

**20th
Annual Report
2014 - 2015**



KMF BUILDERS & DEVELOPERS LTD.

KMF BUILDERS & DEVELOPERS LIMITED

BOARD OF DIRECTORS

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

REGD. OFFICE

No. 508, Golf Manor Apartments
Nal Wind Tunnel Road,
Murugeshplaya, Bangalore-17
CIN: L45203KA1995PLC017422
Tel:+91(080)25238007, 41486142-43
Email: kmfbuilders95@gmail.com

CORPORATE OFFICE

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

AUDITORS

B. Sreenivasan & Co.
Chartered Accountants
Bangalore

SHARE TRANSFER AGENT

ALANKIT ASSIGNMENTS LIMITED

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

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KMF BUILDERS & DEVELOPERS LIMITED

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of M/s KMF Builders & Developers Limited (CIN: L45203KA1995PLC017422) will be held on Wednesday, 30th day of September, 2015 at 10:30 a.m. at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore – 560017 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015 including audited Balance Sheet as at 31st March, 2015 and profit and loss account for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a director in place of Mrs. Kavita Chadha, who retires by rotation and being eligible offers herself for re-appointment.
3. Ratification of Appointment of Statutory Auditors

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

“**RESOLVED** that pursuant to the provisions of section 139 and other applicable provisions of the Companies Act, 2013, and the Rules made there under, as amended from time to time, the appointment of M/s B Sreenivasa & Co. Chartered Accountants (Firm Registration No. 009287S), as Auditors of the Company for a term of three years i.e. till the conclusion of the 22nd Annual General Meeting (AGM), which was subject to ratification by shareholders at each AGM, be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of 21st AGM of the Company to be held in the year 2016, at such remuneration plus service tax, out of pocket expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

By order of the Board of Directors

Place: Bangalore
Dated: 14.08.2015

Gorve Chadha
(Managing Director)
DIN: 06407884

Registered Office:

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

KMF BUILDERS & DEVELOPERS LIMITED

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UPTO AND NOT EXCEEDING FIFTY(50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY. FURTHER, A MEMBER HOLDING MORE THAN TEN PERCENT (10%) OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.**
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company.
3. The relevant details as required under Clause 49 of the Listing Agreement with the stock exchanges, of persons seeking appointment/re-appointment relating to item No. 2 of the Notice are also annexed.
4. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Alankit assignments Ltd). Members are requested to keep the same updated.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA.
6. In terms of section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
7. To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register their e-mail address with Alankit Assignments Ltd.at lalitp@alankit.com.
8. Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 01.00 p.m. except holidays, upto the date of the meeting.
9. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Bangalore, which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:

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

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

10. Corporate members are requested to send in advance, duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend the annual general meeting.
11. Members/Proxies are requested to bring the copies of annual reports to the meeting.
12. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement, the Members are provided with the facility to cast their votes on resolutions through e-voting services provided by Central Depository Services (India) Ltd. (CDSL).
In order to enable its Members, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for voting through Ballot Form are given at the back of the said form and instructions for e-voting are given in the below annexed to this Notice. Resolution(s) passed by Members through Ballot Forms or e-voting is/are deemed to have been passed as if they have been passed at the AGM.
13. The facility for voting, either through electronic voting system or ballot form or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
14. The Members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
15. Members can opt for only one mode of voting, i.e., either by Ballot Form or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Ballot Form shall be treated as invalid.
16. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to evoting@alankit.com by mentioning their Folio/DP ID and Client ID No. However, the duly completed Ballot Form should reach the Registrars & Transfer Agent at Alankit Assignments Limited, (205-208, Anarkali Complex Jhandewalan Extension New Delhi 110055 not later than 29th Sept, 2015 (5:00 p.m. IST). Ballot Form received after this date will be treated as invalid.

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

- (1) The Voting Period begins on 27.09.2015 at 10.00 A.M and ends on 29.09.2015 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (2) The shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (3) The Shareholders should log on to the e-voting website www.evotingindia.com
- (4) Click on "Shareholders" tab

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- (5) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (6) Next enter the Image Verification as displayed and Click on Login
- (7) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (8) If you are a first time user follow the steps given below:

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

- (9) After entering these details appropriately, click on "SUBMIT" tab.
- (10) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (11) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (12) Click on the EVSN for KMF Builders and Developers Limited on which you choose to vote.
- (13) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (14) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
- (15) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote
- (16) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (17) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (18) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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(19) Note for Non- Individual Shareholders and Custodians

- € Non- Individual shareholders (i.e other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - € A Scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - € After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - € The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - € They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the to verify the same.
- (i) Any Person who acquired the shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 23rd September, 2015 may follow the same instructions as mentioned above for e-voting.
- (ii) In case you have any queries or issues regarding e- voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

General instructions:

- i. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 23rd September, 2015. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut- off date only shall be entitled to avail the facility of remote e-voting.
- iii. Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut -off date i.e. 23rd September, 2015, may obtain the login Id and password by sending a request at evoting@alankit.com. However, if you are already registered with Alankit for remote e-voting then you can use your exiting user ID and password for casting your vote.
- iv. The Company has appointed Mr. B. Chandu Narayan of M/s VCS & Associates, Practicing Company Secretary (ACS No. A23222 CP No. 9517), as the Scrutinizer to scrutinize the e- voting process in a fair and transparent manner.
- v. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- vi. In the event of a poll, please note that the members who have exercised their right to vote by electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).

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- vii. The notice of the meeting will be displayed on the Company' website www.kmfbuilders.com.
viii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kmfbuilders.com and on the website of Alankit within two days of the passing of the resolutions at the AGM on 30th September, 2015 and communicated to the Stock Exchanges where the shares of the Company are listed.

