

25TH Annual Report
2017-2018

KUMBHAT FINANCIAL SERVICES LIMITED

CIN : L65991TN1993PLC024433

Board of Directors :

Sri. SHANTI KUMBHAT
Managing Director
Sri. K.N.NARAYANN
Sri. SANJAY KUMBHAT
Smt. SARIKA KUMBHAT

Registered Office :

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

Bankers :

Central Bank of India
The Laxmi Vilas Bank Ltd.,

Share Transfer Agents :

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

Auditors :

Ms Raju & Daftary, Chartered Accountants
Crescent Court, No.963/108,
Poonamallee High Road,
Kilpauk, Chennai 600084

KUMBHAT FINANCIAL SERVICES LIMITED

NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 25th Annual General Meeting of the Members of **KUMBHAT FINANCIAL SERVICES LIMITED** will be held on Saturday, the 29th September, 2018 at 11.00 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, 2018 and the Reports of Directors and Independent Auditors thereon.
2. To appoint a Director in place of **Shri. SANJAY KUMBHAT (DIN: 03077193)**, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of **Smt. SARIKA KUMBHAT (DIN: 08032091)**, who retires by rotation and being eligible offers herself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED that pursuant to the provisions of section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of **Ms. RAJU & DAFTARY (FRN: 015535S)**, Chartered Accountants, Chennai, as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held in the calendar year 2022 on such remuneration as may be determined by the Board of Directors.”

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

**Place: Chennai
Date : 21.05.2018**

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

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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 25th September, 2018 to Saturday, the 29th September, 2018 (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

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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 Corporate Office of the Company at 5th Floor, Kumbhat Complex, No. 29, Rattan Bazaar, Chennai – 600 003 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 route map for reaching to the venue of the Annual General Meeting is annexed to this notice.

14. 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.

15. 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 25th 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.

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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.

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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 26th September, 2018 at 9.30 a.m. and ends on Friday, the 28th September, 2018 at 6.00 p.m. During this period shareholders' of the Company,

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holding shares, as on the cut-off date i.e. Thursday, the 20th September, 2018, 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 1st October, 2018. The Results declared along with 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., 29th September, 2018.
- 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.

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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
21.05.2018.**

Name of the Director	<i>Shri. SANJAY KUMBHAT</i>	<i>Smt. SARIKA KUMBHAT</i>
Date of Birth	27.02.1974	29.01.1980
Date of Appointment on the Board as Director	30.12.2017	30.12.2017
DIN	03077193	08032091
Date of Last re-appointment as Director	NIL	NIL
Experience in specific functional area	5 Years in Finance & 20 Years in Business	2 Years experience in Business
Qualification	B.Com	B.A
List of outside Directorship held	2	1
Chairman/Member of the Committee of Board of Directors of the Company	Audit Committee – Member; Stakeholders Relationship Committee – Member; Nomination and Remuneration Committee – Member; Risk Management Committee - Member	Audit Committee – Member; Stakeholders Relationship Committee – Member; Nomination and Remuneration Committee – Member; Risk Management Committee - Member
Chairman/Member of the Committee of the Board of Directors of other Companies in which he is Director	Nil	Nil
Number of Shares held in the Company	74600 Equity Shares of Rs.10/- each	NIL
Inter-se relationship with any Director	Related to Shri. SHANTI KUMBHAT and Smt. SARIKA KUMBHAT	Related to Shri. SHANTI KUMBHAT and Shri. SANJAY KUMBHAT

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DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the 25th Annual Report of the business and operations of the Company together with the audited statement of accounts for the year ended 31st March, 2018.

1. STATE OF COMPANY'S AFFAIRS:

(A). Financial summary or highlights:

<i>Particulars</i>	2017-18	2016-17
Total Income	4667184	3878678
Profit before interest, depreciation and tax	2149382	38185
Finance cost	1578	638
Depreciation	-	-
Profit before Exceptional & Extra-ordinary items and tax	2147804	37547
Exceptional & Extra-ordinary items	-	-
Profit after Exceptional & Extra-ordinary items & before tax	2147804	37547
Provision for taxation (Net of deferred tax)	1941611	110418
Profit after tax	206193	(72871)
Amount available for appropriation	206193	(72871)
Appropriations:		
Transfer to Statutory Reserve maintained u/s 45IC of RBI Act, 1934 (including short provision for earlier years)	206640	-
Transfer to General Reserve	-	-
Proposed dividend	-	-
Tax on proposed dividend	-	-
Balance carried to Balance Sheet	(447)	(72871)

(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.614.59 Lakhs as on 31st March, 2018 as compared to Rs.587.80 Lakhs as on 31st March, 2017.

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.

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

The Board met **nine** 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.

<i>Quarter</i>	<i>Date of Board Meeting</i>
1 st April, 2017 to 30 th June, 2017	18.04.2017
1 st July, 2017 to 30 th September, 2017	28.07.2017
	31.08.2017
	21.09.2017
	30.09.2017
	27.10.2017
1 st October, 2017 to 31 st December, 2017	30.12.2017
	27.01.2018
1 st January, 2018 to 31 st March, 2018	27.02.2018
	31.03.2018

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, 2018, 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.

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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, 2018:

1. The Company has belatedly filed the Annual Report and Annual Returns for the year ended March 31, 2014; March 31, 2015, March 31, 2016 and March 31, 2017 during the financial year.

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 investing funds of the Company; and*
- (iii) Resolution for granting loans and advances.*

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 26, 2017 to September 30, 2017 and December 26, 2017 to December 30, 2017 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 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.

6. 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.

7. 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.

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8. *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.*

9. *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.*

10. *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.*

11. *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, Depositories Act, 1996 and accordingly the securities of the Company has been suspended for trading.*

12. *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).*

13. *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.*

14. *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.*

15. *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.*

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.

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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.

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 transferred a sum of Rs.206640/- (including short provisions for earlier years) to Statutory Reserve maintained under section 451C of the RBI Act during the financial year. The year-end balance of such Statutory reserve was Rs.4271640/-

10. DIVIDEND:

In view of inadequacy of profits, your directors do not recommend any dividend for the financial year ended 31st March, 2018.

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 (01/04/2018 to 21/05/2018):

There were no material changes and commitments affecting the financial position of the Company between the period 1st April, 2018 to 21st May, 2018.

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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(3) 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:

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

3). FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Amount in Lakhs)

<i>Particulars</i>	2017-18	2016-17
Value of exports calculated on FOB basis	-	-
Value of Imports calculated on CIF basis:		
Raw Materials	-	-
Components and Spare parts	-	-
Capital Goods	-	-

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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. SANJAY KUMBHAT (DIN: 03077193) and Smt. SARIKA KUMBHAT (DIN: 08032091) retires by rotation at the forthcoming Annual General Meeting, and they being eligible, has offered themselves for re-appointment. The Board recommends the re-appointment.

