

KMF BUILDERS & DEVELOPERS LTD.

Corporate. Office:-4E/15, Ashoka Centre Jhandewalan New Delhi-110055 Tel.-41537810-15

Regd. Office: Flat No. 508, Golf Manor, NAL Wind Tunnel Road,
Murgeshpalya, Bangalore-560017 Ph. 25238007, 41486142-43
CIN: L45203KA1995PLC017422, Website: www.kmfbuilders.com

21.10.2016

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

Sub: Submission of Annual Report under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Pursuant to the requirement of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are hereby submitting with you Annual Report for the year ended 31.03.2016 for your kind information and record.

Thanking you,

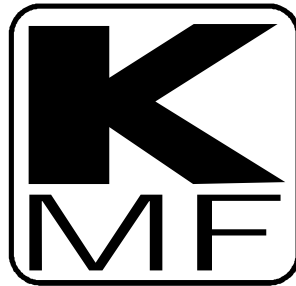
Yours faithfully

For KMF Builders & Developers Ltd.

For KMF Builders & Developers Ltd.


Company Secretary
Company Secretary

21ST
ANNUAL REPORT
2015-2016



**KMF BUILDERS & DEVELOPERS
LTD.**

KMF BUILDERS AND DEVELOPERS LIMITED

NOTICE

Notice is hereby given that the 21st Annual General Meeting of the members of M/s KMF Builders & Developers Limited (CIN: L45203KA1995PLC017422) will be held on Thursday, 29th day of September, 2016 at 10:30 a.m. at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore – 560017 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2016 including audited Balance Sheet as at 31st March, 2016 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, 142 and all other applicable provisions, if any of the Companies Act, 2013 and the Rules made there under, as amended from time to time, 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 22nd AGM of the Company to be held in the year 2017, 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.”

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of the Section 196, 197, 203, Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) and Articles of Association of the Company and subject to such other necessary approval(s), permission(s) as may be required, the consent of the members of the Company be and is hereby accorded for the appointment of Mr. Pradeep Kumar Malik (DIN: 00755555) as Whole-time Director of the Company for a period of one year w.e.f. 01st April, 2016, not liable to retire by rotation, on the terms & conditions and remuneration as set out below:

Remuneration

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

Overall Remuneration

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

Minimum Remuneration

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

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

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

“**RESOLVED THAT** pursuant to provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, Mr. Chirag Salaria (DIN: 07504249), who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective 02nd May, 2016 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Chirag Salaria (DIN: 07504249)

as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company with effect from 02nd May, 2016 to 01st May, 2021 and the term shall not be subject to retirement by rotation.”

By order of the Board of Directors

Place: Bangalore
Dated: 12.08.2016

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 AND 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. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the special businesses to be transacted at the Annual General Meeting is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours except on holidays, up to and including the date of the Annual General Meeting.
4. Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on 29th September, 2016 are provided in Annexure A of this Notice. The Company has received the consents / declarations for their appointments / re-appointments under the Companies Act, 2013 and the rules thereunder.
5. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Alankit assignments Ltd). Members are requested to keep the same updated.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its RTA. SEBI has also mandate that for registration of transfer of Securities, the transferee (s) as well as transferor shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
7. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial statements, Board Report, etc. by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members who have registered their email ids with their respective depository participants or with the share transfer agent of the Company.
8. To receive shareholders' communications through electronic means, including annual reports and notices, members are requested to kindly register/ update their email address with their respective depository participant, where shares are held in electronic form. If, however, shares are

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held in physical form, members are advised to register their e-mail address with Alankit Assignments Ltd. at lalitp@alankit.com.

9. Documents referred to in the Notice and the explanatory statement shall be open for inspection by the members at the registered office of the Company on all working days (Monday to Saturday) from 10.00 a.m. to 01.00 p.m. except holidays, upto the date of the meeting.
10. The Company has been maintaining, inter alia, the following statutory registers at its registered office at Bangalore, which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others as specified below:
 - i). Register of contracts or arrangements in which directors are interested under section 301 of the Companies Act, 1956 and section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
 - ii) Register of directors' shareholdings under section 307 of the Companies Act, 1956 and Register of directors and KMP and their shareholding under section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the annual general meeting of the Company and shall be made accessible to a person attending the meeting.
11. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
12. Only bonafide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
13. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
14. Members/Proxies are requested to bring the copies of annual reports to the meeting.
15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH-13 prescribed by the Government can be obtained from the Registrar and Transfer Agent or the Secretarial Department of the Company at its Registered Office.
16. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new Share Transfer Form SH-4 for this purpose.
17. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Share Transfer Agent or the concerned Depository Participant, as the case may be, immediately of:-
 - a. The change in the residential status on return to India for permanent settlement
 - b. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
18. The route map to reach the venue of the Annual General Meeting is annexed.

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19. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their votes on resolutions through e-voting services provided by 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.

20. 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.

21. 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.

22. 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.

23. In case a Member is desirous of obtaining a duplicate Ballot Form, he may send an e-mail to evoting@alankit.com by mentioning their Folio/DP ID and Client ID No. However, the dully completed Ballot Form should reach the Registrars & Transfer Agent at Alankit Assignments Limited, (205-208, Anarkali Complex Jhandewalan Extension New Delhi 110055 not later than 29th Sept, 2016 (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 26.09.2016 at 10.00 a.m. and ends on 28.09.2016 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 22.09.2016, 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
- (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

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	<ul style="list-style-type: none"> 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.
- (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 scrutinizer 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. 22nd September, 2016 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

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General instructions:

- i. The e-voting period commences on 26th September, 2016 (10:00 a.m. IST) and ends on 28th September, 2016 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22nd September, 2016, may cast their vote electronically. The e-voting module shall be disabled by Alankit for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 22nd September, 2016. 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. 22nd September, 2016, 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 existing user ID and password for casting your vote.
- iv. The Company has appointed Mr. Deepak Sadhu of M/s DEEPAK SADHU & Co, Practicing Company Secretary (ACS No. A39541 CP No. 14992), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- v. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make not later than three days of conclusion of the meeting a Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- vi. In the event of a poll, please note that the members who have exercised their right to vote by electronic means as above shall not be eligible to vote by way of poll at the meeting. The poll process shall be conducted and report thereon will be prepared in accordance with section 109 of the Companies Act, 2013 read with the relevant Rules. In such an event, votes cast under Poll taken together with the votes cast through e-voting and using ballot form shall be counted for the purpose of passing of resolution(s).
- vii. The notice of the meeting will be displayed on the Company' website at www.kmfbuilders.com.
- viii. The details of the person responsible to address the grievances connected with facility for voting by electronic means:

Name: - Megha Bata

Designation: - Compliance officer

Address: - 4E/15 Ashoka Centre, Jhandewalan, New Delhi - 110 055

Email id: - kmfbuilder95@gmail.com

Phone No.:- 01141537815

- ix. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kmfbuilders.com and on the website of Alankit within two days of the passing of the resolutions at the AGM on 29th September, 2016 and communicated to the Stock Exchanges where the shares of the Company are listed.

KMF BUILDERS AND DEVELOPERS LIMITED

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

ITEM NO. 4

The Board of Directors vide its resolution dated 31st March, 2016 appointed Mr. Pradeep Kumar Malik as Whole-time Director of the Company with effect from 01st April, 2016 pursuant to Section 196, 197, 203, Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with the Articles of Association of the Company. In terms of section 160 of the Companies Act, 2013, the Company has received notice in writing from a member along with a deposit of Rs. 1 Lakh proposing the candidature of Mr. Pradeep Kumar Malik for appointment as Whole-time Director as per the provisions of Sections 196, 197, 203, Schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder. In the opinion of the Board of Directors, Mr. Pradeep Kumar Malik, Director fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as Whole-time Director of the Company and he is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

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

ITEM NO. 5

The Board of Directors vide its resolution dated 02nd May, 2016 appointed Mr. Chirag Salaria as an Additional Director of the Company in the capacity of Independent Director with effect from 02nd May, 2016 pursuant to Section 161 of the Companies Act read with the Articles of Association of the Company. In terms of section 160 of the Companies Act, 2013, the Company has received notice in writing from a member along with a deposit of Rs. 1 Lakh proposing the candidature of Mr. Chirag Salaria for appointment as Independent Director as per the provisions of Sections 149 and 152 of the Companies Act, 2013. Mr. Chirag Salaria has given declaration to the Board of Directors of the Company that he met the criteria of Independence as required under Section 149 of the Companies Act, 2013. In the opinion of the Board of Directors, Mr. Chirag Salaria, Director fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and he is independent of the management. Mr. Chirag Salaria is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

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

By order of the Board of Directors

Place: Bangalore
Dated: 12.08.2016

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

Annexure A

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting scheduled to be held on September 29, 2016 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015

Director's Name & Date of Birth	Brief Resume (Date of Appointment, Qualification, Expertise in specific functional area)	Chairmanships/ Directorships of other Companies (excluding Foreign Companies and Section 8 Companies)	Chairmanships / Memberships of Committees of other Public Companies	No. of shares held in the Company as on 31.03.2016	Relationship with Directors and Key Managerial Personnel
Mrs. Kavita Chadha (DOB- 23.06.1963)	Graduate by qualification and she joined the Company in 2010 as Director and later on she is working as Project Consultant. She has varied experience in all the major departments such as planning and project execution and had a significant role in formulating the long term business plan of the Company.	She is also the Director in KMF Securities Limited.	-	10,80,400	Promoter of the Company, Mother of Mr. Gorve Chadha, Managing Director
Mr. Chirag Salaria (DOB- 04.06.1991)	Master in commerce from Punjab University and he has 5 years experience in Purchase of raw materials in the manufacturing field, Cost reduction and Finance)	-	-	-	-
Mr. Pradeep Kumar Malik (DOB- 01.12.1954)	B.Com from Delhi University. He has worked in various Senior Capacities for more than 20 years, he is in charge of construction activity and stationed at Bangalore, he was overall in charge of the successfully completed de lux apartment projects at Bangalore & Kalyan.	-	-	-	-

