mrs. Megha Bata Give her resignation from 31st August, 2016 & Ms. Priyanka Behl appoint as Company secretary w.e.f 12th September, 2016

*Resigned 01.12.2016

During the year 2016-2017, 10 (Ten) meetings of the Board of Directors were held on 02nd May,2016, 30th May 2016,29th July ,2016, 12th August 2016,12th September,2016 , 14thNovember2016,01st December, 2016 ,14th February

2017, 27th February 2017 and 31st March, 2017. 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, 2017 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 29th September, 2016, with particulars of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31st March, 2017 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	Non-Independent Executive Director	10	Yes	-	-	-
Ms. Kavita Chadha DIN 03304018	Non-Independent Executive & Promoter Director	5	No	1	-	-
Mr. Pradeep Kumar Malik DIN 00755555	Whole time Executive and Promoter Director	5	Yes	-	-	-
Mr. Shyam Sunder Mittra DIN 01174462	Independent Director Non Executive Director	7	No	-	-	-
Mr. Ravinder Kumar Sharma* DIN 05101892	Independent Non Executive Director	5	Yes	-	-	-
Mr. Chirag Salaria DIN 07504249	Independent Non Executive Director	7	No	-	-	-
Mr. Aniruddh Singh DIN:02961295	Independent Non Executive Director	1	No	-	-	-

* Resigned w.e.f 01.12.2016.

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, 2016. 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.

II. 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 29th September, 2016.

(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:
  a. 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
  b. Changes, if any, in accounting policies and practices and reasons for the same
  c. Major accounting entries involving estimates based on the exercise of judgment by management
  d. Significant adjustments made in the financial statements arising out of audit findings
  e. Compliance with listing and other legal requirements relating to financial statements
  f. Disclosure of any related party transactions
  g. 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. Ravinder Kumar Sharma as Chairman, he resigned from his position on 01.12.2016

Mr. Shyam Sunder Mittra elect as Chairman. He with Mr. Chirag Salaria, Mr. Aniruddh Singh and Mr. Pradeep Kumar Malik as members of the Committee. During the year, four Audit Committee meetings were held on 30th May 2016, 12th August 2016, 14th November, 2016 and 14th February 2017.

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 2016-17	Meetings attended
Mr. Ravinder Kumar Sharma*	Independent Director	4	2
Mr. Chirag Salaria	Independent Director	4	3
Mr. Shyam Sunder	Independent Director	4	4
Mr. Aniruddh Singh	Independent Director	4	2
Mr. Pradeep Kumar Malik	Executive Director	4	4

* Resigned w.e.f. 01.12.2016

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. Ravinder Kumar Sharma as Chairman, he resigned from his position on 01.12.2016 . Mr. Shyam Sunder Mittra elect as Chairman. He with Mr. Chirag Salaria, Mr. Aniruddh Singh 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 laid 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, Five meetings of Nomination and Rem uneration Committee were held on 02nd May, 2016, 29th July, 2016, 12th September 2016, 27th February 2017 and 31st March, 2017.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 FY2016-17	Meetings attended
Mr. Shyam Sunder	Independent Director	5	4
Mr. Ravinder Kumar Sharma *	Independent Director	5	3
Mr. Chirag Salaria	Independent Director	5	4
Mr. Aniruddh Singh	Independent Director	5	1
Mrs. Kavita Chadha	Executive Director	5	3

* Resigned w.e.f. 01.12.2016.

(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 2016-17 was Rs. 3, 00,000/- p.a.

(F) Remuneration to Non-Executive Directors

Mr. Chirag Salaria, Mr. Shyam Sunder, Mr. Aniruddh Singh (Appointment w.e.f 27.02.2017) and, Mr. Ravinder Kumar Sharma (resigned w.e.f 01.12.2016), 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. Ravinder Kumar Sharma as Chairman, he resigned from his position on 01.12.2016 Mr. Shyam Sunder Mittra elect as Chairman , He with Mr. Chirag Salaria , and Mr. Pradeep Kumar Malik as members of the Committee.

The Committee is set up to 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, one meeting of the Stakeholders Relationship Committee was held on 01st December, 2016.

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 2016-2017	Meetings attended
Mr. Chirag Salaria	Independent Director	1	1
Mr. Ravinder Kumar Sharma*	Independent Director	1	0
Mr. Shyam Sunder Mittra	Independent Director	1	1
Mr. Pradeep Kumar Malik	Executive Director	1	0

* Resigned w.e.f. 01.12.2016

(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 : 011-45795060

E-mail: Priyanka@kmfbuilders.com

(C) Complaints received and redressed during the year 2016-2017

There was no compliant received during the year 2016-2017. Pursuant to regulation 40(9) of SEBI (Listing and Obligations Requirement) Regulation 2016, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchange within stipulated time.

III. 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. Shyam Sunder Mittra, Mr. Chirag Salaria and Mr. Aniruddh Singh met on 31.03.2017 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

IV. Subsidiary Company

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

VII. Disclosures

(A) Basis of related party transactions

(i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.

(ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.

(iii) 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.

(iv) 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 have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(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.

V. 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
2013-2014	29.09.2014	508, Golf Manor, NAL Wind, Tunnel Road, Murgeshpalya, Bangalore-560017	10.30 a.m.	Yes - Keeping records and register of the company from a place other than registered office of the Company.
2014-2015	30.09.2015	508, Golf Manor, NAL Wind, Tunnel Road, Murgeshpalya, Bangalore-560017	10.30 a.m.	No

2015-16	29.09.2016	508, Golf Manor, NAL Wind, Tunnel Road, Murgeshpalya, Bangalore-560017	10.30 a.m.	Yes Appointment of Mr. Pradeep Kumar Malik as whole time Director Appointment of Mr. Chirag Salaria as Independent Director

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

Means of Communication

The Company's website is a comprehensive reference on KMF's management, policies, 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 of Shareholders	The results of the Company are published in the newspapers
Quarterly results and in which newspaper normally published in.	Results are published in The Financial express (all editions) and in Samyuktha Karnataka (Bangalore edition)
Any website where displayed	Yes, the results are displayed on the Company's website www.kmfbuilders.com under Investor Centre - Disclosure Requirements Section
Whether it also displays official news releases	Yes

VI. General Shareholder Information

Annual General Meeting:

(i) Date, time and Venue : 20th September, 2017 at 11.00 a.m.
508, Golf Manor, NAL Wind,
Tunnel Road, Murgeshpalya,
Bangalore-560017

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

(iii) Date of Book Closure : 12th September, 2017 to 16th September,2017 (both days inclusive)

(iv) Dividend : Nil

(v) Listing

The Stock Exchanges on which the Company's shares are listed:
BSE Limited
DSE Limited (DSE has been de-recognised during the year)

(vi) Stock Code

BSE Limited-53178
DSE Limited
The ISIN of the Company for its shares : INE580H01026
Listing Fees for Bombay Stock Exchange Limited for 2017-2018 has been paid.