Shri. RAJU KHATRI (DIN: 06989326) and Shri. K.N. NARAYANAN (DIN: 01543391) were appointed as Independent Directors of the Company at the Annual General Meeting held on 30th December, 2017 during the financial year.

Shri. SANJAY KUMBHAT (DIN: 03077193) and Smt. SARIKA KUMBHAT (08032091) were also appointed as Directors of the Company at the Annual General Meeting of the Company held on 30th December, 2017 during the financial year.

Shri. AJIT KUMBHAT (DIN: 01101399), Shri. S. RAMABADRAN (DIN: 01280165), Shri. GANPAT RAJ (DIN: 02722047) and Smt. UMA MAHESWARI (DIN: 03397478) resigned from the Board with effect from 30th December, 2017 during the financial year and Shri. RAJU KHATRI (DIN: 06989326) resigned from the Board with effect from 31st March, 2018 during the financial year. The Board placed on record their appreciation for the active guidance and valuable services rendered by them during their tenure as Directors of the Company.

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.

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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.

KUMBHAT FINANCIAL SERVICES LIMITED

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.

KUMBHAT FINANCIAL SERVICES LIMITED

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:

Pursuant to the provisions of section 139 of the Act and the rules framed thereafter, **M/s. RAJU & DAFTARY (FRN: 015535S) (Formerly M/s. JITESH & AJAY)**, Chartered Accountants, Chennai, were appointed as statutory auditors of the Company from the conclusion of the 24th Annual General Meeting (AGM) of the Company held on 31st December, 2017 till the conclusion of the 29th AGM to be held in the year 2022, subject to ratification of their appointment at every AGM. The Company has also received confirmation from the auditors 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 2017-18. 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
- No. of cases pending for more than 90 days	: NIL
- No. of workshops / awareness programmes carried out	: ONE
- Nature of action taken by the employer / DO	: Not Applicable

KUMBHAT FINANCIAL SERVICES LIMITED

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. K.N. NARAYANAN as Chairman of the Committee and Shri. SANJAY KUMBHAT & Smt. SARIKA KUMBHAT 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.

KUMBHAT FINANCIAL SERVICES LIMITED

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 (1)2 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 : 21.05.2018

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

(SANJAY KUMBHAT)
Director
DIN: 03077193
No. 234, Doshi Royale
Block A B Bungalow,
Kilpauk Garden Road,
Chennai – 600 010.

KUMBHAT FINANCIAL SERVICES LIMITED

Annexure – 1”

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018**

***[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: +91 95660 99991 / 95000 21161 e-mail ID: raju@kumbhatco.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.

KUMBHAT FINANCIAL SERVICES LIMITED

Rs.2 Lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs.2 Lakh	207514	62500	270014	5.68	212114	62500	274614	5.78	0.10
c) Others									
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	1386500	2843000	4229500	89.05	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	1383600	2846600	4230200	89.06	1386500	2843700	4230200	89.06	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1643000	3107000	4750000	100.00	1645900	3104100	4750000	100.00	-

KUMBHAT FINANCIAL SERVICES LIMITED

(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	-	-

KUMBHAT FINANCIAL SERVICES LIMITED

(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. 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
6.	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
7.	Shri. PREM PAREKH				
	At the beginning of the year	13000	0.27	13000	0.27

KUMBHAT FINANCIAL SERVICES LIMITED

	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

Note: There was no change in the promoter's shareholding during the financial year 2017-18.

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

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.	M/s. LUNIA INVESTMENTS AND				

KUMBHAT FINANCIAL SERVICES LIMITED

	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	146100	3.08	146100	3.08
	At the end of the year	146100	3.08	146100	3.08
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.	Smt. MAHEK HARISHCHANDRA MEHTA & Shri. RUCHIT HARISHCHANDRA MEHTA				
	At the beginning of the year	28414	0.60	28414	0.60
	At the end of the year	28414	0.60	28414	0.60

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8.	Shri. SANJAY KOTHARI				
	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

Note: There was no change in the category of top ten shareholders during the financial year 2017-18.

(v) Shareholding of Directors and Key Managerial Personnel:

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
	For each of the Directors and KMP				
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

KUMBHAT FINANCIAL SERVICES LIMITED

2.	Shri. AJIT KUMBHAT (resigned w.e.f. 30.12.2017)				
	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 (resigned w.e.f. 30.12.2017)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
4.	Shri. RAMABADRAN SUNDARARAJAN (resigned w.e.f. 30.12.2017)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
5.	Smt. UMA MAHESWARI (resigned w.e.f. 30.12.2017)				
	At the beginning of the year	5600	0.12	5600	0.12
	At the end of the year	5600	0.12	5600	0.12
6.	Shri. RAJU KHATRI (appointed w.e.f. 30.12.2017 and resigned w.e.f 31.03.2018)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-
7.	Shri. K.N. NARAYANAN (appointed w.e.f. 30.12.2017)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

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8.	Shri. SANJAY KUMBHAT (appointed w.e.f. 30.12.2017)				
	At the beginning of the year	74600	1.57	74600	1.57
	At the end of the year	74600	1.57	74600	1.57
9.	Smt. SARIKA KUMBHAT (appointed w.e.f. 30.12.2017)				
	At the beginning of the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTNESS:

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

(in Rs.)

	<i>Sec ure d Loa ns excl udi ng dep osit s</i>	<i>Unse cure d loans</i>	<i>De pos its</i>	<i>Total Indebtednes s</i>
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)	-	-	-	-

KUMBHAT FINANCIAL SERVICES LIMITED

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	-	1400000	-	1 4 0 0 0 0 0
iii) Interest accrued but not due				
Total (i+ii+iii)	-	1 4 0 0 0 0 0	-	1 4 0 0 0 0 0

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 (in Rs.)
		Name-1	Name-2	Name-3	
1.	Gross Salary	No Remuneration was paid to Managing Director, Whole-time Director and/or Manager during the financial year 2017-18.			
	(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				

KUMBHAT FINANCIAL SERVICES LIMITED

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 <i>(in Rs.)</i>
		Name-1	Name-2	Name-3	Name-4	
1.	Independent Directors: * Fee for attending board / committee meetings * Commission * Others, please specify	<i>No Remuneration was paid to other Directors during the financial year 2017-18.</i>				
	Total (1)					
2.	Other Non-Executive Directors: * Fee for attending board / committee meetings * Commission * Others, please specify					

KUMBHAT FINANCIAL SERVICES LIMITED

	Total (2)	
	Total (B) = (1+2)	
	Total Managerial Remuneration (A+B)	
	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.	<p>Gross Salary</p> <p>(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961.</p> <p>(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961.</p> <p>(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961.</p>	<p>No Remuneration was paid to Key Managerial Personnel other than Managing Director, Whole-time Director and/or Manager during the financial year 2017-18.</p>			