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 21st Annual General Meeting of the Company, to be held on Thursday, 29th day of September, 2016 at 10:30 a.m. at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore – 560 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description of Resolutions	Assent	Dissent
ORDINARY BUSINESS			
1.	Adoption of Audited Statement of Profit and Loss Account for the year ended March 31, 2016 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.		
2.	Appointment of a Director in place of Mrs. Kavita Chadha, who retires by rotation and, being eligible, offers herself for re-appointment.		
3.	Ratification of the appointment of M/s. B Sreenivasa & Co. Chartered Accountants as Statutory Auditors of the Company.		
SPECIAL BUSINESS			
4.	Appointment of Mr. Pradeep Kumar Malik as Whole-time Director of the Company		
5.	Appointment of Mr. Chirag Salaria as an Independent Director of the Company		

Signed this..... day of..... 2016

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 LTD.
OFFICE:- FLAT NO 508 ,MURGESH PALYA
BANGALORE GOLF MANOR APPARTMENT

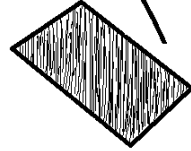


N.A.L. WIND TUNNEL ROAD

 BRITANNIA GARDEN

 MANIPAL HOSPITAL

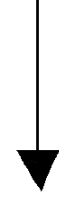
KARNATAKA GOLF ASSOCIATION



HAL

OLD AIRPORT

M.G. RAOD



INDRANAGAR

100 FEET ROAD

Not to scale

KMF BUILDERS & DEVELOPERS LIMITED

DIRECTORS' REPORT

To the Members of KMF Builders and Developers Limited

Your Directors have pleasure in presenting the 21st Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2016

1. FINANCIAL RESULTS

PARTICULARS	(Fig in Rs.)	(Fig in Rs.)
	2015-2016	2014-2015
Income	5,62,73,512	3,36,78,688
Expenses	4,94,89,598	2,97,69,921
Profit (before financial charges, depreciation and tax)	67,83,913	39,08,767
Net Finance Expense / (Income)	53,553	76,738
Depreciation and amortization Expenses	11,95,766	9,85,198
Profit before tax	55,34,594	28,46,831
Tax Expense	15,26,123	14,30,658
Net Profit for the year	40,08,471	14,16,173

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 "Gokul Dham" at Mathura and "Purab Manor" at Bangalore. Yours Directors are quite hopeful for the success of both the projects as well and will earn excellent earning out of it.

3. DIVIDEND

Your Directors do not recommend any dividend for the Financial Year 2015-2016.

4. TRANSFER TO RESERVES

The Company has not transferred any amount to the Reserves for the Financial Year 2015-2016.

5. TRANSFER OF UNPAID AND UNCLAIMED AMOUNT TO IEPF

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

6. CHANGES IN THE NATURE OF BUSINESS

There has been no change in the nature of the business of the Company during the Financial Year 2015-2016.

7. MATERIAL CHANGES AND COMMITMENTS

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

ANNUAL REPORT 2015-2016

KMF BUILDERS & DEVELOPERS LIMITED

8. CHANGE IN SHARE CAPITAL

There is no change in share capital structure of the Company during the financial Year 2015-2016.

9. HUMAN RESOURCES DEVELOPMENT

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

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

10. SUBSIDIARY COMPANIES

The Company does not have any Subsidiary Company.

11. CORPORATE GOVERNANCE REPORT

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2016, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to this Report.

12. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

13. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of the annual accounts for the financial year 2015-16, 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.

KMF BUILDERS & DEVELOPERS LIMITED

14. AUDITORS

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s 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.

Hence, we propose to ratify the appointment of M/s B Sreenivasa & Co. Chartered Accountants, [Firm Registration Number:009287S] as Statutory Auditors till the conclusion of 22nd Annual General Meeting to be held in 2017. Further, the Company received an intimation from M/s B Sreenivasa & Co. Chartered Accountants, [Firm Registration Number:009287S] to the effect that if they will be appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 and the Rules framed there under for appointment as Statutory Auditors of the Company.

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. The Secretarial Audit Report of the Company for the Financial Year 2015-16 is annexed to this Report.

INTERNAL AUDITOR

The Company has appointed Mrs. Poonam Sharma wife of Mr. Atul Sharma as Internal Auditor of the Company for the Financial Year 2015-2016.

15. AUDITORS' AND SECRETARIAL AUDITORS' REPORT

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

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

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

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

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

18. EXTRACT OF ANNUAL RETURN

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

19. DEPOSIT FROM PUBLIC

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

ANNUAL REPORT 2015-2016

KMF BUILDERS & DEVELOPERS LIMITED

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

I. Appointment

Mr. Chirag Salaria, was appointed as an Additional Director in the capacity of Independent Director in the meeting of Board of Directors of the Company effective from 02nd May, 2016 and who shall hold office only upto the date of ensuing Annual General Meeting and is eligible for appointment as Director.

Mr. Pradeep Kumar Malik was appointed as Whole-time Director in the meeting of Board of Directors of the Company effective from 01st April, 2016 for a period of one year and his appointment is subject to the approval of shareholders.

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

II. Resignation

During the year, Mr. Anil Rishiraj, Director resigned from the Board of the Company effective from 02nd February, 2016.

III. Retirement

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

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

21. DECLARATION BY INDEPENDENT DIRECTORS

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

22. BOARD DIVERSITY

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

23. BOARD EVALUATION

The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the Directors on the Board as a whole, Committees and self-evaluation. Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as each of the other Directors.

Based on the questionnaire and feedback, the performance of every director was evaluated in the meeting of the Nomination and Remuneration Committee (NRC).

A separate meeting of the independent directors ("Annual ID meeting") was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman. Post the Annual ID meeting, the collective feedback of each of the Independent Directors was discussed by the Chairman of the NRC with the Board's Chairman covering performance of the Board as a whole; performance of the non-independent directors and performance of the Board Chairman.

Some of the key criteria for performance evaluation are as follows –

Performance evaluation of Directors:

- Attendance at Board or Committee meetings
- Contribution at Board or Committee meetings

KMF BUILDERS & DEVELOPERS LIMITED

- Guidance/support to management outside Board/Committee meetings

Performance evaluation of Board and Committees:

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

24. MEETINGS OF THE BOARD

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

25. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company comprises of Independent and Executive members. The current members of the committee are Mr. Ravinder Kumar Sharma, Chairman, Mr. Shyam Sunder and Mr. Pradeep Kumar Malik. The Board has accepted all recommendations made by the Audit Committee during the year.

The composition and other relevant details of other board level committees i.e. Nomination and Remuneration Committee and Stakeholders Relationship Committee are disclosed separately in the Corporate Governance Report which is annexed to and forms a part of this Report.

26. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

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

27. PREVENTION OF INSIDER TRADING

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

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

28. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statement.

29. TRANSACTIONS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Thus, the provisions of Section 188(1) of the Companies Act, 2013 are not applicable. During the year, the Company has not entered into any contract / arrangement / transaction of material nature with any of the related parties which are in conflict with the interest of the Company. Related party disclosures are given in the notes to the financial statement.

KMF BUILDERS & DEVELOPERS LIMITED

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

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

31. ADEQUACY OF INTERNAL FINANCIAL CONTROL

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

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

32. RISK MANAGEMENT

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. For details, please refer to the Management Discussion and Analysis report which form part of the Board Report.

33. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

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

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

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

35. VIGIL MECHANISM

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

36. DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013

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

37. PARTICULARS OF EMPLOYEES

The information required under the provisions of Rules 5(2) & 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company as there was no

KMF BUILDERS & DEVELOPERS LIMITED

Personnel who was in receipt of remuneration aggregating to Rs. 60,00,000/- per annum if employed throughout the financial year and Rs. 5,00,000/- per month if employed for a part of financial year.

38. PARTICULARS OF REMUNERATION

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

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

(Amount in Rs.)

S. No.	Name	Designation	CTC	Median Employee salary	Ratio
1.	Gorve Chadha	Managing Director	300000	240000	1.25:1
2.	Pradeep Kumar Malik	Whole Time Director	385000	240000	1.75:1

(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, 2016

(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 2015-2016 (aggregated)	9,25,000/-
Revenue from operations	5,62,73,512
Remuneration (as % of revenue)	1.64%
Profit before tax (PBT)	55,34,594
Remuneration (as % of PBT)	16.71%

(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 16	As at 31st Mar 15	Variation
Closing rate of share at BSE	Rs.	3.53	2.52	(40.0%)
EPS (Consolidated)	Rs.	.33	.12	17.5
Market Capitalization	Rs.	4,30,02,460	30,69,86,40	1,23,03,820

KMF BUILDERS & DEVELOPERS LIMITED

(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 2015-2016. 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	Managing Director	Chief Financial Officer	Company Secretary
Remuneration	3,00,000	3,85,000	2,40,000
Revenue	5,62,73,512	5,62,73,512	5,62,73,512
Remuneration (as % of revenue)	0.53	0.68	0.42
Profits before tax (PBT)	55,34,594.14	55,34,594.14	55,34,594.14
Remuneration (as % of PBT)	5.4%	6.95%	4.33%

(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, 2016 is as per the Remuneration Policy of the Company.

39. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company.

