

**KAILASH AUTO FINANCE LIMITED**

**ANNUAL REPORT 2014-15**

## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Dipan Patel Jesingbhai  
Mr. Probir Kumar  
Mr. Deepak Kunjbihari Dave  
Ms. Vanita Mansukh Parmer

### COMPANY SECRETARY

Ms. Vidisha Gehani

### AUDITORS

Mr. Anil Agrawal  
Chartered Accountants  
342 Marahtal, Karamchand Chowk  
Jabalpur – 482002, Madhya Pradesh

### BANKERS

Axis Bank

### REGISTERED OFFICE

15, Rolland Complex,  
37/17, The Mall Kanpur – 208001,  
Uttar Pradesh.

### CORPORATE OFFICE

Office No. 32 33, 199 Gopal Bhuvan, 2<sup>nd</sup> Floor,  
Shamaldas Gandhi Marg, Mumbai-400 002  
Website: [www.kailfin.com](http://www.kailfin.com)  
Email: [info@kailfin.com](mailto:info@kailfin.com)

### REGISTRAR & SHARE TRANSFER AGENTS

M/s. Maheshwari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2<sup>nd</sup> Floor,  
Kolkata – 700001, West Bengal  
Ph:-033 2243 5809 / 5029  
Fax: 033 2248 4787  
Email : [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in) ;  
[mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

### 30<sup>TH</sup> ANNUAL GENERAL MEETING

#### DATE & TIME

Saturday, 26<sup>th</sup> September 2015, at 11:00 A.M.

#### VENUE

Mehfil Restaurant, Kanpur – 16/12 Civil Lines,  
Near I G Police Residence, Kanpur 208001

#### BOOK CLOSURE

22<sup>nd</sup> September, 2015 to 26<sup>th</sup> September, 2015  
(Both days inclusive)

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## **DIRECTORS' REPORT**

**Dear Members,**

Your Directors' are pleased to present the Thirtieth Annual Report and the Company's audited financial statement for the financial year ended 31st March, 2015.

The Financial Results of the company are summarized below:

### **FINANCIAL RESULTS**

<b>PARTICULARS</b>	<b>(Rs.in Lakhs)</b>	
	<b>Year ended 2014-2015</b>	<b>Year ended 2013-2014</b>
Total Income	5925.50	2574.91
Total Expenditure	5647.15	2442.60
Profit before Taxation	278.35	132.31
Tax Expense	94.54	37.31
Profit for the Period	178.60	83.53
Brought forward from previous year	(382.89)	(466.41)
Surplus Carried to Balance Sheet	(204.29)	(382.89)

### **RESULTS OF OPERATION AND THE STATE OF COMPANY'S AFFAIRS**

The company's Total Income has increased from Rs. 2574.91 Lakhs to Rs. 5925.50 Lakhs. Its Profit after Tax has also increased from Rs 83.53 Lakhs to Rs 178.60 Lakhs.

There have been no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial year relate and the date of this report.

### **DIVIDEND**

With a view to conserve the resources and to infuse the same in the Business for future needs & strengthening the financial position of the company, the Directors regret their inability to propose any Dividend for the year under review.

### **TRANSFER OF RESERVES**

Your Company has not made any transfer in reserves & an amount of (Rs. 204.29) Lakhs is retained in the Profit & Loss Account.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of this Annual Report as an Annexure 1.

### **SHARE CAPITAL**

Your company have not raised any money by issuing Equity Share of the Company during the Financial Year 2014-2015.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

No significant or material orders were passed by the Regulators/Courts/Tribunals which impact the Going Concern status and Company's operation in future.

## **RELATED PARTY TRANSACTION**

During the Financial Year 2014-2015 your Company's transaction with the Related Parties as defined under the Companies Act, 2013, rules framed there under and revised clause 49 of the Listing Agreement with the Stock Exchange, were in the 'Ordinary course of business' and 'at arm's length' basis. Your Company did not have any Related Party Transaction which requires prior approval of the shareholders. Necessary disclosures required under the Accounting Standard (AS-18) have been made in the Notes to Financial Statements.

