

KFSL

KUMBHAT FINANCIAL SERVICES LIMITED

KFSL

**23rd Annual Report
2016-17**

KFSL

KUMBHAT FINANCIAL SERVICES LIMITED

CIN : L65991TN1993PLC024433

Board of Directors :

Sri. SHANTI KUMBHAT
Managing Director

Sri. AJIT KUMBHAT

Sri. GANPAT RAJ BAGMAR

Sri RAMABADRAN

Smt.UMAMAHESWARI

Registered Office :

144, N.S.C. Bose Road,
Chennai – 600 079.

Bankers :

Central Bank of India
The Laxmi Vilas Bank Ltd.,
Canara Bank

Auditors :

Krishnan & Giri
Chartered Accountants
72 Thatha Muthiappan Street,
Chennai – 600 001.

Share Transfer Agents :

Cameo Corporate Services Limited
'Subramanian Building', V Floor,
No.1, Club House Road,
Chennai – 600 002.

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the **Adjourned 24th Annual General Meeting** of the Members of **KUMBHAT FINANCIAL SERVICES LIMITED** will be held on Saturday, the 30th December, 2017 at 10.00 a.m. at **Bhartiya Vidhya Bhavan, New No. 18, 20, 22, East Mada Street, Mylapore, Chennai – 600 004**, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31st March, 2017 and the Reports of Directors and Independent Auditors thereon.
2. To appoint a Director in place of **Shri. SHANTI KUMBHAT (DIN: 02720773)**, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration to be decided by the Board of Directors.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of sections 149, 152, schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment for the time being in force) and regulations 16, 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Shri. RAJU KHATRI (DIN: 06989326)** be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years commencing from this Annual General Meeting and ending on the date of Annual General Meeting to be held in the calendar year 2022."

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

"RESOLVED THAT pursuant to the provisions of sections 149, 152, schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment for the time being in force) and regulations 16, 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Shri. K.N. NARAYANAN (DIN: 01543391)** be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years commencing from this Annual General Meeting and ending on the date of Annual General Meeting to be held in the calendar year 2022."

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

“RESOLVED THAT **Shri. SANJAY KUMBHAT (DIN: 03077193)** be and is hereby appointed as Director of the Company.”

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

“RESOLVED THAT **Smt. SARIKA KUMBHAT (DIN: 08032091)** be and is hereby appointed as Director of the Company.”

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

“RESOLVED THAT pursuant to the provisions of section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to enter into related party transactions by the Company with the respective related parties and for the maximum amounts per annum, as mentioned hereinbelow:

Sr. No.	Nature of Transactions as per section 188 of the Companies Act, 2013	Name of the Related Party	Amount (in Rs.)	
			Receipts	Payments
1.	Availing or rendering of any services – Payment of Rent	Kumbhat & Co	-	600000/-

“RESOLVED FURTHER THAT the Board of Directors of the Company and/or a Committee thereof, be and is hereby, authorised to do or cause to be done all such acts, matters, deeds and things and to settle any queries, difficulties, doubts that may arise with regard to any transaction with the related party and execute such agreements, documents and writings and to make such filings, as may be necessary or desirable for the purpose of giving effect to this resolution, in the best interest of the Company.”

By order of the Board,
For KUMBHAT FINANCIAL SERVICES LIMITED

Place: CHENNAI

Date : 30.09.2017

(SHANTI KUMBHAT)
Managing Director
DIN: 02720773

No. 5B, Parasu Street,
Kilpauk,
Chennai – 600 010.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 a proxy for any other person or shareholder.

The proxy form, in order to be effective, must be deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 26th December, 2017 to Saturday, the 30th December, 2017 (both days inclusive) for the purpose of Annual General Meeting of the Company.

3. The members are requested to intimate to the Registrar and Transfer Agents, Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai – 600 002, Change of Address, if any, at the earliest quoting their registered folio number.

4. Members holding Shares in more than one folio in identical order of names are requested to write to the Registrar and Transfer Agents enclosing their Share Certificate to enable us to consolidate their holding in one folio to facilitate better service.

5. As per the provisions of section 72 of the Companies Act, 2013 as amended from time to time and rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Transfer Agents. In respect of shares held in demat form, the nomination form may be filed with the respective depository participant.

6. Corporate Members intending to send their representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agents.

8. Members holding their shares in electronic form are requested to intimate immediately any change in their address to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address immediately to the Company's Registrar and Transfer Agents.

9. Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company atleast seven days before the date of Annual General Meeting to enable the Company to keep information ready at the meeting.

10. All documents referred to in the above notice are open for inspection at the Registered Office of the Company at No. 144, N.S.C. Bose Road, Chennai – 600 079 between 11.00 a.m. and 1.00 p.m. on all working days other than Saturdays, Sundays, Public and National Holidays upto the date of Annual General Meeting.

11. Members are requested to:

- bring their copy of Annual Report to the Meeting,
- bring the Attendance Slip sent herewith, duly filled in,
- bring their Folio Number / DP and Client ID and quote it in all correspondence,
- inform your e-mail ids, if not already registered with the Registrar,
- consider converting their physical holding to dematerialized form to eliminate all risks associated with physical shares and ease of portfolio management, and
- write to the Company for seeking clarification on queries, if any, with regard to the Accounts.

12. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the Directors are interested maintained under section 189 of the Companies Act, 2013, will be made available for inspection by the members at the Annual General Meeting.

13. The relevant Explanatory Statement pursuant to the provisions of section 102 of the Companies Act, 2013 is annexed hereto.

14. The route map for reaching to the venue of the Annual General Meeting is annexed to this notice.

15. Additional information on Directors seeking re-appointment at the Annual General Meeting pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standards on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government is furnished and forms part of the Notice.

16. Instructions for e-voting:

I. In compliance with provisions of section 108 of the Companies Act, 2013 and rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Adjourned 24th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

The Company is proposing to sign an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the shareholders to cast their vote electronically.

Process for e-voting:

(A) In case of members receiving e-mail:

- i) If you are holding shares in Demat form for any other Company and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on "Shareholders" tab to cast your votes.
- iv) Now select the Electronic Voting Sequence Number - "EVSN" along with "Kumbhat Financial Services Limited" from the drop down menu and click on "SUBMIT".
- v) Now, fill up the following details in the appropriate boxes:

	<i>For Members holding shares in Demat Form</i>	<i>For Members holding shares in Physical Form</i>
User ID	a. For CDSL: 16 digits beneficiary ID, b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,	Folio Number registered with the Company
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department when prompted by the system while e-voting	
DOB	Enter the Date of Birth as recorded in the Company records for the said folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in the Company records for the said folio. 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.	

- vi) After entering these details appropriately, click on "SUBMIT" tab.
- vii) Members holding shares in physical form will then reach directly the EVSN 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.

viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

ix) Click on the relevant EVSN on which you choose to vote.

x) 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.

xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

xii) 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.

xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xiv) You can also take print-out of the voting done by you by clicking on "Click here to print" option on the Voting page.

xv) 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.

xvi) Note For Institutional Shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log onto <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. After receiving the login details compliance user should be created using admin login and password, 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.

(B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the Company / Registrar and Share Transfer Agent or requesting physical copy]:

Please follow all steps from sl. no. (ii) to sl. no. (xvi) above, to cast vote.

(C) The voting period begins on Wednesday, the 27th December, 2017 at 9.30 a.m. and ends on Friday, the 29th December, 2017 at 6.00 p.m. During this period shareholders' of the Company, holding shares, as on the cut-off date i.e. Thursday, the 21st December, 2017, may cast their

vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- In case you have any queries or issues regarding e-voting, please contact M/s. Cameo Corporate Services Limited, Registrar & Share Transfer Agents or send mail to helpdesk.evoting@cdslindia.com.

- Voting can be exercised only by the shareholder or his/her duly constituted attorney/proxy or, in case of bodies corporate, the duly authorised person.

- The Results of Annual General Meeting shall be declared on 2nd January, 2018. The Results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL and shall be communicated to BSE Limited.

- Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, viz., 30th December, 2017.

- Shri. JAGDISH PRASAD MUNDHARA, Company Secretary in Practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding three working days from the date of conclusion of e-voting period, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and make his report of the votes cast in favour or against and shall submit to the Chairman of the Meeting.

The following table shows the results of the regression analysis of the relationship between the variables mentioned in the text. The dependent variable is the variable mentioned in the text.

The results of the regression analysis are shown in the following table. The dependent variable is the variable mentioned in the text.

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DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE AGM PURSUANT TO REGULATIONS 26(4) AND 36(3) OF LISTING REGULATIONS AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS, VIDE NOTICE DATED 30.09.2017.

Name of the Director	Shri. SHANTI KUMBHAT	Shri. RAJU KHATRI	Shri. K.N. NARAYANAN	Shri. SANJAY KUMBHAT	Smt. SARIKA KUMBHAT
Date of Birth	15.07.1943	11.02.1983	10.09.1957	27.02.1974	29.01.1980
Date of Appointment on the Board as Director	18.02.1993	Nil	Nil	Nil	Nil
DIN	02720773	06989326	01543391	03077193	08032091
Date of Last re-appointment as Director	30.09.2016	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Experience in specific functional area	50 years of experience in financing activities	10 years of experience in practicing as a Chartered Accountant	30 years of experience in practicing as a Chartered Accountant	15 years of experience in trading activities	9 years of experience in trading activities
Qualification	B.Com	C.A.	C.A.	B.Com	B.A.Psychology
List of outside Directorship held	2	Nil	4	2	Nil
Chairman/Member of the Committee of Board of Directors of the Company	Nil	Nil	Nil	Nil	Nil
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is Director	Nil	Nil	Nil	Nil	Nil
Number of Shares held in the Company	10900 Equity Shares of Rs.10/- each	Nil	Nil	74600 Equity Shares of Rs.10/- each	Nil
Inter-se relationship with any Director	Related to Shri. SANJAY KUMBHAT and Smt. SARIKA KUMBHAT	Nil	Nil	Related to Shri. SHANTI KUMBHAT and Smt. SARIKA KUMBHAT	Related to Shri. SHANTI KUMBHAT and Shri. SANJAY KUMBHAT

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

Item Nos. 4 & 5:

Shri. S. RAMABADRAN (DIN: 01280165), Shri. GANPAT RAI (DIN: 02722047) and Smt. UMA MAHESWARI (DIN: 03397478) are Directors of the Company subject to retirement by rotation. The above Directors are Independent Directors within the meaning of regulations 16, 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, as per the provisions of section 164(2) of the Companies Act, 2013, a person is disqualified to act as a Director if he is associated with any Company which has not filed its Annual Returns and Annual Reports for a continuous period of three years. As you are aware, that your Company was unable to file its annual returns and annual reports for the past three years since the Company had met with a major fire accident and all the papers and documents relevant for filing the returns with the Registrar of Companies were destroyed and accordingly all the directors on the Board have thus been disqualified to continue in the office.

Further, pursuant to the provisions of section 149 of the Act, every listed public Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation and shall hold office for a term upto five consecutive years on the Board of the Company.

Accordingly, it is proposed to seek approval of the members to appoint **Shri. RAJU KHATRI (DIN: 06989326)** and **Shri. K.N. NARAYANAN (DIN: 01543391)** as Independent Directors of the Company under section 149 of the Act and regulations 16, 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for a term upto five consecutive years as set out in the accompanying notice.

The Nomination and Remuneration Committee of the Board of Directors of the Company has recommended for appointment of **Shri. RAJU KHATRI (DIN: 06989326)** and **Shri. K.N. NARAYANAN (DIN: 01543391)** as Independent Directors for a term upto five consecutive years.

Shri. RAJU KHATRI (DIN: 06989326) and **Shri. K.N. NARAYANAN (DIN: 01543391)** have given a declaration to the Board that they meet the criteria of independence as provided under sub-section (6) of section 149 of the Act and the rules made thereunder. In the opinion of the

Board, each of these persons fulfill the conditions specified in the Act and the rules framed thereunder for their respective appointment as Independent Directors and that they are independent of the management of the Company.

Details of **Shri. RAJU KHATRI (DIN: 06989326)** and **Shri. K.N. NARAYANAN (DIN: 01543391)** are given in the statement as disclosure pursuant to regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board accordingly recommends the Ordinary Resolutions set out at item Nos. 4 and 5 of the accompanying Notice for approval of the members.

None of the Directors or their relatives, are concerned or interested in the resolution set out at Item Nos. 4 and 5 of the accompanying notice.

Item No. 6:

As per the provisions of section 164(2) of the Companies Act, 2013, a person is disqualified to act as a Director if he is associated with any Company which has not filed its Annual Returns and Annual Reports for a continuous period of three years. As you are aware, that your Company was unable to file its annual returns and annual reports for the past three years since the Company had met with a major fire accident and all the papers and documents relevant for filing the returns with the Registrar of Companies were destroyed and accordingly all the directors on the Board have thus been disqualified to continue in the office.

Accordingly, the Company has received a notice from a member under section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of **Shri. SANJAY KUMBHAT (DIN: 03077193)** as a Director of the Company. This would help the Company in retaining the number of Directors above the statutory minimum. Your approval is solicited for his appointment as a Director.