40. LISTING

The Equity shares of your company were listed at Bombay Stock Exchange Limited and Delhi Stock Exchange Limited. However, the Delhi Stock Exchange Limited has been de-recognized as a Stock Exchange during the year, so, presently the Company is listed on Bombay Stock Exchange Limited only. The Company has paid listing fees to the Bombay Stock Exchange for the year 2015-2016

41. STATUTORY DISCLOSURES

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

42. ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers,

KMF BUILDERS & DEVELOPERS LIMITED

alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

By order of the Board of Directors

Place: Bangalore
Dated: 12.08.2016

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

KMF BUILDERS & DEVELOPERS LIMITED

ANNEXURE- 1

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

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNING & OUTGO

Fig in Rs.

Total foreign exchange earnings

---NIL----

Total foreign exchange outgo

---NIL----

D. ENVIRONMENT

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

ANNEXURE -2

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 31.03.2016**

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

KMF BUILDERS & DEVELOPERS LIMITED

6.	Whether listed company (Yes/No)	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	ALANKIT ASSIGNMENTS LIMITED , 205-208 ANARKALI COMPLEX JHANDEWALAN EXTENSION NEW DELHI -110055 TEL: 011-42541234 EMAIL: alankit@alankit.com

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	DEVELOPMENT AND CONSTRUCTION OF PROPOERTIES	410	98.49%

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [01.04.2015]				No. of Shares held at the end of the year [31.03.2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	41,04,200	0	41,04,200	33.69	41,04,200	0	41,04,200	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.	12,36,000	0	12,36,000	10.15	12,36,000	0	12,36,000	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
Sub-Total (A)(1)	53,40,200	0	53,40,200	43.84	53,40,200	0	53,40,200	43.84	0
(2) Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
c) Institutions	0	0	0	0	0	0	0	0	0
d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e) Any Other (specify)	0	0	0	0	0	0	0	0	0

KMF BUILDERS & DEVELOPERS LIMITED

Sub-Total (A)(2)									
Total shareholding of Promoter (A)	53,40,200	0	53,40,200	43.84	53,40,200	0	53,40,200	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) FII's	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	11,64,123	3,43,800	15,07,923	12.38	11,42,378	3,43,800	14,86,178	12.20	1.44
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	6,59,510	6,07,400	12,66,910	10.40	6,88,163	6,01,400	12,89,563	10.58	1.79
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	34,44,367	6,22,600	40,66,967	33.38	34,43,459	6,22,600	40,66,059	33.38	0.02
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	52,68,000	15,73,800	68,41,800	56.16	52,74,000	15,67,800	68,41,800	56.16	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	52,68,000	15,73,800	68,41,800	56.16	52,74,000	15,67,800	68,41,800	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	1,06,14,200	15,67,800	1,21,82,000	100	-

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B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	2,89,000	2.372	0	2,89,000	2.372	0	-
2	Mrs. Sneh Lata	2,85,600	2.34	0	2,85,600	2.34	0	-
3	Mr. Gorve Chadha	4,81,900	3.956	0	4,81,900	3.956	0	-
4	Ms. Tanu Chadha	3,79,000	3.11	0	3,79,000	3.111	0	-
5	Ms. Manisha Chadha	7,37,100	6.05	0	7,37,100	6.05	0	-
6	Mr. Pradeep Kumar Malik	4,20,200	3.45	0	4,20,200	3.449	0	-
7	Mrs. Satyawati Chadha	4,31,000	3.54	0	4,31,000	3.54	0	-
8	M/s. KMF Ltd.	5,02,000	4.12	0	5,02,000	4.12	0	-
9	Mr. Surender Kumar Chadha	5,20,200	4.27	0	0	0	0	100
10	Mrs. Kavita Chadha	5,60,200	4.60	0	10,80,400	8.87	0	92.86
11	M/s. KMF Securities Ltd.	7,34,000	6.025	0	7,34,000	6.025	0	-

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 01.04.2015		Shareholding at the end of the year as on 31.03.2016		% change in shareholding during the year	Reason for Change
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		
1.	Mrs. Kavita Chadha	5,60,200	4.59	10,80,400	8.87	92.86	Transfer (Inter se transfer)

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

S. No.	Name of the Shareholders	Shareholding at the beginning of the year as on 01.04.2015		Change in Shareholding during the year		Shareholding at the end of the year as on 31.03.2016	
		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	1050	0.008	8,24,850	6.77
2.	Mrs. Poonam Sharma	4,20,600	3.45	-3,40,800	-2.79	7,98,00	0.65

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3.	Mrs. Geetu Sharma	4,00,000	3.28	-4,00,000	3.28	0	0
4.	Mr. Hitesh Ramji Javeri	3,80,000	3.12	-	-	3,80,000	3.12
5.	Anagram Securities Limited	3,39,000	2.78	-	-	3,39,000	2.78
6.	Mrs. Sushma Batra	3,38,000	2.77	1,49,956	1.23	4,87,956	4.01
7.	Mrs. Gitanjali Sabharwal	3,09,000	2.53	-3	0.00	3,08,997	2.53
8.	Mrs. Shashi Bhasin	2,93,400	2.40	14,99,03	1.23	4,43,303	3.63
9.	TMG Properties P Ltd.	2,80,000	2.30	-	-	2,80,000	2.30
10.	Mrs. Harsha Hitesh Javeri	2,24,000	1.84	-	-	2,24,000	1.84

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

Name	Shareholding		Date	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year		Reason for Change
	No. of Shares at the beginning (01.04.2015)/ end of the year (31.03.2016)	% of total shares of the company			No. of shares	% of total shares of the company	
Mr. Gorve Chadha	4,81,900	3.96	01.04.2015				Nil movement during the year
				0			
Mrs. Kavita Chadha	4,81,900	3.96	31.03.2016		4,81,900	3.96	Due to transfer
				5,20,200	10,80,400	8.08	
Mr. Pradeep Kumar Malik	1080400	4.60	31.03.2016		10,80,400	8.08	Nil movement during the year
				0			
Mr. Anil Rishiraj	4,20,200	3.45	01.04.2015				Nil movement during the year
				0			
Mr. Ravinder Kumar Sharma	4,20,200	3.45	31.03.2016		4,20,200	3.45	Nil movement during the year
				0			
Mr. Shyam Sunder Mitra	0	0	01.04.2015				Nil movement during the year
				0			
Mr. Shyam Sunder Mitra	0	0	31.03.2016		0	0	Nil movement during the year
				0			

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Ms. Megha Bata	0	0	01.04.2015				Nil movement during the year
					0		
	0	0	31.03.2016		0	0	

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	7,01,774.61	25,60,000	0	32,61,774.61
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	7,01,774.61	25,60,000	0	32,61,774.61
Change in Indebtedness during the financial year				
* Addition	0	15,30,501	0	15,30,501
* Reduction	3,77,223.31	36,69,461	0	40,46,684.31
Net Change	(3,77,223.31)	(21,38,960)	0	(25,16,183.31)
Indebtedness at the end of the financial year				
i) Principal Amount	3,24,551.30	4,21,040	0	7,45,591.30
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	3,24,551.30	4,21,040	0	7,45,591.30

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs.)
		Mr. Grove Chadha	Mr. Pradeep Kumar Malik	
1	Gross salary	3,00,000	3,85,000	6,85,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	3,00,000	3,85,000	6,85,000/-
	Ceiling as per the Act	-	-	-

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B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		CHIRAG SALARIA	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	
		CS	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

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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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, 2016 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, 2016 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;

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- (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;
 - (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) (i.) A Prosecution is pending against the Company with reference to a case under Section 138 of the Negotiable Instrument Act 1881, and the matter is sub judicious before Tis Hazari Court, New Delhi.
- ii. A investor, Mr. Suresh Kumar Kharkia, filed a suit bearing no. 46 of 2012, in the Court of Principal Senior Civil Judge, Ahmedabad Rural) of Mirzapur, Ahmedabad, Gujrat state. The matter is sub-judice. I have also examined compliance with the applicable clauses of the following:
- (VII) (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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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 of 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: 08.08.2016

Signature:
Pradeep Kumar Sahoo
FCS No. 6234
C P No. 10339

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CORPORATE GOVERNANCE REPORT

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

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.

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4. Selection criteria of Board Members

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

5. Familiarization Program of Independent Directors

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

6. Prevention of Insider Trading

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

7. Vigil Mechanism

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

8. Disclosure Policy

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

9. Policy for Preservation of Documents

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

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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 2015-2016

Independent Directors are not serving as Independent Directors in more than seven listed companies.

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

(C) Performance evaluation of Independent Directors:

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

(D) Other provisions as to Board and Committees

The Board comprises of Mr. Gorve Chadha, Chairman & Managing Director, Mrs. Kavita Chadha as Executive Director, Mr. Pradeep Kumar Malik as Whole time Director and Mr. Chirag Salaria, Mr. Ravinder Kumar Sharma and Mr. Shyam Sunder Mitra as Non-Executive Independent Directors.

During the year 2015-2016, 07 (Seven) meetings of the Board of Directors were held on 30th May 2015, 14th August 2015, 10th November 2015, 20th November 2015, 02nd February 2016, 12th February 2016, 31st March, 2016. The maximum time gap between any two consecutive meetings did not exceed 120 days.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding committee positions in other public companies as on 31st March, 2016 have been made by the Directors as per Regulation 26 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015. Details of attendance of Directors at Board Meetings and at the last Annual General Meeting held on 30th September, 2015, with particulars of their Directorships and Chairmanship/Membership of Board Committees of the companies showing the position as on 31st March, 2016 are given below:

Name	Category	Attendance		No. of Directorships in other public companies	No. of Committees and positions held in other public companies	
		Board Meetings	Last AGM		Member	Chairman
Mr. Gorve Chadha (MD) DIN 06407884	Non-Independent Executive Director	7	Yes	-	-	-
Ms. Kavita Chadha DIN 03304018	Non-Independent Executive & Promoter Director	5	No	1	-	-
Mr. Pradeep Kumar Malik DIN 00755555	Whole time Executive and Promoter Director	7	Yes	-	-	-
Mr. Anil Rishiraj* DIN 02853310	Independent Non Executive Director	2	No	-	-	-
Mr. Ravinder Kumar Sharma DIN 05101892	Independent Non Executive Director	4	Yes	-	-	-
Mr. Shyam Sunder Mitra DIN 01174462	Independent Director Non Executive Director	4	No	-	-	-

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* Resigned w.e.f. 02.02.2016.