By order of the Board of Directors

Place: Bangalore
Dated: 14.08.2015

Gorve Chadha
(Managing Director)
DIN: 06407884

Registered Office:

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

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING (Pursuant to Clause 49 of the Listing Agreement)

Director's Name	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 (31.03.2015)	Relationship between directors inter-se
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 of the Company 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 the KMF Securities Limited.	-	5,60,200	Promoter of the Company, Mother of Mr. Gorve Chadha, Managing Director

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DIRECTORS' REPORT

To the Members of KMF Builders and Developers Limited

Your Directors have pleasure in presenting the 20th Annual Report together with the Audited Statement of accounts for the financial year ended 31st March, 2015.

1. FINANCIAL RESULTS

PARTICULARS	(Fig in Rs.)	(Fig in Rs.)
	2014-15	2013-14
Income	3,36,78,688	6,50,36,139
Expenses	2,97,69,921	5,80,55,508
Profit (before financial charges, depreciation and tax)	39,08,767	69,86,307
Net Finance Expense / (Income)	76,738	(1,13,262)
Depreciation and amortization Expenses	9,85,198	9,62,535
Profit before tax	28,46,831	61,31,358
Tax Expense	14,30,658	19,78,626
Net Profit for the year	14,16,173	41,52,732

2. FUTURE OUTLOOK

The Real estate sector is quite promising with various advantages like Construction of the multi building projects on the feasible location in the country, good structured national network facilities the boom of construction industry. Real estate development is on high and it is attracting the focus of the industry towards construction. Our running projects are Residential Apartments "GokulDham" at Mathura and "Purab Manor" at Bangalore. Yours Directors are quite hopeful for the success of both the projects as well and will earn excellent earning out of it.

3. DIVIDEND

Your Directors do not recommend any dividend for the Financial Year 2014-15.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the Financial Year 2014-15.

5. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the Financial Year 2014-15.

6. CHANGE IN SHARE CAPITAL DURING THE FINANCIAL YEAR 2014-15

There is no change in share capital structure of the Company during the financial Year 2014-15.

7. 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 Builders and Developers's people centric focus providing an open work environment fostering continuous improvement and development helped several employees realize their career aspirations during the year.

Company's Health and Safety Policy commits to provide a healthy and safe work environment to all employees. The Company's progressive workforce policies and benefits, various employee engagement and welfare initiatives have addressed stress management, promoted work life balance.

8. DOCUMENTS PLACED ON THE WEBSITE (www.kmfbuilders.com)

The following documents have been placed on the website in compliance with the Act:

- Financial statements of the Company alongwith relevant documents
- Details of vigil mechanism for directors and employees to report genuine concerns as per proviso to Section 177(10).
- The terms and conditions of appointment of independent directors as per Schedule IV to the Act

9. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

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10. CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND LISTING AGREEMENT

As per Clause 49 of the listing agreement entered into with the stock exchanges, Corporate Governance Report with Auditors' certificate thereon and Management Discussion and

11. 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 2014-15, the applicable accounting standards have been followed and there are no material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the financial year;
- iii. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. AUDITORS

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, B Sreenivasa & Co. Chartered Accountants (Firm Registration No. 009287S), were appointed as statutory auditors of the Company from the conclusion of the 19th Annual General Meeting (AGM) of the Company held till the conclusion of the 22nd AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

SECRETARIAL AUDITOR

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Mr. P. K. Sahoo, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company.

INTERNAL AUDITOR

The Company has appointed Mrs. Poonam Sharma wife of Mr. Atul Sharma as Internal Auditor of the Company for the Financial Year 2014-2015.

13. AUDITORS AND SECRETARIAL AUDITORS REPORT

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

14. 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.

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15. EXTRACT OF ANNUAL RETURN

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

16. 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.

17. DIRECTORS

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

Mr. Anil Rishiraj, Mr. Ravinder Kumar Sharma and Mr. Shyam Sunder Mitra who are Independent Directors, have submitted a declaration that each of them meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Act and revised Clause 49 of the Listing Agreements. Further, there has been no change in the circumstances which may affect their status as independent director during the year.

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under section 178(3) of the Act are covered in Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act, is enclosed at **Annexure-2** in the prescribed form **MGT-9** and forms part o this Report.

18. 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

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19. NUMBER OF MEETINGS OF THE BOARD

5 meetings of the Board of Directors of the Company were held during the year. For detail of the meetings, please refer to clause III(D) of the Corporate Governance Report, which forms part of this Report.

20. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. A declaration to this effect has been signed by Mr. Gorve Chadha, Managing Director and forms part of the Annual Report.

21. PREVENTION OF INSIDER TRADING

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

All Board Directors and the designated employees have confirmed compliance with the Code.

22. 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.

23. TRANSACTIONS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

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

During the year, the Company has not entered into any contract / arrangement / transaction of material nature with any of the related parties which are in conflict with the interest of the Company. Related party disclosures are given in the notes to the financial statement.

24. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

25. INTERNAL CONTROL

The information about internal controls is set out in the Management Discussion & Analysis report which is attached and forms part of this Report.

26. 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.

27. 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.

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

The Board of Directors of your Company in its meeting held on 30th May, 2014 has constituted the Nomination and Remuneration Committee. Prior to this, the Board has constituted Remuneration Committee but due to introduction of Companies Act, 2013 the new Committee namely Nomination and Remuneration Committee has been constituted. Details of the Nomination and Remuneration Committee and Nomination and Remuneration Policy have been provided under Corporate Governance Report, which forms part of this Annual Report.

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29. 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.

30. 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.