(vii) Market price information

a. The reported high and low closing prices during the year ended 31 March, 2017 on the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

Month	BSE		BSE SENSEX	
2016-17	High	Low	High	Low
April	3.65	3.65	25755.42	25424.07
May	4.57	4.57	26837.2	26561.58
June	5.40	4.90	27069.23	26872.59
July	5.45	5.45	28233.47	28037.87
August	5.25	5.25	28532.25	28363.1
September	4.52	4.52	27955.21	27716.78
October	4.56	4.56	28000.14	27789.84
November	4.78	4.78	26680.55	26395.5
December	4.78	4.78	26678.6	26406.53
January	4.80	4.80	27867.92	27624.54
February	5.04	4.78	28299.92	28070.81
March	5.04	5.03	28280.58	28127.18

b. Performance in comparison to BSE Sensex

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

	1st April 2016	31st March 2017	% Change
Company Share Price (closing)	3.65	4.78	23.6%
SENSEX (closing)	25606.62	29620.50	13.55%

(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, 2017

(a) Distribution of shareholding as on 31 March, 2017

No. of Equity shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of holding
1-100	157	18.067	4562	0.028
101- 500	246	28.308	67545	0.547
501-1000	155	17.387	130588	1.054
1001-5000	204	23.475	531862	4.342
5001-10000	39	4.488	282768	2.414
10001-20000	19	2.186	277322	2.548
20001-30000	8	0.921	196879	1.433
30001-40000	6	0.69	212598	1.745
40001-50000	3	0.345	133000	1.092
50001-100000	8	0.921	559045	3.822
100001-500000	18	2.071	4834481	49.138
500001-above	6	0.69	4951350	31.837
TOTAL	**869**	**100**	**1,21,82,000**	**100**

(x) Shareholding pattern as on 31st March, 2017

Category	No. of Shares held	% of issued share capital
Promoter	52,66,700	43.23
Mutual Funds & UTI	0	0
Financial institutions/Insurance Companies	0	0
FIIs	0	0
NRIs/Foreign Nationals	0	0
Corporate Bodies	15,02,424	12.33
Indian Public & Others	69,15,300	44.44
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 31st March, 2017

Category	Name	No. of Shares held	% of issued share capital
CORPORATE / BODY CORPORATE	Manu Investments Private Limited	8,24,850	6.77
CORPORATE / BODY CORPORATE	TMG Properties Private Limited	2,80,000	2.29
INDIVIDUAL	Mohit Sansanwal	1,80,000	1.48

INDIVIDUAL	Mr. Hitesh Ramji Javeri	3,80,000	3.12
CORPORATE / BODY CORPORATE	Anagram Securities Limited	3,39,000	2.78
INDIVIDUAL	Mrs. Sushma Batra	4,87,956	4.00
INDIVIDUAL	Mrs. Gitanjali Sabharwal	3,08,997	2.53
INDIVIDUAL	Mrs. Shashi Bhasin	4,43,303	3.63
CORPORATE / BODY CORPORATE	TMG Properties P Ltd.	2,80,000	2.30
INDIVIDUAL	Surender Kumar HUF	2,40,043	1.97
INDIVIDUAL	Mrs. Harsha Hitesh Javeri	2,24,000	1.84

(xiii) Dematerialisation of shares and liquidity

As on 31st March, 2017, a total of 1,06,14,200 equity shares have been dematerialised by approx. 87% of the total share Capital. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise 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
4E/15 Ashoka Centre Jhandewalan
New Delhi-55 Tel.:011-45795060
Fax:41537810
Email:kmfbuilders95@gmail.com

VII. 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 Assessment & Management	17(9)	Complied with
Performance Evaluation of Independent Director	17(10)	Complied with
Composition of Audit Committee	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 Transaction	23(1), (5), (6), (7) & (8)	Complied with
Prior or Omnibus approval of Audit Committee for all	23(2), (3)	Complied (if any)

related party transactions		
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 & Developers Ltd ("the Company") for the year ended 31st March, 2017 as stipulated in SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

For B.Sreenivasa & Co.
Chartered Accountants

Place : Bangalore
Dated : 14.08.2017

CA B SreenivasaSetty
Proprietor
ICAI Reg. No. 205645

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, 2017.

For KMF Builders & Developers Ltd.

Sd/-
Gorve Chadha
Managing Director

Certification by CEO/CFO

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

Ref: Certification by CEO/CFO for Financial Year 2016-2017

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

(a) We have reviewed the financial statements and the cash flow statement for the financial year 2016-2017 and that to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken and/or propose to take to rectify these deficiencies.
(d) We have indicated to the auditors and the Audit committee, wherever applicable, the following:
i. significant changes in internal control over financial reporting during the year;
ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For KMF Builders & Developers Ltd.

SD/-

Place: Bangalore
Date: 14.08.2017

Pradeep Kumar Malik
CFO

Gorve Chadha
Managing Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

REAL ESTATE SECTOR

The sector witnessed a visible temporary slowdown since the announcement of the government demonetization policy.
On 8th November 2016 the government announced the demonetization of Rs. 500 and Rs. 1000 denomination notes, thereby rendering 86% of the cash in circulation as invalid. The government also placed various restrictions on the convertibility of domestic money and bank deposits. While the Broad motive of the Government of India behind this announcement was to crub the menace of fake currency notes and abolishing unaccounted money, the impact of this move was felt across all the sectors including real estate. This move crated a real dent in the residential real estate sector, pulling back the last quarter trend of residential sales. As a result it was one of the worst years itself.