Except **Shri. SHANTI KUMBHAT (DIN: 02720773)** and **Shri. AJIT KUMBHAT (DIN: 01101399)**, none of the Directors or their relatives, are concerned or interested in the resolution stated at Item No. 6 of the accompanying notice.

Item No. 7:

As per the provisions of section 164(2) of the Companies Act, 2013, a person is disqualified to act as a Director if he is associated with any Company which has not filed its Annual Returns and Annual Reports for a continuous period of three years. As you are aware, that your

Company was unable to file its annual returns and annual reports for the past three years since the Company had met with a major fire accident and all the papers and documents relevant for filing the returns with the Registrar of Companies were destroyed and accordingly all the directors on the Board have thus been disqualified to continue in the office.

Accordingly, the Company has received a notice from a member under section 160 of the Companies Act, 2013 signifying his intention to propose the candidature of **Smt. SARIKA KUMBHAT (DIN: 08032091)** as a Director of the Company. This would help the Company in retaining the number of Directors above the statutory minimum. Your approval is solicited for his appointment as a Director.

Except **Shri. SHANTI KUMBHAT (DIN: 02720773)** and **Shri. AJIT KUMBHAT (DIN: 01101399)**, none of the Directors or their relatives, are concerned or interested in the resolution stated at Item No. 7 of the accompanying notice.

Item No. 8:

The Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the related parties of the Company. The provisions of section 188(1) of the Companies

Act, 2013 that govern the related party transactions, requires that for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and in certain cases prior approval of the shareholders by way of a Special Resolution must be obtained:

1. Sale, purchase or supply of any goods or materials;
2. Selling or otherwise disposing of, or buying, property of any kind;
3. Leasing of property of any kind;
4. Availing or rendering of any services;
5. Appointment of any agent for purchases or sale of goods, materials, services or property;
6. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company and
7. Underwriting the subscription of any securities or derivatives thereof, of the Company.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the related parties (as defined under section 2(76) of the Companies Act, 2013).

The particulars of the transaction pursuant to the provisions of section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Name of the Director or Key Managerial Person who is related, if any	Nature of Relationship	Nature, material terms, monetary value and particulars of the contract or arrangement	Maximum Amount per annum (Amount in Rs.)
KUMBHAT & CO	SHANTI KUMBHAT and AJIT KUMBHAT	Key Managerial Personnel	The Company has taken on lease, the property owned by the said firm and is paying rent for such premises.	Rs.600000/-

The support and services being extended to the Company by the above related parties are towards the benefit of the Company. The respective agreements are entered on an arm's length basis and all factors relevant to the respective contracts have been considered by the Board.

The members are further informed that no member/s of the Company being a related party or having any interest in the resolution as set out at item No. 8 shall be entitled to vote on this special resolution.

The Board of Directors recommends the resolution set forth in item No. 8 for approval of the Members.

Except Shri. SHANTI KUMBHAT (DIN: 02720773) and Shri. AJIT KUMBHAT (DIN: 01101399), none of the Directors or their relatives, are concerned or interested in the resolution stated at Item No. 8 of the accompanying notice.

DATE: 20/06/2015
S/PRA. CHEMNAV

By order of the Board,
For KUMBHAT FINANCIAL SERVICES LIMITED

Place: CHENNAI
Date : 30.09.2017

மேல்கண்ட விவரம் குறித்து கீழ்க்கண்டவர்களுக்கு
பின்வருமாறு உத்தரவுகள் பிறப்பிக்கப்படுகின்றன.

(SHANTI KUMBHAT)
Managing Director
DIN: 02720773
No. 5B, Parasu Street,
Kilpauk,
Chennai – 600 010.

மேல்கண்ட விவரம் குறித்து கீழ்க்கண்டவர்களுக்கு பின்வருமாறு உத்தரவுகள் பிறப்பிக்கப்படுகின்றன.

Sl. No.	Name of the Officer	Designation	Remarks
1	Mr. S. S. Srinivasan	Asst. Manager	Transfer to the office of the Managing Director, Chennai.
2	Mr. S. S. Srinivasan	Asst. Manager	Transfer to the office of the Managing Director, Chennai.
3	Mr. S. S. Srinivasan	Asst. Manager	Transfer to the office of the Managing Director, Chennai.
4	Mr. S. S. Srinivasan	Asst. Manager	Transfer to the office of the Managing Director, Chennai.
5	Mr. S. S. Srinivasan	Asst. Manager	Transfer to the office of the Managing Director, Chennai.

மேல்கண்ட விவரம் குறித்து கீழ்க்கண்டவர்களுக்கு பின்வருமாறு உத்தரவுகள் பிறப்பிக்கப்படுகின்றன.

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 24th Annual Report of the business and operations of the Company together with the audited statement of accounts for the year ended 31st March, 2017.

1. STATE OF COMPANY'S AFFAIRS:

(A). Financial summary or highlights:

<i>Particulars</i>	2016-17	2015-16
Total Income	3878678	3805244
Profit before interest, depreciation and tax	38185	206461
Finance cost	638	2030
Depreciation	-	-
Profit before Exceptional & Extra-ordinary items and tax	37547	204431
Exceptional & Extra-ordinary items	-	-
Profit after Exceptional & Extra-ordinary items & before tax	37547	204431
Provision for taxation (Net of deferred tax)	110418	(1449922)
Profit after tax	(72871)	1654353
Amount available for appropriation	(72871)	1654353
Appropriations:		
Transfer to Statutory Reserve maintained u/s 45IC of RBI Act, 1934	-	-

Transfer to General Reserve	-	-
Proposed dividend	-	-
Tax on proposed dividend	-	-
Balance carried to Balance Sheet	(72871)	1654353

(B). Operations:

Your Company has been able to strengthen its financial position during the current year. The gross amount of loans provided by the Company stood at Rs.587.80 Lakhs as on 31st March, 2017 as compared to Rs.577.82 Lakhs as on 31st March, 2016.

2. EXTRACT OF ANNUAL RETURN (FORM MGT-9):

The extract of Annual Return pursuant to the provisions of sub-section (3) of section 92 read with sub-rule (1) of rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in *Annexure-1* and is attached to this report.

3. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Board met six times during the financial year, the details of which are given hereunder. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013.

Quarter	Date of Board Meeting
1 st April, 2016 to 30 th June, 2016	18.04.2016
	04.07.2016
1 st July, 2016 to 30 th September, 2016	06.09.2016
	30.09.2016

1 st October, 2016 to 31 st December, 2016	21.12.2016
1 st January, 2017 to 31 st March, 2017	27.03.2017

4. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 134(5) of the Companies Act, 2013, the Board hereby submits its Responsibility Statement:

- (a) In the preparation of the annual accounts for the year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had 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 and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

5. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLOSURES MADE BY THE STATUTORY AUDITORS:

The observations made by the auditors in their report and notes to the accounts referred to in the Auditors Report are self-explanatory. There were no qualifications, reservations or adverse remarks made by the Auditors in their respective reports.

6. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLOSURES MADE BY THE SECRETARIAL AUDITORS:

The Secretarial Auditors have made the following observations in their report for the year ended 31st March, 2017:

1. *The Company has failed to file its Annual Report and Annual Returns for the year ended March 31, 2014; March 31, 2015 and March 31, 2016.*

2. *The Company has not filed the following resolutions in terms of provisions of sub-section (3) of section 117 read with sub-section (3) of section 179 and other applicable rules made under the Companies Act, 2013:*

- (i) *Resolution for appointment of internal auditor;*
- (ii) *Resolution for appointment of secretarial auditor;*
- (iii) *Resolution for investing funds of the Company;*
- (iv) *Resolution for granting loans and advances;*
- (v) *Resolution for approving financial statement and the Board's Report*

3. *The Company having shareholders, exceeding 1000 in number, has not provided e-voting facility to its shareholders in terms of rule 20 of the Companies (Management and Administration) Rules, 2014.*

4. *The Company has closed its register of members from September 23, 2016 to September 29, 2016 and necessary compliance of section 91 of the Act has been made. However, the news paper clippings in which such advertisement was published was not available at the time of verification for this Report.*

5. *The Company has not filed the report of Annual General Meeting as required under section 121 of the Companies Act, 2013 with the Registrar of Companies.*

6. The Company has not filed the resolution relating to appointment/re-appointment of statutory auditors in terms of section 139 of the Act read with rule 3 and 4 of the Companies (Audit and Auditors) Rules, 2014.
7. The Company has not appointed/re-appointed the Independent Directors in accordance with the provisions of sub-section (10) of section 149 of the Act.
8. Pursuant to the failure of the Company in filing its annual report and annual returns for the year ended March 31, 2014; March 31, 2015 and March 31, 2016, all the Directors of the Company stands disqualified under section 164 of the Act.
9. The Company has not framed any vigil mechanism/whistle blower policy as required in terms of sub-section (9) of section 177 of the Companies Act, 2013 and clause 49 of the listing agreement entered into by the Company read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10. The Company has entered into various transactions with the related parties during the financial year. However, the required approval from board/its committee/members in terms of the provisions of sub-section (1) of section 188 of the Companies Act, 2013 was not sought and ratified.
11. The Company has not appointed/re-appointed the Managing Director for a further period of three/five years in accordance with the provisions of section 196 read with section 197 and Schedule V to the Act.
12. The Company has not updated its website with regard to various matters which are statutorily required to be placed on the website of the Company.
13. In accordance with the provisions of clause 47A of the listing agreement entered into with the Stock Exchanges and regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is yet to appoint a Company Secretary as its Compliance Officer.

14. The Company, its promoters, directors and other insiders including employees have not made and submitted any disclosures or provided any information as required in terms of the listing agreement entered into with the various exchanges and accordingly the securities of the Company has been suspended for trading.
15. The Company has failed to enter into a uniform listing agreement with M/s. Bombay Stock Exchange Limited in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (applicable with effect from 1st December, 2015).
16. The Company, its promoters, directors and other insiders including employees have not made and submitted any disclosures or provided any information as contemplated under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
17. The Company, its promoters, directors and other insiders including employees have not made and submitted any disclosures or provided any information as contemplated under the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
18. The Company has failed to pay the listing fees to Hyderabad Stock Exchange Limited and Coimbatore Stock Exchange Limited since the year 2004-05. The status of payment of listing fees to other exchanges is yet to be verified from the respective exchanges.
19. The Company has failed to pay the custodian fees to the depositories and annual charges to the Registrar and Share Transfer Agents.
20. With regard to transfer of shares by Non-Resident Indians, we were unable to verify whether the approval of Reserve Bank of India was obtained for such transfers as the documents relating to transfer of shares were not in the possession of the Company and the same were kept with the Registrar & Share Transfer Agents.
21. The Company has paid sitting fees to its Directors during the financial year, however, the required payment of service tax on reverse charge basis is yet to be made.

As the members of the Company, are aware that the Company during the period December, 2015, met with a major fire accident resulting in complete destruction and disturbance in the business activities. Accordingly, the management of the Company was unable to cope and meet with the challenging statutory and timely requirements. Consequently, the Company was not able to comply with any of the requirements under the applicable laws and hence the above disqualifications.

The Directors now assure its members that they are in the process of updating all its records and complying with various legal requirements so as to make good the above qualifications.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company being a Non-Banking Finance Company (NBFC), has in the ordinary course of business made loans or advances or given guarantees or provided securities or made investments in bodies corporate and other persons during the financial year. Your Directors would like to draw your attention to the notes to the financial statements which sets out the details of loans and investments made in bodies corporate and other persons.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE 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 arm's length basis. The Company presents a statement of all related party transactions before the Board of Directors of the Company for their approval. Your Directors would like to draw your attention to the notes to the financial statements which sets out related party disclosures. A statement in Form AOC-2 pursuant to the provisions of clause (h) of sub-section (3) of section 134 of the Act read with sub-rule (2) of rule 8 of the Companies (Accounts) Rules, 2014 is furnished in *Annexure-2* and is attached to this report.

9. DETAILS OF AMOUNTS TRANSFERRED TO RESERVES:

The Company has not transferred any amounts to reserves during the financial year.

10. DIVIDEND:

In view of inadequacy of profits, your directors do not recommend any dividend for the financial year ended 31st March, 2017.

11. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Company was not required to transfer any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.

12. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT (01/04/2017 to 31/08/2017):

There were no material changes and commitments affecting the financial position of the Company between the period 1st April, 2017 to 31st August, 2017.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(B) OF THE COMPANIES (ACCOUNTS) RULES, 2014:

In terms of clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed thereunder, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

1). CONSERVATION OF ENERGY:

(i) the steps taken or impact on conservation of energy;	Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy.
(ii) the steps taken by the Company for utilising alternate sources of energy;	
(iii) the capital investment on energy conservation equipments;	

2). TECHNOLOGY ABSORPTION:

<p>(i) the efforts made towards technology absorption;</p> <p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;</p> <p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -</p> <p>(a) the details of technology imported;</p> <p>(b) the year of import;</p> <p>(c) whether the technology has been fully absorbed;</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof, and</p> <p>(iv) the expenditure incurred on Research and Development.</p>	<p>The Company has no activity relating to technology absorption.</p>
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3). FOREIGN EXCHANGE EARNINGS AND OUTGO:

<i>Particulars</i>	(Amount in Lakhs)	
	2016-17	2015-16
Value of exports calculated on FOB basis	-	-
Value of Imports calculated on CIF basis:		
Raw Materials	-	-
Components and Spare parts	-	-
Capital Goods	-	-
Expenditure in Foreign Currency:		

Travel	-	-
Others	-	-

14. DETAILS OF CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the financial year.

15. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Company's Articles of Association, Shri. SHANTI KUMBHAT (DIN: 02720773) and Shri. AJIT KUMBHAT (DIN: 03397478), retires by rotation at the forthcoming Annual General Meeting, and they being eligible, have offered themselves for re-appointment. The Board recommends the re-appointment.