31. PARTICULARS OF REMUNERATION

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

- (a) **The 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	3,00,000	2,40,000	1.25:1
2.	Pradeep Kumar Malik	Whole Time Director	4,20,000	2,40,000	1.25:1

- (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 was no increase in remuneration of any Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year.
- (c) **the percentage increase in the median remuneration of employees in the financial year** - There was no increase in the median remuneration of employees in the financial year.
- (d) **the number of permanent employees on the rolls of company:** There were 13 permanent employees on the rolls of Company as on March 31, 2015.
- (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 2014 - 15 (aggregated)	9,60,000
Revenue from operations	3,36,78,688
Remuneration (as % of revenue)	2.85%
Profit before tax (PBT)	28,46,831
Remuneration (as % of PBT)	33.72%

KMF BUILDERS & DEVELOPERS LIMITED

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

Particulars	Unit	As at 31st Mar 15	As at 31st Mar 14	Variation
Closing rate of share at BSE	Rs.	2.52	2.37	6.33%
EPS (Consolidated)	Rs.	.12	.34	(64.71%)
Market Capitalization	Rs.	3,06,98,640	2,88,71,340	18,27,300

(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 was no average increase in salaries of employees in 2014-15. There was no percentage increase 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	Chief Executive Officer	Chief Financial Officer	Company Secretary
Remuneration	3,00,000	4,20,000	2,40,000
Revenue	3,36,78,688	3,36,78,688	3,36,78,688
Remuneration (as % of revenue)	0.89%	1.25%	0.71%
Profits before tax (PBT)	28,46,831	28,46,831	28,46,831
Remuneration (as % of PBT)	10.54%	14.75%	8.43%

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

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

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

The Whole Time Director is the highest paid Director. No employee received remuneration higher than the Whole Time 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, 2015 is as per the Remuneration Policy of the Company.

32. 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.

33. 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 2014-15.

34. ACKNOWLEDGEMENTS

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

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:

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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

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 31.03.2015

I. REGISTRATION & OTHER DETAILS:

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/servic	% to total turnover of the company
1	DEVELOPMENT AND CONSTRUCTION OF PROPERTIES	410	98.87%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES The Company has holding, subsidiary and associates companies as defined under the Companies Act,2013.

Category of Shareholders	No. of Shares held at the beginning of the year [01.04.2014]				No. of Shares held at the end of the year [31.03.2015]				% Change during the year
	Demat	Physica l	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	42,23,200	0	42,23,200	34.67	4104200	-	4104200	33.69	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.	11,52,000	0	11,52,000	9.46	1236000	0	1236000	10.15	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0

KMF BUILDERS & DEVELOPERS LIMITED

Total shareholding of Promoter (A)	53,75,200	0	53,75,200	44.12	5340200	0	5340200	43.84	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	11,63,932	3,43,800	15,07,732	12.38	1164123	343800	1507923	12.38	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	6,53,070	6,58,400	13,11,470	10.77	1164123	343800	1507923	10.40	Via Trading
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	33,22,598	6,65,000	39,87,598	32.73	3444367	622600	4066967	33.38	Via Trading
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 - DR	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	51,39,600	16,67,200	68,06,800	55.88	5268000	1573800	6841800	56.16	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	51,39,600	16,67,200	68,06,800	55.88	5268000	1573800	6841800	56.16	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	1,05,14,800	16,67,200	1,21,82,000	100	1,06,08,200	1,57,3800	1,21,82,000	100	00

KMF BUILDERS & DEVELOPERS LIMITED

B) Shareholding of Promoter-

S. NO	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	
1	Mr. Madan Lal	2,05,000	1.68	0	289000	2.372	0	.689%
2	Mrs. Snehlata	2,85,600	2.34	0	285600	2.344	0	--
3	Mr. Gorve Chadha	3,73,400	3.07	0	481900	3.956	0	.0306%
4	Ms. Tanu Chadha	3,79,000	3.11	0	379000	3.111	0	-
5	Ms. Manisha Chadha	6,28,600	5.16	0	737100	6.05	0	.890%
6	Mr. Pradeep Kumar Malik	4,20,200	3.45	0	420200	3.449	0	-
7	Mrs. Krishnawati	4,20,000	3.45	0	0	0	0	-
8	Mrs. Satyawati Chadha	4,31,000	3.54	0	431000	3.54	0	-
10	M/s. KMFLtd.	5,02,000	4.12	0	502000	4.121	0	-
11	Mr. Surender Kumar Chadha	5,20,200	4.27	0	520200	4.27	0	-
12	Mrs. Kavita Chadha	5,60,200	4.60	0	560200	4.60	0	-
13	M/s. KMFSecurities Ltd.	6,50,000	5.34	0	734000	6.025	0	.689%

C) Change in Promoters' Shareholding including Date wise 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 01.04.2014		Shareholding at the end of the year as on 31.03.2015		% change in shareholding during the year	Reason for Change
		No. of shares	% of total shares of the	No. of shares	% of total shares of the		
1.	Mr. Gorve Chadha	3,73,400	3.06	4,81,900	3.96	29.06%	Transfer (Inter se)
2.	Mrs. Krishnawati	4,20,000	3.45	-	-	100%	Transfer (Inter se)
3.	Mr. Madan Lal	2,05,000	1.68	2,89,000	2.37	40.98%	Transfer (Inter se)
4.	Ms. Manisha Chadha	6,28,600	5.16	7,37,100	6.05	17.26%	Transfer (Inter se)

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

S. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2014		Change in Shareholding during the year		Shareholding at the end of the year as on 31.03.2015	
		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.	8,23,800	6.76	-	-	8,23,800	6.76
2.	Mr. Hitesh Ramji Javeri	3,80,000	3.12	-	-	3,80,000	3.12
3.	Anagram Securities Limited	3,39,000	2.78	-	-	3,39,000	2.78
4.	Mrs. Sushma Batra	3,38,000	2.77	-	-	3,38,000	2.77
5.	Mrs. Gitanjali Sabharwal	3,09,000	2.53	-	-	3,09,000	2.53
6.	Mrs. Shashi Bhasin	2,93,400	2.40	-	-	2,93,400	2.40
7.	TMG Properties P.Ltd.	2,80,000	2.30	-	-	2,80,000	2.30
8.	Mrs. Harsha Hitesh Javeri	2,24,000	1.84	-	-	2,24,000	1.84
9.	Mrs. Kamlesh Balchand shah	1,39,400	1.14	-	-	1,39,400	1.14
10.	Mr. N. K Bhandari	1,26,800	1.04	-	-	1,26,800	1.04