KUMBHAT FINANCIAL SERVICES LIMITED

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

<i>Type</i>	<i>Section of the Companies Act</i>	<i>Brief description</i>	<i>Details of Penalty / Punishment / Compounding Fees imposed</i>	<i>Authority (RD / NCLT / Court)</i>	<i>Appeal made, if any (give details)</i>
A. COMPANY					
Penalty	<i>There were no instances of penalties/punishment/compounding of offences during the financial year 2017-18.</i>				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	<i>There were no instances of penalties/punishment/compounding of offences during the financial year 2017-18.</i>				
Punishment					
Compounding					

KUMBHAT FINANCIAL SERVICES LIMITED

<i>C. OTHER OFFICERS IN DEFAULT</i>	
Penalty	<i>There were no instances of penalties/punishment/compounding of offences during the financial year 2017-18.</i>
Punishment	
Compounding	

For and on behalf of the Board,

Place: Chennai

(SHANTI KUMBHAT)

(SANJAY KUMBHAT)

Date : 21.05.2018

Managing Director

Director

DIN: 02720773

DIN: 03077193

KUMBHAT FINANCIAL SERVICES LIMITED

“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	

KUMBHAT FINANCIAL SERVICES LIMITED

d)	Salient terms of the contracts or arrangements or transactions including the value, if any	During the year 2017-18, the Company has paid a sum of Rs.120000/- towards lease rentals to such entity.
e)	Date of approval by the Board	18.04.2017
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board,

Place: Chennai
Date : 21.05.2018

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

(SANJAY KUMBHAT)
Director
DIN: 03077193
No. 234, Doshi Royale
Block A B Bungalow,
Kilpauk Garden Road,
Chennai – 600 010.

KUMBHAT FINANCIAL SERVICES LIMITED

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 3 employees on the rolls as on 31 st March, 2018	
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	Not Applicable.	

KUMBHAT FINANCIAL SERVICES LIMITED

	the Company		
7.	<p>Variations in the market capitalization of the Company</p> <p>Price earnings ratio as at the closing date of the current FY and previous FY</p> <p>% increase or 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</p>	<p>The trading in shares of the Company has been suspended by the Bombay Stock Exchange Limited and accordingly the said figures are not computable.</p>	
8.	<p>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</p>	<p style="text-align: center;">Not Applicable.</p>	
9.	<p>Comparison of remuneration of each the KMP against the performance of the Company</p>	<i>Particulars</i>	<i>% of Turnover of the Company</i>
		<p>Shri. SHANTI KUMBHAT, Managing Director</p>	<p>Nil</p>
10.	<p>The Key parameters for any variable component of remuneration availed by the</p>	<p>There is no variable component in the remuneration of the Directors.</p>	

KUMBHAT FINANCIAL SERVICES LIMITED

	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 does not pay any remuneration to its executive Directors as on date, accordingly, the Company is yet to frame any remuneration policy for the same.

For and on behalf of the Board,

**Place: Chennai
Date : 21.05.2018**

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

**(SANJAY KUMBHAT)
Director
DIN: 03077193
No. 234, Doshi Royale
Block A B Bungalow,
Kilpauk Garden Road,
Chennai – 600 010.**

KUMBHAT FINANCIAL SERVICES LIMITED

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2017-2018:

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 four 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. Sanjay Kumbhat	Non-executive Non-Independent Director
3.	Smt. Sarika Kumbhat	Non-executive Non-Independent Director
4.	Shri. K.N. Narayanan	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, 2018 is as under:

S. No.	Name of the Director	Designation	No. of other Directorships held	No. of Memberships in Board committees of other Companies
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KUMBHAT FINANCIAL SERVICES LIMITED

1.	Shri. Shanti Kumbhat	Promoter – Executive Director	1	Nil
2.	Shri. Sanjay Kumbhat	Non-Independent Director	2	Nil
3.	Smt. Sarika Kumbhat	Non-Independent Director	1	Nil
4.	Shri. K.N. Narayanan	Independent Director	4	Nil

3. BOARD PROCEDURE:

Board Meeting:

During 2017-2018, the Board of Directors duly met Ten (10) times on 18.04.2017, 28.07.2017, 31.08.2017, 21.09.2017, 30.09.2017, 27.10.2017, 30.12.2017, 27.01.2018, 27.02.2018 and 31.03.2018.

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

<i>Date of Meeting</i>	<i>Total Members</i>	<i>Attendance by number of members</i>
18.04.2017	5	5
28.07.2017	5	5
31.08.2017	5	5
21.09.2017	5	5
30.09.2017	5	5
27.10.2017	5	5
30.12.2017	4	4
27.01.2018	4	4
27.02.2018	4	4
31.03.2018	4	4

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.

<i>S. No.</i>	<i>Name of Director</i>	<i>Attendance</i>	
		<i>Board Meeting</i>	<i>Last AGM</i>
1.	Shri. Shanti Kumbhat	10	Yes
2.	Shri. Sanjay Kumbhat	4	Yes
3.	Smt. Sarika Kumbhat	4	Yes
4.	Shri. K.N. Narayanan	4	Yes

KUMBHAT FINANCIAL SERVICES LIMITED

5.	Shri. Raju Khatri	4	Yes
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Note: Shri. RAJU KHATRI (DIN: 06989326) and Shri. K.N. NARAYANAN (DIN: 01543391) were appointed as Independent Directors of the Company at the Annual General Meeting held on 30th December, 2017 during the financial year.

Shri. SANJAY KUMBHAT (DIN: 03077193) and Smt. SARIKA KUMBHAT (08032091) were also appointed as Directors of the Company at the Annual General Meeting of the Company held on 30th December, 2017 during the financial year.

Shri. AJIT KUMBHAT (DIN: 01101399), Shri. S. RAMABADRAN (DIN: 01280165), Shri. GANPAT RAJ (DIN: 02722047) and Smt. UMA MAHESWARI (DIN: 03397478) resigned from the Board with effect from 30th December, 2017 during the financial year and Shri. RAJU KHATRI (DIN: 06989326) resigned from the Board with effect from 31st March, 2018 during the financial year. The Board placed on record their appreciation for the active guidance and valuable services rendered by them during their tenure as Directors of the Company.

4. REMUNERATION TO DIRECTORS:

During the year the Company has not paid any remuneration to its directors. Presently, the Company has not formulated a scheme for grant of stock options either to Executive Directors or employees.

5. AUDIT COMMITTEE:

At present, the Audit Committee consists of three members, one Independent Director and two Non-Executive Non-Independent Directors. The members of the Committee are Shri. K.N. NARAYANAN (DIN: 01543391), Chairman, Shri. SANJAY KUMBHAT (DIN: 03077193) and Smt. SARIKA KUMBHAT (DIN: 08032091), Non-Executive Non-Independent Directors. The Statutory Auditor and Senior Executive officer are the invitees of all meetings of committee.

