

**24<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-2019**



**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 | - Chief Financial Officer      |
| 4. Mr. Shyam Sundar Mittra | - Director                     |
| 5. Mr. Chirag Salaria      | - Director                     |
| 6. Mr. Aniruddh Singh      | - Director                     |
| 7. Mrs. 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: - kmfbuilder95@gmail.com

## **CORPORATE OFFICE**

907 Vikram Tower Rajendera Place  
Delhi-110008

## **AUDITORS**

CS Nagendra & Co.  
Chartered Accountants  
Bangalore

## **Deepak Sadhu & Co**

Company Secretaries  
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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## KMF BUILDERS & DEVELOPERS LIMITED

### NOTICE OF 24TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty forth Annual General Meeting of the Members of KMF Builders and Developers Limited (CIN: L45203KA1995PLC017423) will be held at Hotel SAI Renaissance, Opp. State Bank of India SAI Colony (Whitefield Rly Stn.) Kadugudi, Bangalore 560067 Karnataka, on Monday the 23rd day of September 2019 at 09.00 A.M for the transaction of the following businesses:-

#### ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2019, the Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors.
2. To appoint a Director in place of Mrs. Kavita Chadha (DIN: 03304018) who retires by rotation and, being eligible, offers herself for re-appointment.

#### SPECIAL BUSINESS

3. To consider and, if thought fit, to pass the following resolution as a Ordinary Resolution:-  
"Resolved that, in accordance with the provisions of Sections 196, 197 and 203 of the Companies Act, 2013, or any amendment thereto or modification thereof, this Meeting hereby approves the re-appointment of Mr. Gorve Chadha (DIN: 06407884) as a Managing Director of the Company, not liable to retire by rotation, for a period of five years with effect from 23rd September, 2019, on such remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

Salary: Upto Rs. 12,00,000/- (Rupees Twelve Lakh Only) per annum with the authority granted to the Board of Directors (hereinafter referred to as "the Board" which term shall include a Committee of Directors) to determine the Salary, Allowances & Perquisites from time to time on the recommendation of the Nomination and Remuneration Committee within the limits of Rs. 12,00,000/- (Rupees Twelve Lakh Only).

B. Perquisites and Allowances: (i) Medical Re-imbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company.

(ii) Expenses in relation to use of Company car and telephone for official purpose.

(iii) Provision for driver/Allowance for driver's salary: As per rules of the Company. The total remuneration including Allowances & Perquisites shall not exceed the limits specified in Schedule V to the Act or the amount specified by the Central Government, as the case may be." C. Minimum Remuneration: Where in any financial year, the Company incurs a loss or its profits are inadequate, the Chairman and Managing Director shall be paid remuneration within the minimum remuneration specified in Schedule V of the Companies Act, 2013.

D. Other Terms: (i) He shall be entitled to reimbursement of entertainment expenses and other out of pocket expenses incurred in connection with the business of the Company. (ii) As long as he functions as a Managing Director, he shall not be paid any sitting fees to attend the meetings of the Board and /or Committees thereof. (iii) He shall be required to travel abroad for business promotion as and when required and all expenses incurred during such foreign travel will be governed by the Company's policy regarding foreign travel.

(iv). The Board of Directors in its absolute discretion to increase remuneration of appointee and review, alter or vary designation and other terms and conditions of appointment of the appointee, as mutually agreed with Mr. Gorve Chadha at the recommendation of Nomination and Remuneration Committee on annual basis or at such time when recommended by the Nomination and Remuneration Committee.

**"RESOLVED FURTHER THAT** Ms. Priyanka Behl, Company Secretary, be and are hereby severally authorized, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution."

4. To consider and, if thought fit, to pass the following resolution as a Ordinary Resolution:-  
RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, 142 if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with KMF Securities Ltd., a related party within the



## KMF BUILDERS & DEVELOPERS LIMITED

meaning of Section 2(76) of the Act and other applicable of the Listing Regulations, for giving loan for ordinary course of business, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ` Rs. 8 lacs for the financial year 2018-19, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED further that the Board of Directors be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

By order of the Board of Directors

Place: Delhi  
Dated: 14.08.2019

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

### NOTES:

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

Proxies, in order to be effective, must be received at the 508 Golf Manor NAL wind tunnel road Murgeshpalya Bangalore 560017, not less than forty-eight hours before the commencement of the AGM i.e. by 10.00 a.m. on 23rd September, 2019.

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

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

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

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

(v) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on 16th September 2019 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting at the AGM venue. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.

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

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



## KMF BUILDERS & DEVELOPERS LIMITED

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

Step 1: Login to NSDL e-voting website

- a) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/> and click on 'Shareholder-Login'.
- b) Insert your user ID & password on the login window and also insert the verification code as shown on the screen.

### UserID

For Members holding shares in demat account with NSDL.	8 character DP ID followed by 8 digit Client ID.  For example, if your DPID is IN300*** and ClientID is 12*****, then your user ID is IN300***12*****.
For Members holding shares in demat account with CDSL.	16 digit Beneficiary ID.  For example, if your Beneficiary ID is 12***** , then your user ID is 12*****.
For Members holding shares in certificate form.	Electronic Voting Event Number (EVEN) followed by your folio number registered with the Company.  For example, if the EVEN is 101456 and your folio number is 01/12***, then your user ID is 1014560112***.

### Password:

(I) If you are already registered with NSDL for remote e-voting, you should use your existing password for login.

(ii) If you are using NSDL e-voting system for the first time, you would need to use your 'initial password' for login, which has been communicated to you by the Company.

(iii) If you are unable to retrieve or have not received the 'initial password', or have forgotten your password: Click on '**Forgot User Details / Password?**', if holding shares in dematerialized form, or Click on '**Physical User Reset Password?**', if holding shares in certificate form.

You may also send an e-mail requesting for password at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), mentioning your name, PAN, registered address and your demat account number / folio number.

- a) Agree to the terms and conditions by clicking the box.
- b) Click on '**Login**'. Home page of remote e-voting opens.

If you are registered for NSDL e-services 'IDEAS', you can login at <https://www.eservices.nsdl.com/> with your existing IDEAS login and click on e-voting to proceed to Step 2 to cast your vote.

### Step 2: Cast your vote on NSDL e-voting website

- a) Click on 'e-voting: **Active Evoting Cycles**' and select the EVEN of KMF BUILDERS AND DEVELOPERS Limited.
- b) Now you are ready for remote e-voting as '**Cast Vote**' page opens.
- c) Cast your vote by selecting appropriate option and click on '**Submit**'. Thereafter click on '**Confirm**' when prompted; upon confirmation, your vote is cast and you will not be allowed to change your vote.
- d) Thereafter the message '**Vote cast successfully**' will be displayed.