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 (01.04.2014)/ end of the year (31.03.2015)	% of total shares of the company			No. of shares	% of total shares of the company	
Mr. Gorve Chadha	3,73,400	3.07	01.04.2014				Transfer
	4,81,900	3.96	31.03.2015	1,08,500	4,81,900	3.96	
Mrs. Kavita Chadha	5,60,200	4.60	01.04.2014				Nil movement during the year
	5,60,200	4.60	31.03.2015	0	5,60,200	4.60	
Mr. Pradeep Kumar Malik	4,20,200	3.45	01.04.2014				Nil movement during the year
	4,20,200	3.45	31.03.2015	0	4,20,200	3.45	
Mr. Anil Rishiraj	0	0	01.04.2014				Nil movement during the year
	0	0	31.03.2015	0	0	0	
Mr. Ravinder Kumar Sharma	0	0	01.04.2014				Nil movement during the year
	0	0	31.03.2015	0	0	0	
Mr. Shyam Sunder Mittra	0	0	01.04.2014				Nil movement during the year
	0	0	31.03.2015	0	0	0	
Ms. Megha Bata	0	0	01.04.2014				Nil movement during the year
	0	0	31.03.2015	0	0	0	

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,92,886.69	0.00	0.00	12,92,886.69
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	12,92,886.69	0.00	0.00	12,92,886.69
Change in Indebtedness during the financial year				
* Addition	0	0.00	0.00	0
* Reduction	5,91,112.08	0.00	0.00	5,91,112.08
Net Change	5,91,112.08	0.00	0.00	5,91,112.08
Indebtedness at the end of the financial year				
i) Principal Amount	7,01,774.61	0.00	0.00	7,01,774.61
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	12,92,886.69	0.00	0.00	12,92,886.69

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs.)
		Mr. Grove Chadha	Mr. Pradeep Kumar Malik	
1	Gross salary	3,00,000	4,20,000	7,20,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

KMF BUILDERS & DEVELOPERS LIMITED

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		ANIL RISHIRAJ	SHYAM SUNDER MITTRA	RAVINDER KUMAR SHARMA	
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

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

SN	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary	Total (Rs.)
1	Gross salary	2,40,000	2,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	others, specify...	-	-
5	Others, please specify	-	-
	Total	2,40,000	2,40,000

KMF BUILDERS & DEVELOPERS LIMITED

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

NIL

Place: Bangalore
Dated: 14.08.2015

By order of the Board of Directors
Gorve Chadha
(Managing Director)
DIN: 06407884

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

KMF BUILDERS & DEVELOPERS LIMITED

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

To,

The Members,

KMF Builders & Developers Limited

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** (herein after called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the **KMF Builders & Developers Limited** books, papers, minute books, forms and return 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 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 **KMF Builders & Developers Limited** for the financial year ended on 31st March, 2015 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) The Company is not required to comply with any of the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, as the Company has not obtained any Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999;
 - (e) The Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities Exchange Board of India (Registrars to an Issue and Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

KMF BUILDERS & DEVELOPERS LIMITED

- (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (g) The Securities Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) As explained by the officers, Agents and Authorised Representatives of the Company, a prosecution is pending against the Company with reference to a case of issue of duplicate share certificates and withholding transfer of shares which are held under same folio and the matter is pending before the Court of Principal Senior Civil Judge(Ahmadabad Rural of Mirzapur), Ahmadabad, Gujarat State.

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

- (I) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange. During the period under review the Company has complied with the provisions or the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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. There are no changes in Composition of the Board during the financial year under review. However, the Company Secretary and CFO were appointed during the period under review 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes as and when required.

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

I further report that during the audit period, the Company has not involved in any of the following transactions:

- a. Public/ Right/ preferential Issue of Shares/ Debentures/ Sweat Equity etc.
- b. Redemption/ buy back of Securities
- c. Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013
- d. Merger/ Amalgamation/ reconstruction, etc.
- e. Foreign Technical Collaborations

Place: New Delhi

Date: 16.07.2015

Sign.

Pradeep Kumar Sahoo

FCS No. 6234

C P No. 10339

KMF BUILDERS & DEVELOPERS LIMITED

CORPORATE GOVERNANCE REPORT

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

I. Company's philosophy on Corporate Governance

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company. The Company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders.

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

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

1. Key Board activities during the year

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

2. Role of the Company Secretary in Overall Governance Process

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

3. Selection and Appointment of New Directors on the Board

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

KMF BUILDERS & DEVELOPERS LIMITED

4. Selection criteria of Board Members

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

5. Familiarization Program of Independent Directors

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

6. Prevention of Insider Trading

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

7. Vigil Mechanism

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

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8. Sexual Harassment Policy

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaints Committee set up for the purpose did not receive any complaints for redressal during the year.