## **RISK MANAGEMENT**

The objective of risk management is to balance the trade off between risk and return and ensure optimum risk adjusted return on capital. The Risk Management Policies related to Procurement, Debtors, Financing and Investments are in place and properly documented and reviewed continuously. The processes have been laid down to oversee the implementation of the policies and continuous monitoring of the same.

Our Board level Committees viz. Audit Committee oversee risk management policies and procedures. It reviews the credit and operational risks, reviews policies in relation to investment strategy and other risks like interest rate risk, compliance risk and liquidity risk.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Accordingly, pursuant to the requirements under Section 134(3) (c) and 134 (5) of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- i. In the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed and no material departures have been made from the same;
- ii. Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii. Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. Directors have prepared the annual accounts for the financial year ended 31st March, 2015, on a 'going concern' basis;
- v. Directors have laid down internal financial controls which has been followed by the company and that such internal financial controls are adequate and were operating effectively;
- vi. Directors have devised proper system to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively;

## **REPORT ON CORPORATE GOVERNANCE**

Your company is committed to maintain the highest standard of Corporate Governance. Your company has complied with the Corporate Governance requirements as per Clause 49 of the Listing Agreement with the Stock Exchange.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report as an Annexure 2.

## **INTERNAL CONTROL**

The Company's internal audit system are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operation through adherence to the company's policies, identifying areas of improvement, evaluating

the reliability of Financial Statements, ensuring compliances with applicable laws and regulations and safeguarding of assets from unauthorized use.

Details of internal controls system are given in Management Discussion and Analysis Report, which forms part of the Director's Report.

#### **DETAILS OF SUBSIDIARIES, ASSOCIATES COMPANY**

Your Company doesn't have any Subsidiary Company or Associate Company.

#### **BOARD AND COMMITTEE MEETING**

A calendar of Board and Committee Meetings to be held during the year was circulated in advance to the Directors. Ten Board Meetings and One Annual General Meeting were convened and held during the year.

There are 3 Board Committees as on 31st March 2015 viz. Audit Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee.

Our Audit Committee with Mr. Babalu Prasad Keshari, Mr. Deepak Kunjbihari Dave, Mr. Dipan Patel Jesingbhai as members. There have not been any instances during the year when recommendation of the Audit Committee was not accepted by the Board.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Agreement.

#### **PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

The company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of Sexual Harassment at the workplace, in line with the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under, the Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The company has not received any complaint of sexual harassment during the Financial Year 2014-2015

#### **DIRECTOR AND KEY MANAGERIAL PERSONNEL**

During the year, Mr. Asamanja Deb & Mr. Kailashchand Gupta ceased to be the Director of the company and Mr. Probir Kumar & Ms. Vanita Mansukh Parmar has been appointed during the year. Ms. Anchal Gupta has resigned & in her place Ms. Vidisha Gehani was appointed as a Company Secretary.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

The following policies of the Company are attached herewith marked as Annexure 3:

Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other employees.

## **AUDITORS AND AUDITOR'S REPORT**

Mr Anil Agrawal, Chartered Accountants, (Membership No.-079054) Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

## **SECRETARIAL AUDITOR**

The Board of Director has appointed M/s Amit Jain & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended 31st March, 2015 is annexed herewith marked as Annexure 4 to this Report.

## **INTERNAL AUDITOR**

In terms of provision of Section 138 of the Act, M/s R N A & Associates, Chartered Accountant, (Firm Registration No.-136734W, Membership No-148529) were appointed as Internal Auditor for the Financial Year 2014-2015. The Audit Committee in consultation with the Internal Auditor formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit.

## **PUBLIC DEPOSITS**

During the financial year 2014-15, your Company has not accepted any deposit within the applicable sections of the Companies Act, 2013.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established a Vigil Mechanism and adopted Whistle Blower Policy in compliance with the provisions of Section 177 of Companies Act, 2013 and Clause 49 of the Listing Agreement. The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior management of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or a letter to the Task Force or to the Chairman of the Audit Committee.