During the year 2017-18, 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 resigned from the Committee with effect from December 31, 2017 and accordingly new members were appointed. The Board placed on record their appreciation for the active guidance and valuable services rendered by them during their tenure as members of the 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:

- a) overseeing the Company's financial reporting process and the disclosure of its financial information;
- b) examination of the financial statement and the auditor's report thereon;

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- c) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- d) review and monitoring the auditor's independence and performance, effectiveness of the audit process;
- e) approval or any subsequent modification of the transactions of the company with related parties;
- f) scrutiny of inter corporate loans and investments;
- g) 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:

<i>Date of Meeting</i>	<i>Total Members</i>	<i>Attendance by number of members</i>
18.04.2017	4	4
28.07.2017	4	4
31.08.2017	4	4
30.09.2017	4	4
30.12.2017	4	4
27.01.2018	3	3

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 Shri. K.N. NARAYANAN (DIN: 01543391), Chairman, Shri. SANJAY KUMBHAT (DIN: 03077193) and Smt. SARIKA KUMBHAT (DIN: 08032091), Non-Executive Non-Independent Directors.

During the year 2017-18, 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 resigned from the Committee with effect from December 31, 2017 and accordingly new members were appointed. The Board placed on record their appreciation for the active guidance and valuable services rendered by them during their tenure as members of the committee.

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;

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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:

<i>Date of Meeting</i>	<i>Total Members</i>	<i>Attendance by number of members</i>
18.04.2017	4	4
28.07.2017	4	4
31.08.2017	4	4
30.09.2017	4	4
30.12.2017	4	4
27.01.2018	3	3

- 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 2017-18.

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. K.N. NARAYANAN (DIN: 01543391), Chairman, Shri. SANJAY KUMBHAT (DIN: 03077193) and Smt. SARIKA KUMBHAT (DIN: 08032091), Non-Executive Non-Independent Directors. 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 2017-18, 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 resigned from the Committee with effect from December 31, 2017 and accordingly new members were appointed. The Board placed on record their appreciation for the active guidance and valuable services rendered by them during their tenure as members of the committee.

During the year the Company has not paid any remuneration to its directors. Presently, the Company has not formulated a scheme for grant of stock options either to Executive Directors or employees.

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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>
30.09.2017	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.

As at 31st March, 2018, the committee comprised of Shri. K.N. NARAYANAN (DIN: 01543391), Chairman, Shri. SANJAY KUMBHAT (DIN: 03077193) and Smt. SARIKA KUMBHAT (DIN: 08032091), Non-Executive Non-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 2017-18.

9. GENERAL BODY MEETINGS:

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

<i>Year</i>	<i>Location</i>	<i>Date</i>	<i>Time</i>	<i>No. of Special business</i>
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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.	-
2016-2017	Bhartiya Vidhya Bhavan, New No. 18, 20, 22, East Mada Street, Mylapore, Chennai – 600 004.	30 th December, 2017.	10.00 A.M.	5*

- *1. Appointment of **Shri. RAJU KHATRI (DIN: 06989326)** as an Independent Director of the Company;
2. Appointment of **Shri. K.N. NARAYANAN (DIN: 01543391)** as an Independent Director of the Company;
3. Appointment of **Shri. SANJAY KUMBHAT (DIN: 03077193)** as Director of the Company;
4. Appointment of **Smt. SARIKA KUMBHAT (DIN: 08032091)** as Director of the Company; and
5. Authorisation to enter into transactions with related parties.

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. SANJAY KUMBHAT (DIN: 03077193) and Smt. SARIKA KUMBHAT (DIN: 08032091) retires by rotation at the forthcoming Annual General Meeting, and they being eligible, has offered themselves for re-appointment. The Board recommends the re-appointment.

Shri. RAJU KHATRI (DIN: 06989326) and Shri. K.N. NARAYANAN (DIN: 01543391) were appointed as Independent Directors of the Company at the Annual General Meeting held on 30th December, 2017 during the financial year.

Shri. SANJAY KUMBHAT (DIN: 03077193) and Smt. SARIKA KUMBHAT (08032091) were also appointed as Directors of the Company at the Annual General Meeting of the Company held on 30th December, 2017 during the financial year.

Shri. AJIT KUMBHAT (DIN: 01101399), Shri. S. RAMABADRAN (DIN: 01280165), Shri. GANPAT RAJ (DIN: 02722047) and Smt. UMA MAHESWARI (DIN: 03397478) resigned from the Board with effect from 30th December, 2017 during the financial year and Shri. RAJU KHATRI (DIN: 06989326) resigned from the Board with effect from 31st March, 2018 during the financial year. The Board placed on record their appreciation for the active guidance and valuable services rendered by them during their tenure as Directors of the Company.

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 transactions 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:

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.

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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 (i) 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.

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

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

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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 2017-18. The observations made by the secretarial auditors and the explanation for the same is provided in the Director's Report.

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: 25th Annual General Meeting of the Company will be held on Saturday, the 29th September, 2018 at Bhartiya Vidhya Bhavan, New No. 18, 20, 22, East Mada Street, Mylapore, Chennai – 600 004, at 11.00 a.m.

b). Date of Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 25th September, 2018 to Saturday, the 29th September, 2018 (both days inclusive).

c). Financial Year: 1st April, 2017 to 31st March, 2018.

d). Financial Calendar (Tentative):

First Quarter: August, 2018

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Second Quarter & Half Yearly: November, 2018

Third Quarter: February, 2019

For the year ended 31st March, 2019: May, 2019

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 Ahmadabad Stock Exchange Limited with scrip code KUMBHATFIN – 31609

f). Market price data:

Months	BSE		
	High (Rs.)	Low (Rs.)	Volume (No.)
April 2017	<p><i>The trading in shares of the Company has been suspended since the year 2015 and accordingly the market price data for the financial year 2017-18 is not available.</i></p> <p><i>However, the last market price at the Bombay Stock Exchange Limited (BSE) was Rs.2.35/-</i></p>		
May 2017			
June 2017			
July 2017			
August 2017			
September 2017			
October 2017			
November 2017			
December 2017			
January 2018			
February 2018			
March 2018			

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, 2018:

Distribution of Shareholdings pattern based on categories of shareholdings as on March 31, 2018.

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%

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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, 2018:

Slab Shareholdings	Shareholders	%	Amount (In Rs.)	%
1 – 5000	7069	83.9349	12858200	27.0698
5001 – 10000	739	8.7746	6470510	13.6221
10001 – 20000	295	3.5027	4397990	9.2589
20001 – 30000	153	1.8166	3829640	8.0624
30001 – 40000	36	0.4274	1262750	2.6584
40001 – 50000	49	0.5818	2364000	4.9768
50001 – 100000	45	0.5343	3315770	6.9805
100001 and above	36	0.4274	13001140	27.3708
Total	8425	100.00	47500000	100.00

i). 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.

j). 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.

k). 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

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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

Corp. Off.: 5th Floor, Kumbhat Complex,
No. 29, Rattan Bazaar,
Chennai – 600 003.