## KMF BUILDERS & DEVELOPERS LIMITED

### Other Instructions

a) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / appropriate authorization to the Scrutinizer through e-mail at **deepak@deepaksadhu.com** with a copy marked to NSDL's e-mail ID [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

b) Those who become Members of the Company after dispatch of the Notice but on or before 16th September, 2019 (cut-off date) may write to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company at [kmfbuilder95@gmail.com](mailto:kmfbuilder95@gmail.com) requesting for user ID and password. On receipt of user ID and password, the steps stated above under 'Step 2: Cast your vote on NSDL e-voting website' should be followed for casting of vote.

c) In case of any query / grievance, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact:

(i) Ms. Pallavi Mhatre Manager, Senior Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at telephone nos.1800-222-990 (toll free) 011-23353815/817 or at e-mail ID [pallavim@nsdl.co.in](mailto:pallavim@nsdl.co.in);

d) Ms. Priyanka Behl Company Secretary at telephone number 01145636075 or at e-mail ID [Priyanka@kmfbuilder.com](mailto:Priyanka@kmfbuilder.com)

You may also send your queries to the e-mail ID [Priyanka@kmfbuilder.com](mailto:Priyanka@kmfbuilder.com)

Remote e-voting will commence at 9.00 a.m. on 20th September, 2019 and will end at 5.00 p.m. on 22nd September, 2019, when remote e-voting will be blocked by NSDL.

### General Information

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

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

### EXPLANATORY STATEMENT

Annexed to the Notice convening the Twenty Forth Annual General Meeting to be held on Monday, 23rd September, 2019.

As you are aware, provisions of schedule V has become applicable to all companies, wherein for drawing remuneration of more than prescribed limits under section 197 of the Companies Act, 2013, conditions of schedule V is to be complied with.

The Board at the meeting held on 14th August 2019, on the recommendation of the Committee, also recommended for the approval of the Members, the re-appointment of Mr. Gorge Chadha as a Managing Director of the Company, as set out in the Resolution relating to his re-appointment, on the following remuneration:-

(i) Basic / Consolidated Salary – Rs. 1, 00,000/- per month.



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(ii) Performance Bonus – Not exceeding 300% of Basic / Consolidated Salary, payable annually for each financial year, as may be determined by the Board.

(iii) Perquisites – In addition to the aforesaid Basic / Consolidated Salary and Performance Bonus, Mr. Gorve Chadha shall be entitled to perquisites like gas, electricity, water, furnishings, leave travel concession for self and family, club fees, personal accident insurance, Marketing of the Company's products and services etc. in accordance with the rules of the Company, the monetary value of such perquisites being limited to ` 15,00,000/- per annum, for the purposes of which limit perquisites shall be valued as per the provisions of the Income-tax Act and the Rules thereunder, wherever applicable, and in absence of any such provision, perquisites shall be valued at actual cost.

### RE-IMBURSEMENT OF EXPENSES, COSTS ETC:

Mr. Gorve Chadha shall be entitled to be paid / reimbursed all costs, charges and expenses as may be incurred by them for the purpose of or on behalf of the Company.

Additional information in respect of Mr. Gorve Chadha, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the sections 'Your Directors' and 'Report on Corporate Governance'

None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions.

### Other Terms:

(i) He shall be entitled to reimbursement of entertainment expenses and other out of pocket expenses incurred in connection with the business of the Company.

(ii) As long as he functions as a Whole Time Director, he shall not be paid any sitting fees to attend the meetings of the Board and /or Committees thereof.

### General information

Information								
1.	Nature of industry	We are in the business of construction and real estate business. Several residential projects have been successfully undertaken in Delhi, Kalyan, near Mumbai, Kolkata, Himachal Pradesh, and Bangalore.						
2.	Date or expected date of commencement of commercial production	Since Company was incorporated in 1995 and duly commenced its business long ago.						
3.	In case of new companies,date of commencement of activities as per project approved by financial institutions	Not applicable						
4.	Financial performance based on given indicators	<div>As on 31st March, 2019:</div> <table> <tr> <td>Total Revenue</td> <td>Rs. 40083082</td> </tr> <tr> <td>Profit before Tax</td> <td>Rs.3839164</td> </tr> <tr> <td>Profit after Tax</td> <td>Rs. 2963201</td> </tr> </table>	Total Revenue	Rs. 40083082	Profit before Tax	Rs.3839164	Profit after Tax	Rs. 2963201
Total Revenue	Rs. 40083082							
Profit before Tax	Rs.3839164							
Profit after Tax	Rs. 2963201							
5	Foreign investment or collaboration, if any	Not applicable						





## KMF BUILDERS & DEVELOPERS LIMITED

### Information about the appointee

1.	Background details	Mr. Gorge Chadha has Graduate in Business Economics from GDGWI University. His father was the founder promoter of our Company.
2.	Past remuneration	For the period 2018-19 :- Aggregate value of salary: Rs. 7,50,000/-
3.	Job profile and his suitability	Mr. Gorge Chadha is the Chairman and Managing Director of the Company aving overall experience of 08 years. He has been instrumental in strategic planning and business development of our Company. He is responsible for the overall management and supervision of the business of our Company.
4.	Remuneration proposed	A. Salary : Upto Rs. 12,00,000/- (Rupees Twelve Lacs Only) per annum. B. Perquisites and Allowances: (i) Medical Re-imbursement/allowance: Re-imbursement of actual expenses for self and family as per rules of the Company. (ii) Expenses in relation to use of Company car and telephone for official purpose. Provision for driver/Allowance for driver's salary: As per rules of the Company.
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and in person	The proposed remuneration is commensurate with size and nature of the business of the company and big responsibility Mr. Gorge Chadha is carrying. The remunerations do differ from company to company in the industry depending on their respective operations.

### Other information

1.	Reasons of loss or inadequate profits	Since past few years retail industry is going through rough phase. However the Company is growing slowly and gradually but the profits are still not adequate.
2.	Steps taken or proposed to be taken improvement	Focus has been placed on promotion and marketing of products for so as to increase the sales turnover of the company and efforts are being made to reduce overheads and fixed costs as compared to variable costs and this will result into increase in profits of the company.

He will not be liable to retire by rotation during his term of office as Chairman and Managing Director

The members are requested to approve the resolution.

The Board recommends these Resolutions for your approval.