The policy on Vigil Mechanism/Whistle Blower Policy may be accessed on the website of the company.

## **NOMINATION AND REMUNERATION POLICY**

The Board has Nomination and Remuneration Policy recommended by Nomination and Remuneration Committee in terms of provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

### **a) Particulars of Conservation of Energy, and Technology Absorption**

The particulars relating to conservation of energy and technology absorption are not applicable to the company. However, efforts are being made to conserve and optimize the use of energy, wherever possible.

### **b) Foreign Exchange Earnings and Outgo**

During the year under review, your company has neither earned nor spent any foreign exchange.

## **EXTRACT OF ANNUAL RETURN**

Extract of Annual Return in form MGT. 9 of the Company is annexed herewith as Annexure 5 to this Report.

## **PARTICULAR OF EMPLOYEES AND RELATED DISCLOSURES**

There was no employee during the financial year 2014-2015 in respect of whom information is required to be given pursuant to the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **EMPLOYEE STOCK OPTION SCHEME (ESOS)**

The company has not issued/allotted any shares, during the year under review, pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, erstwhile Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and as per Section 62(1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014.

## **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.

## **GENERAL DISCLOSURE**

Your Director's wants to disclose that Income Tax Department has done a survey dated 16th May, 2015 at the registered office of the company.

## **ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 30th May 2015

**Babalu Prasad Keshari**  
Managing Director

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

**GLOBAL ECONOMY**

The global economy grew at a moderate pace of 3.4% in 2014 reflecting a pickup in growth in advanced economies relative to the previous year and a slowdown in emerging market and developing economies. Despite the slowdown, emerging market and developing economies still accounted for three-fourths of global growth in 2014. Complex forces that affected global activity in 2014 are still shaping the outlook. These include medium and long-term trends, such as population aging and declining potential growth; global shocks, such as lower oil prices; and many country or region-specific factors, such as crisis legacies and exchange rate swings triggered by actual and expected changes in monetary policies. Overall, global growth is projected to reach 3.5% and 3.8% in 2015 and 2016. Growth is projected to be stronger in 2015 relative to 2014 in advanced economies, but weaker in emerging markets, reflecting more subdued prospects for some large emerging market economies and oil exporting economies.

**INDIAN ECONOMY**

Following several years of robust growth in the lead up to and immediately after the global financial crisis, India's growth slowed sharply during 2011-13. This reflected the combined effects of political uncertainty prior to the 2014 national elections, a less than fully effective macroeconomic policy framework, and increasingly binding supply side impediments to activity that led to a generalized slump in investment. Despite the weakening domestic demand, large domestic and external imbalances emerged on rising food prices and gold imports, rendering the economy sensitive to external financial shocks. As a result, the economy was hit hard by the mid-2013 taper tantrum, which led to large capital outflows and left the rupee considerably weaker. Since then, however, the Indian economy has made a remarkable turnaround in response to more effective policies and resolution of political uncertainty. The Indian economy has made a remarkable turnaround since mid-2013. After bottoming at 5.1% in 2012, growth rose steadily, reaching an estimated 7.2% in 2014. At the same time, CPI inflation declined from 10% during 2012-13 to about 5.2% in March 2015, reflecting the tight monetary policy stance, lower global commodity prices, remaining economic slack, as well as government efforts to contain food inflation, which afforded the Reserve Bank of India (RBI) space to lower its policy rate by 50 basis points in early 2015. External vulnerabilities have subsided on the reduction in the Current Account Deficit (CAD) from 4.7% of GDP in 2012 to below 1.5% in 2014, robust capital inflows, and an accompanying build up in reserves. The 2014-15 budget deficit target of 4.1% of GDP was met, helped by the decline in global oil prices and recent deregulation of domestic fuel prices. As a result, India is now better placed to deal with external financial shocks. Nonetheless, challenges remain as growth continues to be constrained by supply-side bottlenecks; previous weak growth and delays in implementing infrastructure projects have placed pressure on banks' asset quality (particularly public sector banks that lent heavily to infrastructure companies); and corporate vulnerability indicators, while showing signs of stabilization, remain elevated.