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 : 21.05.2018**

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

KUMBHAT FINANCIAL SERVICES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

Economic Overview:

With the Indian economy growing at the steady annual growth rate 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 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.

KUMBHAT FINANCIAL SERVICES LIMITED

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.

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 statues and incidental factors. The Company undertakes no responsibility to update or revise any forward-looking statement.

KUMBHAT FINANCIAL SERVICES LIMITED

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 Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Place: Chennai
Date : 21.05.2018**

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

KUMBHAT FINANCIAL SERVICES LIMITED

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

[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, 2018** 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, 2018** 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

KUMBHAT FINANCIAL SERVICES LIMITED

- 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.

KUMBHAT FINANCIAL SERVICES LIMITED

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 belatedly filed the Annual Report and Annual Returns for the year ended March 31, 2014; March 31, 2015, March 31, 2016 and March 31, 2017 during the financial year.*
- 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 investing funds of the Company; and*
 - (iii) Resolution for granting loans and advances.*
- 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 26, 2017 to September 30, 2017 and December 26, 2017 to December 30, 2017 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 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.*

KUMBHAT FINANCIAL SERVICES LIMITED

6. 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.

7. 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.

8. 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.

9. 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.

10. 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.

11. 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, Depositories Act, 1996 and accordingly the securities of the Company has been suspended for trading.

12. 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).

13. 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.

14. 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.

KUMBHAT FINANCIAL SERVICES LIMITED

15. 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.

We further report that

The Board of Directors of the Company is not duly constituted as the Board has only one Independent Director as Compared to three non-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.

Except as reported above, 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 :

(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.

KUMBHAT FINANCIAL SERVICES LIMITED

'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 : 21.05.2018

(S.K. ACHARYA)

Proprietor

FCS 6013 C.P. No. 5903

KUMBHAT FINANCIAL SERVICES LIMITED

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

AUDITORS CERTIFICATE

(Under clause 49 of the Listing Agreement)

To the Members of Kumbhat Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by Kumbhat Financial Services Limited for the year ended 31st March 2018 as stipulated in Para E of Schedule V of the Listing Regulations of the said company with the Stock Exchange(s).

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

Subject to non payment of Listing Fees to the Hyderabad, Coimbatore Stock Exchanges for the year, 2004-2005, 2005-2006, 2006-2007, 2007-08, 2008-2009, 2009-10,2010-11,2011-12 , 2012-13 , 2013-14,2014-15 ,2015-16 in our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above Listing Regulations.

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained and certified by the Company/ Registrars and Transfer Agent of the company, there was no investor grievances remaining unattended/ pending for more than 30 days as at 31st March 2018.

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

For Raju & Daftary
ICAI Firm Registration No.015535S
Chartered Accountants

SumitDaftary
Partner
Membership No. 237510

Place : Chennai
Date : May20, 2018

KUMBHAT FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITOR'S 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, 2018, and the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 the financial results 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 Statement/ interim financial information is free from material misstatement.

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

KUMBHAT FINANCIAL SERVICES LIMITED

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

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018.
- b) In the case of the Profit and Loss, of the Profit for the year ended on that date;
- c) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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 the written representations received from the directors of the Company as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There are no pending litigations against the company and hence not reported upon.
 - ii. There are no long-term contracts including derivative contracts which requires provision, as required under the applicable law or accounting standards,
 - iii. There is no requirement on the company to transfer amounts to the Investor Education and Protection Fund.

KUMBHAT FINANCIAL SERVICES LIMITED

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

For Raju & Daftary
ICAI Firm Registration No.015535S
Chartered Accountants

SumitDaftary
Partner
Membership No. 237510

Place : Chennai
Date : May20, 2018

KUMBHAT FINANCIAL SERVICES LIMITED

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of

our report to the Members of KUMBHAT FINANCIAL SERVICES Limited of even date)

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

We have audited the internal financial controls over financial reporting of KUMBHAT FINANCIAL SERVICES LIMITED (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company 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, 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.

Auditor’s Responsibility

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

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

KUMBHAT FINANCIAL SERVICES LIMITED

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 expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2018, 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 Raju & Daftary
ICAI Firm Registration No.015535S
Chartered Accountants

SumitDaftary
Partner
Membership No. 237510
Place : Chennai
Date : May 20, 2018

KUMBHAT FINANCIAL SERVICES LIMITED

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section

of our report to the Members of KUMBHAT FINANCIAL SERVICES Limited of even date)

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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

(c) The Company does not have any immovable property and hence clause i(c.) of the order is not applicable to the company

ii. The Company is in the business of providing financial services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

iii. According to the information and explanations given to us, the Company has granted unsecured loans to a body corporate, covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2018 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax,

KUMBHAT FINANCIAL SERVICES LIMITED

Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

viii. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration hence reporting under clause 3 (xi) of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is registered NBFC under section 45-IA of the Reserve Bank of India Act, 1934.

For Raju & Daftary
ICAI Firm Registration No.015535S
Chartered Accountants

SumitDaftary
Partner
Membership No. 237510

Place : Chennai
Date : May 20, 2018

KUMBHAT FINANCIAL SERVICES LIMITED

KUMBHAT FINANCIAL SERVICES LIMITED BALANCE SHEET AS AT 31ST MARCH 2018

Equity and Liabilities	Notes	As at 31st March 2018 Rs.	As at 31st March 2017 Rs.
Shareholders' Fund			
Share capital	1	4,75,00,000	4,75,00,000
Reserves and surplus	2	1,38,56,362	1,36,50,169
		6,13,56,362	6,11,50,169
Non Current Liabilities			
Deferred Tax Liabilities	3	1,86,186	1,91,232
Long Term Provisions	4	1,69,255	1,49,597
Current Liabilities			
Short Term Borrowngs	5	14,00,000	
Other current liabilities	6	28,000	4,82,480
Short-term provisions	7	7,48,566	4,88,736
		21,76,566	9,71,216
Total		6,38,88,369	6,24,62,214
Assets			
Non-Current Assets			
Fixed assets			
Tangible assets	8	1,00,107	6,35,107
Non Current Investments			
Long Term Loans And Advances			
Other Non-Current Assets	9	3,000	3,000
		1,03,107	6,38,107
Current Assets			
Inventories	10	13,62,120	13,62,120
Trade Receivables	11	6,14,58,610	5,87,79,859
Cash and bank balances	12	1,32,046	16,24,294
Other Current Assets	13	8,32,486	57,834
		6,37,85,262	6,18,24,107
Total		6,38,88,369	6,24,62,214

Summary of Significant accounting policies

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

As per our report of even date

For RAJU & DAFTARY
Firm Registration Number : 015535S
Chartered Accountants

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

SUMIT DAFTARY
Partner
MNo : 237510

Shanti Kumbhat
[Managing Director]