III. 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 2014-15. 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 Mrs. Kavita Chadha as Executive Chairman, Mr. Gorve Chadha as Managing Director, Mr. Pradeep Kumar Malik as Whole time Director and Mr. Anil Rishiraj, Mr. Ravinder Kumar Sharma and Mr. Shyam Sunder Mittra as Non-Executive Independent Directors. During the year 2014-15, 05 (Five) meetings of the Board of Directors were held on 23rd May 2014, 30th May 2014, 14th August 2014, 14th November 2014 and on 12th February 2015. The maximum time gap between any two consecutive meetings did not exceed 120 days. None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on 31 March, 2015 have been made by the Directors as per Clause 49 (II) (D) of the listing agreement. Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 29th September, 2014, with particulars of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31 March, 2015 are given below:

KMF BUILDERS & DEVELOPERS LIMITED

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	5	yes	-	-	-
Ms. Kavita Chadha (Chairperson) DIN03304018	Non-Independent Executive & Promoter Director	5	Yes	1	-	-
Mr. Pradeep Kumar Malik DIN 00755555	Whole time Executive and Promoter Director	5	Yes	-	-	-
Mr. Anil Rishiraj DIN02853310	Independent Non Executive Director	5	Yes	-	-	-
Mr. Ravinder Kumar Sharma DIN05101892	Independent Non Executive Director	5	Yes	-	-	-
Mr. Shyam Sunder Mittra DIN01174462	Independent Director Non Executive Director	5	Yes	1	-	-

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. Grove Chadha & 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.

(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, 2015. The Annual Report of the Company contains a Certificate by the Managing Director in terms of Clause 49 of the listing agreement based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

IV. 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 under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of the four Directors, out of which three are Independent Non-Executive Directors;
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise;
- (iii) The Chairman of the Audit Committee is an Independent Director;
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 29th September, 2014.

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(B) Terms of reference

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

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

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- 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:

The composition of the Committee is Mr. Ravinder Kumar Sharma, Chairman and Mr. Anil Rishiraj, Mr. Shyam Sunder Mittra and Mr. Pradeep Kumar Malik as members of the Committee. During the year, Four Audit Committee meetings were held on, 30th May 2014, 14th August 2014, 14th November, 2014 and on 12th February 2015.

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 2015	Meetings attended
Mr. Ravinder Kumar Sharma	Independent Director	4	4
Mr. Anil Rishiraj	Independent Director	4	4
Mr. Shyam Sunder Mittra	Independent Director	4	4
Mr. Pradeep Kumar Malik	Whole Time Director	4	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

The Nomination and Remuneration Committee comprises of Mr. Ravinder Kumar Sharma as Chairman of the Committee and Mr. Anil Rishiraj, Mr. Shyam Sunder Mittra and Ms. Kavita Chadha as Members of the Committee.

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(B) Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Formulate a Remuneration Policy as specified under Section 178 of the Companies Act, 2013, from time to time.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

(C) Meetings and attendance during the year:

During the year, two meetings of Nomination and Remuneration Committee were held on 15 July, 2014 and 7th November, 2014.

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

Name of Member	Category	Meetings held during FY 2015	Meetings attended
Mr. Ravinder Kumar Sharma	Independent Director	2	2
Mr. Anil Rishiraj	Independent Director	2	2
Mr. Shyam Sunder Mittra	Independent Director	2	2
Mrs. Kavita Chadha	Promoter 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 endeavours 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. Gorge Chadha is the Managing Director("MD") of the Company. The salary, benefits and perquisites paid to Mr. Gorge Chadha, MD during the year 2014-15 was Rs. 3, 00,000/- p.a.

(F) Remuneration to Non-Executive Directors

Mr. Ravinder Kumar Sharma, Mr. Anil Rishiraj and Mr. Shyam Sunder Mittra, 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.

There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review.

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Stakeholders Relationship Committee

(A) Composition, Members, its meetings and attendance

Stakeholders Relationship Committee comprises of Mr. Ravinder Kumar Sharma as Chairman with Mr. Anil Rishiraj, 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, four meetings of the Stakeholders Relationship Committee were held on 30th May 2014, 14th August 2014, 14th November, 2014 and on 12th February 2015.

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

Name of Member	Category	Meetings held during FY 2015	Meetings attended
Mr. Ravinder Kumar Sharma	Independent Director	4	4
Mr. Anil Rishiraj	Independent Director	4	4
Mr. Shyam Sunder Mittra	Independent Director	4	4
Mr. Pradeep Kumar Malik	Whole Time Director	4	4

(B) Name and Designation of the Compliance Officer

Ms. Megha Bata, 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 : 41537810-15

E-mail: kmfbuilders95@gmail.com

(c) Complaints received and redressed during the year 2014-15-

There was no complaint received during the year 2014-15 Pursuant to clause 47(c) of the Listing Agreement, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

V. 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. Ravinder Kumar Sharma, Mr. Anil Rishiraj and Mr. Shyam Sunder Mittra met on 29th March, 2015 without any Senior Management Personnel to evaluate the performance of Non-Independent Directors including Chairman of the Board.

VI. Subsidiary Company

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

VII. Disclosures

(I) The Statements containing the transactions with related parties were submitted periodically Audit Committee

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

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

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

(B) Disclosure of Accounting Treatment

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

(C) Board Disclosures - Risk Management

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

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

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

(E) Secretarial Audit Report

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

(F) Management Discussion and Analysis Report

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

(G) Shareholders

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

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

(iii) Mrs. Kavita Chadha is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself 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 Clause 41 and 49 II((E)(2) of the Listing Agreement.

(I) Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format. Pursuant to Clause 49 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

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VII. 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
2011-2012	30.06.2012	508, Golf Manor, NAL Wind, Tunnel Road, Murgeshpalya, Bangalore-560017	10.30 a.m.	Yes- (i) Approval to make a follow on public issue of Equity Shares by issue of prospectus. (ii) Approval for alteration of Memorandum and Articles of Association of the Company.
2012-2013	23.09.2013	508, Golf Manor, NAL Wind, Tunnel Road, Murgeshpalya, Bangalore-560017	10.30 a.m.	Yes (i) Appointment Mr. Gorge Chadha as Managing Director of the Company who has not attained the age of 25 years. (ii) Appointment of Mrs. Kavita Chadha as a director to hold an office or place of profit under the Company as Project Consultant
2013-2014	29.09.2014	508, Golf Manor, NAL Wind, Tunnel Road, Murgeshpalya, Bangalore-560017	10.30 a.m.	Yes - Keeping records and register of the company from a place other than registered office of the Company.