REAL ESTATE REFORMS

Real Estate (Regulation and Development) Act, 2016 is a Government of India initiative to bring about the much needed transparency and order to the real estate transactions by creating a systematic and a uniform regulatory environment, thereby protecting consumer interest and making real estate developers accountable for timely completion of Projects.
From 1 May, 2017 the entire act has been bought into force by the Central Government (except in the State of Jammu and Kashmir) there by embarking the beginning of a new era in the real estate sector of the country. So, far, only a few states have come up with their rules.

The residential real estate sector is going through a critical transition phase post demonetization as transaction activity has slowed down considerably. While demonetization has had a negative impact in the short term, it will eventually help improve governance standards in real estate and provide a level playing field for organized developers.

It will eventually help improve governace standards in real estate and provide a level playing field for organized developers. The implementation of RERA and Benami Transaction (Prohibition) Amendment Act (BTPAA) will lead to an increase in compliance costs for unorganized developers. This will pave way for consolidation in the sector as landowners seek to partner with reputable developers through the joint development model, and cash starved developers monetize their banks be selling it to developers

Independent Auditor's Report

To the Members of,
M/s. KMF BUILDERS AND DEVELOPERS LTD
Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. KMF BUILDERS & DEVELOPERS LTD.**,which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(11) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financialstatements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
b) In the case of the Profit and Loss Account, of the profit for the year ended on that date
c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. . As required by 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 Balance Sheet and the Statement of Profit and Loss statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act; and

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

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

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

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

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure B**" a statement on the matters specified in paragraphs 3 and 4 of the Order

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

CA B. Sreenivasa Setty
Proprietor
Membership No. 205645

PLACE : Bangalore
DATE : 14.08.2017

"Annexure A" to the Independent Auditors' Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date)

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

We have audited the internal financial controls over financial reporting of KMF Builders & Developers Limited (the "Company") as ofMarch 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting
A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of theassets 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 payments of the company are beingmade 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 amaterial effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion orimproper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk thatthe internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree ofcompliance with the policies or procedures may deteriorate.

In our opinion, to the best of our information and according to the explanations given to us, except for the effect of the matter described in the above paragraph, the Company has in all material respects,an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting wereoperating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Companyconsidering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls OverFinancial Reporting issued by the Institute of Chartered Accountants of India.

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

CA B. Sreenivasa Setty
Proprietor
Membership No. 205645

PLACE : Bangalore
DATE : 14.08.2017

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i)

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information;

b) According to the information and explanations given to us, the Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. No material discrepancies were noticed on such verification.

c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company asat the balance sheet date

ii)

a)The management has conducted the physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and securities.

v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

vii) In respect of statutory dues

a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, theoutstanding dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute as follows:

Name of the Statues	Nature of dues	Amount
Income tax Act, 1961	Interest on delayed payment of TDS u/s 201 & 220(2)& Interest on Short Deduction & Short Payment	28,957.00
	Short Payment & Short Deduction of TDS	2,74,821.52
	Late Filing Fee	43,332.00

viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions**ExceptCAR LOAN** or from the government and has not issued any debentures.

ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

CA B Sreenivasa Setty
Proprietor
M.No.205645

Place: Bangalore
Date : 14.08.2017

NOTES FORMING PART OF FINANCIAL INFORMATION

CORPORATE INFORMATION:

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

1.00 SIGNIFICANT ACCOUNTING POLICIES

1.01 BASIS FOR PREPARATION:

These financial statements are prepared in accordance with Indian generally accepted accounting principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Rule 7 of companies (Accounting standards) Rules, 2014, as per Section 133 of the provisions of the Companies Act, 2013.

1.02 USE OF ESTIMATES:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the company to estimate the efforts expended, provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes, post sales customer support and the useful lives of fixed assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material their effects are disclosed in the notes to the financial statements.

The management periodically assesses using, external and internal sources whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the assets net selling price and value in use which means the present value of future cash flows expected to arise from the continuing use of the asset and is eventual disposal .An impairment loss for an asset is reversed if and only if the reversal can be related objectively to an event occurring after the impairment loss was recognized .The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.03 INVENTORIES:

Purab Manor Project:

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

Mathura Project:

Total Cost spent on project shown as Inventory - WIP

1.04 EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET:

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

1.05 REVENUE RECOGNITION: RESIDENTIAL COMPLEX:

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

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

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

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

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

1.06 INFLATION:

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

1.07 FIXED ASSETS & DEPRECIATION:

Tangible Fixed Assets:

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

Intangible Assets:

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred

unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Depreciation on fixed assets is provided on the written down value method. Depreciation for assets purchased /sold during a period is proportionately charged as per the companies Act 2013 based on the useful life of Asset prescribed in Schedule-II of the Act. Intangible assets are amortized on a written down value basis, commencing from the date the asset is available to the company for its use. However Useful Life of Intangible Asset does not exceed Ten Years as prescribed in Accounting standard 26 (Accounting for Intangible Assets) issued by ICAI. However, the respective block of assets will be written off against reserves or charged to Profit and Loss account only when they are disposed/depleted or sold by the company.

Depreciation as per the Companies Act, 2013 charged to Profit & Loss Account for the year.

1.08 TREATMENT OF EXPENDITURE ON CONSTRUCTION WORK:

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

1.09 INVESTMENTS:

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

1.10 RETIRMENT BENEFIT:

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

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

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

1.11 DEFERRED TAXES:

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

1.12 TAXATION:

Income tax:

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

Deferred tax:

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

Minimum Alternative Tax:

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

1.13 SEGMENTAL REPORTING:

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

1.14 IMPAIRMENT OF ASSETS:

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

1.15 INSURANCE CLAIMS

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

1.16 SERVICE TAX INPUT CREDIT

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

1.17 EARNINGS PER SHARE:

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

1.18 BORROWINGS COST:

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

1.19 PROVISIONS AND CONTINGENT LIABILITIES:

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

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

1.20 FOREIGN CURRENCY TRANSACTIONS AND TRASLATIONS

Initial Recognition:

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

Measurement of foreign currency monetary items at the Balance Sheet date

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

However, there are no foreign currency transactions during the year.