16. EVALUATION OF THE BOARD'S PERFORMANCE:

In compliance with the Companies Act, 2013 and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation of the Board, its Committees and individual Directors was carried out during the year under review. Questionnaire approach was adopted for said evaluations.

The Nomination and Remuneration Committee (NRC) at its meeting carried out a separate exercise for evaluating every Directors performance. The evaluation of Independent Directors was carried out without the presence of that Director. A separate meeting of the Independent Directors was convened which reviewed the performance of the Board (as a whole), the non-independent directors and the Chairman.

Some of the key criteria's for performance evaluation were as follows:

Performance evaluation of Board and Committees:

1. Degree of fulfillment of key responsibilities;
2. Board structure and composition;

3. Effectiveness of Board processes, information and functioning;
4. Board Culture and Dynamics;
5. Quality of relationship between the Board and the Management;
6. Establishment and delineation of responsibilities to committees.

Performance evaluation of Directors:

1. provide meaningful and constructive contribution and inputs in meetings;
2. display a good degree of understanding of the company, industry, sector, geography;
3. display independence of judgment.

17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Independent Directors of the Company are persons of integrity, possessing rich experience and expertise in the field of corporate management, finance, capital market, economic and business information.

The Company has issued appointment letter to the Independent Directors setting out in detail, the terms of appointment, duties, roles & responsibilities and expectations from the appointed Director. The Board of Directors has complete access to the information within the Company. Presentations are regularly made to the Board of Directors / Audit Committee / Nomination & Remuneration Committee / Stakeholders Relationship Committee on various related matters, where Directors have interactive sessions with the Management.

18. SUBSIDIARY:

The Company does not have any subsidiary companies or associate companies or joint ventures.

19. INTERNAL FINANCIAL CONTROLS:

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of business, including adherence to the 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 disclosures. The Company has in place adequate internal financial controls

with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

20. DEPOSITS:

The Company has neither accepted nor renewed any deposits during the financial year and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

21. MATERIAL ORDERS PASSED BY REGULATORY AUTHORITIES:

There are no significant and material orders passed by the regulators or courts or tribunals during the year impacting the going concern status and Company's operations in future.

22. RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk Management is a structured approach to manage uncertainty. Risk Management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate the probability and / or impact of unfortunate events or to maximize the realization of opportunities. Although the Company does not have a formal risk management policy but a formal enterprise-wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. The Company has laid down a Comprehensive Risk assessment and minimization procedure which is reviewed by the Board from time to time. These procedures are reviewed to ensure that executive management controls risks through means of a properly defined framework. Key business risks and their mitigation are also considered in the annual / strategic business plans and in periodic management reviews.

23. DETAILS OF REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements of the Company during the financial year.

24. SHARES AND SHARE CAPITAL:

a. CAPITAL STRUCTURE:

The Authorised Share Capital of your Company is Rs.100000000/- comprising of 10000000 Equity Shares of Rs.10/- each and the Paid-up Share Capital is Rs.47500000/- comprising of 4750000 Equity Shares of Rs.10/- each.

b. BUY-BACK OF SHARES:

The Company has not bought back any of its securities during the financial year.

c. SWEAT EQUITY:

The Company has not issued any Sweat Equity Shares during the financial year.

d. BONUS SHARES:

No Bonus Shares were issued during the financial year.

e. EMPLOYEES STOCK OPTION PLAN:

The Company has not provided any Stock Option Scheme to the employees during the financial year.

25. STATUTORY AUDITORS:

M/s. KRISHNAN & GIRI (FRN: 001512S), Chartered Accountants, Chennai retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed. The Company has received confirmation from the firm that their appointment will be within the limits prescribed under section 141(3)(g) of the Companies Act, 2013.

26. SECRETARIAL AUDITORS:

In accordance with the provisions of section 204 of the Companies Act, 2013, the Board has appointed **M/s. ACHARYA S.K. & ASSOCIATES**, Company Secretaries in Whole-time Practice, Kolkata as the Secretarial Auditor for the financial year 2016-17. The report of the Secretarial Auditor is annexed to this report.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has adequate measures including checks and corrections in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the financial year:

- No. of Complaints received : NIL
- No. of Complaints disposed off : NIL

28. RESERVE BANK OF INDIA REGULATIONS:

Your Company is generally complying with the directions of the Reserve Bank of India regarding prudential norms of accounting, capital adequacy ratio, provisions for bad and doubtful debts and other requirements as per the directions issued from time to time.

29. CORPORATE GOVERNANCE:

Report of Corporate Governance for the financial year and Management Discussion and Analysis are forming part of this Annual report.

30. COMPOSITION OF AUDIT COMMITTEE:

The Board has constituted the Audit Committee, which comprises of Shri. S. RAMABADRAN as Chairman of the Committee and Shri. AJIT KUMBHAT, Shri. GANPAT RAI & Smt. UMA MAHESWARI as the members of the committee. More details on the committee are given in the Corporate Governance Report.

31. CERTIFICATE FROM MANAGING DIRECTOR:

A certificate has been obtained from Shri. SHANTI KUMBHAT (DIN: 02720773), Managing Director as required under regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance which is enclosed and is forming part of this Report.

32. LISTING AT STOCK EXCHANGE:

The Equity Shares of the Company continue to be listed on The Bombay Stock Exchange Limited. With regard to listing on The Madras Stock Exchange Limited, The Hyderabad Stock Exchange Limited, The Coimbatore Stock Exchange Limited and The Ahmadabad Stock Exchange Limited, the said stock exchanges have been de-recognized by the Securities and Exchange Board of India pursuant to its exit order. Accordingly, due to de-recognition of the said exchanges, the shares of your Company now stands to be listed only on the Bombay Stock Exchange Limited. The annual listing fee for the financial year is yet to be paid to the Exchange.

33. CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER THE LISTING AGREEMENT AND THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

A certificate from the Statutory Auditors of the Company regarding compliance with the Code of Corporate Governance is forming part of this annual report.

34. MANAGEMENT'S DISCUSSION AND ANALYSIS:

In terms of the provisions of regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the required Management's Discussion and Analysis is set out in this Annual Report.

35. DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

36. EMPLOYEE REMUNERATION:

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forming part of this report and are annexed as Annexure-3 to this report.

37. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

38. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the dedicated and untiring hard work put by the employees at all levels. Your Directors would like to thank the banks, consultants, auditors and above all the shareholders and valued customers for their continued support and patronage.

For and on behalf of the Board,

Place: CHENNAI
Date : 31.08.2017

(SHANTI KUMBHAT)
Managing Director
DIN: 02720773

No. 5B, Parasu Street,
Kilpauk,

(AJIT KUMBHAT)
Director
DIN: 01101399

No. 142, Govindappa Naicken Street,
G.P.O.,

"Annexure - 1"

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L65991TN1993PLC024433
ii)	Registration Date	18.02.1993
iii)	Name of the Company	KUMBHAT FINANCIAL SERVICES LIMITED
iv)	Category/Sub-Category of the Company	Company Limited by Shares and Indian Non-Government Company
v)	Address of the Registered office and contact details	No. 144, N.S.C. Bose Road, Sowcarpet, Chennai - 600 079. Tel: 044 - e-mail ID: ajit_kumbhat@yahoo.co.in
vi)	Whether listed Company Yes/No	Yes - The Bombay Stock Exchange Limited; The Madras Stock Exchange Limited; The Hyderabad Stock Exchange Limited; The Coimbatore Stock Exchange Limited; and The Ahmadabad Stock Exchange Limited.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	CAMEO CORPORATE SERVICES LIMITED "Subramanian Building", No.1, Club House Road, Chennai - 600 002.

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:-

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	Non-Banking Finance Company	65191	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
Not Applicable					

b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.2 Lakh	881365	2593400	3474765	73.15	881365	2593400	3474765	73.15	-
ii) Individual shareholders holding nominal share capital in excess of Rs.2 Lakh	207514	62500	270014	5.68	207514	62500	270014	5.68	-
c) Others									
Clearing Members									
Hindu Undivided Families	22621	-	22621	0.48	22621	-	22621	0.48	-
Non-Resident Indians	400	38900	39300	0.83	400	38900	39300	0.83	-
Sub-Total (B)(2):-	1383600	2845900	4229500	89.05	1383600	2845900	4229500	89.05	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	1383600	2846600	4230200	89.06	1383600	2846600	4230200	89.06	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1643000	3107000	4750000	100.00	2233150	1301750	4750000	100.00	-

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's name	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding 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.	AJIT KUMBHAT	180100	3.79	-	180100	3.79	-	-
2.	SANJAY KUMBHAT	74600	1.57	-	74600	1.57	-	-
3.	PUSHPA KUMBHAT	60000	1.26	-	60000	1.26	-	-
4.	SATISH KUMBHAT	50500	1.06	-	50500	1.06	-	-
5.	DILIP KUMBHAT	76600	1.61	-	76600	1.61	-	-
6.	VINAY KUMBHAT	39100	0.82	-	39100	0.82	-	-
7.	PREM PAREKH	13000	0.27	-	13000	0.27	-	-
8.	SHANTI KUMBHAT	10900	0.23	-	10900	0.23	-	-

9.	ASHOK KUMBHAT	10000	0.21	-	10000	0.21	-	-
10.	MADHU KUMBHAT	3400	0.07	-	3400	0.07	-	-
11.	PREM KUMBHAT	800	0.02	-	800	0.02	-	-
12.	SHAKUNTALA KUMBHAT	800	0.02	-	800	0.02	-	-

(iii) Change in Promoter's Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Shri. AJIT KUMBHAT				
	At the beginning of the year	180100	3.79	180100	3.79
	At the end of the year	180100	3.79	180100	3.79
2.	Shri. SANJAY KUMBHAT				
	At the beginning of the year	74600	1.57	74600	1.57
	At the end of the year	74600	1.57	74600	1.57
3.	Smt. PUSHPA KUMBHAT				
	At the beginning of the year	60000	1.26	60000	1.26
	At the end of the year	60000	1.26	60000	1.26
4.	Shri. SATISH KUMBHAT				
	At the beginning of the year	50500	1.06	50500	1.06
	At the end of the year	50500	1.06	50500	1.06
5.	Shri. VINAY KUMBHAT				
	At the beginning of the year	39100	0.82	39100	0.82
	At the end of the year	39100	0.82	39100	0.82
6.	Shri. DILIP KUMBHAT				
	At the beginning of the year	76600	1.61	76600	1.61
	At the end of the year	76600	1.61	76600	1.61
7.	Shri. PREM PAREKH				
	At the beginning of the year	13000	0.27	13000	0.27
	At the end of the year	13000	0.27	13000	0.27
8.	Shri. SHANTI KUMBHAT				
	At the beginning of the year	10900	0.23	10900	0.23
	At the end of the year	10900	0.23	10900	0.23
9.	Shri. ASHOK KUMBHAT				
	At the beginning of the year	10000	0.21	10000	0.21
	At the end of the year	10000	0.21	10000	0.21
10.	Smt. MADHU KUMBHAT				
	At the beginning of the year	3400	0.07	3400	0.07
	At the end of the year	3400	0.07	3400	0.07

11.	Shri. PREM KUMBHAT				
	At the beginning of the year	800	0.02	800	0.02
	At the end of the year	800	0.02	800	0.02
12.	Smt. SHAKUNTALA KUMBHAT				
	At the beginning of the year	800	0.02	800	0.02
	At the end of the year	800	0.02	800	0.02

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of top 10 shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	M/s. LUNIA INVESTMENTS AND FINANCE PRIVATE LIMITED				
	At the beginning of the year	230000	4.84	230000	4.84
	At the end of the year	230000	4.84	230000	4.84
2.	Shri. VINAY KUMBHAT				
	At the beginning of the year	117000	2.46	117000	2.46
	At the end of the year	117000	2.46	117000	2.46
3.	M/s. JAIN GRANITES & PROJECTS LIMITED				
	At the beginning of the year	49600	1.04	49600	1.04
	At the end of the year	49600	1.04	49600	1.04
4.	Shri. MADAN MOHAN CHANDAK				
	At the beginning of the year	39500	0.83	39500	0.83
	At the end of the year	39500	0.83	39500	0.83
5.	Smt. INDRA GALADA & Shri. VIMAL KUMAR GALADA				
	At the beginning of the year	38500	0.81	38500	0.81
	At the end of the year	38500	0.81	38500	0.81
6.	M/s. MANGALA INVESTMENTS LIMITED				
	At the beginning of the year	30000	0.63	30000	0.63
	At the end of the year	30000	0.63	30000	0.63
7.	Shri. MAHEK HARISHCHANDRA MEHTA & Smt. RUCHIT HARISHCHANDRA MEHTA				
	At the beginning of the year	2814	0.59	2814	0.59
	At the end of the year	2814	0.59	2814	0.59
8.	Shri. SANJAY KOCHAR				
	At the beginning of the year	24000	0.51	24000	0.51
	At the end of the year	24000	0.51	24000	0.51