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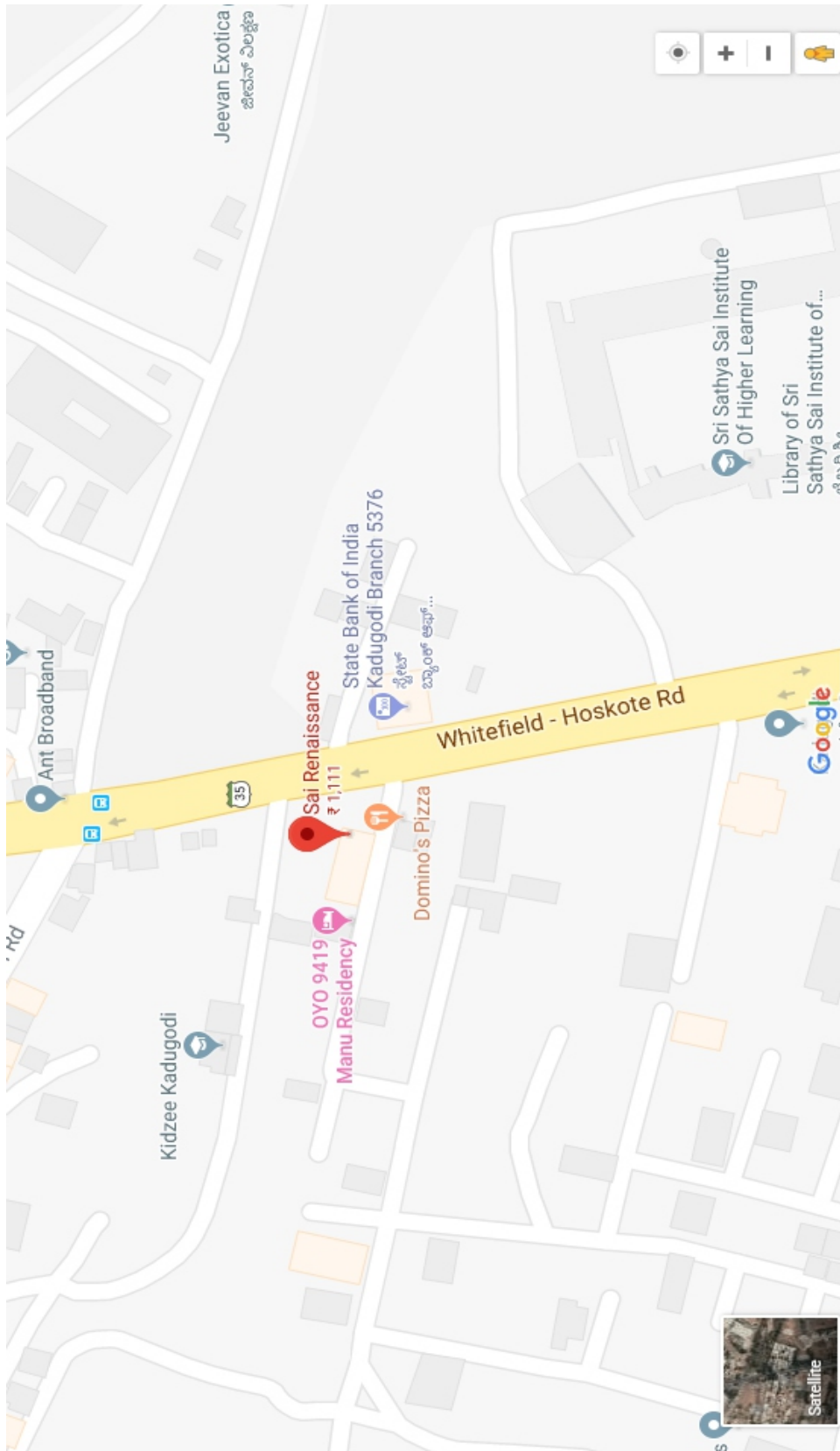
## KMF BUILDERS & DEVELOPERS LIMITED

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting scheduled to be held on September 23, 2019 (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 31.03.2019	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 as 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 and KMT Properties Pvt Ltd.	-	10,80,400	Promoter of the Company, Mother of Mr. Gorge Chadha, Managing Director

By order of the Board of Directors  
Place: Delhi  
Dated: 14.08.2019

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





# KMF BUILDERS & DEVELOPERS LIMITED

## BOARD'S REPORT

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

Your Directors, with great pleasure present the 24th Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2019

### 1. FINANCIAL RESULTS

PARTICULARS	(Fig in Rs.) 2018-19	(Fig in Rs.) 2017-18
Income	40,083,082	16,455,266
Expenses	36,243,918	15,170,971
Profit (before tax)	38,39,164	12,84,295
Tax Expense	8,75,963	(2,84,099)
Profit /(Loss ) for the period	29,63,201	15,68,394
Other Comprehensive income	(1,01,811)	-
<b>Total Period for the year</b>	<b>28,61,390</b>	<b>15,68,394</b>

### 2. FUTURE OUTLOOK

The sector witnessed a visible temporary slowdown since the announcement of the government demonetization policy and other act. Real estate development is on high and it is attracting the focus of the industry towards construction. Our running project is “Purab Manor” at Bangalore. Yours Directors are quite hopeful for the success of the project as well and will earn excellent earning out of it.

### 3. DIVIDEND

Your Directors do not recommend any dividend for the Financial Year 2018-2019.

### 4. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the Financial Year 2018-2019.

### 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 und there 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 2018-2019.

### 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 2018-2019.

### 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

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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, 2018, 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 2017-18, 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
- iv. Confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- v. They have prepared the annual accounts on a going concern basis;
- vi. 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
- vii. 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

Under Section 139 of the Companies Act, 2013 and the rules made thereunder it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, M/s C S Nagendra & Co. Firm of Chartered Accountants (FRN 009486S) was appointed 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 23rd Annual General Meeting of the Company till the conclusion of the 27th Annual General Meeting to be held in 2023 The requirement for the annual ratification of auditors appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

#### SECRETARIAL AUDITOR

As required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board appointed Mr. Deepak Sadhu, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report of the Company for the Financial Year 2018-2019 is annexed to this Report.

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## KMF BUILDERS & DEVELOPERS LIMITED

### **INTERNAL AUDITOR**

The Company has appointed Ms. Jaya Monga as Internal Auditor of the Company for the Financial Year 2018-2019.

### **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. ANNUAL RETURN**

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

### **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 KMP'S APPOINTMENT OR RESIGNATION DURING THE YEAR**

There is no change during the year. The Board approves the re-appointment of Mr. Gorve Chadha (DIN: 06407884) as a Managing Director of the Company

### **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.

### **23. 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. 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.

\*Mr. Shyam Sunder Mittra give resign from the post of Director w.e.f 14th August, 2019

## 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. Gorge 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



## KMF BUILDERS & DEVELOPERS LIMITED

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. 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.