1.22 DISCLOSURE ON SPECIFIED BANK NOTES: -

During the year, the company had Specified Bank Notes(SBN's) or Other denomination notes as defined in the MCA Notification, G.S.R. 308(E), dated March 31st, 2017. The Details of SBN's held and transacted during the period from November 8,2016 to December 30, 2016, the denomination-wise SBN's and other notes as per the notification are as follows: -

Particulars	SBN's	Other Denomination Notes	Total
Closing Cash in Hand as on 8th Nov 2016		19549 notes of 100 & 2 notes of Rs 10	19551
Add: - Permitted Receipts			
Less: - Permitted Payments		4248 notes of 100 & 1 notes Rs. Of 50	4249
Less: - Amount Deposited in Banks			
Closing Cash in Hand as on 30th December, 2016		17380 notes of Rs. 100 each 1 notes of 50 & 1 notes of 10	17382

1.23 DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006:

	March 31, 2017	March 31, 2016
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

Balance Sheet as at 31 March 2017

	Note	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	60,910,000.00	60,910,000.00
Reserves and surplus	3	49,319,322.81	46,900,250.85
		110,229,322.81	**107,810,250.85**
Non-Current Liabilities			
Long-term borrowings	4	573,381.80	625,040.00
Deferred tax liabilities (net)	5	0.00	0.00
Other long-term liabilities	6	0.00	0.00
Long-term provisions	7	0.00	0.00
		573,381.80	**625,040.00**
Current Liabilities			
Short-term borrowings	8	895,000.00	120,551.30
Trade payables	9	6,927,582.03	12,588,587.00
Other current liabilities	9	24,565,179.94	29,551,577.94
Short-term provisions	7	3,086,484.00	2,460,379.00
		35,474,245.97	**44,721,095.24**
Total		**146,276,950.58**	**153,156,386.09**
Assets			
Non-Current Assets			
Fixed assets			
Tangible assets	10	1,146,242.00	2,489,976.00
Intangible assets	11	0.00	0.00
Capital work-in-progress		0.00	0.00
		1,146,242.00	**2,489,976.00**
Current investments	12	2,515,427.18	6,177,760.26
Properties held for development	16	0.00	0.00
Deferred tax assets (net)	5	512,916.00	238,944.00
Long-term loans and advances	13	0.00	0.00
Trade receivables	14	0.00	0.00
Other non-current assets	15	0.00	0.00
		4,174,585.18	**8,906,680.26**
Current Assets			
Inventories	16		
Raw materials		0.00	0.00
Properties under development/construction		128,323,055.14	127,813,055.14
Properties held for sale		0.00	0.00
		128,323,055.14	**127,813,055.14**
Trade receivables	14	2,913,466.00	500,000.00
Cash and bank balances	17	1,845,502.06	5,190,924.13
Short-term loans and advances	13	7,280,501.99	8,808,440.35
Other current assets	15	1,739,840.21	1,937,286.21
		142,102,365.40	**144,249,705.83**
Total		**146,276,950.58**	**153,156,386.09**
Significant accounting policies and Notes on Accounts	1		

For & on behalf of the Board of Directors

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

(Malik Pradeep Kumar)	(Gorve Chadha)	(Priyanka Behl)
Whole Time Director	Managing Director	Company Secretary

CA B Sreenivasa Setty
Proprietor
Icai Reg No. 205645

Place: Bangalore
Date: 14.08.2017

Statement of Profit and Loss for the year ended 31 March 2017

	Note	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
Income			
Revenue from operations			
Revenue from projects	18	21,442,478.00	56,273,512.30
Other income	19	2,317,892.56	
Total-I		**23,760,370.56**	**56,273,512.30**
Expenses			
Construction cost	20	7,006,752.00	19,339,969.90
Changes in inventories of WIP	21	0.00	17,159,000.00
Employee benefit expenses	22	3,781,303.23	3,727,529.64
Other expenses	23	7,940,391.64	9,263,099.15
Total-II		**18,728,446.87**	**49,489,598.69**
Earnings before interest, tax, depreciation and prior period items		**5,031,923.69**	**6,783,913.61**
Depreciation and amortization expenses	24	1,292,435.00	1,195,766.00
Net finance expense / (Income)	25	(1,481.27)	53,553.47
Profit before tax and prior period items		**3,740,969.96**	**5,534,594.14**
Tax expense	26	**1321898.00**	**1526123.00**
Profit after tax and before prior period items		**2,419,071.96**	**4,008,471.14**
Prior period income (net of tax expense)		0.00	0.00
Net profit for the year		**2,419,071.96**	**4,008,471.14**
Earnings per share ((Nominal value ₹ 5 per share) (Previous Year ₹ 10 per share))			
Basic (₹)	27	0.20	0.33
Diluted (₹)		0.20	0.33
Significant accounting policies and Notes to Account	1		