9.	Shri. NAMASIVAYAM RAJKUMAR				
	At the beginning of the year	22600	0.48	22600	0.48
	At the end of the year	22600	0.48	22600	0.48
10.	Mr. ESUF AHMED NASHRULLAH				
	At the beginning of the year	20000	0.42	20000	0.42
	At the end of the year	20000	0.42	20000	0.42

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Shri. SHANTI KUMBHAT				
	At the beginning of the year	10900	0.23	10900	0.23
	At the end of the year	10900	0.23	10900	0.23
2.	Shri. AJIT KUMBHAT				
	At the beginning of the year	180100	3.79	180100	3.79
	At the end of the year	180100	3.79	180100	3.79
3.	Shri. GANPAT RAJ				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
4.	Shri. RAMABADRAN SUNDARARAJAN				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	Smt. UMA MAHESWARI				
	At the beginning of the year	5600	0.11	5600	0.11
	At the end of the year	5600	0.11	5600	0.11

V. INDEBTNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
(in Rs.)				
Indebtedness at the beginning of the financial year:				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

Changes in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change	-	-	-	-
Indebtedness at the end of the financial year:				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Name	(In Rs.)
1.	Gross Salary	No Remuneration was paid to Managing Director, Whole-time Director and/or Manager during the financial year 2016 – 17.	
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961.		
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961.		
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961.		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (in Rs.)
		Shri. AJIT KUMBHAT	Shri. GANPAT RAJ	Shri. RAMABADRAN	Smt. UMAMAHE SWARI	
1.	Independent Directors: * Fee for attending board / committee meetings * Commission * Others, please specify	-	4000	4000	4000	12000
	Total (1)					
2.	Other Non-Executive Directors: * Fee for attending board / committee meetings * Commission * Others, please specify	5000	-	-	-	5000
	Total (2)	5000	4000	4000	4000	17000
	Total (B) = (1+2)	5000	4000	4000	4000	17000
	Total Managerial Remuneration (A+B)	Rs.17000/-				
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount (in Rs.)
		CEO	Company Secretary	CFO	
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961. (b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961. (c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961.	No Remuneration was paid to Key Managerial Personnel other than Managing Director, Whole-time Director and/or Manager during the financial year 2016 – 17.			

2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit - others, specify...	
5.	Others, please specify	
	Total	

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		<i>There were no instances of penalties/punishment/compounding of offences during the financial year 2016-17.</i>			
Punishment					
Compounding					
B. DIRECTORS					
Penalty		<i>There were no instances of penalties/punishment/compounding of offences during the financial year 2016-17.</i>			
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty		<i>There were no instances of penalties/punishment/compounding of offences during the financial year 2016-17.</i>			
Punishment					
Compounding					

For and on behalf of the Board,

Place: CHENNAI
Date : 31.08.2017

(SHANTI KUMBHAT)
Managing Director
DIN: 02720773
No. 5B, Parasu Street,
Kilpauk,
Chennai – 600 010.

(AJIT KUMBHAT)
Director
DIN: 01101399
No. 142, Govindappa Naicken Street,
G.P.O,
Chennai – 600 001.

"Annexure - 2"

Form No. AOC-2

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

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

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<i>There were no transactions with the related parties which were not entered on arm's length basis.</i>
b)	Nature of contracts / arrangements / transaction	
c)	Duration of the contracts / arrangements / transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	M/s. Kumbhat & Co - Enterprise owned or significantly influenced by key managerial personnel or their relatives
b)	Nature of contract / arrangements / transaction	The Company in the ordinary course of its business, has taken on hire, the premises owned by above related party.
c)	Duration of the contract / arrangements / transaction	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the year 2016-17, the Company has paid a sum of Rs.120000/- towards lease rentals to such entity.

e)	Date of approval by the Board	18.04.2016
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board,

Place: CHENNAI
Date : 31.08.2017

(SHANTI KUMBHAT)
Managing Director
DIN: 02720773

(AJIT KUMBHAT)
Director
DIN: 01101399

No. 5B, Parasu Street,
Kilpauk,
Chennai – 600 010.

No. 142, Govindappa Naicken Street,
G.P.O.,
Chennai – 600 001.

Sl. No.	Description	Amount	Remarks
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Annexure – 3

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

S.No.	Particulars	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Shri. SHANTI KUMBHAT, Managing Director	Nil
2.	The percentage increase in remuneration of each director in the financial year.	Shri. SHANTI KUMBHAT, Managing Director	Nil
3.	The percentage increase in the median remuneration of employees in the financial year	0.00%	
4.	The number of permanent employees on the rolls of the Company	The Company had 4 employees on the rolls as on 31 st March, 2017	
5.	The explanation on the relationship between average increase in remuneration and Company performance	While recommending increase in remuneration, the Company takes into account various factors like financial performance of the Company, comparison with peers, industry benchmarking and consideration towards cost of living adjustments and inflation. The Company follows holistic performance review mechanism to ensure that the increase is commensurate with the performance of employees and Company.	
6.	Comparison of the remuneration of the KMP against the performance of the Company	Not Applicable.	
7.	Variations in the market capitalization of the Company Price earnings ratio as at the closing date of the current FY and previous FY % 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	The trading in shares of the Company has been suspended by the Bombay Stock Exchange Limited and accordingly the said figures are not computable.	

Appendix 1

The table of the identification of each of the 100 medical specialties is given in the table below. It is a list of the specialties in the Department of Health and Human Services, as of 1974. It is not a list of the specialties in the Department of Health and Human Services, as of 1974. It is not a list of the specialties in the Department of Health and Human Services, as of 1974.

Specialty	Abbreviation	Code
1. General Internal Medicine	IM	01
2. General Pediatrics	PP	02
3. General Surgery	GS	03
4. Obstetrics and Gynecology	OG	04
5. Psychiatry	PS	05
6. Family Practice	FP	06
7. Geriatrics	GR	07
8. Hematology	HM	08
9. Oncology	ON	09
10. Infectious Diseases	ID	10
11. Allergy and Immunology	AI	11
12. Cardiology	CA	12
13. Endocrinology	EN	13
14. Gastroenterology	GA	14
15. Hematology and Oncology	HO	15
16. Nephrology	NE	16
17. Neurology	NR	17
18. Pediatrics	PE	18
19. Pulmonary Medicine	PM	19
20. Radiology	RD	20
21. Rheumatology	RR	21
22. Thoracic Surgery	TS	22
23. Urology	UR	23
24. Vascular Medicine	VM	24
25. Dermatology	DR	25
26. Ophthalmology	OP	26
27. Otorhinolaryngology	OR	27
28. Plastic Surgery	PSUR	28
29. Podiatry	PO	29
30. Radiation Oncology	RO	30
31. Reproductive Endocrinology and Infertility	REI	31
32. Rheumatology and Immunology	RI	32
33. Speech-Language Pathology	SLP	33
34. Sports Medicine	SM	34
35. Toxicology	TO	35
36. Urology	UR	36
37. Vascular Medicine	VM	37
38. Dermatology	DR	38
39. Ophthalmology	OP	39
40. Otorhinolaryngology	OR	40
41. Plastic Surgery	PSUR	41
42. Podiatry	PO	42
43. Radiation Oncology	RO	43
44. Reproductive Endocrinology and Infertility	REI	44
45. Rheumatology and Immunology	RI	45
46. Speech-Language Pathology	SLP	46
47. Sports Medicine	SM	47
48. Toxicology	TO	48
49. Urology	UR	49
50. Vascular Medicine	VM	50
51. Dermatology	DR	51
52. Ophthalmology	OP	52
53. Otorhinolaryngology	OR	53
54. Plastic Surgery	PSUR	54
55. Podiatry	PO	55
56. Radiation Oncology	RO	56
57. Reproductive Endocrinology and Infertility	REI	57
58. Rheumatology and Immunology	RI	58
59. Speech-Language Pathology	SLP	59
60. Sports Medicine	SM	60
61. Toxicology	TO	61
62. Urology	UR	62
63. Vascular Medicine	VM	63
64. Dermatology	DR	64
65. Ophthalmology	OP	65
66. Otorhinolaryngology	OR	66
67. Plastic Surgery	PSUR	67
68. Podiatry	PO	68
69. Radiation Oncology	RO	69
70. Reproductive Endocrinology and Infertility	REI	70
71. Rheumatology and Immunology	RI	71
72. Speech-Language Pathology	SLP	72
73. Sports Medicine	SM	73
74. Toxicology	TO	74
75. Urology	UR	75
76. Vascular Medicine	VM	76
77. Dermatology	DR	77
78. Ophthalmology	OP	78
79. Otorhinolaryngology	OR	79
80. Plastic Surgery	PSUR	80
81. Podiatry	PO	81
82. Radiation Oncology	RO	82
83. Reproductive Endocrinology and Infertility	REI	83
84. Rheumatology and Immunology	RI	84
85. Speech-Language Pathology	SLP	85
86. Sports Medicine	SM	86
87. Toxicology	TO	87
88. Urology	UR	88
89. Vascular Medicine	VM	89
90. Dermatology	DR	90
91. Ophthalmology	OP	91
92. Otorhinolaryngology	OR	92
93. Plastic Surgery	PSUR	93
94. Podiatry	PO	94
95. Radiation Oncology	RO	95
96. Reproductive Endocrinology and Infertility	REI	96
97. Rheumatology and Immunology	RI	97
98. Speech-Language Pathology	SLP	98
99. Sports Medicine	SM	99
100. Toxicology	TO	100

8.	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not Applicable.	
9.	Comparison of remuneration of each the KMP against the performance of the Company	<i>Particulars</i>	<i>% of Turnover of the Company</i>
		Shri. SHANTI KUMBHAT, Managing Director	Nil
10.	The Key parameters for any variable component of remuneration availed by the directors	There is no variable component in the remuneration of the Directors.	
11.	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	Not Applicable	
12.	Affirmation that the remuneration is as per the remuneration policy of the Company	As the members are aware that the Company employs only one executive Director as on date, accordingly, the Company is yet to frame any remuneration policy for the same.	

The first of these is the fact that the company has a long history of success. This is due to its ability to adapt to changing market conditions and to its commitment to innovation. The company's success is also due to its strong financial position and its ability to attract top talent.

The second of these is the fact that the company has a strong reputation for quality. This is due to its commitment to excellence in all aspects of its business. The company's reputation for quality is also due to its strong customer relationships and its ability to provide excellent customer service.

The third of these is the fact that the company has a strong commitment to social responsibility. This is due to its belief in the importance of giving back to the community. The company's commitment to social responsibility is also due to its strong leadership and its ability to inspire its employees to do the right thing.

In conclusion, the company's success is due to its ability to adapt to changing market conditions, its commitment to innovation, its strong financial position, its ability to attract top talent, its strong reputation for quality, its commitment to excellence, its strong customer relationships, its ability to provide excellent customer service, its strong commitment to social responsibility, its belief in the importance of giving back to the community, its strong leadership, and its ability to inspire its employees to do the right thing.

Chennai – 600 010.

Chennai – 600 001.

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview:

With the Indian economy growing at the average annual growth rate of 8 percent over the past three years, the demand for automobiles has gone up and consequently the demand for finance too. This is expected to be sustained for another five years, in view of continued thrust of the successive governments in infrastructure development.

Interest rates have started moving upward which is evident from the hike in reverse repo rate effected thrice in the last fiscal by the Reserve Bank of India. This will increase the cost of borrowing with consequential affect on the lending rate.

Opportunities:

The continued exponential growth in the country has created enormous opportunities for financial intermediaries to exploit favourable and propel their business to greater heights.

India has emerged as one of the fastest growing economies in the globe and has generated a lot of interest among foreign investors both financial and strategic. Global players see India as the future economic powerhouse and they are making huge investments in different business within the country. Buoyant market conditions and sustained economic growth over the past few years coupled with a very positive outlook in the coming years give the business of our Company.

Threats:

New entrants could be a threat to the various business segments of the Group. However, competition only help the Group build a strong business model, employ the best human talent and capitalize on the long years of excellent client relationship and a proven track record.

Segment-wise or product-wise performance:

At present the Company is carrying on only one segment of financing business.

Risks and concerns:

Any change in the interest rate in the market will have impact on the profit of the company. The company has a defined credit policy duly approved and reviewed by the Management from time to time. The credit policy is strictly implemented and the debtors are regularly monitored. However any default or downgrade of credit worthiness of customers may affect profitability.

The Company strives to comply with all the statutory laws of the Country. But the same law may be misused by opposite party especially the defaulters. It may happen in financial business that some people may get loan from the financiers with no intention to repay.