Other directorships do not include alternate directorships, directorships of private limited companies, Section 8 of Companies Act, 2013 / Section 25 of the Companies Act, 1956 and of companies incorporated outside India. Chairmanships/Memberships of Board Committees include only Audit, Stakeholders Relationship and Nomination and Remuneration Committees of public limited companies.

The Company has received declarations of independence as prescribed under Section 149(6) & (7) of the Companies Act, 2013 from Independent Directors. All requisite declarations have been placed before the Board.

None of the Directors are related to each other as on date except Mr. Gorve Chadha and Ms. Kavita Chadha, having relation of son and mother.

(E) Code of Conduct

(i) The Board of Directors has laid down Code of Conduct for Non-Executive Directors, Independent Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company - www.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, 2016. The Annual Report of the Company contains a Certificate by the Managing Director in terms of Listing Obligations and Disclosure Requirements) Regulations, 2015 based on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

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 stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the Audit Committee. Its functioning is as under:

- (i) The Audit Committee presently consists of the three Directors, out of which two are Independent Non-Executive Directors;
- (ii) All members of the Committee are financially literate and having the requisite financial management expertise;
- (iii) The Chairman of the Audit Committee is an Independent Director;
- (iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 30th September, 2015.

(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

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- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The powers of the Audit Committee includes:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

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

The composition of the Committee is Mr. Ravinder Kumar Sharma, Chairman Mr. Shyam Sunder and Mr. Pradeep Kumar Malik as members of the Committee. During the year, four Audit Committee meetings were held on 30th May 2015, 14th August 2015, 10th November, 2015 and 12th February 2016. The composition of the Audit Committee and number of meetings attended by the Members during the year are given below:

KMF BUILDERS & DEVELOPERS LIMITED

Name of Member	Category	Meetings held during FY 2016	Meetings attended
Mr. Ravinder Kumar Sharma	Independent Director	4	4
Mr. Anil Rishiraj*	Independent Director	4	2
Mr. Shyam Sunder	Independent Director	4	4
Mr. Pradeep Kumar Malik	Executive Director	4	4

* Resigned w.e.f. 02.02.2016.

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

Nomination and Remuneration Committee

(A) Constitution

The Nomination and Remuneration Committee comprises of Mr. Ravinder Kumar Sharma as Chairman of the Committee, Mr. Shyam Sunder Mitra and Mrs. Kavita Chadha as Members of the Committee.

(B) Terms of reference

Terms of reference of the Nomination and Remuneration Committee include:

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

(C) Meetings and attendance during the year:

During the year, Two meetings of Nomination and Remuneration Committee were held on 02nd February, 2016 and 31st March, 2016.

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 2016	Meetings attended
Mr. Ravinder Kumar Sharma	Independent Director	2	2
Mr. Anil Rishiraj *	Independent Director	2	1
Mr. Shyam Sunder	Independent Director	2	1
Mrs. Kavita Chadha	Executive Director	2	0

* Resigned w.e.f. 02.02.2016.

(D) Remuneration policy

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavors to attract, retain, develop and motivate a high performance workforce. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process.

(E) Remuneration to Managing Director

Mr. Gorge Chadha is the Managing Director ("MD") of the Company. The salary, benefits and perquisites paid to Mr. Gorge Chadha, MD during the year 2015-2016 was Rs. 3,00,000/- p.a.

(F) Remuneration to Non-Executive Directors

Mr. Ravinder Kumar Sharma, Mr. Anil Rishiraj (resigned w.e.f. 02.02.2016) and Mr. Shyam Sunder, the Non-Executive Directors, are not paid any sitting fee for attending the Board/Committee Meetings. Nothing was paid to the Non-Executive Directors during the year under review.

The Non-Executive Directors have disclosed that they do not hold any shares in the Company.

KMF BUILDERS & DEVELOPERS LIMITED

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

Stakeholders Relationship Committee

(A) Composition, Members, its meetings and attendance

Stakeholders Relationship Committee comprises of Mr. Ravinder Kumar Sharma as Chairman with, 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, two meetings of the Stakeholders Relationship Committee were held on 24th April, 2015 and 30th May 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 2015-2016	Meetings attended
Mr. Ravinder Kumar Sharma	Independent Director	2	2
Mr. Anil Rishiraj *	Independent Director	2	0
Mr. Shyam Sunder	Independent Director	2	2
Mr. Pradeep Kumar Malik	Executive Director	2	2

* Resigned w.e.f. 02.02.2016.

(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 2015-2016

There was no complaint received during the year 2015-2016. Pursuant to regulation 40(9) of SEBI (Listing and Obligations Requirement) Regulation 2016, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchange within stipulated time.

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 and Mr. Shyam Sunder met on 01.03.2016 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

(A) Basis of related party transactions

- (i) The statements containing the transactions with related parties were submitted periodically to the Audit Committee.
- (ii) There are no related party transactions that may have potential conflict with the interest of the Company at large.
- (iii) There were no material individual transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.
- (iv) There is no non-compliance by the Company and no penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital market, during the last three years.

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

(B) Disclosure of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis

KMF BUILDERS & DEVELOPERS LIMITED

under the historic cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(C) Board Disclosures - Risk Management

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

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

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

(E) Secretarial Audit Report

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

(F) Management Discussion and Analysis Report

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

(G) Shareholders

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

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

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

(H) CEO and CFO Certification

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

(I) Certificate on Corporate Governance

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

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
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.
2014-2015	30.09.2015	508, Golf Manor, NAL Wind, Tunnel Road, Murgeshpalya, Bangalore-560017	10.30 a.m.	No

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

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Means of Communication

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

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

VIII. General Shareholder Information

Annual General Meeting:

(i) Date, time and Venue : 29th September, 2016 at 10.30 a.m.

508, Golf Manor, NAL Wind,
Tunnel Road, Murgeshpalya,
Bangalore-560017

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

(iii) Date of Book Closure : 21st September, 2016 to 25th September, 2016 (both days inclusive)

(iv) Dividend : Nil

(v) Listing

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

BSE Limited

DSE Limited (DSE has been de-recognised during the year)

(vi) Stock Code

BSE Limited -53178

DSE Limited

The ISIN of the Company for its shares : INE580H01026

Listing Fees for Bombay Stock Exchange Limited for 2016-2017 has been paid.

(vii) Market price information

a. The reported high and low closing prices during the year ended 31 March, 2016 on the BSE, where your Company's shares are frequently traded vis-à-vis the Share Index, are given below:

Month 2015-16	BSE		BSE SENSEX	
	High	Low	High	Low
April	3.18	2.52	29,094.61	26,897.54
May	5.69	2.9	28,071.16	26,423.99
June	5.69	2.9	27,968.75	26,307.07
July	5.95	5.4	28,578.33	27,416.39
August	5.38	4.4	28,417.59	25,298.42
September	4.18	3.61	26,471.82	24,833.54
October	3.6	2.72	27,618.14	26,168.71
November	2.59	2.08	26,824.30	25,451.42
December	2.73	2.05	26,256.42	24,867.73
January	2.47	2.06	26,197.27	23,839.76
February	3.21	2.59	25,002.32	22,494.61
March	3.53	3.37	25,479.62	23,133.18

KMF BUILDERS & DEVELOPERS LIMITED

b. Performance in comparison to BSE Sensex

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

	1st April 2015	31st March 2016	% Change
Company Share Price (closing)	2.52	3.53	40%
SENSEX (closing)	28260.14	25341.86	-10%

(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 -11-23552001
Email: info@alankit.Com

(ix) Shareholding as on 31 March, 2016

(a) Distribution of shareholding as on 31 March, 2016

No. of Equity shares	No. of Shareholders	% of Shareholders	Total No. of Shares	% of holding
1-100	128	15.311	3,462	0.028
101- 500	243	29.067	66,604	0.547
501-1000	153	18.301	1,28,413	1.054
1001-5000	202	24.163	5,28,977	4.342
5001-10000	40	4.785	2,94,025	2.414
10001-20000	21	2.512	3,10,410	2.548
20001-30000	7	0.837	1,74,580	1.433
30001-40000	6	0.718	2,12,598	1.745
40001-50000	3	0.359	1,33,000	1.092
50001-100000	7	0.837	4,65,600	3.822
100001-500000	21	2.512	59,85,981	49.138
500001-above	5	0.598	38,78,350	31.837
TOTAL	836	100	1,21,82,000	100

(x) Shareholding pattern as on 31st March, 2016

Category	No. of Shares held	% of issued share capital
Promoter	4104200	33.691
Mutual Funds & UTI	0	0
Financial institutions/Insurance Companies	0	0
FII's	0	0
NRIs/Foreign Nationals	0	0
Corporate Bodies	1486178	12.20
Indian Public & Others	6591622	54.5
Total	12182000	100

KMF BUILDERS & DEVELOPERS LIMITED

(xi) Capital of the Company

The authorized and paid-up capital of your Company is Rs. 20,00,00,000/- and Rs. 30,910,000/- respectively.