For & on behalf of the Board of Directors

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

(Malik Pradeep Kumar) Whole Time Director

(Gorve Chadha) Managing Director

(Priyanka Behl) Company Secretary

CA B Sreenivasa Setty
Proprietor

Place: Bangalore

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2017

PARTICULARS	31 Mar 2017 ` Rs	31 Mar 2016 ` Rs
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax	3,740,969.96	5,534,594.14
Adjustments to reconcile profit before tax to cash provided by opening activities:		
Depreciation	1,292,435.00	1,195,766.00
Interest Expenses	73,110.73	557,315.47
Interest Income	(74,592.00)	(503,762.00)
Asset Written off	70,299.00	-
Other Income	(2,317,892.56)	-
Changes in assets and liabilites:		
Trade Receivable, Inventories,Loans and Advances	(1,198,081.64)	18,014,982.64
Current Liabilties and provisions	(9,246,849.27)	(19,747,638.31)
	(7,660,600.78)	5,051,257.94
Tax Paid - Net	1,595,870.00	2,050,313.00
Net Cash Generated by Operating Activities	**(9,256,470.78)**	**3,000,944.94**
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	(19,000.00)	(34,168.00)
Purchase of Investments	3,662,333.08	-
Dividend/Interest & Other Income Received	2,392,484.56	503,762.00
NET CASH USED IN INVESTING ACTIVITIES - B	**6,035,817.64**	**469,594.00**
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	(51,658.20)	(2,220,960.00)
Interest Expenses	(73,110.73)	(557,315.47)
Proceeds from issue of shares	-	-
NET CASH USED IN FINANCING ACTIVITIES - C	**(124,768.93)**	**(2,778,275.47)**
Net Increases/ (Decreases) in cash and cash equivalents	(3,345,422.07)	692,263.47
Opening Cash and Bank Balances	5,190,924.13	4,498,660.66
Closing Cash and Bank Balances	1,845,502.06	5,190,924.13

For and on behalf of the Board of Directors

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

CA B Sreenivasa Setty
Proprietor
M.S.No.205645

(GORVE CHADHA) **(MALIK PRADEEP KUMAR)** **(PRIYANKA BEHL)**
Managing Director **Whole Time Director** **Company Secretary**
Place : Bangalore
Date : 14.08.2017

	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
2 Share Capital		
Authorised shares	200,000,000.00	200000000.00
Issued, subscribed and fully paid up shares		
	60,910,000.00	60,910,000.00
	60,910,000.00	**60,910,000.00**

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

Equity shares

	31 Mar 2017		31 Mar 2016	
	No.	₹ Rs	No.	₹ Rs
At the beginning of the period	12,182,000	60,910,000.00	12,182,000	60,910,000.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	12,182,000	60,910,000.00	12,182,000	60,910,000.00

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share.

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

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

	31 Mar 2017		31 Mar 2016	
	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 5 each fully paid				
Manu Investment	823,800.00	6.762%	823,800.00	6.762%

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

	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
3 Reserves and Surplus		
Capital Reserve (profit on forfeited shares)		
Balance at the beginning of the year	6,821,500.00	6,821,500.00
Additions / (deductions) during the year		-
Balance at the end of the year	**6,821,500.00**	**6,821,500.00**
Debenture Redemption Reserve		
Balance at the beginning of the year	-	-
Less: Premium paid on redemption of debentures	-	-
Less: Written back to statement of profit and loss during the year	-	-
Add: Transfer from statement of profit and loss	-	-
Balance at the end of the year	**0.00**	**0.00**
General Reserve		
Balance at the beginning of the year	-	-
Add: Transfer from statement of profit and loss	-	-
Balance at the end of the year	**0.00**	**0.00**
Profit and Loss Account		
Balance at the beginning of the year	40,078,750.85	37,157,788.71
Add: Net profit for the year	2,419,071.96	4,008,471.14
Less: Depreciation Adj to Profit	-	797,177.00
Less: Asset W/off Adj to Profit	-	780,993.00
Add: Adjustments in fixed assets	-	490,661.00
Balance at the end of the year	**42,497,822.81**	**40,078,750.85**
	49,319,322.81	**46,900,250.85**

4 Long-term borrowings

	Non-current portion		Current portion	
	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
Term loans (secured)				
From Banks	193,932.80	204,000.00		
From financial institutions	-	-		
From others	-	-		
Finance lease obligation	-	-		
	193,932.80	**204,000.00**	**0.00**	**0.00**
The above amount includes				
Secured borrowings	193,932.80	204,000.00	-	-
Unsecured borrowings	379,449.00	421,040.00	-	-
Amount disclosed under head "Other current liabilities" note 9	-	-	-	-
	573,381.80	625,040.00	0.00	0.00

Note: Secured borrowings is against hypothecation of car

	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
5 Deferred tax liability / Asset (Net)		
Deferred tax liability / Assetarising on account of depreciation	512,916.00	238,944.00
	512,916.00	**238,944.00**
6 Other long-term liabilities		
Retention money held from contractors	-	-
Security Deposits		
	0.00	**0.00**

7 Provisions

	31 ₹ Rs	31 Mar 2016 ₹ Rs	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
Provision for employee benefits				
Gratuity			445,066.00	410,066.00
	-	-	-	-
Other provisions				
Income Tax provision			2,641,418.00	2,050,313.00
Duties & Taxes			-	-
Other Payable			-	-
	0.00	**0.00**	**3,086,484.00**	**2,460,379.00**

8 Short-Term Borrowings	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
Term loans (secured)		
From Banks		120,551.30
From financial institutions	-	-
	0.00	**120,551.30**
The above amount includes		
Secured borrowings	895,000.00	120,551.30
Unsecured borrowings	-	-
Amount disclosed under head "Other current liabilities" note 9	-	-
	895,000.00	**120,551.30**

Note: Secured borrowings is against hypothecation of car

KMF BUILDERS AND DEVELOPERS LIMITED

No.508, Golf Manor Aprtments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore-560 017