### **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 23 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013**

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





## KMF BUILDERS & DEVELOPERS LIMITED

### 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	7,50,000	3,00,000	2.5:1
2.	Pradeep Kumar Malik	CFO	4,20,000	3,00,000	1.4:1

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

(c) **the percentage increase in the median remuneration of employees in the financial year** - There was average 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, 2019

(e) **the explanation on the relationship between average increase in remuneration and company performance;** - There is no increase in the remuneration of employees in the last financial year.

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

Particulars	Amount (Rs.)
Remuneration of Key Managerial Personnel (KMP) during financial year 2018-2019 (aggregated)	14,78,000
Revenue from operations	40,083,082
Remuneration (as % of revenue)	3.68%
Profit before tax (PBT)	3,839,164
Remuneration (as % of PBT)	38.5%

(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;** -



## KMF BUILDERS & DEVELOPERS LIMITED

Particulars	Unit	As at 31st Mar 19	As at 31st Mar 18	Variation
Closing rate of share at BSE	Rs.	1.72	2.80	(38.5%)
EPS (Consolidated)	Rs.	0.23	0.13	0.76
Market Capitalization	Rs.	20,953,040	3,41,09,600	(61.4%)

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

There is no average increase in salaries of employees in 2018-2019. There is no 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	7,50,000	4,20,000	3,08,000
Revenue	40,083,082	40,083,082	40,083,082
Remuneration (as % of revenue)	1.87	1.04	0.76
Profits before tax (PBT)	38,39,164	38,39,164	38,39,164
Remuneration (as % of PBT)	19.5	10.9	8.02

**(j) The key parameters for any variable component of remuneration availed by the directors;**

There is no variable component in the remuneration availed by the Directors.

**(k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

Managing Director is the highest paid Director. No employee received remuneration higher than the Managing Director.

**(l) Affirmation that the remuneration is as per the remuneration policy of the Company**

It is hereby affirmed that the remuneration paid during the Financial Year ended 31st March, 2019 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 2018-19

### 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.



## KMF BUILDERS & DEVELOPERS LIMITED

### 42. APPRECIATION

Yours Directors wish to extend their appreciation to business associates for their support and contribution during the year. Yours Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

By order of the Board of Directors

Place: Delhi  
Dated: 14.08.2018

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

### ANNEXURE- 1

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

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

##### A. CONSERVATION OF ENERGY

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

##### B. TECHNOLOGY ABSORPTION

No such activity has taken place during the year under review.

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

Total foreign exchange earnings  
Total foreign exchange outgo

**Fig in Rs.**

---NIL---

---NIL---

##### D. ENVIRONMENT

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

### ANNEXURE- 2 EXTRACT OF ANNUAL RETURN



## KMF BUILDERS & DEVELOPERS LIMITED

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**Fig in Rs.**

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### ANNEXURE- 2 EXTRACT OF ANNUAL RETURN



# KMF BUILDERS & DEVELOPERS LIMITED

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 31.03.2019

### I. REGISTRATION & OTHER DETAILS:

1.	CIN	L45203KA1995PLC017422
2.	Registration Date	21.03.1995
3.	Name of the Company	<b>KMF BUILDERS AND DEVELOPERS LIMITED</b>
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, MURGESH PALYA, 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	98.82%

### 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 [01.04.2018]				No. of Shares held at the end of the year [31.03.2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	4082700	0	4082700	33.514	4082700	0	4082700	33.514	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	11,84,000	0	11,84,000	9.719	1793100	0	1793100	14.7	5
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A)(1)</b>	<b>52,66,700</b>	<b>0</b>	<b>52,66,700</b>	<b>43.233</b>	<b>5875800</b>	<b>0</b>	<b>5875800</b>	<b>48.23</b>	<b>5</b>
(2) <b>Foreign</b>									
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



## KMF BUILDERS & DEVELOPERS LIMITED

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
<b>Sub-Total (A)(2)</b>					0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>52,66,700</b>	<b>0</b>	<b>52,66,700</b>	<b>43.233</b>	<b>5875800</b>	<b>0</b>	<b>5875800</b>	<b>48.23</b>	<b>5</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2578833	343800	2922633	23.991	1958757	343800	2302557	18.90	(5.09)
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	898210	642600	1540810	12.648	884119	642600	1526719	12.53	(0.12)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1897457	554400	2451857	20.127	1922524	554400	2476924	20.33	0.21
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
<b>Sub-total (B)(2):-</b>	<b>53,47,500</b>	<b>15,67,800</b>	<b>69,15,300</b>	<b>56.77</b>	<b>47,65,400</b>	<b>15,40,800</b>	<b>6306200</b>	<b>51.77</b>	<b>(5.0)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>53,47,500</b>	<b>15,67,800</b>	<b>69,15,300</b>	<b>56.77</b>	<b>47,65,400</b>	<b>15,40,800</b>	<b>6306200</b>	<b>51.77</b>	<b>(5.0)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>1,06,14,200</b>	<b>15,67,800</b>	<b>1,21,82,000</b>	<b>100</b>	<b>10,641,200</b>	<b>15,40,800</b>	<b>1,21,82,000</b>	<b>100</b>	<b>0</b>



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## 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. Gorge Chadha	1159000	9.719	0	1159000	9.719	0	0
2	Ms. Manisha Chadha	992100	8.14	0	992100	8.14	0	0
3	Mr. Pradeep Kumar Malik	4,20,200	3.449	0	4,20,200	3.449	0	0
4	Mrs. Satyawati Chadha	4,31,000	3.54	0	4,31,000	3.54	0	0
5	Mrs. Kavita Chadha	10,80,400	8.87	0	10,80,400	8.87	0	0
6	M/s. KMF Securities Ltd.	1184000	9.72	0	1793100	14.7	0	5

## 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 01.04.2018		Shareholding at the end of the year as on 31.03.2019		% change in shareholding during the year	Reason for Change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1.	Mr. Gorge Chadha	1159000	9.719	1159000	9.719	0	No change
2.	Ms. Manisha Chadha	992100	8.14	992100	8.14	0	No change
3.	Mr. Pradeep Kumar Malik	4,20,200	3.449	4,20,200	3.449	0	No change
4.	Mrs. Satyawati Chadha	4,31,000	3.54	4,31,000	3.54	0	No change
5.	Mrs. Kavita Chadha	10,80,400	8.87	10,80,400	8.87	0	No change
8.	M/s. KMF Securities Ltd.	1184000	9.72	1793100	14.7	5	Transfer* (buy from mkt)