Internal control systems and their adequacy:

The company has instituted adequate internal control procedure commensurate with the nature of its business and size of its operations. It is based on well-defined individual roles and responsibilities with their limit of authority at various level, as well as effective feedback flow. All the significant observations and follow-up actions thereon are reported to the Board of Directors. An Audit Committee consisting of three independent directors are in place.

Human Resource/Industrial Relation:

Your company believes that its employees represent the backbone of its success. The company, on one hand provides its people with an environment in which they develop, excel and innovate, while on other, it sets challenging targets and rewards superior performance.

The HR Policies of the company have been designed to achieve the following goals:

- Better quality and safety;
- Research and development capabilities; and
- Lesser attrition rate.

Industrial relations at all the works of the Company remained cordial and harmonious during the current period under review. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the company to remain at the forefront of the industry. There is no transaction conflicting with the interest of the company.

Cautionary statement

Estimates and expectations stated in this Management Discussion and Analysis may be "forward-looking statements" within the meaning of the applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operation include economic conditions affecting the interest rate, inflation, changes in the interest rate, changes in the Government regulations, tax laws, other statutes and incidental factors. The Company undertakes no responsibility to update or revise any forward-looking statement.

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2016-2017:

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company always strives to achieve optimum performance at all levels by following and adhering to best corporate governance practices, such as:

- Fair and transparent business practice.
- Effective management Control by Board.
- Adequate representation of promoter, executive and independent directors on the Board.
- Compliance of Law.
- Transparent and timely disclosures of financial and management information.

2. BOARD OF DIRECTORS:

The Board of Directors of Kumbhat Financial Services Limited consists of five Directors. There are no institutional nominees on the Board. The details of composition and categories of Directors are given below:

S. No.	Name of the Director	Category
1.	Shri. Shanti Kumbhat	Managing Director
2.	Shri. Ajit Kumbhat	Non-executive Non-Independent Director
3.	Shri. Ganpat Raj	Non-executive Independent Director
4.	Shri. S. Ramabadrans	Non-executive Independent Director
5.	Smt. Uma Maheswari	Non-executive Independent Director

The Chairman of the Board is Shri. SHANTI KUMBHAT (DIN: 02720773), Managing Director.

The Composition and category of Directors and their memberships in other Board/Committees as on 31st March, 2017 is as under:

S. No.	Name of the Director	Designation	No. of other Directorships held	No. of Memberships in Board committees of other Companies
1.	Shri. Shanti Kumbhat	Promoter – Executive Director	2	Nil
2.	Shri. Ajit Kumbhat	Non-Independent Director	3	Nil
3.	Shri. Ganpat Raj	Independent Director	Nil	Nil
4.	Shri. S. Ramabadrans	Independent Director	7	Nil
5.	Smt. Uma Maheswari	Independent Director	Nil	Nil

3. BOARD PROCEDURE:

Board Meeting:
 During 2016-2017, the Board of Directors duly met Six (6) times on 18.04.2016, 04.07.2016, 06.09.2016, 30.09.2016, 21.12.2016 and 27.03.2017.

The details of the meeting of the Board of Directors are given below:

Date of Meeting	Total Members	Attendance by number of members
18.04.2016	5	5
04.07.2016	5	5
06.09.2016	5	5
30.09.2016	5	5
21.12.2016	5	5
27.03.2017	5	5

The annual operating plans, budgets, quarterly results, performance of various units/divisions and various other information, including those specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as amended from time to time, were duly placed before the Board of Directors of the Company.

Attendance of Directors at the Board Meetings and last Annual General Meeting.

S. No.	Name of Director	Attendance	
		Board Meeting	Last AGM
1.	Shri. Shanti Kumbhat	6	Yes
2.	Shri. Ajit Kumbhat	6	Yes

3.	Shri. Ganpat Raj	6	Yes
4.	Shri. S. Ramabadrans	6	Yes
5.	Smt. Uma Maheswari	6	Yes

4. REMUNERATION TO DIRECTORS:

During the year the Company has not paid any remuneration to its directors. However, the Company had paid sitting fees of Rs.5000/- to Shri. AJIT KUMBHAT (DIN: 01101399), Rs.4000/- to Shri. GANPAT RAJ (DIN: 02722047), Rs.4000/- to Shri. S. RAMABADRAN (DIN: 01280165) and Rs.4000/- to Smt. UMA MAHESWARI (DIN: 03397478). Presently, the Company has not formulated a scheme for grant of stock options either to Executive Directors or employees.

5. AUDIT COMMITTEE:

The Audit Committee consists of three Independent Directors and one Non-Executive Non-Independent Director. The members of the Committee are Shri. S. RAMABADRAN (DIN: 01280165), Chairman, Shri. GANPAT RAJ (DIN: 02722047), Smt. UMA MAHESWARI (DIN: 03397478), Independent Directors and Shri. AJIT KUMBHAT (DIN: 01101399), Non-Executive Non-Independent Director. The Statutory Auditor and Senior Executive officer are the invitees of all meetings of committee.

The terms of reference of the Audit Committee includes matters which are set out in regulation 18 read with Part C of Schedule II of the Listing Regulations and section 177 of the Companies Act, 2013 and inter alia includes:

- overseeing the Company's financial reporting process and the disclosure of its financial information;
- examination of the financial statement and the auditor's report thereon;
- recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- review and monitoring the auditor's independence and performance, effectiveness of the audit process;
- approval or any subsequent modification of the 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;

- h) evaluation of internal financial controls and risk management system; and
- i) monitoring the end use of funds raised through public offers and related matters.

The Audit Committee met six times during the year and attendance of audit committee is as under:

Date of Meeting	Total Members	Attendance by number of members
18.04.2016	4	4
04.07.2016	4	4
06.09.2016	4	4
30.09.2016	4	4
21.12.2016	4	4
27.03.2017	4	4

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Board has constituted Stakeholder's Relationship committee in accordance with the provisions of the Companies Act, 2013 and regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the members of the committee are Smt. UMA MAHESWARI (DIN: 03397478), Chairman, Shri. GANPAT RAJ (DIN: 02722047), Shri. S. RAMABADRAN (DIN: 01280165), Independent Directors and Shri. AJIT KUMBHAT (DIN: 01101399), Non-Executive Non-Independent Director.

The role of the Stakeholders Relationship Committee shall, inter-alia, include the following:

1. Dealing with the investors complaints like delay in transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends / share certificates, dematerialisation of shares, replacement of lost/stolen/mutilated share certificates, etc;
2. Reviewing of investors complaints and take necessary steps for redressal thereof;
3. To perform all functions relating to the interest of the stakeholders of the Company as may be required by the provisions of the Companies Act, 2013 and the rules made thereunder. Listing Agreements and the guidelines issued by SEBI or any other regulatory authority; and
4. Approval of the share transfers and / or delegation thereof.

Attendance of Stakeholders Relationship Committee:

Date of Meeting	Total Members	Attendance by number of members
18.04.2016	4	4
04.07.2016	4	4
06.09.2016	4	4
30.09.2016	4	4
21.12.2016	4	4
27.03.2017	4	4

- The Company's shares are compulsorily traded in dematerialised form. Hence the Committee has met at relevant intervals considering the volume of transfers received in the demat segment.
- The Company has no transfers pending at the close of the financial year.
- The Company has not received any complaints during the year 2016-17.

7. NOMINATION AND REMUNERATION COMMITTEE:

Adhering to the requirements of the Companies Act, 2013 and regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of the Company has constituted Nomination and Remuneration Committee.

The members of the Committee are Shri. GANPAT RAJ (DIN: 02722047), Chairman, Smt. UMA MAHESWARI (DIN: 03397478), Shri. S. RAMABADRAN (DIN: 01280165), Independent Directors and Shri. AJIT KUMBHAT (DIN: 01101399), Non-Executive Non-Independent Director. The Main objective of the Committee is to decide amount of salary payable to Managing Director / Whole-time Directors in case the total payment is exceeding limit prescribed under section 197 of the Companies Act, 2013.

During the year the Company has not paid any remuneration to its directors. However, the Company had paid sitting fees of Rs.5000/- to Shri. AJIT KUMBHAT (DIN: 01101399), Rs.4000/- to Shri. GANPAT RAJ (DIN: 02722047), Rs.4000/- to Shri. S. RAMABADRAN (DIN: 01280165) and

Rs.4000/- to Smt. UMA MAHESWARI (DIN: 03397478). Presently, the Company has not formulated a scheme for grant of stock options either to Executive Directors or employees.

The terms of reference of the Nomination and Remuneration Committee include:

- formulation of criteria for determining qualifications, positive attributes and independence of a director;
- recommending 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; and
- identification of 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.

Attendance of the Committee during the year is follows:

<i>Date of Meeting</i>	<i>Total Members</i>	<i>Attendance by number of members</i>
06.09.2016	4	4

8. RISK MANAGEMENT COMMITTEE:

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. The Board periodically discusses the significant business risks identified by the management and the mitigation measures to address such risks. The role of the Committee includes review of the risk management strategy developed by the management for approval by the Board, advise the Board on the prioritization of risk management issues, report the effectiveness of the Company's Risk Management Systems and carries out additional functions and adopts additional policies and procedures as may be appropriate in the light of changes in business, legislative, regulatory, legal and other conditions.

The Company has established a whistle blower mechanism to provide an avenue to raise concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimisation of directors / employees / customers who avail of the mechanism and also for appointment of an ombudsperson who will deal with the complaints received.

The Company has laid down a Whistle Blower Policy which contains the process to be followed for dealing with complaints and in exceptional cases, also provides for direct access to the chairperson of the audit committee. The Company affirms that no person has been denied access to the Audit Committee.

c). Compliance with mandatory requirements:

The Company has complied with all mandatory requirements as laid down in the Listing Regulations.

d). Compliance with Accounting Standards:

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

e). Disclosure from Senior Management:

Periodical disclosures from senior management relating to all material financial and commercial transactions, where they had or were deemed to have had personal interest, that might have had potential conflict with the interest of the Company at large were placed before the Board.

During the year under review, the Company has not raised any funds from public issue, rights issue or preferential issue.

f). Prevention of Insider Trading:

As per the requirement in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of practices and procedures for fair disclosure of unpublished price sensitive information. A Code of Conduct to regulate, monitor and report trading by insiders in securities of the Company has also been formulated.

g). Compliance with the Code of Conduct:

The Board has laid-down a "Code of Conduct" (Code) for all the Board members and the senior management of the Company. Annual declaration regarding compliance with the Code is obtained from every person covered by the Code of Conduct. A declaration to this effect signed by the Managing Director is forming part of this report.

h). Compliance with Corporate Governance Norms:

The Company has complied with Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (f) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

The Statutory Auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations. The said certificate is annexed to this Report and will be forwarded to the Stock Exchanges and the Registrar of Companies, Tamilnadu, Chennai, along with the Annual Report.

ii). Disclosures of non-compliance by the Company:

The shares of your Company continue to be listed on the BSE (Bombay Stock Exchange Limited).

The trading in the securities of the Company has been suspended on the exchange since 2015 due to non-compliance with the various provisions of the listing agreement and listing regulations.

Apart from this there were no instances of non-compliance or penalty or strictures imposed on the Company by SEBI or any other authority on any matter relating to Capital Markets during the financial year.

The Company has obtained Secretarial Audit Report from M/s. ACHARYA S.K. & ASSOCIATES, Company Secretaries for the year 2016-17. The observations made by the secretarial auditors and the explanation for the same is provided in the Director's Report.

As at 31st March, 2017, the committee comprised of Shri. S. RAMABADRAN (DIN: 01280165), Chairman, Shri. GANPAT RAJ (DIN: 02722047), Smt. UMA MAHESWARI (DIN: 03397478), Independent Directors as a Members. Members of the senior management team attend the meetings of the committee as permanent invitees.

There was no meeting held during the year 2016-17.

9. GENERAL BODY MEETINGS:

The details of the location and time for last three Annual General Meetings are given below:

Year	Location	Date	Time	No. of Special business
2013-2014	Bhartiya Vidhya Bhavan, New No. 18, 20, 22, East Mada Street, Mylapore, Chennai – 600 004.	29 th September, 2014.	9.15 A.M.	-
2014-2015	Bhartiya Vidhya Bhavan, New No. 18, 20, 22, East Mada Street, Mylapore, Chennai – 600 004.	26 th September, 2015.	9.15 A.M.	-
2015-2016	Bhartiya Vidhya Bhavan, New No. 18, 20, 22, East Mada Street, Mylapore, Chennai – 600 004.	30 th September, 2016.	9.15 A.M.	-

10. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Company's Articles of Association, Shri. SHANTI KUMBHAT (DIN: 02720773) and Shri. AJIT KUMBHAT (DIN:

03397478), retires by rotation at the forthcoming Annual General Meeting, and they being eligible, have offered themselves for re-appointment. The Board recommends the re-appointment.

11. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out an evaluation of its own performance, the individual Directors as well as an evaluation of the working of its Committees viz., Audit, Nomination and Remuneration, Stakeholders Relationship and Risk Management Committees. Structured questionnaires were prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as attendance, level of participation in the meetings and contribution, independence of judgment, safeguarding the interest of the Company and other stakeholders, etc.