FIXED ASSETS SCHEDULE - 10

F.Y.2016-17

Sl. No.	Description	Rate of Depn.	GROSS BLOCK				DEPRECIATION BLOCK					NET BLOCK	
			As on 01/04/2016	Additions during the year	Deletions during the year	Total As on 31.03.17	Upto 31/03/2016	For theyear	Asset write off	Dep written offduring the year	Upto 31.03.2017	As on 31.03.2017	As on 31.03.2016
1	OFFICE BUILDING	1.63%	327457.00	0.00	0.00	327457.00	130381.00	35443.00	0.00	0.00	165824.00	161633.00	197076.00
2	BOREWELL & TUBEWELL	4.75%	635780.00	0.00	0.00	635780.00	635780.00	0.00	0.00	0.00	635780.00	0.00	0.00
3	D.G. SET	4.75%	168639.00	0.00	0.00	168638.00	148042.00	8479.00	3873.00	0.00	162394.00	6244.00	20597.00
4	FIRE FIGHTING EQUIPMENT	4.75%	621391.50	0.00	0.00	621391.50	621391.50	0.00	0.00	0.00	621391.50	0.00	0.00
5	LIFT	4.75%	1611240.25	0.00	0.00	1611240.25	1611240.25	0.00	0.00	0.00	1611240.25	0.00	0.00
6	AIR CONDITIONER	4.75%	347425.00	0.00	0.00	347425.00	259078.00	67306.00	2943.00	0.00	329527.00	17898.00	88347.00
7	VIBRATOR	4.75%	29439.00	0.00	0.00	29439.00	26389.00	0.00	1830.00	0.00	28219.00	1220.00	3050.00
8	BOILER	4.75%	27902.00	0.00	0.00	27902.00	25366.00	0.00	1522.00	0.00	26888.00	1014.00	2536.00
9	ROAD ROLLER	4.75%	103532.00	0.00	0.00	103532.00	94882.00	0.00	5190.00	0.00	100072.00	3460.00	8650.00
10	DIESEL ENGINE	4.75%	102803.00	0.00	0.00	102803.00	77929.00	14469.00	0.00	0.00	92398.00	10405.00	24874.00
11	INVERTOR	4.75%	61460.00	0.00	0.00	61460.00	47993.00	9012.00	2541.00	0.00	59546.00	1914.00	13467.00
12	MIXTURE	4.75%	510929.00	0.00	0.00	510929.00	341928.00	87830.00	0.00	0.00	429758.00	81171.00	169001.00
13	PLANT & MACHINERY	4.75%	84538.00	0.00	0.00	84538.00	25770.00	15743.00	0.00	0.00	41513.00	43025.00	58768.00
14	OFFICE EQUIPMENT	4.75%	317449.00	19000.00	0.00	336449.00	215306.00	84991.00	0.00	0.00	300297.00	36152.00	102143.00
15	REFREGIRATOR	4.75%	17039.00	0.00	0.00	17039.00	13462.00	1687.00	990.00	0.00	16139.00	900.00	3577.00
16	FURNITURE & FIXTURES	6.23%	261975.00	0.00	0.00	261975.00	200678.00	23956.00	5166.00	0.00	229800.00	32175.00	61297.00
17	CYCLE	7.07%	2644.00	0.00	0.00	2644.00	2417.00	0.00	181.00	0.00	2598.00	46.00	227.00
18	MOTOR VEHICLE	9.50%	7678589.00	0.00	0.00	7678589.00	5953179.00	943319.00	36741.00	0.00	6933239.00	745350.00	1725410.00
19	COMPUTERS	16.21%	518250.00	0.00	0.00	518250.00	518250.00	0.00	0.00	0.00	518250.00	0.00	0.00
20	UPS	16.21%	3120.00	0.00	0.00	3120.00	3120.00	0.00	0.00	0.00	3120.00	0.00	0.00
21	AUTO LEVEL	16.21%	19773.01	0.00	0.00	19773.01	19773.01	0.00	0.00	0.00	19773.01	0.00	0.00
22	LAPTOP	16.21%	102917.25	0.00	0.00	102917.25	91961.25	0.00	7321.00	0.00	99282.25	3635.00	10956.00
	TOTAL		**13554292.01**	**19000.00**	**0.00**	**13573291.01**	**11064316.01**	**1292435.00**	**70298.00**	**0.00**	**12427049.01**	**1146242.00**	**2489976.00**
	Previous Year		13810456.51	411907.00	668071.00	13554292.51	9071373.00	1992943.00	0.00	0.00	11064316.00	2489976.51	4739083.00

9 Other current liabilities	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
Trade payables (refer note on dues to Micro and small enterprises)	6,927,582.03	12,588,587.00
Other liabilities		
Current maturities of long term borrowings (note 4)	-	-
Advances received from customers	23,226,388.94	28,288,718.94
Duties & Taxes	394,761.00	402,029.00
Other Payable:	944,030.00	860,830.00
	24,565,179.94	**29,551,577.94**
	31,492,761.97	**42,140,164.94**

12 Current Investments:	31 Mar 2017 ` Rs	31 Mar 2016 ` Rs
Trade Investments (Valued at cost unless stated otherwise)	2515427.18	3971335.82
Unquoted equity instements	0	2206424.44
Investment in subsidiaries (fully paidup)	0	0
	2515427.18	6177760.26

	Non-current		Current	
	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
13 Loans and advances				
Security deposits				
Unsecured, considered good	-			
	0.00	**0.00**	**0.00**	**0.00**
Loans and advances to related parties				
(Unsecured, considered good)				
Loans to associates	-		6,910,600.00	6,910,600.00
Loans to subsidiaries	-		-	-
	0.00	**0.00**	**6,910,600.00**	**6,910,600.00**
Other loans and advances				
(Unsecured, considered good)				
Advances to suppliers	-	-	-	-
Advances for land contracts	-	-	-	-
Advance income tax (net of provision for taxation)	-	-	-	-
Prepaid expenses	-	-		
Taxes and duties recoverable	-	-	-	-
Other advances	-	-	369,901.99	1,897,840.35
	0.00	**0.00**	**369,901.99**	**1,897,840.35**
Total loans and advances	**0.00**	**0.00**	**7,280,501.99**	**8,808,440.35**
14 Trade receivables				
(Unsecured, considered good)				
Outstanding for a period exceeding six months	-	-	500,000.00	500,000.00
Other receivables	-	-	2,413,466.00	
	0.00	**0.00**	**2,913,466.00**	**500,000.00**
Trade receivables include :				
Due from related parties	-	-	-	-
15 Other Current Assets				
Other Current Assets	-	-	1739840.21	1,937,286.21
	0.00	**0.00**	**1,739,840.21**	**1,937,286.21**