(xii) Top ten Shareholders as on 31st March, 2016

Category	Name	No. of Shares held	% of issued share capital
CORPORATE / BODY CORPORATE	Manu Investment (P) Ltd.	8,24,850	6.77
INDIVIDUAL	Surender Kumar HUF	240055	1.97
INDIVIDUAL	Mohit Sansanwal	180000	1.48
INDIVIDUAL	Mr. Hitesh Ramji Javeri	3,80,000	3.12
CORPORATE / BODY CORPORATE	Anagram Securities Limited	3,39,000	2.78
INDIVIDUAL	Mrs. Sushma Batra	4,88,006	4.00
INDIVIDUAL	Mrs. Gitanjali Sabharwal	3,08,997	2.53
INDIVIDUAL	Mrs. Shashi Bhasin	4,43,303	3.63
CORPORATE / BODY CORPORATE	TMG Properties P Ltd.	2,80,000	2.30
INDIVIDUAL	Mrs. Harsha Hitesh Javeri	2,24,000	1.84

(xiii) Dematerialisation of shares and liquidity

As on 31st March, 2016, a total of 1,06,14,200 equity shares have been dematerialised by approx. 87% of the total share Capital. The Company's shares can be traded only in dematerialised form as per SEBI notification. The Company has entered into an Agreement with NSDL and CDSL whereby shareholders have the option to dematerialise their shares with either of the depositories. Equity shares are actively traded in BSE.

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

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

(xv) Plant locations

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

(xvi) Address for correspondence

The Company Secretary
KMF Builders & Developers Limited
4E/15 Ashoka Centre Jhandewalan
New Delhi-55 Tel.:41537810-15
Fax: 41537810
Email: kmfbuilders95@gmail.com

IX. 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.

KMF BUILDERS & DEVELOPERS LIMITED

X. Details of mandatory requirement of Listing Regulations

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

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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, 2016 as stipulated in SEBI (Listing Obligations and Disclosure Requirement) Regulation 2015 of the said Company with the Stock Exchanges.

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

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

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per the records maintained by the Company except one shareholder, Mr. Suresh Kumar Kharkia, who filed a suit bearing no. 46 of 2012, in the Court of Principal Senior Civil Judge, Ahmedabad Rural) of Mirzapur, Ahmedabad, Gujrat state. The matter is sub-judice.

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

**For B.Sreenivasa & Co.
Chartered Accountants**

Sd/-
CA B SreenivasaSetty
Proprietor
ICAI Reg. No. 205645

Place : Bangalore
Dated : 12.08.2016

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, 2016.

For KMF Builders & Developers Ltd.

**Sd/-
Gorve Chadha
Managing Director**

Certification by CEO/CFO

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

Ref: Certification by CEO/CFO for Financial Year 2015-2016

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 2015-2016 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: 12.08.2016

**Pradeep Kumar Malik
CFO**

**SD/-
Gorve Chadha
Managing Director**

ANNUAL REPORT 2015-2016

KMF BUILDERS & DEVELOPERS LIMITED

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Over the last four years, the infrastructure sector in India has witnessed a severe downturn. 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

On the back of robust private consumption, the revival sentiment and pick-up in industrial activity, amid a recovery of private investment, it is expected prices that India will continue to see good growth going critical forward.

Indian economy has seen a good growth in the recent years, after Modi government came in the centre, on the back of strength of public investment, highest foreign direct investment (FDI) and urban demand.

By implementing its various policy initiatives; with speedier decision-making and better governance, the Modi led government is expected to set in motion a worthy cycle of growth. Meanwhile, the lower commodity prices, a range of supply-side measures and a relatively tight monetary stance adopted by Reserve Bank of India (RBI) have helped a lot to cool inflation, making room for nominal interest rate cuts. It is expected that a good monsoon will help keep inflation pressures in check and allow room for an additional rate cuts during the current fiscal year. This too would give much needed boost to the Indian economy going forward.

Industry review

In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

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.

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.

ANNUAL REPORT 2015-2016

KMF BUILDERS & DEVELOPERS LIMITED

Future Outlook

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

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

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 undergoing.

During this financial year turnover of your company is Rs. 56,273,512 /- and profit is Rs. 40,08,471/-.

Net worth of your company as on 31st March, 2016 is Rs. 10,78,10,250/-.

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 Report on the Financial Statements

We have audited the accompanying financial statements of **M/s. KMF BUILDERS & DEVELOPERS LTD.**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

KMF BUILDERS & DEVELOPERS LIMITED

- (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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
 - (g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order

For B. Sreenivasa & Co.,
Chartered Accountants
Firm Reg No. 009287S
CA B. Sreenivasa Setty
Proprietor
Membership No. 205645

PLACE : Bangalore
DATED : 12.08.2016

KMF BUILDERS & DEVELOPERS LIMITED

“Annexure A” to the Independent Auditors’ Report

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

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

We have audited the internal financial controls over financial reporting of KMF Builders & Developers Limited (the “Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and payments of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

KMF BUILDERS & DEVELOPERS LIMITED

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

According to the information and explanations given to us, the company **has not introduced Internal Audit system for the year.**

In our opinion, to the best of our information and according to the explanations given to us, except for the effect of the matter described in the above paragraph, the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

CA B. Sreenivasa Setty
Proprietor
Membership No. 205645

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

Dated: - 12.08.2016
Bangalore

KMF BUILDERS & DEVELOPERS LIMITED

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

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

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information ;
 - b) According to the information and explanations given to us, the Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. No material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company as at the balance sheet date
- ii)
 - a) The management has conducted the physical verification of inventory at reasonable intervals.
 - b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and securities.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii) In respect of statutory dues
 - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanation given to us, the outstanding dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute as follows:

KMF BUILDERS & DEVELOPERS LIMITED

Name of the Statues	Nature of dues	Amount
Income tax Act, 1961	Interest on delayed payment of TDS u/s 201 & 220(2)& Interest on Short Deduction & Short Payment	130,730
	Short Payment & Short Deduction of TDS	156,517
	Late Filing Fee	44,000

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions
Except CAR LOAN or from the government and has not issued any debentures.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

CA B Sreenivasa Setty
Proprietor
M.No.205645

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

Place: Bangalore
Date: 12/08/2016

KMF BUILDERS & DEVELOPERS LIMITED

NOTES FORMING PART OF FINANCIAL INFORMATION

CORPORATE INFORMATION:

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

1.00 SIGNIFICANT ACCOUNTING POLICIES

1.01 BASIS FOR PREPARATION:

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

1.02 USE OF ESTIMATES:

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

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

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

1.03 INVENTORIES:

Purab Manor Project:

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

Mathura Project:

Total Cost spent on project shown as Inventory - WIP

1.04 EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET:

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

1.05 REVENUE RECOGNITION: RESIDENTIAL COMPLEX:

Revenue in respect of residential project is recognized based on percentage completion method as per Accounting Standard 7 issued by the ICAI. Under this method, revenue is recognized based on the

KMF BUILDERS & DEVELOPERS LIMITED

estimated total cost of the project and estimated sale value based on the transfer of ownership/ possession/ GPA/ Katha Transfer/ Agreements.

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

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

Interest income recognized on time proportionate basis and other income is recognized on accrual basis In respect of interest on IT refund/Insurance claim. Income will be recognized on cash basis

1.06 INFLATION:

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

1.07 FIXED ASSETS & DEPRECIATION:

Tangible Fixed Assets:

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

Intangible Assets:

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

Depreciation on fixed assets is provided on the written down value method. Depreciation for assets purchased /sold during a period is proportionately charged as per the companies Act 2013 based on the useful life of Asset prescribed in Schedule-II of the Act. Intangible assets are amortized on a written down value basis, commencing from the date the asset is available to the company for its use. However Useful Life of Intangible Asset does not exceed Ten Years as prescribed in Accounting standard 26 (Accounting for Intangible Assets) issued by ICAI. However,

The respective block of assets will be written off against reserves or charged to Profit and Loss account only when they are disposed/depleted or sold by the company.

Depreciation to the extent of 40% adjusted under Reserves and Surplus due to change in the Depreciation method as per the Companies Act, 2013 and balance charged to Profit & Loss Account for the year.

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1.08 TREATMENT OF EXPENDITURE ON CONSTRUCTION WORK:

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

1.09 INVESTMENTS:

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

1.10 RETIREMENT BENEFIT:

- a) One Employee is covered under gratuity scheme. The company has determined the gratuity liability.
- b) In case of leave encashment benefits offered to employees, there is no liability for provision of leave encashment benefit at the end of the year.
- c) The Company's total number of employees has not exceeded the stipulation limit of the PF Act., 1952, hence the company has not registered under PF Act., 1952

1.11 DEFERRED TAXES:

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

1.12 TAXATION:

Income tax:

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

Deferred tax:

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

Minimum Alternative Tax:

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

1.13 SEGMENTAL REPORTING:

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

1.14 IMPAIRMENT OF ASSETS:

Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An asset is impaired when the carrying amount of the asset exceeds its

KMF BUILDERS & DEVELOPERS LIMITED

recoverable amount. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

1.15 INSURANCE CLAIMS

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

1.16 SERVICE TAX INPUT CREDIT

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

1.17 EARNINGS PER SHARE:

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

1.18 BORROWINGS COST:

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

1.19 PROVISIONS AND CONTINGENT LIABILITIES:

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

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

1.20 FOREIGN CURRENCY TRANSACTIONS AND TRASLATIONS

Initial Recognition:

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

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates. However there are no foreign currency transactions during the year.