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

Means of Communication

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

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

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VIII. General Shareholder Information

Annual General Meeting:

- (i) **Date, time and Venue** : 30th day, September, 2015 at 10.30a.m.
508, Golf Manor, NALWind,
Tunnel Road, Murgeshpalya,
Bangalore-560017
- (ii) **Financial Year** : 1st April, 2014 to 31st March, 2015
- (iii) **Date of Book Closure:** : 22nd day of September, 2015 to 26th day of September 2015
(both days inclusive)
- (iv) **Dividend** : Nil
- (v) **Listing** : The Stock Exchanges on which the Company's shares
are listed:
BSE Limited DSE Limited (DSE has been de-recognised
during the year)
- (vi) **Stock Code** : BSE Limited-53178
DSE Limited (DSE has been de-recognised during the
year)

The ISIN of the Company for its shares : INE580H01026

Listing Fees for Bombay Stock Exchange Limited for 2015 - 2016 has been paid.

(vii) Market price information

- a. The reported high and low closing prices during the year ended 31 March, 2015 on the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below

Month	BSE		BSE SENSEX	
	High	Low	High	Low
2014-15				
April	2.37	2.37	22,939.31	22,197.51
May	2.48	2.48	25,375.63	22,277.04
June	2.94	2.94	25,735.87	24,270.20
July	2.98	2.98	26,300.17	24,892.00
August	2.91	2.91	26,674.38	25,232.82
September	2.69	2.69	27,354.99	26,220.49
October	2.33	2.33	27,894.32	25,910.77
November	2.33	2.33	28,822.37	27,739.56
December	2.33	2.33	28,809.64	28,097.12
January	2.31	2.31	29,844.16	26,776.12
February	2.31	2.31	29,560.32	28,044.49
March	2.52	2.52	30,024.74	27,248.45

- 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 st April 2014	31 st March 2015	% Change
Company Share Price (closing)	2.37	2.52	18.98%
SENSEX (closing)	22,446.44	27,957.49	24.55%

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(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, 2015

(a) Distribution of shareholding as on 31 March, 2015

No. of Equity shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of holding
1-100	99	12.283	2827	0.023
101- 500	240	29.777	65879	0.541
501-1000	156	19.355	130704	1.073
1001-5000	199	24.69	520964	4.277
5001-10000	39	4.839	283346	2.326
10001-20000	22	2.73	328313	2.695
20001-30000	7	0.868	174380	1.431
30001-40000	7	0.868	247598	2.032
40001-50000	3	0.372	133000	1.092
50001-100000	7	0.868	483989	3.973
100001-500000	22	2.73	6670800	54.759
500001-above	5	0.62	3140200	25.777
TOTAL		100.000	12182000	100.000

(x) Shareholding pattern as on 31st March, 2015

Category	No. of Shares held	% of issued share capital
Promoter	53,40,200	43.837
Mutual Funds & UTI	0	0
Financial institutions/Insurance Companies	0	0
FII's	0	0
NRIs/Foreign Nationals	0	0
Corporate Bodies	15,07,923	12.378
Indian Public & Others	533,3,877	43.785
Total	1,21,82,000	100

(xi) Capital of the Company

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

KMF BUILDERS & DEVELOPERS LIMITED

(xii) Top ten Shareholders as on 31st March, 2015

Category	Name	No. of Shares held	% of issued share capital
CORPORATE/ BODY CORPORATE	Manu Investment (P) Ltd.	8,23,800	6.76
INDIVIDUAL	Mr. Hitesh Ramji Javeri	3,80,000	3.12
CORPORATE / BODY CORPORATE	Anagram Securities Limited	3,39,000	2.78
INDIVIDUAL	Mrs. SushmaBatra	3,38,000	2.77
CORPORATE/ BODY CORPORATE	Mrs. Gitanjali Sabharwal	3,09,000	2.53
INDIVIDUAL	Mrs. ShashiBhasin	2,93,400	2.40
CORPORATE / BODY CORPORATE	TMG Properties P Ltd.	2,80,000	2.30
INDIVIDUAL	Mrs. Harsha Hitesh Javeri	2,24,000	1.84
INDIVIDUAL	Mrs. Kamlesh Balchand shah	1,39,400	1.14
INDIVIDUAL	Mr. N. KBhandari	1,26,800	1.04

(xiii) Dematerialisation of shares and liquidity

As on 31st March, 2015, a total of 1,06,08,200 equity shares have been dematerialised by approx. 87% of the total share Capital. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are actively traded in BSE.

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

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

(xv) Plant locations

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

(xvi) Address for correspondence

The Company Secretary
KMF Builders & Developers Limited
1008, Vikram tower
Rajendera Place
Tel.:41537810-15
Fax:41537810
Email:kmfbuilders95@gmail.com

I.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.

S. No.	Particulars	Clause No.	Compliance Status
I.	Board of Directors	49 II	
	(A) Composition of Board	49(IIA)	Complied with
	(B) Independent Directors	49 (IIB)	Complied with
	(C) Non - executive Directors' Compensation & Disclosures	49 (IIC)	Complied with
	(D) Other Provisions as to Board and Committees	49 (IID)	Complied with
	(E) Code of Conduct	49 (IIE)	Complied with
	(F) Whistle Blower Policy	49 (IIF)	Complied with