The performance evaluation of the Independent Directors was carried out by the entire Board.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. Chairman of the Nomination and Remuneration Committee anchored the session on chairman evaluation. Inputs from the Non-Independent Directors were also considered by the Independent Directors while evaluating the performance of the Chairman.

12. DISCLOSURES:

a). Related Party Transactions:

During the year, there were no materially significant related party transaction considered to have potential conflict with the interests of the Company at large. The Company has formulated a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

b). Whistle Blower Policy and Vigil Mechanism:

j). As regards the non-mandatory requirements, the following have been adopted:

The quarterly financial results are published in leading financial newspapers and uploaded on the Company's website. The Company has therefore not been sending the half yearly financial results to the shareholders.

13. CODE OF CONDUCT:

The Board of Kumbhat Financial Services Limited had laid down a code of conduct for all the Board members and the senior management. All the members and the senior management personnel have affirmed Compliance of the code. A declaration of Managing Director of the Company is attached with this Annual Report.

14. MEANS OF COMMUNICATION:

The Annual, half yearly and quarterly results are regularly submitted to the Stock Exchanges in accordance with the listing Agreement and also published in News papers. The Unaudited results for every quarter and the Audited results for the year end is published in the news papers. The management discussion and analysis report is forming part of the Annual Report.

15. GENERAL SHAREHOLDERS INFORMATION:

- a). **Annual General Meeting:** Adjourned 24th Annual General Meeting of the Company will be held on Friday, the 30th December, 2017 at Bhartiya Vidhya Bhavan, New No. 18, 20, 22, East Mada Street, Mylapore, Chennai – 600 004, at 10.00 a.m.
- b). **Date of Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 26th December, 2017 to Saturday, the 30th December, 2017 (both days inclusive).
- c). **Financial Year:** 1st April, 2016 to 31st March, 2017.

d). Financial Calendar (Tentative):

First Quarter: July, 2017
Second Quarter & Half Yearly: October, 2017
Third Quarter: January, 2018
For the year ended 31st March, 2018: June, 2018

e). Listing on Stock Exchanges:

- (i) The Madras Stock Exchange Limited with scrip code KFS
- (ii) The Bombay Stock Exchange Limited with scrip code KUMBHFN – 526869
- (iii) The Hyderabad Stock Exchange Limited with scrip code KFS
- (iv) The Coimbatore Stock Exchange Limited with scrip code 21108
- (v) The Ahmedabad Stock Exchange Limited with scrip code KUMBHATFIN – 31609

f). Market price data:

Months	BSE		Volume (No.)
	High (Rs.)	Low (Rs.)	
April 2016			
May 2016			
June 2016			
July 2016			
August 2016			
September 2016			
October 2016			
November 2016			
December 2016			
January 2017			
February 2017			
March 2017			

The trading in shares of the Company has been suspended since the year 2015 and accordingly the market price data for the financial year 2016-17 is not available.

However, the last market price at the Bombay Stock Exchange Limited (BSE) was Rs.2.35/-

g). Share Transfer System:

Registrar & Share Transfer Agents: M/s. Cameo Corporate Services Limited. All the transfers are processed and approved by the Share Transfer Committee.

h). Distribution of Shareholdings as on March 31, 2017:

Distribution of Shareholdings pattern based on categories of shareholdings as on March 31, 2017.

S. No.	Category	No. of Shares held	% of Shareholding
1	Resident-Ordinary	3744679	78.84%
2	Promoters	519800	10.94%
3	Corporate Body-Domestic	191600	4.03%
4	NRI-Repatriable	38900	0.82%
5	Resident-HUF	22621	0.47%
6	Corporate Body-Broker	230800	4.86%
7	FI-Others	500	0.01%
8	NRI-Non Repatriable	400	0.01%
9	Mutual Funds	200	0.00%
10	Corporate Body-Others	200	0.00%
11	Resident-Minor	100	0.00%
12	Corporate Body-Margin Account	200	0.00%
	Grand Total	4750000	100.00%

Distribution of Shareholdings based on slab of Shareholdings as on March 31, 2017:

Slab Shareholdings	Shareholders	%	Amount (In Rs.)	%
1 – 5000	7072	83.9406	12873200	27.1014
5001 – 10000	740	8.7833	6472510	13.6263
10001 – 20000	294	3.4896	4386990	9.2357
20001 – 30000	154	1.8278	3859640	8.1255
30001 – 40000	35	0.4154	1226750	2.5826
40001 – 50000	49	0.5816	2364000	4.9768
50001 – 100000	45	0.5341	3315770	6.9805
100001 and above	36	0.4272	13001140	27.3708
Total	8425	100.00	47500000	100.00

ij. Dematerialization of Shares:

The Company's Equity Shares are included in the list of Companies whose scrips have been mandated by SEBI for settlement only in dematerialised form by all investors. The Company has signed agreements with National Securities Depository Limited and Central Depository Services (India) Limited to offer depository service to its shareholders and has paid one time custody charges to NSDL and is regularly paying annual charges to CDSL for the benefit of its members. The Company's ISIN is INE795E01019.

jk. Nomination Facility:

Section 72 of the Companies Act, 2013 provides inter alia, the facility of nomination to shareholders. This facility is mainly useful for all holders holding the shares in single name. In case where the securities are held in joint names, the nomination will be effective only in the event of the death of all the holders. Shareholders are advised to avail of this facility.

kl. General:

Members are requested to quote their Folio No. / DP & Client ID Nos, Email ids, Telephone/Fax numbers for timely investor servicing by the Company/Registrar and Transfer Agent. Members holding shares in electronic form are requested to update with their depository participant their present address, email ids and bank particulars (9 digit MICR code).

l). Outstanding GDR's/ADR's warrants or any Convertible Instruments:

During the year no Global Depository Receipts (GDRs) / American Depository Receipts (ADRs) / Warrants or any convertible instruments were issued.

m). Investor Correspondence:

For Transfer, Transmission, dematerialization of shares and change of address may be pleased to contact:

M/s. Cameo Corporate Services Limited

'Subramanian Building'
No. 1, Club House Road,
CHENNAI – 600 002.
Phone: (044) 2846 0930

For any other queries relating to Secretarial matters may be contacted with:

M/s. KUMBHAT FINANCIAL SERVICES LIMITED

No. 144, N.S.C. Bose Road,
Sowcarpet,
Chennai – 600 079.

Shareholders holding shares in electronic mode shall send all their correspondences to their respective Depository Participant.

**By order of the Board,
For KUMBHAT FINANCIAL SERVICES LIMITED**

Place: CHENNAI
Date : 31.08.2017

(SHANTI KUMBHAT)
Managing Director
DIN: 02720773
No. 5B, Parasu Street,
Kilpauk,
Chennai – 600 010.

DECLARATION OF MD & CEO

I, SHANTI KUMBHAT, Managing Director and CEO of M/s. Kumbhat Financial Services Limited do hereby declare that the Company has duly complied with requirements relating to the code of conduct as laid down in the Listing Agreement entered with the Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For KUMBHAT FINANCIAL SERVICES LIMITED

Place: CHENNAI
Date : 31.08.2017

(SHANTI KUMBHAT)
Managing Director
DIN: 02720773
No. 5B, Parasu Street,
Kilpauk,
Chennai – 600 010.

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2017

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

To,
The Members,
M/s. KUMBHAT FINANCIAL SERVICES LIMITED
No. 144, N.S.C. Bose Road,
Sowcarpet,
CHENNAI – 600 079.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. KUMBHAT FINANCIAL SERVICES LIMITED** (hereinafter called "*the Company*"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **KUMBHAT FINANCIAL SERVICES LIMITED's** books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2017** 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:

We have examined the books, papers, minutes book, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2017** 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) During the year under review, the Company has not made any Foreign Direct Investment, Overseas Direct Investment nor any External Commercial Borrowings and accordingly the compliance of the provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder does not arise;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) During the year under review, the Company has not issued any securities and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 does not arise;
 - (d) During the year under review, the Company has not issued any securities or options to its employees and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 does not arise;
 - (e) During the year under review, the Company has not issued and listed any debt securities and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 does not arise;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Company and dealing with client;
 - (g) During the year under review, the Company has not delisted its securities from any of the stock exchange in which it is listed and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise;
 - (h) During the year under review, the Company has not bought back any securities and accordingly the compliance of the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;

- (vi) The Reserve Bank of India Act, 1934 to the extent applicable to a Non-Banking Finance Company not accepting deposits.

With respect to fiscal laws such as Income Tax Act and Service Tax and labour laws such as Provident Fund, Gratuity, Insurance, Prevention of Sexual Harassment and Compensation based on the information and explanations provided by the Company and also on verification of reports of other professionals, we report that adequate systems are in place to monitor and ensure compliance of fiscal and labour laws as mentioned above.

We have also examined compliance with applicable clauses of the following;

- (1) The Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and as prescribed under sub-section 10 of section 118 of the Companies Act, 2013.
- (2) The Listing Agreement entered into by the Company with the Bombay Stock Exchange Limited (BSE), The Madras Stock Exchange Limited, The Hyderabad Stock Exchange Limited, The Coimbatore Stock Exchange Limited and The Ahmadabad Stock Exchange Limited.

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

1. *The Company has failed to file its Annual Report and Annual Returns for the year ended March 31, 2014; March 31, 2015 and March 31, 2016.*

2. *The Company has not filed the following resolutions in terms of provisions of sub-section (3) of section 117 read with sub-section (3) of section 179 and other applicable rules made under the Companies Act, 2013:*

- (i) Resolution for appointment of internal auditor;*
- (ii) Resolution for appointment of secretarial auditor;*
- (iii) Resolution for investing funds of the Company;*
- (iv) Resolution for granting loans and advances;*
- (v) Resolution for approving financial statement and the Board's Report*

3. The Company having shareholders, exceeding 1000 in number, has not provided e-voting facility to its shareholders in terms of rule 20 of the Companies (Management and Administration) Rules, 2014.
4. The Company has closed its register of members from September 23, 2016 to September 29, 2016 and necessary compliance of section 91 of the Act has been made. However, the news paper clippings in which such advertisement was published was not available at the time of verification for this Report.
5. The Company has not filed the report of Annual General Meeting as required under section 121 of the Companies Act, 2013 with the Registrar of Companies.
6. The Company has not filed the resolution relating to appointment/re-appointment of statutory auditors in terms of section 139 of the Act read with rule 3 and 4 of the Companies (Audit and Auditors) Rules, 2014.
7. The Company has not appointed/re-appointed the Independent Directors in accordance with the provisions of sub-section (10) of section 149 of the Act.
8. Pursuant to the failure of the Company in filing its annual report and annual returns for the year ended March 31, 2014; March 31, 2015 and March 31, 2016, all the Directors of the Company stands disqualified under section 164 of the Act.
9. The Company has not framed any vigil mechanism/whistle blower policy as required in terms of sub-section (9) of section 177 of the Companies Act, 2013 and clause 49 of the listing agreement entered into by the Company read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10. The Company has entered into various transactions with the related parties during the financial year. However, the required approval from board/its committee/members in terms of the provisions of sub-section (1) of section 188 of the Companies Act, 2013 was not sought and ratified.
11. The Company has not appointed/re-appointed the Managing Director for a further period of three/five years in accordance with the provisions of section 196 read with section 197 and Schedule V to the Act.
12. The Company has not updated its website with regard to various matters which are statutorily required to be placed on the website of the Company.

13. In accordance with the provisions of clause 47A of the listing agreement entered into with the Stock Exchanges and regulation 6(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is yet to appoint a Company Secretary as its Compliance Officer.

14. The Company, its promoters, directors and other insiders including employees have not made and submitted any disclosures or provided any information as required in terms of the listing agreement entered into with the various exchanges and accordingly the securities of the Company has been suspended for trading.

15. The Company has failed to enter into a uniform listing agreement with M/s. Bombay Stock Exchange Limited in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (applicable with effect from 1st December, 2015).

16. The Company, its promoters, directors and other insiders including employees have not made and submitted any disclosures or provided any information as contemplated under the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

17. The Company, its promoters, directors and other insiders including employees have not made and submitted any disclosures or provided any information as contemplated under the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

18. The Company has failed to pay the listing fees to Hyderabad Stock Exchange Limited and Coimbatore Stock Exchange Limited since the year 2004-05. The status of payment of listing fees to other exchanges is yet to be verified from the respective exchanges.

19. The Company has failed to pay the custodian fees to the depositories and annual charges to the Registrar and Share Transfer Agents.

20. With regard to transfer of shares by Non-Resident Indians, we were unable to verify whether the approval of Reserve Bank of India was obtained for such transfers as the documents relating to transfer of shares were not in the possession of the Company and the same were kept with the Registrar & Share Transfer Agents.

21. The Company has paid sitting fees to its Directors during the financial year, however, the required payment of service tax on reverse charge basis is yet to be made.

We 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.

All decisions were carried through with the consent of all the Directors / Committee members present and hence there were no instances of dissent by the members.

We 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 compliances with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events / actions having a major bearing on the Company's Affairs.

For ACHARYA S.K. & ASSOCIATES

Company Secretaries

Place: Kolkata

Date : 31.08.2017

(S.K. ACHARYA)

Proprietor

FCS 6013 C.P. No. 5903

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure A'

To,
The Members,
M/s. KUMBHAT FINANCIAL SERVICES LIMITED
No. 144, N.S.C. Bose Road,
Sowcarpet,
CHENNAI – 600 079.