## 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 01.04.2018		Change in Shareholding during the year		Shareholding at the end of the year as on 31.03.2019	
		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	(824850)	(6.77)	0	0
2.	Mr. Mohit Sansanwal	460002	3.77	0	0	460002	3.77
3	Kmt properties private limited	931259	7.64	0	0	931259	7.64
4.	M/s Surender /kumar HUF	622368	5.11	+215750	1.77	838118	6.88
5.	Mr. Hitesh Ramji Javeri	3,80,000	3.12	-	-	3,80,000	3.12
6.	M/S Anagram Securities Limited	3,39,000	2.78	-	-	3,39,000	2.78
7.	Mr.Rasiklal Kasalchnad Shah	138800	1.13	-	-	138800	1.13
8.	Mrs.Kamlesh Balchand Shah	139400	1.15	-	-	139400	1.15
9.	Mr.Sushant Gupta	175982	1.44	-	-	175982	1.44
10.	Mrs. Harsha Hitesh Javeri	2,24,000	1.84	-	-	2,24,000	1.84





## KMF BUILDERS & DEVELOPERS LIMITED

### 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 (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the company			No. of shares	% of total shares of the company	
Mr. Gorve Chadha	1159000	9.5	01.04.2018	-			Nil movement during the year
					1159000	9.5	
	1159000	9.5	31.03.2019				
Mrs. Kavita Chadha	10,80,400	8.87	01.04.2018	-			Nil movement during the year
					10,80,400	8.87	
	10,80,400	8.87	31.03.2019				
Mr. Pradeep Kumar Malik	4,20,200	3.45	01.04.2018				Nil movement during the year
				-			
	4,20,200	3.45	31.03.2019		4,20,200	3.45	
Mr. Chirag Salaria	0	0	01.04.2018				Nil movement during the year
				-			
	0	0	31.03.2019		0	0	
Mr. Aniruddh Singh	0	0	01.04.2018				Nil movement during the year
				-			
	0	0	31.03.2019		0	0	
Mr. Shyam Sunder Mittra	0	0	01.04.2018				Nil movement during the year
				-			
	0	0	31.03.2019		0	0	
Ms. Priyanka Behl	0	0	01.04.2018				Nil movement during the year
				-			
	0	0	31.03.2019		0	0	
	0	0	01.04.2018				

### 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/WTM/ Manager		Total Amount (Rs.)
		Mr. Gorve Chadha	Mr. Pradeep Kumar Malik	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,50,000	4,20,000	11,70,000/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-
2	Stock Option		-	-
3	Sweat Equity		-	-
4	Commission		-	-
	- as % of profit		-	-
	Others, specify...		-	-
5	Others, please specify		-	-
	Total (A)	7,50,000	4,20,000	11,70,000/-
	Ceiling as per the Act	-	-	-



# KMF BUILDERS & DEVELOPERS LIMITED

## 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	3,08,000	3,08,000
	(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	3,08,000	3,08,000

## 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



# KMF BUILDERS & DEVELOPERS LIMITED

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: **31.03.2019**

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, 2019 (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

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## KMF BUILDERS & DEVELOPERS LIMITED

- Applicable to the Company during the Audit Period); and
- g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. SEBI (Listing Obligations and Disclosure Requirements) 2015 for the year ended 31st March 2019 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**

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

Date: 14th Aug 2019



# KMF BUILDERS & DEVELOPERS LIMITED

## **CORPORATE GOVERNANCE REPORT**

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

### **Company's philosophy on Corporate Governance**

Corporate Governance encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions in the widest sense. Good governance practices stem from the dynamic culture and positive mindset of the organization. We consider stakeholders as partners in our journey forward and we are committed to ensure their wellbeing, despite business challenges and economic volatilities.

#### **1. 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.

#### **2. 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.

#### **3. 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.

#### **4. Familiarization Program of Independent Director**

The Independent directors of KMF are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings. The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by Senior Management on business and performance updates of the Company, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

#### **5. 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



## KMF BUILDERS & DEVELOPERS LIMITED

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](http://www.kmfbuilders.com).

### 6. 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.

### 7. 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.

### 8. 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 218-19.

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. Gorge Chadha, Chairman & Managing Director, Mrs. Kavita Chadha as Executive Director, Mr. Pradeep Kumar Malik as CFO and Mr. Chirag Salaria, Mr. Aniruddh Singh and Mr. Shyam Sunder Mittra as Non-Executive Independent Directors. & Ms. Priyanka Behl appoint as Company secretary.

During the year 2018-2019, 6 (Seven ) meetings of the Board of Directors were held on 30th May 2018, 20th July, 2018, 14th August 2018, 14th November 2018, 16th January 2019, 11th February 2019, and 31st March, 2019. The maximum time gap between any two consecutive meetings did not exceed 120 days.



## KMF BUILDERS & DEVELOPERS LIMITED

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, 2019 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 24th September, 2018, with particulars of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31st March, 2019 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	7	Yes	-	-	-
Ms. Kavita Chadha DIN 03304018	Non-Independent Executive & Promoter Director	7	No	1	-	-
Mr. Pradeep Kumar Malik DIN 00755555	CFO & Promoter	7	Yes	-	-	-
Mr. Shyam Sunder Mittra DIN 01174462	Independent Director Non Executive Director	7	Yes	-	-	-
Mr. Chirag Salaria DIN 07504249	Independent Non Executive Director	7	No	-	-	-
Mr. Aniruddh Singh DIN:02961295	Independent Non Executive Director	7	No	-	-	-

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.kmfbuilders.com](http://www.kmfbuilders.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, 2019. The Annual Report of the Company contains a Certificate by the Managing Director in terms of Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.





## I. Board Committees

### Audit Committee

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

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

- (i) The Audit Committee presently consists of the three Directors, out of which two are Independent Non-Executive Directors;
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise;
- (iii) The Chairman of the Audit Committee is an Independent Director;
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 24th September, 2018.