KMF BUILDERS & DEVELOPERS LIMITED

	(A) Qualified & Independent Audit Committee	49 (IIIA)	Complied with
	(B) Meeting of Audit Committee	49 (IIIB)	Complied with
	(C) Powers of Audit Committee	49 (IIIC)	Complied with
	(D) Role of Audit Committee	49 (IIID)	Complied with
	(E) Review of Information by Audit Committee	49 (IIIE)	Complied with
III.	Nomination and Remuneration Committee	49 (IV)	Complied with
IV.	Subsidiary Companies	49 (III)	Not Applicable
V.	Risk Management	49 (VI)	Complied with
VI.	Related Party Transactions	49 (VII)	Complied with
VII.	Disclosures	49 (VIII)	Complied with
	(A) Related Party Transactions	49 (VIII A)	Complied with
	(B) Disclosure of Accounting Treatment	49 (VIII B)	Complied with
	(C) Remuneration of Directors	49 (VIII C)	Complied with
	(D) Management	49 (VIII D)	Complied with
	(E) Shareholders	49 (VIII E)	Complied with
	(F) Proceeds from Public Issues, Rights Issues, Preferential Issues etc.	49 (VIII F)	Not Applicable
VIII.	CEO/CFO Certification	49 (IX)	Complied with
IX.	Report on Corporate Governance	49 (X)	Complied with
X	Compliance	49 (XI)	Complied with

CERTIFICATE UNDER CLAUSE 49 of LISTING AGREEMENT

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

We have examined the compliance of conditions of Corporate Governance by KMF Builders & Developers Ltd ("the Company") for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

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

For B.Sreenivasa & Co.

Chartered Accountants

CA B Sreenivasa Setty (Proprietor)
ICAI Reg. No. 205645

Place : Bangalore
Dated: 14.08.2015

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.

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, 2015.

For KMF Builders & Developers Ltd.

**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 2014-15

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 2014-15 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken and/or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee, wherever applicable, the following:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For KMF Builders & Developers Ltd.

Place: Bangalore
Date: 14.08.2015

**Pradeep Kumar Malik
CFO**

**Gorve Chadha
Managing Director**

KMF BUILDERS & DEVELOPERS LIMITED

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Over the last four years, the infrastructure sector in India has witnessed a severe down turn. The slowdown has been very sharp, severe and widespread over the last three years. Thus, KMF, like all similar companies in the industry, had to abruptly realign its business from an emphasis on delivering high growth to one that focuses on tightening operations and generating cash flows to meet short term obligations.

Macro Economic Review

While there have been positive signals with the new BJP led government coming to power in 2014, the macro economic recovery is still very gradual. The pace of recovery on the ground has been slow. The central government, suggest that real Gross Value Added (GVA) grew by 7.5% in 2014-15 versus 6.6% in 2013-14. However, the data also shows that much of the improvement occurred because of significantly higher coverage of the services sector, which recorded 10.6% growth in 2014-15.

The other positive news is that inflation seems to be under control. Measured in terms of the consumer price index (CPI), inflation reduced to 5.2% in March 2015 from 5.4% in February. So, while there are some positive signals for the India's economic growth, one of the biggest anxieties relate to infrastructure and construction activities, which not only provide the sinews for further economic growth but also provide serious opportunities for increasing employment for the country's huge labour force.

India's Infrastructure Sector

It is amply evident that India needs to invest significantly in creating physical infrastructure of the kind that can support the growth aspirations of the country. If industrial growth is to be ratcheted up to around 10% levels with the kind of trade growth projected, the demand for the provision of power, transportation and logistics will also grow commensurately. The International Monetary Fund (IMF) estimates suggest that overall infrastructure investment will need to increase substantially from around 5-6% of GDP as of today to around 8% during the 2020s and beyond. In so far as public investments are concerned, it is heartening to see that the Government of India has significantly increased allocation of funds by Rs.70,000 crore for investments in infrastructure in the Union Budget 2015-16.

Industry Structure & Development

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

Your Company is to 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. Your company has successfully implemented various projects including KMF Gardens at Kalyan, Golf Manor at Bangalore.

Opportunity & Threats

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

- > Continuous private sector housing boom will create more construction and opportunities.
- > Entry of a number of domestic & foreign players, increasing competition and consumer affordability.
- > Fiscal incentives to developers and simplification of urban development guidelines. Long-term market instability and uncertainty may damage the opportunities and prevent the expansion of training and development

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.

> **Future Outlook**

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

KMF BUILDERS & DEVELOPERS LIMITED

Industry. Completed projects in your Company include “Golf Manor” “Royal Manor”. Our other projects include a star hotel in Dalhousie, Himachal Pradesh and a residential apartment complex namely KMF Gardens at Kalyan, near Mumbai.

➤ **Risks & Concerns**

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

Financial Performance

The construction of Wing B of Purab Manor Project at Bangalore is complete During this year turnover of your company is Rs. 33678689/- & profit is Rs.14,16,734/-. Net worth of your company as on 31st March, 2015 is Rs. 10,48,89,289/-

Internal Control System

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

Human Resources / Industrial Resources

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

Cautionary Statement

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

KMF BUILDERS & DEVELOPERS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of,

M/s. KMF BUILDERS AND DEVELOPERS LTD

We have audited the accompanying financial statements of **M/s. KMF BUILDERS & DEVELOPERS LTD.**, which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss for the year then ended and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility For preparation of Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion:

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

KMF BUILDERS & DEVELOPERS LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet and the statement of profit and loss statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

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

CA B. Sreenivasa Setty
Proprietor
Membership No. 205645

PLACE: Bangalore
DATED: 14/08/2015

KMF BUILDERS & DEVELOPERS LIMITED

ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in point-1 of our report to the members of M/s KMF BUILDERS AND DEVELOPERS LTD for the year ended on 31st March, 2015. We report that;

- I. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the assets have been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) None of the fixed assets of the company have been revalued during the year.
- ii. a) According to the information and explanations given to us, the stocks of building materials, spare parts and the materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The Procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) a) The company had not taken any loans, secured or unsecured from companies, firms or other companies covered in the register maintained under section 189 of the Companies Act, 2013.
- b) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013. However According to the information and explanations furnishing to us, **the Inter Corporate Deposit granted to M/s KMF Ltd and M/s KMF Securities Ltd was interest free loan.** Other than this no other loan taken/granted by the company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 189 of the Companies Act, 2013 have been entered.
- b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 188 of the Companies Act, 2013 and exceeding the value of Rs.5.00 lacks in respect of any party.
- vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public.
- vii) According to the information and explanations given to us, the company **has not introduced Internal Audit system for the year.**
- viii) According to the information and explanations given to us, the central Government has not prescribed the maintenance of cost records by the company under section 148 (1) of the Companies Act, 2013 for the products of the company.