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For ACHARYA S.K. & ASSOCIATES
Company Secretaries

Place: Kolkata
Date : 31.08.2017

(S.K. ACHARYA)
Proprietor
FCS 6013 C.P. No. 5903

Audited Financial Statements

FOR THE YEAR ENDED 31.03.2017

OF

KUMBHAT FINANCIAL SERVICES LIMITED
CHENNAI

KFSL

KUMBHAT FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS REPORT

To the Members of
Kumbhat Financial Services Limited

REPORT ON THE FINANCIAL STATEMENTS:

We have audited the accompanying financial statements of Kumbhat Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

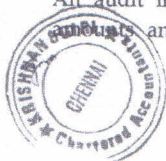
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS:

Management is responsible for the matters in section 134(5) of the Companies Act, 2013 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

AUDITORS RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 and 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

OPINION

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

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

In our opinion and according to the information and explanations given to us, we are of the view that there are no matters referred to in the Notes to the financial statements, which require emphasis for attention to be drawn.

REPORT ON OTHER LEGAL & REGULATORY REQUIREMENTS:

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

As required by section 143(3) of the Act we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books



- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the companies (Accounts) Rules, 2014
- e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164(2) of the Companies Act, 2013.
- 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 the separate report in **Annexure "B"**;
- 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 - Refer Note 19.1 (a) to the financial statements;
- ii. The Company does not have any long term contracts including forward exchange contracts.
- iii. The company is not required to transfer any amounts to the Investor Education and Protection Fund.
- iv. The Company has issued a certificate confirming that it does not hold specified Bank Notes as well as no dealings in Specified Bank Notes during the period from 8 November, 2016 to 30th December, 2016. We have relied on such certificate and the information furnished in Note No 22 to the financial statements is in accordance with such certificate issued by the management.

Chennai
Date : 28/08/2017

for KRISHNAN & GIRI
Chartered Accountants
Firm Regn No:001512S

R. Saptagiri
Partner
M No: 38623

KUMBHAT FINANCIAL SERVICES LIMITED

KUMBHAT FINANCIAL SERVICES LIMITED, CHENNAI
ANNEXURE "A" REFERRED TO IN PARA '1' OF OUR REPORT OF EVEN DATE

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Kumbhat Financial Services Limited on the accounts of the company for the year ended 31st March, 2017.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. Shares held in demat form have been duly confirmed by the Depository.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records. And also the Company has stock in trade of quoted shares which is lying with and confirmed by the depository.



3. According to the information and explanations given to us and on the basis of our examination of the books of account, the company has not given loans to any party listed in the register maintained U/S 189 of the Companies Act, 2013.
4. In our opinion and accordance to the information and explanations given to us, the company has advanced loans to a party covered in the provisions of section 185 of the companies Act, 2013 in the ordinary course of its business. Further, in our opinion and according to the explanations given to us, the aggregate of the amounts of the amounts advanced, investment in other body corporate are done in the ordinary course of its business.
5. According to the information and Explanations given to us, the company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.
6. In our opinion maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act for the company and hence the same is not applicable to the Company.
7. (a) According to the records of the company, the provisions of Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions Act, 1952 are not applicable to the company. Further there are no other outstanding undisputed statutory dues as on 31st March, 2017 for a period exceeding six months from the date they became payable including Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable
(b) According to the information and explanations given to us, excepting Income tax dues of Rs. 26,51,070/- which is pending revision, there are no other disputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty.
(c) According to the information and explanations given to us, the company is not required to transfer any amount required to be transferred to Investor Education and Protection Fund as per the relevant provisions of the Companies Act, 2013.
8. In our opinion and according to the information and explanations given to us, the company has not taken any loans from any financial institution or banks nor has issued debentures. Hence clause (viii) is not applicable to the company.
9. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer nor by way of term loans. Hence paragraph 3(ix) is not applicable to the company.



10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of the audit.
11. In our opinion and according to the information and explanations given to us, the company complied with the provisions of section 197 with respect to payment of managerial remuneration.
12. The company is not a Nidhi company and hence the clause 3(xii) of the order is not applicable to the company
13. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act,2013 and the details has been disclosed in the financial statements as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible during the year under review.
15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him
16. In our opinion and according to the information and explanations given to us, the company is registered under Section 45 IA of the Reserve Bank of India Act,1934.

Place: Chennai
Date: 28.08.2017

For Krishnan & Giri.
Chartered Accountants
FRN: 001512S

(R.Saptagiri)
Partner
Membership No: 38623



**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF
KUMBHAT FINANCIAL SERVICES LIMITED**

**Report on the Internal Financial Controls 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 **KUMBHAT FINANCIAL SERVICES LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance 168 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 auditor's 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 expenditure of the company are being made only in accordance with authorizations of management and directors of the company.
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion 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



Opinion

In our opinion, 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, 2017, 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".

For KRISHNAN & GIRI,
Chartered Accountants

(FRN: 001512S)



[Handwritten Signature]

(R. SAPTAGIRI)

Partner

(M No.038623)

Place: Chennai

Dated: 28th August, 2017

KUMBHAT FINANCIAL SERVICES LIMITED
Balance Sheet as at 31 March 2017

Equity and Liabilities	Notes	As at 31st March 2017 Rs.	As at 31st March 2016 Rs.
Shareholders' Fund			
Share capital	1	4,75,00,000	4,75,00,000
Reserves and surplus	2	1,36,50,169	1,37,23,041
		6,11,50,169	6,12,23,041
Non Current Liabilities			
Deferred Tax Liabilities	3	1,91,232	1,55,814
Current Liabilities			
Short Term Borrowings	4	-	-
Short-term provisions	5	6,38,333	6,05,855
Other current liabilities	6	4,82,480	4,69,141
		11,20,813	10,74,996
Total		6,24,62,214	6,24,53,851
Assets			
Non-Current Assets			
Fixed assets			
Tangible assets	7	6,35,107	6,35,107
Loans And Advances	8	5,87,79,859	5,77,82,370
Long-term loans and advances	9	3,000	25,74,406
		5,94,17,966	6,09,91,883
Current Assets			
Inventories	10	13,62,129	13,62,129
Cash and bank balances	11	16,24,294	72,960
Short-term loans and advances	12	57,834	26,888
		30,44,248	14,61,968
Total		6,24,62,214	6,24,53,851

Summary of Significant accounting policies

The accompanying notes form an integral part of the financial statements.

As per our report of even date
For KRISHNAN & GIRDHAR
Firm Registration Number: AN/A/15125
Chartered Accountants
R. Saptagiri
R SAPTAGIRI
Partner
MNo : 038623



For on behalf of the board of directors of
Kumbhat Financial Services Limited

Shanti Kumbhat
Shanti Kumbhat
[Managing Director]

Ajit Kumbhat
Ajit Kumbhat
[Director]

Umamaheswari
Umamaheswari
[Director]

Place : Chennai
Dated : 28th August, 2017

KUMBHAT FINANCIAL SERVICES LIMITED
Statement of Profit and Loss for the year ended 31 March 2017

	Notes	Year ended 31st March 2017 Rs.	Year ended 31st March 2016 Rs.
Continuing Operations			
Revenue from operations	13	38,77,958	38,05,244
Other income	14	720	-
Total revenue (I)		38,78,678	38,05,244
Expenses			
Increase/decrease in inventories	15	-	-
Employee benefit expenses	16	4,06,092	6,17,141
Finance Cost	17	638	2,030
Operating & Other Expenses	18	34,34,402	29,81,643
Depreciation and Amortisation Expense	7	-	-
Total (II)		38,41,131	36,00,814
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		37,547	2,04,431
Less : Tax expenses			
Current Tax		75,000	75,000
Earlier Year Tax		-	-
Deferred Tax		35,418	(15,24,922)
Total tax expenses		1,10,418	(14,49,922)
Profit/(loss) for the year		(72,871)	16,54,353
Earnings per equity share [nominal value of share Rs.10]			
Basic			
Computation on the basis of total profit for the year	Face value Rs. 10	-0.02	0.35
Diluted			
Computation on the basis of total profit for the year	10	-0.02	0.35

Summary of Significant accounting policies
The accompanying notes form an integral part of the financial statements.

As per our report of even date

For KRISHNAN & GIRI

Firm Registration Number : 001

Chartered Accountants

R/SAPTAGIRI

Partner

MNo : 38623



For on behalf of the board of directors of
Kumbhat Financial Services Limited

Shantil Kumbhat
Managing Director

Ajit Kumbhat
[Director]

Umamaheswari
[Director]

Place : Chennai

Dated : 28th August, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	31st March 2017 Rs.	31st March 2016 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit	(72,871)	1,654,353
Adjustment for		
Depreciation	-	-
Operating profit before working capital changes	(72,871)	1,654,353
Changes in Working Capital		
Decrease/(Increase) in Loans	(997,489.02)	(208,259)
Decrease/(Increase) in Trade Receivable	-	-
Decrease/(Increase) in Lease Rent Receivable	-	-
Decrease/(Decrease) in Short term/Long term Advances	2,540,460	421,140
Increase/(Decrease) in Provisions	32,478	91,791
Increase/(Decrease) in Deferred tax	35,418	(1,524,922)
Increase/(Decrease) in Current Liabilities	13,339	267,342
NET CASH FLOW FROM OPERATING ACTIVITIES	1,551,334	701,446
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Decrease/(Increase) in Stock-in-trade	-	-
Purchase of Fixed Asset	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase/(Decrease) on Borrowings	-	(677,904)
NET CASH FLOW FROM INVESTING ACTIVITIES	-	(677,904)
Net Increase/(Decrease) in Cash Flow	1,551,334	23,542
Opening Cash and Bank Balance	72,960	49,418
Closing Cash and Bank Balance	1,624,294	72,960

As per our report of even date

For **KRISHNAN & GIRI**

Firm Registration Number: 0045128

Chartered Accountants



R SAPTAGIRI

Partner

MNo : 038623



For on behalf of the board of directors of
Kumbhat Financial Services Limited

Shanti Kumbhat Ajit Kumbhat Umamaheswari

[Managing Direct [Director] [Director]

Place : Chennai

Date : 28th August, 2017

KUMBHAT FINANCIAL SERVICES LIMITED
Notes to financial statement for the year ended 31 March 2017

1	SHARE CAPITAL	31 March 2017 Rs.	31 March 2016 Rs.
	Authorised Share 1,00,00,000 number of Equity shares of Rs.10 each	10,00,00,000	10,00,00,000
	Issued, Subscribed and Fully Paid up Share Capital: 47,50,000 number of Equity shares of Rs 10 each	4,75,00,000	4,75,00,000
	Total issued, subscribed and fully paid up share capital	4,75,00,000	4,75,00,000
a.	Reconciliation of share outstanding at the beginning and at the end of the reporting period		
	Equity shares	31 March 2017	
		No of shares	Rs.
	At the beginning of the period	47,50,000	4,75,00,000
	Outstanding at the end of the period	47,50,000	4,75,00,000
		31 March 2016	
		No of shares	Rs.
	At the beginning of the period	47,50,000	4,75,00,000
	Outstanding at the end of the period	47,50,000	4,75,00,000
b.	Details of shareholders holding more than 5% shares in the company	Nil	Nil
2	RESERVES AND SURPLUS	31 March 2017 Rs.	31 March 2016 Rs.
	Statutory Reserve		
	Balance at the beginning of the year	40,65,000	40,65,000
	Add: Transfer from Surplus in the statement of Profit & Loss	-	-
	Closing Balance	40,65,000	40,65,000
	General Reserve		
	Balance at the beginning of the year	1,00,19,716	1,00,19,716
	Add: Transfer from Surplus in the statement of Profit & Loss	-	-
	Closing Balance	1,00,19,716	1,00,19,716
	Surplus/(deficit) in the statement of profit and loss		
	Balance at the beginning of the year	(3,61,675)	6,55,779
	Less: Depreciation Adj as per Schedule II of companies Act 2013	-	26,71,807
		(3,61,675)	(20,16,028)
	Profit for the year	(72,871)	16,54,353
	Less:		
	Transfer to Statutory Reserve	-	-
	Transfer to General Reserve	-	-
	Net surplus in the statement of profit and loss	(4,34,547)	(3,61,675)
	Total reserve and surplus	1,36,50,169	1,37,23,041
3	DEFERRED TAX LIABILITY	31 March 2017 Rs.	31 March 2016 Rs.
	Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged to the financial statement	1,91,232	1,55,814
		1,91,232	1,55,814
4	SHORT TERM BORROWINGS	31 March 2017 Rs.	31 March 2016 Rs.
	From Directors (Unsecured)	-	-
		-	-
5	SHORT TERM PROVISIONS	31 March 2017 Rs.	31 March 2016 Rs.
a.	Provision for post employment benefits		
	- Provision for Gratuity	1,49,597	1,30,855
b.	Other Provision		
	- Provision for Income Tax	4,88,736	4,75,000
		6,38,333	6,05,855

NOTE 7: FIXED ASSETS

	GROSS BLOCK		DEPRECIATION			NET BLOCK		
	AS ON 01.04.2016	ADDITIONS 31.03.2017	UPTO 31.03.2016	FOR THE YEAR	ADJUSTMENT TO RESERVE	UPTO 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
A. Tangible Assets								
Office Equipments	12750	12750	12540	-	-	12540	210	210
Computers	322970	322970	319164	-	-	319164	3806	3806
Vehicles	1262220	1262220	1247899	-	-	1247899	14321	14321
Plant & Machinery	7705498	7705498	7338979	-	-	7338979	366519	366519
Water Pollution Control Equipments	4700000	4700000	4449749	-	-	4449749	250251	250251
(A)	14003438	14003438	13368331	-	-	13368331	635107	635107
Less: Lease Terminal Adjustment								
	14003438	14003438	13368331	-	-	13368331	635107	635107
Previous year Figures	14003438	14003438	9220528	105480	601897	9927905	3306915	4014292

Note : 1. Depreciation has been provided on 'Written Down Value' method in accordance with the Useful Life specified in Schedule II to the Companies Act, 2013.