#### (B) Terms of reference

- ◆ The roles and responsibilities of the Audit Committee include inter-alia:
- ◆ Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ◆ Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- ◆ Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- ◆ Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
- ◆ Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
- ◆ Changes, if any, in accounting policies and practices and reasons for the same
- ◆ Major accounting entries involving estimates based on the exercise of judgment by management
- ◆ Significant adjustments made in the financial statements arising out of audit findings
- ◆ Compliance with listing and other legal requirements relating to financial statements
- ◆ Disclosure of any related party transactions
- ◆ Qualifications in the draft audit report
- ◆ Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- ◆ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- ◆ Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- ◆ Approval or any subsequent modification of transactions of the company with related parties;
- ◆ Scrutiny of inter-corporate loans and investments;
- ◆ Valuation of undertakings or assets of the company, wherever it is necessary;
- ◆ Evaluation of internal financial controls and risk management systems;
- ◆ Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- ◆ Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- ◆ Discussion with internal auditors of any significant findings and follow up there on;
- ◆ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- ◆ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;



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- ◆ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- ◆ To review the functioning of the Whistle Blower mechanism;
- ◆ Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- ◆ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ◆ The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:
  - ◆ Management discussion and analysis of financial condition and results of operations;
  - ◆ Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - ◆ Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - ◆ Internal audit reports relating to internal control weaknesses; and
  - ◆ The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- ◆ The powers of the Audit Committee includes:
  - ◆ To investigate any activity within its terms of reference.
  - ◆ To seek information from any employee.
  - ◆ To obtain outside legal or other professional advice.
  - ◆ To secure attendance of outsiders with relevant expertise, if it considers necessary.

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

Mr. Chirag Salaria elect as Chairman. He with Mr. Shyam Sunder Mittra, 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 2018, 14th August 2018, 14th November, 2018 16th January and 11th February 2019.

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 2018-19	Meetings attended
Mr. Chirag Salaria	Independent Director	5	5
Mr. Shyam Sunder	Independent Director	5	3
Mr. Aniruddh Singh	Independent Director	5	5
Mr. Pradeep Kumar Malik	Executive Director	5	4

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. Aniruddh Singh elect as Chairman. He with Mr. Chirag Salaria, Mr. Shyam Sunder Mittra 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;



## KMF BUILDERS & DEVELOPERS LIMITED

- ◆ 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, one meeting of Nomination and Remuneration Committee were held on 31st March, 2018. 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 FY2018-19	Meetings attended
Mr. Aniruddh Singh	Independent Director	2	2
Mr. Chirag Salaria	Independent Director	2	2
Mr. Shyam Sunder	Independent Director	2	1
Mrs. Kavita Chadha	Executive Director	2	2

### (D) Remuneration policy

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

### (E) Remuneration to Managing Director

Mr. Gorve Chadha is the Managing Director ("MD") of the Company. The salary, benefits and perquisites paid to Mr. Gorve Chadha, MD during the year 2018-19 was Rs. 7,50,000/- p.a.

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

Mr. Chirag Salaria, Mr. Shyam Sunder and Mr. Aniruddh Singh 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. Aniruddh Singh elect as Chairman, Mr. Chirag Salaria, Mr. Shyam Sunder Mittra and Mr. Pradeep Kumar Malik as members of the Committee.

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

During the year, one meeting of the Stakeholders Relationship Committee was held on 31st March, 2019.

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



## KMF BUILDERS & DEVELOPERS LIMITED

Name of Member	Category	Meetings held during FY 201819	Meetings attended
Mr. Chirag Salaria	Independent Director	1	1
Mr. Aniruddh Singh	Independent Director	1	1
Mr. Shyam Sunder Mittra	Independent Director	1	0
Mr. Pradeep Kumar Malik	Executive Director	1	1

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

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

Tel: 011-45636075

E-mail: Priyanka@kmfbuilder.com

### (C) Complaints received and redressed during the year 2018-2019

There was no complaint received during the year 2018-2019. Pursuant to regulation 40(9) of SEBI (Listing and Obligations Requirement) Regulation 2019, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchange within stipulated time.

#### I. Independent Directors Meeting

Independent Directors are regularly updated on performance of each line of business of the Company, strategy going forward and new initiatives being taken/proposed to be taken by the Company. The Independent Directors Mr. Shyam Sunder Mittra, Mr. Chirag Salaria and Mr. Aniruddh Singh met on 31.03.2019 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

#### II. Subsidiary Company

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

### VII. Disclosures

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

♦ The statements containing the transactions with related parties were submitted periodically to the Audit Committee.

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

♦ There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

As required under regulation 23 of Listing Regulations, the Company has adopted a policy on Related Party Transactions. The abridged policy on Related Party Transactions is available on the Company's website.

#### (B) Disclosure of Accounting Treatment

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

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

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its



## KMF BUILDERS & DEVELOPERS LIMITED

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](http://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 Depository 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
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
2016-17	20.09.2017	508, Golf Manor, NAL Wind, Tunnel Road, Murgeshpalya, Bangalore-560017	11.00am	Yes Reclassification of category from promoter to non promoters
2017-18	24.09.2018	Hotel SAI Renaissance Opp. SBI SAI Colony kadugudi Bangalore 560067	09.00am	Yes Revision in the remuneration of Mr. Gorge Chadha as Managing Director

### Means of Communication

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



# KMF BUILDERS & DEVELOPERS LIMITED

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 Vishwani (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** : 23rd September, 2019 at 09:00AM.  
(ii) **Financial Year** : 1st April to 31st March  
(iii) **Date of Book Closure** : 15th September, 2018 to 19th September, 2019 (both days inclusive)  
(iv) **Dividend** : Nil  
(v) **Listing**

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

BSE Limited

#### (vi) Stock Code

BSE Limited-53178

The ISIN of the Company for its shares: INE580H01026

Listing Fees for Bombay Stock Exchange Limited for 2019-20 has been paid.

#### (vii) Market price information

a. The reported high and low closing prices during the year ended 31 March, 2019 on the BSE, where your Company's shares are frequently traded are given below:





## KMF BUILDERS & DEVELOPERS LIMITED

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:

	1 <sup>st</sup> April 2018	31 <sup>st</sup> March 2019	% Change
Company Share Price (closing)	2.42	1.72	(29.16)
SENSEX (closing)	32968.68	36636.81	(11.12%)

### (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, 2019

#### (a) Distribution of shareholding as on 31 March, 2019

No. of Equity shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of holding
1-100	171	19.588	4613	0.038
101- 500	245	28.064	66730	0.548
501-1000	157	17.984	132482	1.088
1001-5000	201	23.024	519191	4.262
5001-10000	37	4.238	272578	2.238
10001-20000	18	2.062	255044	2.094
20001-30000	9	1.031	221457	1.818
30001-40000	6	0.687	212598	1.745
40001-50000	4	0.458	177655	1.458
50001-100000	7	0.802	479440	3.936
100001-500000	12	1.375	3046235	25.006
500001-above	6	0.687	6793977	55.771
<b>TOTAL</b>	<b>873</b>	<b>100</b>	<b>12182000</b>	<b>100</b>

### (x) Shareholding pattern as on 31st March, 2019

Category	No. of Shares held	% of issued share capital
Promoter	58,75800	48.23
Mutual Funds & UTI	0	0
Financial institutions/Insurance Companies	0	0
FIs	0	0
NRIs/Foreign Nationals	0	0
Corporate Bodies	23,02,557	18.90
Indian Public & Others	40,03,643	32.87
Total	1,21,82,000	100