K N Narayanan
[Director]

Place : Chennai
Dated : 20-05-2018

R Venu Gopal
[Chief Financial Officer]

S.Mohanraj
[Company Secretary]

KUMBHAT FINANCIAL SERVICES LIMITED

KUMBHAT FINANCIAL SERVICES LIMITED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2018

	Notes	Year ended 31st March 2018 Rs.	Year ended 31st March 2017 Rs.
Continuing Operations			
Revenue from operations	14	46,67,184	38,77,958
Other income	15	-	720
Total revenue (I)		46,67,184	38,78,678
Expenses			
Increase/decrease in inventories	16	-	-
Employee benefit expenses	17	5,59,658	4,06,092
Finance Cost	18	1,578	638
Operating & Other Expenses	19	19,58,145	34,34,401
Depreciation and Amortisation Expense	8	-	-
Total (II)		25,19,381	38,41,131
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I)-(II)		21,47,804	37,547
Less : Tax expenses			
Current Tax		(7,48,566)	75,000
Earlier Year Tax		(11,87,999)	-
Deferred Tax (Liability)/Asset		(5,046)	35,418
Total tax expenses		(19,41,611)	1,10,418
Profit/(loss) for the year		2,06,193	(72,871)
Earnings per equity share [nominal value of share Rs.10]			
Basic	Face value Rs.		
Computation on the basis of total profit for the year	10	0.04	-0.02
Diluted			
Computation on the basis of total profit for the year	10	0.04	-0.02

Summary of Significant accounting policies &

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

As per our report of even date

For RAJU & DAFTARY

Firm Registration Number : 015535S

Chartered Accountants

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

SUMIT DAFTARY

Partner

MNo : 237510

Shanti Kumbhat
[Managing Director]

K N Narayanan
[Director]

Place : Chennai
Dated : 20-05-2018

R Venu Gopal
[Chief Financial Officer]

S.Mohanraj
[Company Secretary]

KUMBHAT FINANCIAL SERVICES LIMITED

KUMBHAT FINANCIAL SERVICES LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

	31st March 2018		31st March 2017	
	Rs.		Rs.	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit		2,06,193		(72,871)
Adjustment for				
Provision for Gratuity	19,658		-	
		19,658		-
Operating profit before working capital changes		2,25,851		(72,871)
<u>Changes in Working Capital</u>				
Decrease/(increase) in Trade Receivables	(26,78,751.00)		(9,97,489)	
Decrease/(Increase) in Other Current Assets	(7,74,652)		-	
Decrease/(Decrease) in Short term Loans and Advances	-		25,40,460	
Increase/(Decrease) in Short term Provisions	2,59,830		32,478	
Increase/(Decrease) in Short term Borrowings	14,00,000			
Increase/(Decrease) in Deffered tax	(5,046)		35,418	
Increase/(Decrease) in Other Current Liabilities	(4,54,480)	(22,53,097)	13,339	16,24,208
NET CASH FLOW FROM OPERATING ACTIVITIES		(20,27,249)		15,51,334
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Decrease/(Increase) in Stock-in-trade	-		-	
Fixed Asset Written off	5,35,000		-	
NET CASH FLOW FROM INVESTING ACTIVITIES		5,35,000		-
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Increase/(Decrease) on Borrowings			-	
NET CASH FLOW FROM INVESTING ACTIVITIES		-		-
Net Increase/(Decrease) in Cash Flow		(14,92,249)		15,51,334
Opening Cash and Bank Balance		16,24,294		72,960
Closing Cash and Bank Balance		1,32,046		16,24,294

As per our report of even date
For RAJU & DAFTARY
Firm Registration Number : 015535S
Chartered Accountants

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

SUMIT DAFTARY
Partner
MNo : 237510

Shanti Kumbhat
[Managing Director]

K N Narayanan
[Director]

Place : Chennai
Date : 20-05-2018

R Venu Gopal
[Chief Financial Officer]

S.Mohanraj
[Company Secretary]

KUMBHAT FINANCIAL SERVICES LIMITED

KUMBHAT FINANCIAL SERVICES LIMITED Notes to financial statement for the year ended 31 March 2018

1 SHARE CAPITAL	31 March 2018 Rs.	31 March 2017 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

Reconciliation of share outstanding at the beginning and at the end of the reporting period

Equity shares	31 March 2018		31 March 2017	
	No of shares	Rs.	No of shares	Rs.
At the beginning of the period	47,50,000	4,75,00,000	47,50,000	4,75,00,000
Outstanding at the end of the period	47,50,000	4,75,00,000	47,50,000	4,75,00,000

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

Nil

Nil

2 RESERVES AND SURPLUS	31 March 2018 Rs.	31 March 2017 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	41,239	-
Add: Transfer from Surplus in the statement of Profit & Loss (Additional)	1,65,401	-
Closing Balance	42,71,640	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

KUMBHAT FINANCIAL SERVICES LIMITED

Surplus/(deficit) in the statement of profit and loss		
	(4,34,547)	(3,61,675)
	-	-
	(4,34,547)	(3,61,675)
Profit for the year	2,06,193	(72,871)
Less:		
Transfer to Statutory Reserve	(41,239)	-
Transfer to Statutory Reserve- Additional Amount	(1,65,401)	
Transfer to General Reserve	-	-
Net surplus in the statement of profit and loss	(4,34,994)	(4,34,547)
Total reserve and surplus	1,38,56,362	1,36,50,169

3	DEFERRED TAX LIABILITY	31 March 2018	31 March 2017
		Rs.	Rs.
	Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged to the financial statement	1,86,186	1,91,232
		1,86,186	1,91,232

4	LONG TERM PROVISIONS	31 March 2018	31 March 2017
		Rs.	Rs.
	Provision for post employment benefits		-
	- Provision for Gratuity	1,69,255	1,49,597
		1,69,255	1,49,597

KUMBHAT FINANCIAL SERVICES LIMITED

5	SHORT TERM BORROWINGS	31 March 2018 Rs.	31 March 2017 Rs.
	Short Term borrowings	14,00,000	-
		14,00,000	-

6	OTHER CURRENT LIABILITIES	31 March 2018 Rs.	31 March 2017 Rs.
	Sundry Creditors for Expenses	28,000	4,82,480
		28,000	4,82,480

7	SHORT TERM PROVISIONS	31 March 2018 Rs.	31 March 2017 Rs.
	Other Provision		
	- Provision for Income Tax	7,48,566	4,88,736
		7,48,566	4,88,736

9	OTHER NON- CURRENT ASSETS	31 March 2018 Rs.	31 March 2017 Rs.
	Capital Advances	-	-
	Deposits	3,000	3,000
		3,000	3,000

10	INVENTORIES	31 March 2018 Rs.	31 March 2017 Rs.
	Stock of Equity Shares - Quoted Shares (Fully Paid)	1,62,120	1,62,120