6	OTHER CURRENT LIABILITIES	31 March 2017	31 March 2016
		Rs.	Rs.
	Sundry Creditors for Expenses	4,82,480	4,69,141
		4,82,480	4,69,141
8	LOANS AND ADVANCES	31 March 2017	31 March 2016
		Rs.	Rs.
	Loans (Unsecured)		
	- Considered good	5,52,81,927	5,32,34,438
	- Considered doubtful	60,75,480	60,75,480
	Less : Provision for NPA	25,77,548	15,27,548
		5,87,79,859	5,77,82,370
9	LONG TERM LOANS AND ADVANCES	31 March 2017	31 March 2016
		Rs.	Rs.
	Capital Advances	-	25,71,406
	Deposits	3,000	3,000
		3,000	28,74,406
10	INVENTORIES (Valued at lower of Cost or Net realizable value)	31 March 2017	31 March 2016
		Rs.	Rs.
	Stock of Equity Shares		
	- Quoted Shares (Fully Paid)	1,62,120	1,62,120
	- Unquoted Shares (Fully paid)	12,00,000	12,00,000
		13,62,120	13,62,120
11	CASH AND BANK BALANCES	31 March 2017	31 March 2016
		Rs.	Rs.
	Cash and cash equivalents		
	Balances with banks		
	- On current accounts	2,60,133	31,615
	Cash on hand	13,64,161	41,344
		16,24,294	72,960
12	SHORT TERM OTHER LOANS AND ADVANCES	31 March 2017	31 March 2016
		Rs.	Rs.
	Short Term Loans & Advances	-	-
	TDS	57,834	26,888
		57,834	26,888
13	REVENUE FROM OPERATIONS	31 March 2017	31 March 2016
		Rs.	Rs.
a)	Income from Financing Activity		
	Interest on Loan	38,77,827	38,03,953
b)	Dividend Received	131	1,291
		38,77,958	38,05,244



14	OTHER INCOME	31 March 2017	31 March 2016
		Rs.	Rs.
	Sale of shares	720	-
		720	-
15	DECREASE IN STOCK IN TRADE	31 March 2017	31 March 2016
		Rs.	Rs.
	Closing Stock of Shares A	13,62,120	13,62,120
	Less: Opening Stock of Shares B	13,62,120	13,62,120
		-	-
16	EMPLOYEES REMUNERATION & BENEFITS	31 March 2017	31 March 2016
		Rs.	Rs.
	Salaries, Bonus and Commission	3,67,350	5,85,350
	Director sitting Fees	20,000	17,000
	Gratuity provision	18,742	16,791
		4,06,092	6,17,141
17	FINANCE COST	31 March 2017	31 March 2016
		Rs.	Rs.
	Bank Charges	638	2,030
		638	2,030
18	OPERATING AND OTHER EXPENSES	31 March 2017	31 March 2016
		Rs.	Rs.
	Rent and Amenities	1,20,000	1,30,800
	Postage and Telephone	14,800	13,200
	Printing and Stationery	47,740	52,758
	Listing, Share transfer Exp & Filina fees	-	2,96,342
	Travelling & conveyance	-	-
	Advertisement charges	-	5,280
	AGM Expenses	2,87,510	2,73,730
	Payment to Auditors	28,000	27,000
	Professional Charges	-	-
	General Expenses	1,125	-
	Provision for NPA	10,50,000	6,40,000
	Bad Debts W/off	18,85,226	15,42,533
		34,34,402	29,81,643



19 CONTINGENT LIABILITIES AND COMMITMENTS:

19.1 CONTINGENT LIABILITIES

a. Income Tax liability pending revision before Assessing officer	26,51,070	26,51,070
b. Claims against the company not acknowledged as debts	Nil	Nil

19.2 COMMITMENTS:

a. Estimated amount of Contracts remaining to be executed on capital account not provided for	Nil	Nil
b. Other commitments	Nil	Nil

20 EMPLOYEE BENEFITS OBLIGATIONS

20.1 Defined Contribution Plans:

The benefits of the defined contribution plan in the form of provident fund is not applicable to the company

20.2 Defined Benefit Plans:

The company offers its employees defined benefit plans in the form of gratuity (a lump sum amount). Benefits under the

The net value of the defined benefit commitment is detailed below:

Obligation	Gratuity (Non Funded)	
	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Present Value of Obligation	1,14,244	1,14,244
Fair Value of Plan Assets	Nil	Nil
Net Liability Recognized in the Balance Sheet	1,14,244	1,14,244

Plan Assets	Gratuity (Non Funded)	
	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Opening Balance	Nil	Nil
Expected Return	Nil	Nil
Contribution by the Company	Nil	Nil
Benefits Paid	Nil	Nil
Actuarial Gain	Nil	Nil
Closing Balance 31.03.2015	Nil	Nil

The company has not created any fund into which contributions are made. Hence furnishing of information on Return on Plan Assets does not arise

Expenses recognized in the profit & Loss Account	Gratuity (Non Funded)	
	As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Current Service Cost	16,149	16,149
Interest Cost	2,366	2,366
Expected Return on Plan Assets	Nil	Nil
Benefits paid Directly	Nil	Nil
Net Interest (Gain) / Losses	Nil	Nil
Expenses Charged to Profit & Loss Account	(1,544)	(1,544)
	16,971	16,971



Actuarial Calculations used to Estimate defined benefit commitments and expenses are based on the following assumptions, which if changed, would affect the defined benefit commitment's size.

	Gratuity (Non Funded) Year Ended 31.03.2017
Rate of Discount applied	8%
Expected salary escalation	5%
Expected return on Plan Assets	Does not arise
Mortality Table Used	LIC (1994-96) Ultimate Mortality table

21 RELATED PARTY DISCLOSURE:- (AS 18)

21.1 Director's Remuneraton		20,000	17,000
21.2 Towards Rent - Kumbhat & Co	Associate	1,20,000	1,20,000
21.3 Interest Receipts - Kumar Investments	Relative	6,11,627	6,11,544

22 Disclosure on Specified Bank Notes

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

Particulars	SBN's *	Other Denomination	Total
Closing cash in hand as on 08.11.2016	-	6,57,354	6,57,354
Add: Permitted Receipts	-	6,00,000	6,00,000
Less: Permitted payments	-	62,600	62,600
Less: Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	13,74,754	13,74,754

* For the purposes of this clause, the term ' Specified Bank Notes ' shall have the same meaning provided in the notification of the Government of India, in the ministry of Finance, Department of Economic affairs number S.O.3407 (E), dated November 8, 2016

23 Figures for the previous period have been regrouped/ rearranged wherever necessary.

For KRISHNAN & GIRI
Firm Registration Number - 0115125
Chartered Accountants

R SAPTAGIRI
Partner
MNo : 038623



Shanti Kumbhat
Managing Direc

Ajit Kumbhat
[Director]

Uma Maheswari
[Director]

Place : Chennai
Dated : 28.08.2017

KUMBHAT FINANCIAL SERVICES LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION:

1. The accounts have been prepared under the historical cost convention.
2. Income and Expenditure recognition :
 - a) Interest on loans are accounted for on accrual basis.
 - b) Dividend on shares and other incomes are accounted for on receipt basis.
 - c) All items of expenditure are accounted for on accrual basis.
3. The Company has followed the prudential norms as prescribed by the Reserve Bank of India under Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions 1998 as amended from time to time.
4. Depreciation / Amortisation policy : Depreciation on assets is provided on the Written Down Value Method at the rates prescribed in Schedule II to the Companies Act, 2013. Depending on the completion of the economic life of the asset, the carrying value in excess of Residual value is charged as depreciation and reduced from the reserves.
5. Fixed Assets :
Fixed Assets are carried at historical cost less accumulated depreciation.
6. Inventory of Shares :
Shares and Securities are valued at Cost or market price whichever is lower.
7. Compliance with Accounting Standards :
Appropriate Accounting Standards have been duly considered while preparing the financial and other statements.
8. Retirements Benefits:
Retirement benefits are accounted for on Accrual basis as per Revised Accounting Standard -15 on the basis of actuarial valuation.
9. Accounting for Taxes on Income (AS 22)
Deferred Tax Assets / Liability is recognized as per Accounting Standard AS 22 on 'Accounting for taxes on Income' issued by The Institute of Chartered Accountants of India.



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: L65991TN1993PLC024433

Name of the Company: KUMBHAT FINANCIAL SERVICES LIMITED

Registered office: No. 144, N.S.C. Bose Road, Sowcarpet, Chennai - 600 079.

Name of the member(s):

Registered address:

E-mail id:

Folio No.:

I/We, being the member (s) ofshares of the above named company, hereby appoint

1. Name:
Address:
E-mail id:
Signature:....., or failing him
2. 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 **Adjourned 24th Annual General Meeting** of the company, to be held on the **30th day of December, 2017** at **10.00 a.m.** at **Bhartiya Vidhya Bhavan, New No. 18, 20, 22, East Mada Street, Mylapore, Chennai – 600 004** and at any adjournment thereof in respect of such resolutions indicated hereinbelow:

Description of Resolution	For	Against
Ordinary Business:		
1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31 st March, 2017 and the Reports of Directors and Independent Auditors thereon.		
2. To appoint a Director in place of Shri. SHANTI KUMBHAT (DIN: 02720773) , who retires by rotation and being eligible offers himself for re-appointment.		
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting.		
Special Business:		
4. To appoint Shri. RAJU KHATRI (DIN: 06989326) as an Independent Director of the Company.		
5. To appoint Shri. K.N. NARAYANAN (DIN: 01543391) as an Independent Director of the Company.		
6. To appoint Shri. SANJAY KUMBHAT (DIN: 03077193) as Director of the Company.		
7. To appoint Smt. SARIKA KUMBHAT (DIN: 08032091) as Director of the Company.		
8. Authorisation to enter into transactions with related parties.		

Signed thisday of 20.....

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: 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.

1. The first part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

2. The second part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

3. The third part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

4. The fourth part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

5. The fifth part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

6. The sixth part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

7. The seventh part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

8. The eighth part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

9. The ninth part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

10. The tenth part of the document is a letter from the Secretary of the Department of the Interior to the Secretary of the Department of the Army, dated August 1, 1954. The letter is addressed to the Secretary of the Army, Department of the Army, Washington, D. C.

KUMBHAT FINANCIAL SERVICES LIMITED
Registered Office : 144, N.S.C. Bose Road, Chennai – 600 079.

PROXY FORM

I / We _____ of _____
being a Member / Members of KUMBHAT FINANCIAL SERVICES LIMITED hereby appoint
_____ of _____ or failing him
_____ for me / us on my
/ our behalf at the 23rd ANNUAL GENERAL MEETING of the said Company to be held on
SATURDAY, 30th December, 2017 at 10.00 A.M. at Bhartiya Vidya Bhavan New NO.18,20,22 East Mada
Street Mylapore k, Chennai – 600 004, and at any adjournment there of.

Signed this _____ day _____ of 2017
Signature(s) of the Member(s) _____
Folio No. _____

Revenue
Stamp

N.B. (i) This proxy must be deposited at the Registered Office of the Company, not latter than 48 hours
before the time of the meeting. A proxy need not be a member of the Company. Shareholder /
Proxy holder wishing to attend the meeting must bring the Attendance Slip to the Meeting and
handover the same at the entrance duly signed.

.....TEAR HERE.....

KUMBHAT FINANCIAL SERVICES LIMITED
Registered Office : 144, N.S.C. Bose Road, Chennai – 600 079.

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall hereby record my presence at the 23rd ANNUAL
GENERAL MEETING at Bhartiya Vidhya Bhavan New No.18,20,22 East Mada Street Mylapore Chennai-
600004, on SATURDAY, the 30th December, 2017 at 10.00 A.M.

Name of the Member _____
Folio No. _____
Name of Proxy / Representation (In Block Letter) _____
(To be filled in the Proxy attends instead of the Member)
Signature of the Member / Proxy present _____

10/5/2017

Bharatiya Vidya Bhavan - Google Maps

Google Maps

Bharatiya Vidya Bhavan

Route Map for reaching to the venue of Adjourned 24th Annual General Meeting of M/s. Kumbhat Financial Services Limited