	Non-current		Current	
	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs	31 Mar 2017 ₹ Rs	31 Mar 2016 ₹ Rs
16 Inventories				
Properties held for development				
At the beginning of the year	-	-	12,218,000.00	29,377,000.00
Add : Additions during the year	-	-		
Less: Deletions during the year	-	-	-	17,159,000.00
Less: Transferred to Properties Under Development	-	-		-
	0.00	**0.00**	**12,218,000.00**	**12,218,000.00**
Raw materials				
	0.00	**0.00**	**0.00**	
Properties under development				
	-	-	-	-
Land, Material and construction cost (Mathura Project)	-	-	116,105,055.14	115,595,055.14
Profit recognized to-date	-	-	-	-
Less: Progress payments received and receivable	-	-	-	-
	0.00	**0.00**	**116,105,055.14**	**115,595,055.14**
Properties held for sale				
At the beginning of the year	-	-	-	
Add : Additions during the year	-	-		
Less: Sales during the year	-	-	-	
Less: Write downs during the year	-	-	-	
Less: Properties transferred to Fixed assets	-	-	-	
	0.00	**0.00**	**0.00**	
	0.00	**0.00**	**128,323,055.14**	**127,813,055.14**
17 Cash and bank balances				
Cash and cash equivalents			1,903,033.24	2,913,893.24
Balances with scheduled banks:				
On current accounts			(57,531.18)	2,277,030.89
Deposits with original maturity of less than three months			-	-
On unpaid dividend account			-	
Balance with non-scheduled banks:				
On current account:			-	
On current account:			-	
			-	
			1,845,502.06	**5,190,924.13**
Other bank balances				
Deposits with original maturity for more than 12 months	-		-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	-
Margin money deposit	-	-	-	-
	0.00	**0.00**	**0.00**	**0.00**
Amount disclosed under non-current assets		0.00		
	0.00	**0.00**	**1,845,502.06**	**5,190,924.13**

	Year ended	
	31 Mar 2017	31 Mar 2016
	₹ Rs.	₹ Rs.
18 Revenue from operations		
Revenue from projects		
From sale of flats	21,399,000.00	55,425,000.00
Other operating revenue		
Other Income	43,478.00	848,512.30
	21,442,478.00	**56,273,512.30**
19 Other income		
Rental income	0.00	0.00
Others	2,317,892.56	0.00
	2,317,892.56	**0.00**
20 Construction cost		
Land, Material and contract costs	1,013,365.00	3,161,781.00
Other direct costs	5,770,355.00	15,357,642.90
Electricity, fuel and water	223,032.00	820,546.00
	7,006,752.00	**19,339,969.90**
21 Changes in Inventoires of WIP:		
Opening Stock	12,218,000.00	29,377,000.00
Less: Closing Stock	12,218,000.00	12,218,000.00
	0.00	17,159,000.00
22 Employee benefit expenses		
Salaries, wages and bonus	3,130,148.00	3,374,900.00
Gratuity expenses	35,000.00	35,000.00
Staff welfare	616,155.23	317,629.64
	3,781,303.23	**3,727,529.64**
23 Other expenses		
Travel and conveyance	546,493.88	714,927.35
Repairs and maintenance	96,015.00	210,256.00
Legal and professional charges	728,603.00	836,100.00
Rent rates and taxes	2,423,868.00	3,285,093.00
Insurance	56,705.00	58,478.00
Electricity Charges	205,548.54	228,914.94
Communication costs	195,408.22	196,685.47
Printing and stationery	167,318.00	127,064.00
Audit fees	230,000.00	345,000.00
Advertising and sales promotion	228,829.00	1,097,119.52
Compensation for Cancellation of Agreement	-	1,303,000.00
Miscellaneous expenses	3,061,603.00	860,460.87
	7,940,391.64	**9,263,099.15**
Payment to auditor		
As auditor:		
Audit fee	230000.00	345000.00
In other capacity:	0.00	0.00
	230,000.00	**345,000.00**

	Year ended	
	31 Mar 2017	31 Mar 2016
	₹ Rs	₹ Rs
24 Depreciation and amortization expense		
Depreciation of tangible assets	1,292,435.00	1,195,766.00
Amortization of intangible assets	0.00	0.00
	1,292,435.00	**1,195,766.00**
25 Net finance expense / (Income)		
Finance expense:		
Interest on term loans	28,259.50	47,432.69
Bank charges	44,851.23	509,882.78
	73,110.73	**557,315.47**
Less:		
Finance Income:		
Bank deposits	74,592.00	419,721.00
Interest on loan to associates		
Others	0.00	84,041.00
Interest received from customers		
	74,592.00	**503,762.00**
Net finance expense / (Income)	**(1,481.27)**	**53,553.47**
26 Tax expense		
Current tax	1,595,870.00	2,050,313.00
Tax of earlier years	0.00	0.00
Deferred tax charge/(credit)	(273,972.00)	(524,190.00)
	1,321,898.00	**1,526,123.00**
27 Earnings per share (EPS)		
Net profit after tax attributable to equity shareholders	2,419,071.96	4,008,471.14
Weighted average number of shares outstanding during the year (lakhs)	12,182,000	12,182,000
Add: Dilutive effect of stock options (Number in lakhs)	0	0
Weighted average number of shares used to compute diluted EPS (lakhs)	12,182,000	12,182,000
Earnings per share (₹) :		
Basic	0.20	0.33
Diluted	0.20	0.33
Nominal value - Rupees per equity share	5.00	5.00

Notes forming part of the financial statements

28.00 Additional information to the financial statements

Note	Particulars	As at 31 March, 2017	Amount in Rs. As at 31 March, 2016
28.01	**Contingent liabilities and commitments (to the extent not provided for)**		
	Contingent liabilities	Nil	Nil
	Commitments	Nil	Nil
28.02	**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**		
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year		
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
	(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		
	(iv) The amount of interest due and payable for the year		
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid		
	Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
28.03	**Value of imports calculated on CIF basis:**	Nil	Nil
28.04	**Expenditure in foreign currency:**	Nil	Nil
28.05	**Earnings in foreign exchange:**	Nil	Nil
28.06	**Related party transactions**		
	Details of related parties:		
	Description of relationship	**ımes of related parties**	
	Key Management Personnel (KMP)		
	Mr Gorav Chadha	Managing Director	
	Mr Pradeep Kumar Mallik	Whole Time Director	
	Shyam Sunder Mittra	Director	
	Chirag Salaria	Director	
	Kavita Chadha	Director	
	Aniruddh Singh	Director	
	Priyanka Behl	Company Secretary	
	Company in which KMP / Relatives of KMP can exercise significant influence	nil	
	Note: Related parties have been identified by the Management.		
28.07	**Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2015:**		
	Remuneration		
	Mr Gorve Chadha	225,000	300,000
	Mr Pradeep Kumar Mallik	385,000	385,000
	Balances outstanding at the end of the year		
	Key Management Personnel (KMP)		
	Mr Gorve Chadha	41,591	1,230,000
	Mr Pradeep Kumar Mallik	406,800	441,800
	Mrs. Kavita Chadha	55,874	1,330,000
	Company in which KMP / Relatives of KMP can exercise significant influence	-	-
28.08	**Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification /**		