KMF BUILDERS & DEVELOPERS LIMITED

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

	March 31, 2016	March 31, 2015
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

KMF BUILDERS & DEVELOPERS LIMITED

KMF BUILDERS AND DEVELOPERS PRIVATE LIMITED Balance Sheet as at 31 March 2016

	Note	31 Mar 2016 ₹ Rs	31 Mar 2015 ₹ Rs
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	60,910,000.00	60,910,000.00
Reserves and surplus	3	46,900,250.85	43,979,288.71
		107,810,250.85	104,889,288.71
Non-Current Liabilities			
Long-term borrowings	4	625,040.00	2,846,000.00
Deferred tax liabilities (net)	5	0.00	285,246.00
Other long-term liabilities	6	0.00	0.00
Long-term provisions	7	0.00	0.00
		625,040.00	3,131,246.00
Current Liabilities			
Short-term borrowings	8	120,551.30	415,774.61
Trade payables	9	12,588,587.00	12,806,636.00
Other current liabilities	9	29,551,577.94	50,039,046.94
Short-term provisions	7	2,460,379.00	1,207,276.00
		44,721,095.24	64,468,733.55
Total		153,156,386.09	172,489,268.26
Assets			
Non-Current Assets			
Fixed assets			
Tangible assets			
Tangible assets	10	2,489,976.00	4,739,083.00
Intangible assets	11	0.00	0.00
Capital work-in-progress		0.00	0.00
		2,489,976.00	4,739,083.00
Current investments			
Properties held for development	12	6,177,760.26	6,177,760.26
Deferred tax assets (net)	5	0.00	0.00
Long-term loans and advances	13	238,944.00	0.00
Trade receivables	14	0.00	0.00
Other non-current assets	15	0.00	0.00
		8,906,680.26	10,916,843.26
Current Assets			
Inventories			
Raw materials			
Raw materials	16	0.00	0.00
Properties under development/construction		127,813,055.14	144,547,964.14
Properties held for sale		0.00	0.00
		127,813,055.14	144,547,964.14
Trade receivables	14	500,000.00	500,000.00
Cash and bank balances	17	5,190,924.13	4,498,660.66
Short-term loans and advances	13	8,808,440.35	9,744,179.99
Other current assets	15	1,937,286.21	2,281,620.21
		144,249,705.83	161,572,425.00
Total		153,156,386.09	172,489,268.26
Significant accounting policies and Notes on Accounts	1		

For & on behalf of the Board of Directors

(Malik Pradeep Kumar)
Whole Time Director

(Gorve Chadha)
Managing Director

(Megha Bata)
Company Secretary

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

CA B Sreenivasa Setty

Proprietor

Icai Reg No. 205645

Place: Bangalore

Date: 12.08.2016

ANNUAL REPORT 2015-2016

KMF BUILDERS & DEVELOPERS LIMITED

KMF Builders and Developers Ltd

Statement of Profit and Loss for the year ended 31 March 2016

	Note	31 Mar 2016 Rs	31 Mar 2015 Rs
Income			
Revenue from operations			
Revenue from projects	18	56,273,512.30	33,678,688.75
Other income	19	0.00	
Total-I		56,273,512.30	33,678,688.75
Expenses			
Construction cost	20	19,339,969.90	16,348,697.00
Changes in inventories of WIP	21	17,159,000.00	1,888,000.00
Employee benefit expenses	22	3,727,529.64	3,291,535.80
Other expenses	23	9,263,099.15	8,241,688.33
Total-II		49,489,598.69	29,769,921.13
Earnings before interest, tax, depreciation and prior period items		6,783,913.61	3,908,767.62
Depreciation and amortization expenses	24	1,195,766.00	985,198.00
Net finance expense / (Income)	25	53,553.47	76,738.27
Profit before tax and prior period items		5,534,594.14	2,846,831.35
Tax expense	26	1526123.00	1430658.00
Profit after tax and before prior period items		4,008,471.14	1,416,173.35
Prior period income (net of tax expense)		0.00	0.00
Net profit for the year		4,008,471.14	1,416,173.35
Earnings per share ((Nominal value ` 5 per share) (Previous Year ` 10 per share))			
Basic (`)	27	0.33	0.12
Diluted (`)		0.33	0.12

Significant accounting policies and Notes to Accounts 1

For & on behalf of the Board of Directors

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

(Malik Pradeep Kumar)

Whole Time Director

Place: Bangalore

Date: 12.08.2016

(Gorve Chadha)

Managing Director

(Megha Bata)

Company Secretary

CA B Sreenivasa Setty

Proprietor

Icai Reg No. 205645

KMF BUILDERS & DEVELOPERS LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2016

PARTICULARS	31 Mar 2016 Rs.	31 Mar 2015 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax	5,534,594.14	2,846,831.35
Adjustments to reconcile profit before tax to cash provided by opening activities:		
Depreciation	1,195,766.00	985,198.00
Interest Expenses	557,315.47	534,854.20
Interest Income	(503,762.00)	(458,115.93)
Other Income	-	-
Changes in assets and liabilities:		
Trade Receivable, Inventories, Loans and Advances	18,014,982.64	(12,577,005.36)
Current Liabilities and provisions	(19,747,638.31)	6,110,737.61
	5,051,257.94	(2,557,500.13)
Tax Paid - Net	2,050,313.00	1,430,658.00
Net Cash Generated by Operating Activities	3,000,944.94	(3,988,158.13)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	(34,168.00)	-
Purchase of Investments	-	(30,000.00)
Dividend/Interest & Other Income Received	503,762.00	458,115.93
NET CASH USED IN INVESTING ACTIVITIES - B	469,594.00	428,115.93
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	(2,220,960.00)	2,191,401.31
Interest Expenses	(557,315.47)	(534,854.20)
Proceeds from issue of shares	-	-
NET CASH USED IN FINANCING ACTIVITIES - C	(2,778,275.47)	1,656,547.11
Net Increases/ (Decreases) in cash and cash equivalents	692,263.47	(1,903,495.09)
Opening Cash and Bank Balances	4,498,660.66	6,402,155.75
Closing Cash and Bank Balances	5,190,924.13	4,498,660.66

For and on behalf of the Board of Directors

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

(GORVE CHADHA)
Managing Director
Place : Bangalore
Date : 12.08.2016

(MALIK PRADEEP KUMAR)
Whole Time Director

(Megha Bata)
Company Secretary

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

KMF BUILDERS & DEVELOPERS LIMITED

	31 Mar 2016 Rs.	31 Mar 2015 Rs.
Share Capital		
Authorised Shares	200,000,000.00	200,000,000.00
Issued, Subscribed and fully paid up shares	60,910,000.00	60,910,000.00

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

Equity Shares

	31 Mar 2016		31 Mar 2015	
	No.	Rs.	No.	Rs.
At the beginning of the period	12,182,000	60,910,000.00	12,182,000	60,910,000.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	12,182,000	60,910,000.00	12,182,000	60,910,000.00

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs 5 per share. Each holder of equity shares is entitled to one vote per share. and Borad of Directors didnt proposed any dividend for current financial year (Previous Year equity shares par value is Rs 5 per share)

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

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

	31 Mar 2016		31 Mar 2015	
	No.	% holding in the class	No.	% holding in the class
Equity shares of ₹ 5 each fully paid				
Manu Investment	823,800.00	6.762%	823,800.00	6.762%

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

	31 Mar 2016 ₹ Rs	31 Mar 2015 ₹ Rs
3 Reserves and Surplus		
Capital Reserve (profit on forfeited shares)		
Balance at the beginning of the year	6,821,500.00	6,821,500.00
Additions / (deductions) during the year	-	-
Balance at the end of the year	6,821,500.00	6,821,500.00
Debenture Redemption Reserve		
Balance at the beginning of the year	-	-
Less: Premium paid on redemption of debentures	-	-
Less: Written back to statement of profit and loss during the year	-	-
Add: Transfer from statement of profit and loss	-	-
Balance at the end of the year	0.00	0.00
General Reserve		
Balance at the beginning of the year	-	-
Add: Transfer from statement of profit and loss	-	-
Balance at the end of the year	0.00	0.00
Profit and Loss Account		
Balance at the beginning of the year	37,157,788.71	35,741,615.36
Add: Net profit for the year	4,499,132.14	1,416,173.35
Less: Depreciation Adj to Profit	797,177.00	-
Less: Asset W/off Adj to Profit	780,993.00	-
Balance at the end of the year	40,078,750.85	37,157,788.71
	46,900,250.85	43,979,288.71

KMF BUILDERS & DEVELOPERS LIMITED

KMF Builders and Developers Ltd

4 Long-term borrowings

	Non-current portion		Current portion	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	₹ Rs	₹ Rs	₹ Rs	₹ Rs
Term loans (secured)				
From Banks	204,000.00	286,000.00		
From financial institutions	-	-		
From others	-	-		
Finance lease obligation	-	-		
	204,000.00	286,000.00	0.00	0.00
The above amount includes				
Secured borrowings	204,000.00	286,000.00	-	-
Unsecured borrowings	421,040.00	2,560,000.00	-	-
Amount disclosed under head "Other current liabilities" note 9	-	-	-	-
	625,040.00	2,846,000.00	0.00	0.00

Note: Secured borrowings is against hypothecation of car

5 Deferred tax liability / Asset (Net)

	31 Mar 2016	31 Mar 2015
	₹ Rs	₹ Rs
Deferred tax liability / Assestaring on account of depreciation	238,944.00	285,246.00
	238,944.00	285,246.00

6 Other long-term liabilities

Retention money held from contractors	-	-
Security Deposits	-	-
	0.00	0.00

7 Provisions

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	₹ Rs	₹ Rs	₹ Rs	₹ Rs
Provision for employee benefits				
Gratuity	-	-	410,066.00	375,066.00
Other provisions				
Income Tax provision	-	-	2,050,313.00	832,210.00
Duties & Taxes	-	-	-	-
Other Payable	-	-	-	-
	0.00	0.00	2,460,379.00	1,207,276.00