KUMBHAT FINANCIAL SERVICES LIMITED

- Unquoted Shares (Fully paid)	12,00,000	12,00,000
	13,62,120	13,62,120

11	Trade Receivables	31 March 2018 Rs.	31 March 2017 Rs.
	Loans (Unsecured)		
	- Considered good	6,40,36,158	5,52,81,927
	- Considered doubtful	-	60,75,480
	Less : Provision for NPA	25,77,548	25,77,548
		6,14,58,610	5,87,79,859

12	CASH AND BANK BALANCES	31 March 2018 Rs.	31 March 2017 Rs.
	Cash and cash equivalents		
	Balances with banks:		
	- On current accounts	31,598	2,60,133
	Cash on hand	1,00,448	13,64,161
		1,32,046	16,24,294

13	OTHER CURRENT ASSETS	31 March 2018 Rs.	31 March 2017 Rs.
	Advance Tax (AY 2018-19)	2,00,000	-
	TDS	49,522	57,834
	Sundry Receivables	5,82,964	
		8,32,486	57,834

KUMBHAT FINANCIAL SERVICES LIMITED

14	REVENUE FROM OPERATIONS	31 March 2018 Rs.	31 March 2017 Rs.
	Income from Financing Activity		
	Interest on Loan	46,63,993	38,77,827
	Dividend Received	3,191	131
		46,67,184	38,77,958

15	OTHER INCOME	31 March 2018 Rs.	31 March 2017 Rs.
	Sale of shares	-	720
		-	720

16	DECREASE IN STOCK IN TRADE	31 March 2018 Rs.	31 March 2017 Rs.
	Closing Stock of Shares A	13,62,120	13,62,120
	Less: Opening Stock of Shares B	13,62,120	13,62,120
		-	-

17	EMPLOYEES REMUNERATION & BENEFITS	31 March 2018 Rs.	31 March 2017 Rs.
	Salaries, Bonus and Commission	5,40,000	3,67,350
	Director sitting Fees	-	20,000
	Gratuity provision	19,658	18,742
		5,59,658	4,06,092

KUMBHAT FINANCIAL SERVICES LIMITED

18	FINANCE COST	31 March 2018 Rs.	31 March 2017 Rs.
	Bank Charges	1,578	638
		1,578	638

19	OPERATING AND OTHER EXPENSES	31 March 2018 Rs.	31 March 2017 Rs.
	Rent and Amenities	1,20,000	1,20,000
	Postage and Telephone	26,700	14,800
	Printing and Stationery	37,527	47,740
	Listing, Share transfer Expenses & Filing Fees	4,20,023	-
	Travelling & conveyance	83,265	-
	Advertisement charges	-	-
	AGM Expenses	2,09,680	2,87,510
	Payment to Auditors	28,000	28,000
	Professional & Consultancy Charges	1,65,000	-
	General Expenses	-	1,125
	Provision For Non Performing Assets	-	10,50,000
	Bad Debts Written Off	-	18,85,226
	Electricity expenses	2,560	-
	Filing Fees	1,54,000	-
	Demat Charges	93,485	-
	Miscellaneous Expenses	25,071	-
	Fixed Asset Written Off	5,35,000	-
	Advance Payment of Tax Written Off	57,834	-
		19,58,145	34,34,401

KUMBHAT FINANCIAL SERVICES LIMITED

**RELATED PARTY
DISCLOSURE:- (AS
20 18)**

**Names of related parties and related party
relationship**

The following table provides the total amount of transactions that have been entered into with related parties

Director's Remuneraton		-	-
Towards Rent - Kumbhat & Co	Associate	1,20,000	1,20,000
Interest Receipts: - Kumar Investments	Relative	7,23,820	6,82,852

21 Auditor Remuneration

Particulars	For year ended 31/03/2018	For year ended 31/03/2017
Statutory Audit Fees	28,000	28,000

22 Figures for the Previous period have been regrouped/ rearranged wherever necessary.

As per our report of even date

**For RAJU &
DAFTARY
Firm Registration
Number : 015535S
Chartered Accountants**

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

SUMIT DAFTARY
Partner
MNo : 237510

Shanti Kumbhat
[Managing
Director]

K N Narayanan
[Director]

Place : Chennai
Dated : 20-05-2018

R Venu Gopal
[Chief Financial
Officer]

S.Mohanraj
[Company Secretary]

KUMBHAT FINANCIAL SERVICES LIMITED

KUMBHAT FINANCIAL SERVICES LIMITED

NOTE 8: FIXED ASSETS

	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 01.04.2017	Additions	Deductions	Written Off	As At 31.03.2018	Upto 31.03.2017	For The Year	Deductions	Written Off	Upto 31.03.2018	As At 31.03.2018	As At 31.03.2017
A. Tangible Assets												
Office Equipments	12750	-	-	12,750.00	0	12540	-		12,540	-	-	210
Computers	322970	-	-	-	322970	319164	-		-	319164	3806	3806
Vehicles	1262220	-	-	12,62,220.00	0	1247899	-		12,47,899	-	-	14321
Plant & Machinery	7705498	-	-	60,26,328.00	1679170	7338979	-		57,56,110	1582869	96301	366519
Water Pollution Control Equipments	4700000	-	-	47,00,000.00	0	4449749	-		44,49,749	0	0	250251
(A)	14003438	-	-	12001298	2002140	13368331	-		1,14,66,298.00	1902033	100107	635107
Less: Lease Terminal Adjustment												
	14003438	-	-	12001298	2002140	13368331	-	0	1,14,66,298.00	1902033	100107	635107
Previous year Figures	14003438	-	-	-	14003438	13368331			-	13368331	635107	635107

Note : 1.No Depreciation has been provided on the fixed assets for this year as all the assets have been depreciated to residual value of 5%, as prescribed in Schedule-II to the Companies Act, 2013.

KUMBHAT FINANCIAL SERVICES LIMITED

CORPORATE INFORMATION

Kumbhat Financial Services Limited is a Public incorporated on 18 February 1993. It is classified as Non-govt company and is registered at Registrar of Companies, Chennai. The Company is a Non-Deposit accepting Non Banking Finance Company registered with RBI. Its authorized share capital is Rs. 100,000,000 and its paid up capital is Rs. 4,75,00,000. It is involved in Other financial intermediation. The company is rendering financial and other related services .

SIGNIFICANT ACCOUNTING POLICIES

KUMBHAT FINANCIAL SERVICES LIMITED

A] Basis of Preparation

The financial statements have been prepared under the historical cost convention basis in accordance with the Generally Accepted Accounting Principles (GAAP) in India and to comply with the mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, (as amended), the provisions of the Companies Act, 2013 (to the extent notified). All items of income and expenditure that have a material bearing on the financial statements are recognized on accrual basis.