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 Apartments, 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 named 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 22nd Annual General Meeting of the Company, to be held on Wednesday, 20th day of September, 2017 at 11.00 a.m. at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore – 560017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description of Resolutions	Assent	Dissent
ORDINARY BUSINESS			
1.	Adoption of Audited Statement of Profit and Loss Account for the year ended March 31, 2017 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.		
2.	Appointment of a Director in place of Mrs. Kavita Chadha, who retires by rotation and, being eligible, offers herself for re-appointment.		
3.	Appointment of Auditor		
SPECIAL BUSINESS			
4.	Appointment of Mr. Aniruddh Singh as an Independent Director of the Company		
5.	Appointment of Mr. Pradeep Kumar Malik as Director of the Company		
6.	Reclassification of Promoters		

Affix Revenue Stamp

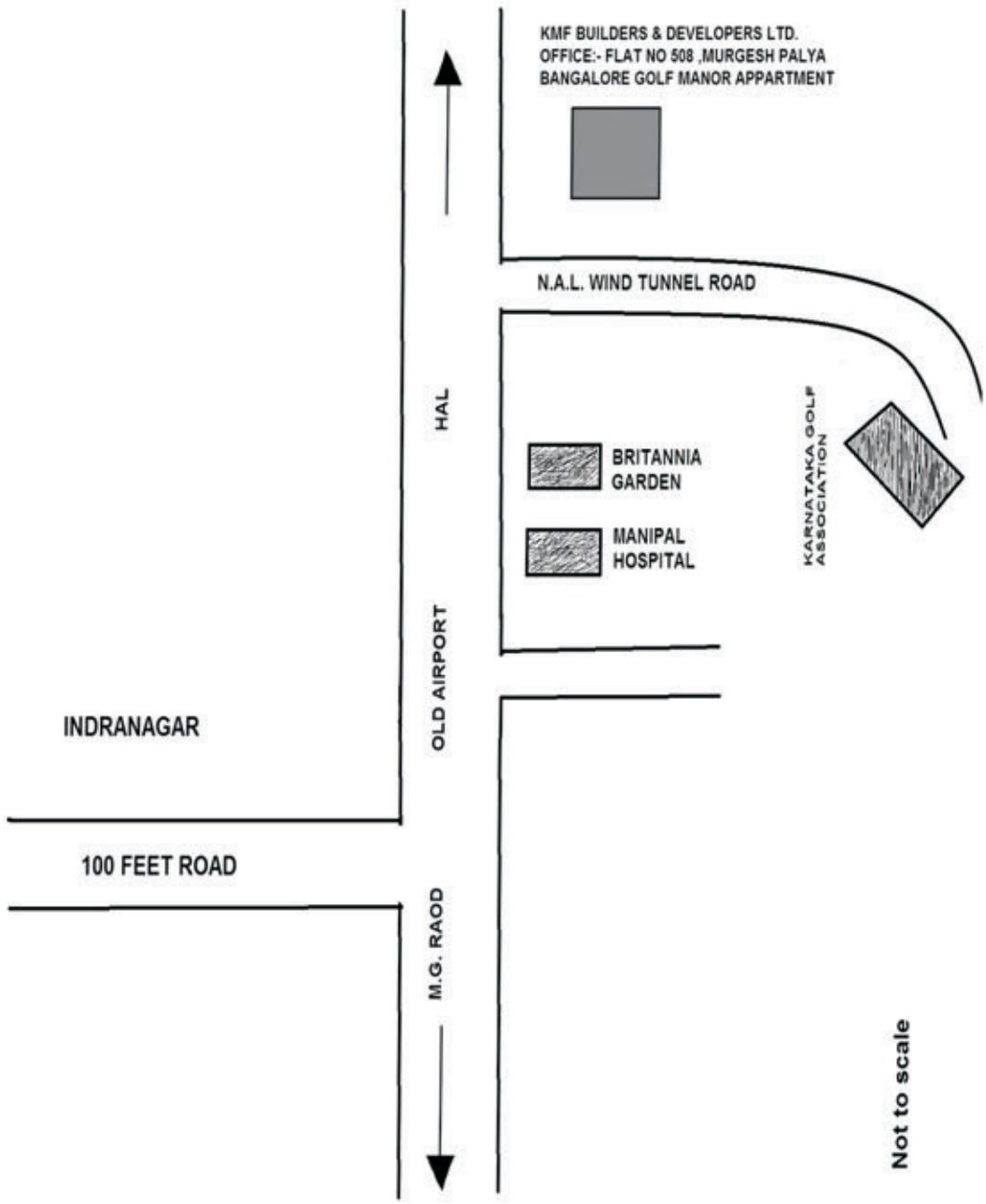
Signed this..... day of..... 2017

Signature of shareholder

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A 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.


KMF BUILDERS & DEVELOPERS LTD.
OFFICE:- FLAT NO 508 ,MURGESH PALYA
BANGALORE GOLF MANOR APPARTMENT
N.A.L. WIND TUNNEL ROAD
HAL
BRITANNIA GARDEN
MANIPAL HOSPITAL
KARNATAKA GOLF ASSOCIATION
OLD AIRPORT
INDRANAGAR
100 FEET ROAD
M.G. RAOD
Not to scale

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
4E/ 15 4th floor Ashoka Centre Jhandewalan
New Delhi-110055