8 Short-Term Borrowings

	31 Mar 2016	31 Mar 2015
	₹ Rs	₹ Rs
Term loans (secured)		
From Banks	120,551.30	415,774.61
From financial institutions	-	-
	120,551.30	415,774.61
The above amount includes		
Secured borrowings	120,551.30	415,774.61
Unsecured borrowings	-	-
Amount disclosed under head "Other current liabilities" note 9	-	-
	120,551.30	415,774.61

Note: Secured borrowings is against hypothecation of car

KMF BUILDERS & DEVELOPERS LIMITED

KMF BUILDERS AND DEVELOPERS LIMITED

No.508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalaya, Bangalore-560 017

FIXED ASSETS SCHEDULE - 10

F.Y.2015-16

Sl. No.	Description	Rate of Deprn.	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
			As on 01.04.2015	Additions Dg. The year	Deletions Dg. The year	Total As on 31.03.16	Upto 31.03.2015	For the Year	Deletions	Upto 31.03.2016	As on 31.03.2016	As on 31.03.2015
1	OFFICE BUILDING	1.63%	320000.00	7457.00	0.00	327457.00	99104.00	31277.00	0.00	130381.00	197076.00	220896.00
2	BOREWELL & TUBEWELL	4.75%	669247.00	0.00	33467.00	635780.00	635780.00	0.00	0.00	635780.00	0.00	33467.00
3	D.G. SET	4.75%	314320.00	0.00	145681.00	188639.00	128674.00	19368.00	0.00	148042.00	20597.00	185646.00
4	FIRE FIGHTING EQUIPMENT	4.75%	690962.50	0.00	69571.00	621391.50	621391.50	0.00	0.00	621391.50	0.00	69571.00
5	LIFT	4.75%	1696051.25	0.00	84811.00	1611240.25	1611240.25	0.00	0.00	1611240.25	0.00	84811.00
6	AIR CONDITIONER	4.75%	417820.00	0.00	70395.00	347425.00	86943.00	172135.00	0.00	259078.00	88347.00	330877.00
7	VIBRATOR	4.75%	61000.00	0.00	31561.00	29439.00	26389.00	0.00	0.00	26389.00	3050.00	34611.00
8	BOILER	4.75%	56250.00	0.00	28348.00	27902.00	25366.00	0.00	0.00	25366.00	2536.00	30884.00
9	ROAD ROLLER	4.75%	213750.00	0.00	110218.00	103532.00	94882.00	0.00	0.00	94882.00	8650.00	118668.00
10	DIESEL ENGINE	4.75%	99000.00	3803.00	0.00	102803.00	59049.00	18880.00	0.00	77929.00	24874.00	39951.00
11	INVERTOR	4.75%	68200.00	0.00	6740.00	61460.00	13790.00	34203.00	0.00	47993.00	13467.00	54410.00
12	MIXTURE	4.75%	536625.00	0.00	25696.00	510929.00	235276.00	106652.00	0.00	341928.00	169001.00	301349.00
13	PLANT & MACHINERY	4.75%	84586.00	0.00	48.00	84538.00	10480.00	15290.00	0.00	25770.00	58768.00	74106.00
14	OFFICE EQUIPMENT	4.75%	283340.00	68277.00	34168.00	317449.00	35113.00	180193.00	0.00	215306.00	102143.00	248227.00
15	REFRIGERATOR	4.75%	41200.00	0.00	24161.00	17039.00	8285.00	5177.00	0.00	13462.00	3577.00	32915.00
16	FURNITURE & FIXTURES	6.23%	263582.00	0.00	1607.00	261975.00	152272.00	48406.00	0.00	200678.00	61297.00	111310.00
17	CYCLE	7.07%	2508.00	136.00	0.00	2644.00	1732.00	685.00	0.00	2417.00	227.00	776.00
18	MOTOR VEHICLE	9.50%	7346355.00	332234.00	0.00	7678589.00	4627084.00	1326095.00	0.00	5953179.00	1725410.00	2719271.00
19	COMPUTERS	16.21%	518250.00	0.00	0.00	518250.00	518250.00	0.00	0.00	518250.00	0.00	0.00
20	UPS	16.21%	3120.00	0.00	0.00	3120.00	3120.00	0.00	0.00	3120.00	0.00	0.00
21	AUTO LEVEL	16.21%	19773.01	0.00	0.00	19773.01	19773.01	0.00	0.00	19773.01	0.00	0.00
22	LAPTOP	16.21%	104516.25	0.00	1599.00	102917.25	57379.25	34582.00	0.00	91961.25	10956.00	47137.00
	TOTAL		13810456.01	411907.00	668071.00	13554292.01	9071373.00	1992943.00	0.00	11064316.00	2489976.00	4739083.00
	Previous Year		13810456.51	0.00	0.00	13810456.51	8086175.50	985198.00	0.00	9071373.50	4739083.00	5724281.00

Note: Depreciation for the year is 1992943/- is reduced of Rs.797177/- (40% adjusted to Profit C/f / Reserves & Surplus)

KMF BUILDERS & DEVELOPERS LIMITED

	31 Mar 2016 ₹ Rs	31 Mar 2015 ₹ Rs		
9 Other current liabilities				
Trade payables (refer note on dues to Micro and small enterprises)	12,588,587.00	12,806,636.00		
Other liabilities				
Current maturities of long term borrowings (note 4)	-	-		
Advances received from customers	28,288,718.94	48,650,014.94		
Duties & Taxes	402,029.00	(202,300.00)		
Other Payable:	860,830.00	1,591,332.00		
	29,551,577.94	50,039,046.94		
	42,140,164.94	62,845,682.94		
	31 Mar 2016 ₹ Rs	31 Mar 2015 ₹ Rs		
12 Current Investments:				
Trade Investments (Valued at cost unless stated otherwise)	3971335.82	3971335.82		
Unquoted equity instements	2206424.44	2206424.44		
Investment in subsidiaries (fully paidup)	0	0		
	6177760.26	6177760.26		
	Non-current 31 Mar 2016 ₹ Rs	31 Mar 2015 ₹ Rs	Current 31 Mar 2016 ₹ Rs	31 Mar 2015 ₹ Rs
13 Loans and advances				
Security deposits				
Unsecured, considered good	-	-	0.00	0.00
	0.00	0.00	0.00	0.00
Loans and advances to related parties (Unsecured, considered good)				
Loans to associates	-	-	6,910,600.00	6,930,600.00
Loans to subsidiaries	-	-	-	-
	0.00	0.00	6,910,600.00	6,930,600.00
Other loans and advances (Unsecured, considered good)				
Advances to suppliers	-	-	-	604,300.00
Advances for land contracts	-	-	-	-
Advance income tax (net of provision for taxation)	-	-	-	-
Prepaid expenses	-	-	-	-
Taxes and duties recoverable	-	-	-	-
Other advances	-	-	1,897,840.35	2,209,279.99
	0.00	0.00	1,897,840.35	2,813,579.99
Total loans and advances	0.00	0.00	8,808,440.35	9,744,179.99
14 Trade receivables (Unsecured, considered good)				
Outstanding for a period exceeding six months	-	-	500,000.00	500,000.00
Other receivables	-	-	-	-
	0.00	0.00	500,000.00	500,000.00
Trade receivables include :				
Due from related parties	-	-	-	-
15 Other Current Assets				
Other Current Assets	-	-	1,937,286.21	2,281,620.21
	0.00	0.00	1,937,286.21	2,281,620.21

KMF BUILDERS & DEVELOPERS LIMITED

	Non-current		Current	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	₹ Rs	₹ Rs	₹ Rs	₹ Rs
16 Inventories				
Properties held for development				
At the beginning of the year	-	-	29,377,000.00	31,265,000.00
Add : Additions during the year	-	-		
Less: Deletions during the year	-	-	17,159,000.00	1,888,000.00
Less: Transferred to Properties Under Development	-	-		-
	0.00	0.00	12,218,000.00	29,377,000.00
Raw materials				
	0.00	0.00	0.00	
Properties under development				
Land, Material and construction cost (Mathura Project)	-	-	115,595,055.14	115,170,964.14
Profit recognized to-date	-	-	-	-
Less: Progress payments received and receivable	-	-	-	-
	0.00	0.00	115,595,055.14	115,170,964.14
Properties held for sale				
At the beginning of the year	-	-	-	-
Add : Additions during the year	-	-		
Less: Sales during the year	-	-	-	-
Less: Write downs during the year	-	-	-	-
Less: Properties transferred to Fixed assets	-	-	-	-
	0.00	0.00	0.00	
	0.00	0.00	127,813,055.14	144,547,964.14
17 Cash and bank balances				
Cash and cash equivalents			2,913,893.24	3,563,502.34
Balances with scheduled banks:				
On current accounts			2,277,030.89	(4,466,394.68)
Deposits with original maturity of less than three months			-	
On unpaid dividend account			-	
Balance with non-scheduled banks:				
On current account:			-	
On current account:			-	
			-	
			5,190,924.13	-902,892.34
Other bank balances				
Deposits with original maturity for more than 12 months	-	-	-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	-	5,401,553.00
Margin money deposit	-	-	-	-
	0.00	0.00	0.00	5,401,553.00
Amount disclosed under non-current assets		0.00		
	0.00	0.00	5,190,924.13	4,498,660.66