B] Use of Estimates

The preparation of financial statements is in conformity with Generally Accepted Accounting Principles requiring management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as at the date of financial statements and result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from the estimates.

C] Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- I. Interest income is recognized on Time Proportion basis taking into account the amount outstanding and the rate applicable.
- II. Dividend Income from Investments is recognized when the company's right to receive payment is established.

D] Foreign Exchange Transactions

Transactions in Foreign Currency are recorded at exchange rates prevailing at the time of the transaction, while those remaining unsettled at the yearend are translated at the Year end rates resulting in exchange difference being recognized as Income/Expenses (Net).

F] Taxation

- I. Income tax expenses comprised of Current Tax and deferred tax.
- II. Current Income Tax is measured at the amount of expected to be paid to the Tax Authorities in accordance with the Indian Income Tax Act, 1961.
- III. Deferred Tax assets and liabilities arising on account of Timing differences which are capable of reversal in subsequent periods are recognized using Current Tax Rates.

G] Retirement Benefits

The number of persons employed by the Company falls below the limits (at any time during the year) prescribed under the Payment of Gratuity Act, 1972 and being hence not covered under the Payment of Gratuity Act, the Company does not provided for Gratuity Liability based on actuarial

KUMBHAT FINANCIAL SERVICES LIMITED

Valuation. Under such circumstances the Company made provision for Gratuity Liability on the basis of estimates made by the Company.

H] Fixed Assets & Depreciation

i. Tangible Assets

Gross Block :

Fixed Assets are stated at cost of acquisition inclusive of Inland freight and any attributable cost of bringing the asset to its working condition for its intended use with due adjustments for Cenvat credits.

Depreciation :

The Company provides pro-rata depreciation from the date on which asset is acquired/ put to use. In respect of assets sold, pro-rata depreciation is provided up to the date on which the asset is sold. On all assets, depreciation has been provided using Written down Value method at the respective Useful life specified in Part C Schedule II to the Companies Act, 2013.

I] Segment Reporting

The company's business activity falls within a single primary business segment i.e., Financial Market. As such there is no separate reportable segment as per Accounting Standard -17.

J] Earnings per Share

Basic Earnings per share are calculated by dividing the net Profit/Loss for the period attributable to Equity shareholders by the weighted Average Number of Equity Shares Outstanding during the period.

For the Purpose of calculating Diluted earnings per share the Net profit/loss for the period attributable to Equity Shareholders by the Weighted Average Number of Equity Shares outstanding during the period are adjusted for the effects of all dilutive Potential Equity shares

L] Cash Flow Statements

Cash Flows are reported using Indirect Method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature any deferrals or accruals of past or future cash receipts or payments

The Cash Flow from regular Revenue generating, financing and Investing Activities of the Company are segregated as per Accounting Standard-3.

M] Cash & Cash Equivalents

Cash & Cash Equivalents comprises of Cash at Bank, Cash in Hand and Fixed deposits with Banks with maturity period of 3 months or less.

N] Provisions & Contingent Liabilities

KUMBHAT FINANCIAL SERVICES LIMITED

The Current Assets, Loans and Advances other than doubtful have the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events, are disclosed as Contingent Liabilities.

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.

KUMBHAT FINANCIAL SERVICES LIMITED

Name of the member(s):

Registered address:

E-mail Id:

Folio No.:

I/We, being the member (s) holdingshares 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 **25th Annual General Meeting** of the company, to be held on **Saturday the 29th day of September, 2018 at 11.00 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:

<i>Description of Resolution</i>	<i>For</i>	<i>Against</i>
Ordinary Business: 1. To receive, consider and adopt the Audited Financial Statements of the Company as at 31 st March, 2018 and the Reports of Directors and Independent Auditors thereon.		
2. To appoint a Director in place of Shri. SANJAY KUMBHAT (DIN: 03077193) , who retires by rotation and being eligible offers himself for re-appointment.		
3. To appoint a Director in place of Smt. SARIKA KUMBHAT (DIN: 08032091) , who retires by rotation and being eligible offers herself for re-appointment.		
4. To ratify the appointment of Auditors from the conclusion of this meeting until the conclusion of the next Annual General Meeting.		

Signed thisday of 20.....

KUMBHAT FINANCIAL SERVICES LIMITED

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

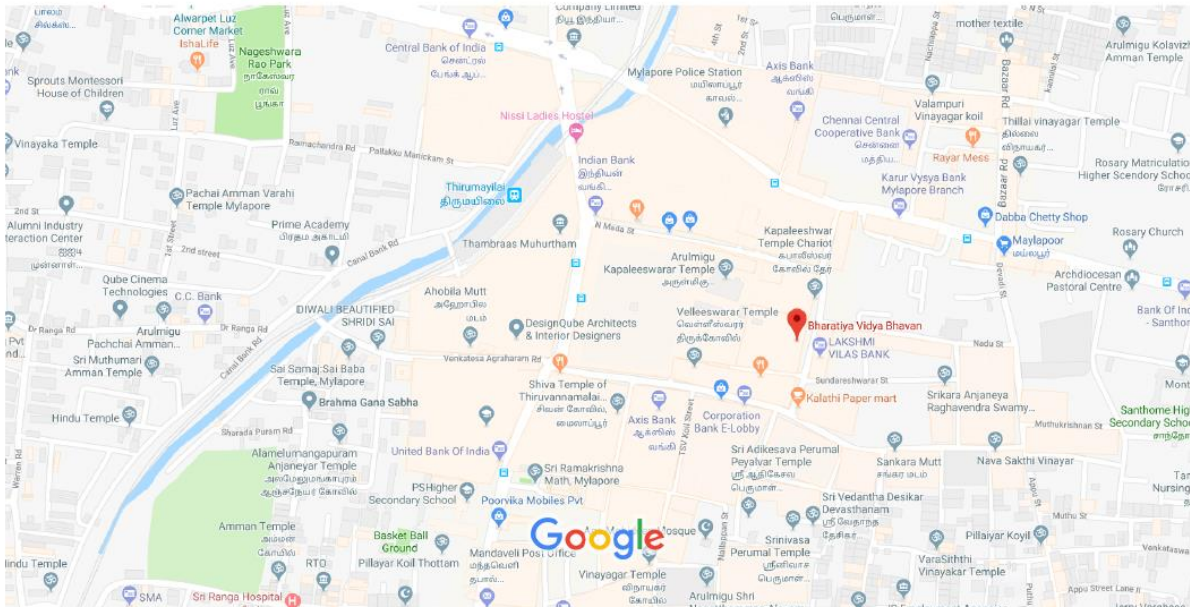
Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Route Map:



Bharatiya Vidya Bhavan

Route Map for reaching to the venue of 25th Annual General Meeting of M/s. Kumbhat Financial Services Limited



18,19, 20,21,22, E Mada St, Vinayaka Nagar Colony, Mylapore, Chennai, Tamil Nadu 600004