KMF BUILDERS & DEVELOPERS LIMITED

- ix) a) The company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax and other statutory dues applicable to it.
b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable Nil.
c) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute.
- x) The company does not have accumulated losses as at end of the financial year and has not incurred cash losses in current financial year and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution and banks.
- xii) We are of the opinion that the company has not granted any loans and advances.
- xiii) In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
- xiv) According to the information and explanations given to us, the company has not availed term loans from the bank or financial institutions except **CAR LOANS**.
- xv) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- xvi) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 148 of the Act during the year.
- xvii) According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
- xviii) The company has not raised any money from the by public issues.
- xix) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

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

PLACE: Bangalore
DATED:

CA B. Sreenivasa Setty
Proprietor
Membership No. 205645

KMF BUILDERS & DEVELOPERS LIMITED

NOTES FORMING PART OF FINANCIAL INFORMATION

CORPORATE INFORMATION:

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

SIGNIFICANT ACCOUNTING POLICIES

BASIS FOR PREPARATION:

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

USE OF ESTIMATES:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

INVENTORIES:

Purab Manor Project:

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

Mathura Project:

Total Cost spent on project shown as Inventory - WIP

EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET:

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

REVENUE RECOGNITION: RESIDENTIAL COMPLEX:

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

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

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

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

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

KMF BUILDERS & DEVELOPERS LIMITED

INFLATION:

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

FIXED ASSETS & DEPRECIATION:

Tangible Fixed Assets:

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets

Intangible Assets:

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

Depreciation provided on a pro-rata basis on the WDV over the estimated useful life of the assets which are equal or higher than the rates prescribed under sch-II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

TREATMENT OF EXPENDITURE ON CONSTRUCTION WORK:

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

INVESTMENTS:

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

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.

All Board Directors and the designated employees have confirmed compliance with the Code.

DEFERRED TAXES:

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

TAXATION:

Income tax:

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

KMF BUILDERS & DEVELOPERS LIMITED

Deferred tax:

Deferred taxation is provided using the liability method in respect of the taxation effect originating from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to reverse in subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

SEGMENTAL REPORTING:

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

IMPAIRMENT OF ASSETS:

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

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.

All Board Directors and the designated employees have confirmed compliance with the Code.

INSURANCE CLAIMS

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

SERVICE TAX INPUT CREDIT

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

EARNINGS PER SHARE:

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

BORROWINGS COST:

Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the assets.

PROVISIONS AND CONTINGENT LIABILITIES:

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

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, Murugeshpalya, 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 20th Annual General Meeting of the Company, to be held on Wednesday, 30th day of September, 2015 at 10:30 a.m. at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore – 560017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description of Resolutions	Assent	Dissent
1.	Adoption of Audited Statement of Profit and Loss Account for the year ended March 31, 2015 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 reappointment.		
3.	Ratification of the appointment of M/s. B Sreenivasa & Co. Chartered Accountants as Statutory Auditors of the Company.		

KMF BUILDERS & DEVELOPERS LIMITED

Signed this..... day of..... 2015

Signature of shareholder

Affix Revenue Stamp

Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.

KMF Builders & Developers Limited

CIN: L45203KA1995PLC017422

Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore –560017

Tel:+91(080)25238007, 41486142-43,

Email: kmfbuilders95@gmail.com, Website: www.kmfbuilders.com

Mr./Mrs./Miss.....

Address

Folio No. (Physical holding).....DP ID (Demat holding).....

Client ID.....

No. of shares held

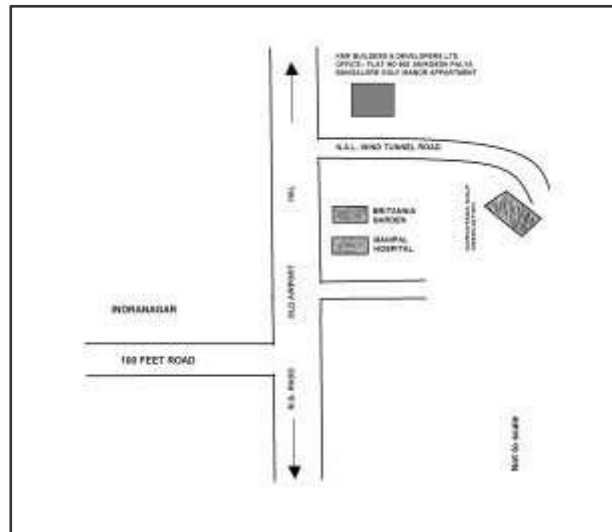
I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 20th Annual General Meeting (AGM) of the Company on on Wednesday, 30th day of September, 2015 at 10:30 a.m. at the Registered Office of the Company at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore – 560 017 or any adjournment thereof.

[Signature of Shareholders/Proxy(s)]

Notes:

1. Shareholder/proxyholder(s) are requested to bring the attendance slips with them when they come to the meeting and hand over the same at the entrance after affixing their signatures on them.
2. If it is intended to appoint a proxy, the proxy form should be completed and deposited at the Registered Office of the Company atleast 48 hours before the Meeting.



BOOK - POST

If Undelivered, please return to :

KMF BUILDERS & DEVELOPERS LIMITED

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

OR

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