## KMF BUILDERS & DEVELOPERS LIMITED

### (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, 2019

Category	Name	No. of Shares held	% of issued share capital
CORPORATE / BODY CORPORATE	KMT Properties Private Limited	9,31,259	7.64
INDIVIDUAL	Surender Kumar HUF	8,38,118	6.88
CORPORATE / BODY CORPORATE	Anagram Securities Limited	3,39,000	2.78
INDIVIDUAL	Mr. Hitesh Ramji Javeri	3,80,000	3.12
INDIVIDUAL	Mohit Sansanwal	4,60,000	1.48
INDIVIDUAL	Mrs. Harsha Hitesh Javeri	2,24,000	1.84
INDIVIDUAL	Kamlesh Balchand Shah	1,39,400	1.14
INDIVIDUAL	Rasiklal Kaslchand Shah	1,38,800	1.13
INDIVIDUAL	Sushant Gupta	1,75,982	1.45

### (xiii) Dematerialisation of shares and liquidity

As on 31st March, 2019, a total of 1,06,41,200 equity shares have been dematerialized by approx. 87.35% of the total share Capital. The Company's shares can be traded only in dematerialized form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialize their shares with either of the depositories. Equity shares are actively traded in BSE.

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

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

### (xv) Plant locations

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

### (xvi) Address for correspondence

**Ms. Priyanka Behl**

The Company Secretary

KMF Builders & Developers Limited

907 Vikram Tower Rajendera Place

Tel.:011-45636075

Fax:41537810

Email:kmfbuilder95@gmail.com

### Reconciliation of Share Capital

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

### X. Details of mandatory requirement of Listing Regulations

Particulars	Regulation No	Complied Status
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Complied with
Board composition	17(1)	Complied with
Meeting of Board of directors	17(2)	Complied with
Review of Compliance Report	17(3)	Complied with
Plans for orderly succession for appointments	17(4)	Complied with
Code of Conduct	17(5)	Complied with



## KMF BUILDERS & DEVELOPERS LIMITED

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 related party transactions	23(2), (3)	Complied (if any )
Approval for material related party transactions	23(4)	Complied (if any )
Maximum Directorship & Tenure	25(1) & (2)	Complied with
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5) & (6)	NA

### Auditor's Certificate on Corporate Governance

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

We have examined the compliance of conditions of Corporate Governance by KMF Builders and Developers Limited (hereinafter referred as "Company") for the Financial year ended March 31, 2019 as prescribed under Regulations 15 under chapter IV (Obligations of Listed Entity which has listed its specified securities ) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 . Non Applicability of regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company. This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

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

Place : Bangalore  
Dated : 14.08.2019

CACS Nagendra  
Proprietor  
ICAI Reg. No. 027390



# KMF BUILDERS & DEVELOPERS LIMITED

## 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](http://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, 2019.

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 2018-19

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 2018-2019 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;

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## KMF BUILDERS & DEVELOPERS LIMITED

- 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.**

Place: Delhi  
Date: 14.08.2019

**Pradeep Kumar Malik**  
CFO

SD/-  
**Gorve Chadha**  
Managing Director

### **REPORT ON CORPORATE GOVERNANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
KMF Builders and Developers Limited  
508 Golf Manor NAL Wind Tunnel Road  
Murgeshpalya Bangalore 560017

We have examined the compliance of conditions of Corporate Governance by KMF Builders and Developers Limited (hereinafter referred as "Company") for the Financial year ended March 31, 2019 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company. This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For C S Nagendra & Co  
Chartered Accountants

C A C S Nagendra  
ICAI Reg No. 023790  
Firm Regn No. 009486S

Place: Bangalore  
Date: 14.08.2019



# KMF BUILDERS & DEVELOPERS LIMITED

## Management Discussion and Analysis For the Financial Year Ended 31st March, 2019

In 2018, Bangalore's residential real-estate market transcended challenges associated with the implementation of the Karnataka Real Estate Regulation and Development Act, 2017 and Goods and Services Tax (GST).

**Budget 2019** – Takeaways Central Budget announcements indicate the government's changing stand towards investment demand in real estate. Steps taken to increase flexibility on deployment of capital gains from property, increasing the tax exemption period for unsold inventory and exemption from notional rent tax on second property are focused towards improving real estate investment demand. For affordable housing, the government has extended the time limit for availing tax deduction by one year.

**GST rate changes** In March 2019, GST council approved lower GST rates for real estate developers subject to certain terms and conditions. Developers will be allowed an option to opt for 12% GST (with input tax credit) or 5% effective GST rate (without ITC)/1% (affordable housing projects). Builders opting for 5% GST rate will have to reverse input credits as per prescribed formulas.

### **Industry structure and development**

The real estate sector is quite promising with various advantages like Construction of the multi building projects on the feasible location in the country, good structured national network facilities the boom of construction industry. Real estate development is on high and it is attracting the focus of the industry towards construction. Your Company is to creating business premises, residences, buildings that are known for their quality, distinct in design and elegantly crafted. We are focused in our quest to provide our customers, first and foremost, an elegant and beautiful surrounding. We are committed to delivering the expected quality at the promised time.

**our company has successfully implemented various projects including KMF Gardens at Kalyan, Golf Manor at Bangalore.**

### **Opportunities & Threats**

**Regulatory Hurdles** Unfavorable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Real-estate is an interest sensitive sector; hence any increases in interest rates will adversely impact the revival of the sector.

### **Segment-wise or Product wise Performance.**

Overvaluation of commercial properties is also a matter of concern. Currently your company is trying to diversify its product and range of industry it caters to. Your company is now also searching possibilities to work with government projects and new residential projects.

### **Outlook**

After a year of disruptions, the Indian economy is consolidating the gains from recent reforms. Never in the history of Indian real estate have so many significant events taken place within such a short period of time. While the initial days of the new regulatory environment saw Indian real estate going through a phase of transition, we now see an opportunity for disproportionate growth

### **Risks & Concerns**

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

### **Internal Control system and their adequacy**

The Company has proper and adequate internal control procedures commensurate with the size and nature of the business. The internal control system is supplemented by extensive internal audits, regular reviews by the management and well-documented policies and guidelines to ensure reliability of financial and all other records and to prepare financial statements and other data. Moreover, your Company continuously upgrades these



## KMF BUILDERS & DEVELOPERS LIMITED

systems to ensure that all the assets are safeguarded and protected against any loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. The Company's internal systems are supplemented by an extensive programme of internal audit conducted by an external auditor periodically and reviewed by the management together with the Audit Committee of the Board.