KMF BUILDERS & DEVELOPERS LIMITED

	Year ended	
	31 Mar 2016	31 Mar 2015
	₹ Rs.	₹ Rs.
18 Revenue from operations		
Revenue from projects		
From sale of flats	55,425,000.00	33,298,000.00
Other operating revenue		
Other Income	848,512.30	380,688.75
	56,273,512.30	33,678,688.75
19 Other income		
Rental income	0.00	0.00
Others	0.00	0.00
	0.00	0.00
20 Construction cost		
Land, Material and contract costs	3,161,781.00	7,048,588.00
Other direct costs	15,357,642.90	8,107,752.00
Electricity, fuel and water	820,546.00	1,192,357.00
	19,339,969.90	16,348,697.00
21 Changes in Inventories of WIP:		
Opening Stock	29,377,000.00	31,265,000.00
Less: Closing Stock	12,218,000.00	29,377,000.00
	17,159,000.00	1,888,000.00
22 Employee benefit expenses		
Salaries, wages and bonus	3,374,900.00	2,894,523.00
Contribution to provident fund	-	-
Gratuity expenses	35,000.00	35,000.00
Staff welfare	317,629.64	362,012.80
	3,727,529.64	3,291,535.80
23 Other expenses		
Travel and conveyance	714,927.35	745,445.79
Repairs and maintenance	210,256.00	404,445.00
Legal and professional charges	836,100.00	827,966.00
Rent rates and taxes	3,285,093.00	3,098,533.00
Insurance	58,478.00	74,372.00
Electricity Charges	228,914.94	-
Communication costs	196,685.47	268,133.73
Printing and stationery	127,064.00	71,696.00
Audit fees	345,000.00	100,000.00
Advertising and sales promotion	1,097,119.52	503,025.00
Compensation for Cancellation of Agreement	1,303,000.00	-
Miscellaneous expenses	860,460.87	2,148,071.81
	9,263,099.15	8,241,688.33
Payment to auditor		
As auditor:		
Audit fee	345,000.00	100,000.00
In other capacity:	0.00	0.00
	345,000.00	100,000.00

KMF BUILDERS & DEVELOPERS LIMITED

	Year ended	
	31 Mar 2016	31 Mar 2015
	₹ Rs	₹ Rs
24 Depreciation and amortization expense		
Depreciation of tangible assets	1,992,943.00	985,198.00
Amortization of intangible assets	0.00	0.00
	1,992,943.00	985,198.00
25 Net finance expense / (Income)		
Finance expense:		
Interest on term loans	47,432.69	100,381.92
Bank charges	509,882.78	434,472.28
	557,315.47	534,854.20
Less:		
Finance Income:		
Bank deposits	419,721.00	458,115.93
Interest on loan to associates		
Others	84,041.00	0.00
Interest received from customers		
	503,762.00	458,115.93
Net finance expense / (Income)	53,553.47	76,738.27
26 Tax expense		
Current tax	2,050,313.00	1,048,064.00
Tax of earlier years	0.00	484,178.00
Deferred tax charge/(credit)	(524,190.00)	(101,584.00)
	1,526,123.00	1,430,658.00
27 Earnings per share (EPS)		
Net profit after tax attributable to equity shareholders	4,008,471.14	1,416,173.35
Weighted average number of shares outstanding during the year (lakhs)	12,182,000	12,182,000
Add: Dilutive effect of stock options (Number in lakhs)	0	0
Weighted average number of shares used to compute diluted EPS (lakhs)	12,182,000	12,182,000
Earnings per share (₹) :		
Basic	0.33	0.12
Diluted	0.33	0.12
Nominal value - Rupees per equity share	5.00	5.00

KMF BUILDERS AND DEVELOPERS PRIVATE LIMITED

Notes forming part of the financial statements

28.00 Additional information to the financial statements

Note	Particulars	Amount in Rs	
		As at 31 March,	As at 31 March, 2015
28.01	Contingent liabilities and commitments (to the extent not provided for)		
	Contingent liabilities	Nil	Nil
	Commitments	Nil	Nil

KMF BUILDERS & DEVELOPERS LIMITED

28.02 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year		
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		
(iv) The amount of interest due and payable for the year		
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid		

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

28.03 Value of imports calculated on CIF basis: Nil Nil

28.04 Expenditure in foreign currency: Nil Nil

28.05 Earnings in foreign exchange: Nil Nil

28.06 Related party transactions

Details of related parties:

Description of relationship

Names of related parties

Key Management Personnel (KMP)

Mr Gorve Chadha	Managing Director
Mr Pradeep Kumar Mallik	Whole Time Director
Mr. Shyam Sunder Mitra	Director
Mr. Anil Rishiraj	Director
Mrs. Kavita Chadha	Director
Mr. Ravinder Kumar Sharma	Director
Mrs. Megha Bata	Company Secretary

Company in which KMP / Relatives of KMP can exercise significant influence nil

Note: Related parties have been identified by the Management.

28.07 Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2015

Remuneration

Mr Gorve Chadha	225,000	300,000
Mr Pradeep Kumar Mallik	385,000	385,000

Balances outstanding at the end of the year

Key Management Personnel (KMP)

Mr Gorve Chadha	41,591	1,230,000
Mr Pradeep Kumar Mallik	406,800	441,800
Kavita Chadha	55,874	1,330,000

Company in which KMP / Relatives of KMP can exercise significant influence

KMF Ltd - -

28.08 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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 21st Annual General Meeting of the Company, to be held on Thursday, 29th day of September, 2016 at 10:30 a.m. at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore – 560 017 and at any adjournment thereof in respect of such resolutions as are indicated below:

Res. No.	Description of Resolutions	Assent	Dissent
ORDINARY BUSINESS			
1.	Adoption of Audited Statement of Profit and Loss Account for the year ended March 31, 2016 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.		
2.	Appointment of a Director in place of Mrs. Kavita Chadha, who retires by rotation and, being eligible, offers herself for re-appointment.		
3.	Ratification of the appointment of M/s. B Sreenivasa & Co. Chartered Accountants as Statutory Auditors of the Company.		
SPECIAL BUSINESS			
4.	Appointment of Mr. Pradeep Kumar Malik as Whole-time Director of the Company		
5.	Appointment of Mr. Chirag Salaria as an Independent Director of the Company		

Signed this..... day of..... 2016

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

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

ATTENDANCE SLIP

21ST ANNUAL GENERAL MEETING ON THURSDAY, 29TH SEPTEMBER, 2016

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.

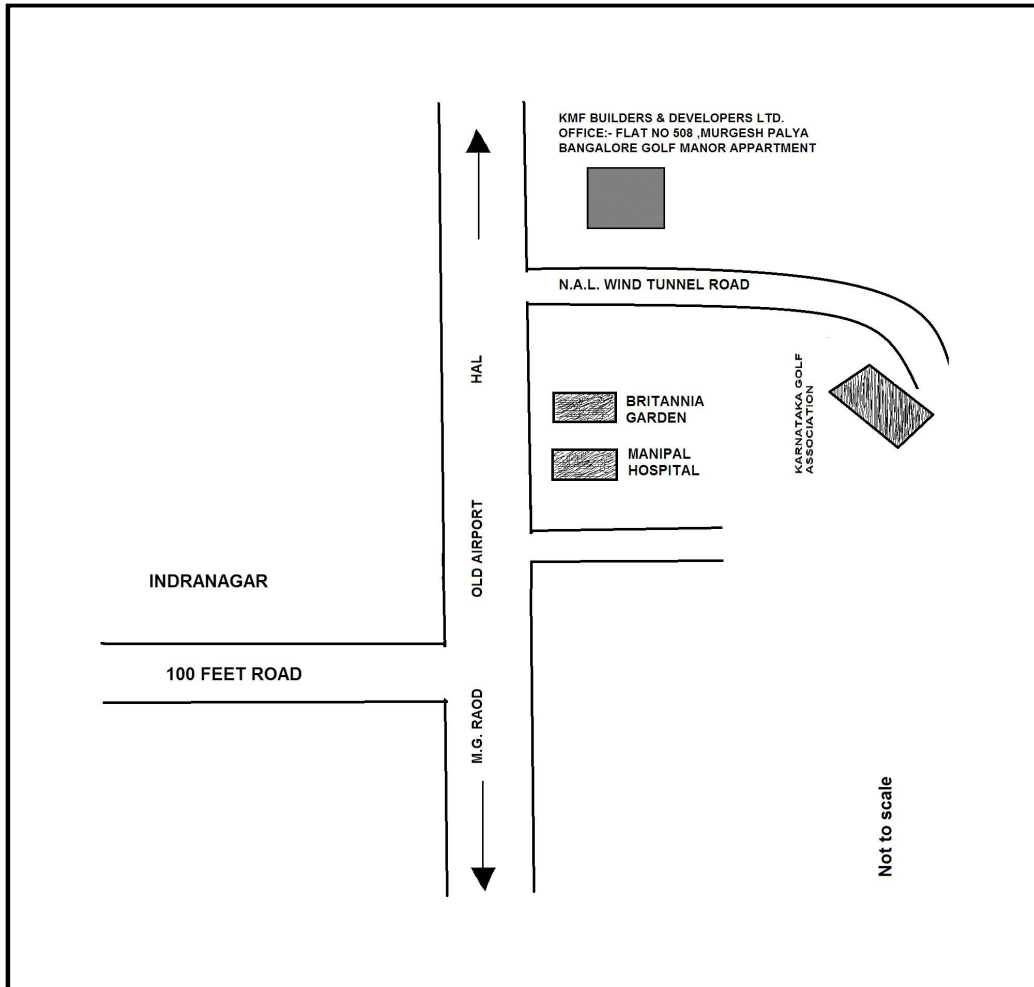
I/We hereby record my/our presence at the 21st Annual General Meeting (AGM) of the Company on Thursday, 29th day of September, 2016 at 10:30 a.m. at the Registered Office of the Company at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore – 560 017 or any adjournment 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.

KMF BUILDERS & DEVELOPERS LIMITED



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