### **Human Resources / Industrial Resources**

The Company believes that the human capital is the key engine for its growth and competitiveness. It continues to focus on HR practices, systems and people development initiatives that encourage continuous learning on the job and meritocracy and which enhance the organization's capability. The changing business scenario necessitates continuous development of employees in terms of skills and competencies in line with the Company's requirements.

### **Discussion on financial performance with respect to operational performance**

The financial statements have been prepared in accordance with the requirements of Companies Act, 2013 and applicable accounting standards issued by the Institute of Chartered Accountants of India. The details of the financial performance of the Company are appearing in the Balance Sheet, Profit & Loss Accounts and other financial statements forming part of this Annual Report. For financial highlights please refer heading 'FINANCIAL RESULTS' of Directors Report.

<b>PROFITS</b>	<b>2019</b>	<b>2018</b>
a) Profit Before tax	3839164	1284295
Tax Expense		
– Current Tax	725980	298760
– Deferred Tax	149983	-35844
		-547015
b) Profit for the year	2963201	1568394
Other comprehensive Income	-101811	0
Total Comprehensive Income	2861390	1568394

### **Key Strategies:**

#### **Focus on Customers:**

Customer satisfaction has always been our top priority. It is also a hallmark of a maturing economy that customers are the kings. Accordingly, we have always strived for offering best of services to our esteemed customers. Over the years, we have made concentrated efforts to provide the best of post-sales services with a robust grievance redressal mechanism and we try to reach out to our consumers both through offline and online means.

### **CAUTIONARY STATEMENT**

Statement in the Management discussion and Analysis describing Company's objective, projections, estimates, expectations may be “forward looking statements” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic markets in which the Company operates changes in the Government regulations, tax laws, statute and other incidental factors.



## Independent Auditor's Report

**To the Members of,  
M/s. KMF Builders and Developers Limited**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **M/s. KMF Builders and Developers LIMITED.**, which comprise the Balance Sheet as at March 31, 2019 and the Statement of Profit and Loss, statement of changes in Equity, statement of Cash Flow for the year then ended, and Notes to financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, changes in equity, its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have described below to be the Key audit matters to be communicated in our report.

s. No.	Key Audit Matter	Auditors Response
1.	<b>Revenue Recognition of Construction Contracts</b>	<b>Principal Audit Response</b>
	The Company has applied the Full Modified Retrospective approach in accordance with Ind AS 115 only to contracts that are not completed contracts as on April 1, 2018. This transitional adjustment of Rs. 38.45/- lakhs have been adjusted against opening Retained Earnings as per the requirements of Ind AS 115.	We assessed the Company's process to identify the impact of adoption of the New Revenue Accounting Standard. Our Audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows. - Evaluated the design of the internal controls relating to implementation of the new revenue accounting standard.





		- Obtained listing of all the contracts as on 31.03.2019. Identified the contracts that are not completed contracts for which handover of units not done and Partial Occupancy certificate received as on 28.03.2018.
2.	<p><b>Carrying Values of Inventories (Construction work in progress and Stock in trade)</b></p> <p>There is a Risk that the valuation of inventory may be misstated as it involves the determination at Cost and estimated total construction cost of completion of the projects which is an area of Judgement. Refer Notes to the Standalone Financial statements.</p>	<p><b>Principal Audit procedures</b></p> <p>We assessed the Company's Process for the valuation of inventories.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>◆ Evaluated the design of the internal controls relating to the valuation of inventories.</li> <li>◆ Tested the operating effectiveness of controls for the review of estimates involved for the expected cost of completion of projects including construction cost incurred, construction budgets and net realizable value. We carried out a combination of procedures involving enquiry and observation, and inspection of evidence in respect of operation of these controls.</li> </ul> <p>Selected a sample of project specific inventories and performed the procedures around:</p> <ul style="list-style-type: none"> <li>◆ Construction costs incurred for the project specific inventories by tracing to the supporting documents, estimated total construction cost to be incurred for completing the construction of the project and corroborated the same with the reports from external supervising engineers, where applicable. Obtained the company's assessment of NRV for the project specific inventories.</li> <li>◆ The expected net amounts to be realized from the sale of inventory in the ordinary course of business.</li> </ul>

#### Information Other than the Financial Statements and Auditor's Report Thereon

◆ The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the standalone financial statements and our auditor's report thereon.

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

◆ In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated any form of assurance conclusion thereon.

◆ If, based on the work we have performed, we conclude that there is no material misstatement of this



other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows and changes in equity 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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

- ◆ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by 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, the statement of cash flow and statement of changes in equity 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 with reference to financial statements" reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-A". Our report expresses an unmodified opinion on the adequacy and Operating effectiveness of the company's Internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the



requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) 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.
- iii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iv. There has been no amount in transferring amount required to be transferred, to the Investor Education and Protection fund 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 C S Nagendra & Co.,  
Chartered Accountants,  
Firm Reg No. 9486S

CA C S Nagendra  
Proprietor  
ICAI Reg. No. 27390

PLACE : Bangalore

DATE :

# KMF BUILDERS & DEVELOPERS LIMITED

## 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 24<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, 23<sup>rd</sup> day of September, 2019 at 09:00 a.m. at Hotel Sai Renaissance Opposite SBI Bank , SAI Colony (Whitefield railway station) Kadugudi Bengaluru-560067 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description of Resolutions	Assent	Dissent
<b>ORDINARY BUSINESS</b>			
1.	Adoption of Audited Statement of Profit and Loss Account for the year ended March 31, 2019 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.		
<b>SPECIAL BUSINESS</b>			
3.	Re-appointing Mr. Gorge Chadha (DIN: 06407884) as a Managing Director of the Company		
4.	Approval of Related Party Transaction		

Signed this..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

#### Notes:

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

**FORM NO. AOC -2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transactions	-
c)	Duration of the contracts/arrangements/transactions	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

**2. Details of material contracts or arrangement or transactions at arm's length basis.**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party and nature of relationship	Kavita Chadha
b)	Nature of contracts/arrangements/transactions	Rent Paid
c)	Duration of the contracts/arrangements/transactions	5 yrs
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Rs. 33000 PM
e)	Date(s) of approval by the Board, if any	14-08-2019
f)	Amount paid as advances, if any	-

## **BOOK-POST**

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

**KMF BUILDERS & DEVELOPERS LIMITED**

No.508, Golf Manor Apartments  
NAL Wind Tunnel Road  
Murgeshpalya Bangalore-560017

**CORPORATE OFFICE**

907 Vikram Tower Rajendera Place  
Delhi-110008