Important economic reforms have been initiated following the decisive outcome of the 2014 national elections. The new government introduced numerous economic reforms, including deregulating diesel prices and raising natural gas prices, moving to create more flexible labour markets and introduce a goods and services tax, enhancing financial inclusion, and relaxing FDI limits in several key sectors. The RBI has adopted a flexible inflation-targeting framework. These actions have also served to buoy investor sentiment.

Although India's near-term growth outlook has improved, its medium-term prospects remain constrained by longstanding structural weaknesses. With higher political certainty, improved business confidence, reduced external vulnerabilities and lower commodity prices, real GDP growth (on a 2011/12 National Accounts basis) is provisionally estimated at 7.2% in FY 2014-15, accelerating to 7.5% in FY 2015-16. While several recent policy measures have helped ease supply-side constraints, further measures are needed in the energy, mining, and power sectors. Reforms to streamline and expedite land and environmental clearances, increase labour market flexibility, and simplify business procedures should be implemented. The Audit Committee also seeks the views of statutory auditors on the adequacy of the internal control



continue to improve India's business climate, which is crucial for sustaining faster and more inclusive growth.(Source: International Monetary Fund)

### **NBFCs IN INDIA**

NBFCs being financial intermediaries are engaged in the activity of bringing the saving and the investing community together. In this role they are perceived to be playing a complimentary role to banks rather than competitors, as it is a known fact that majority of the population in the country do not yet have access to mainstream financial products and services including a bank account. Therefore, the country needs institutions beyond banks for reaching out in areas where banks' presence may be lesser. Thus, NBFCs have carved niche business areas for them within the financial sector space and are also popular for providing customized products. In short, NBFCs bring the much needed diversity to the financial sector thus diversifying the risks, increasing liquidity in the markets and thereby promoting financial stability and bringing efficiency to the financial sector.

In 2014, NBFCs held 14.3% of banking assets in the country, as compared to 10.7% in 2009. This fact alone is an evidence of NBFCs gaining more systemic importance in the country and is gradually evolving into structured business models. Today, NBFCs strongly compete with banks and has been instrumental in taking financial services beyond urban vicinity.

### **OVERVIEW OF THE COMPANY**

Your Company believes that by pursuing Innovative business modes, the businesses can be transformed to create sustainable benefits for all and long term value for our stakeholders. The year has been good for the Company and the Company has been successful in minimizing its brought forward losses. The business of lending money was in full swing and trading in shares and securities was also doing good as the stock market was at its good pace.

We executed transactions with transparency imbibing knowledge keeping our commitment by building partnerships with our clients and that synchronizes our work with our core values. Our approach is object oriented and therefore, we work with core purposes of providing solutions.

### **RISK MANAGEMENT**

The objective of risk management is to balance the trade off between risk and return and ensure optimum risk adjusted return on capital. The Risk Management Policies related to Financing and Investments are in place and properly documented and reviewed continuously. The processes have been laid down to oversee the implementation of the policies and continuous monitoring of the same. Our Board level Committees viz. Audit Committee oversees risk management policies and procedures. It reviews the credit and operational risks, reviews policies in relation to investment strategy and other risks like interest rate risk, compliance risk and liquidity risk.

### **OPPORTUNITIES**

The major Opportunities are:

- 1) Healthy and sustainable economic growth rate with sound macro-economic fundamentals.
- 2) Young and aspiring population.
- 3) NBFCs are fast emerging as an important segment of Indian Financial System.
- 4) Recognized as complementary to the banking sector due to its customer oriented services, flexibility and timeliness in meeting the credit needs of specified sectors, etc.

### **THREATS**

The major threats are:

- 1) Stiff competition with NBFCs as well as with banking sector.
- 2) Technology Advancement.
- 3) Adverse Regulatory Changes.
- 4) Increased competition from local and global players operating in India.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

In any industry, the process and internal control systems play a critical role in the health of the Company. The Company has set up internal control procedures commensurate with its size and nature of the business to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, applicable statutes and corporate policies are duly complied with.

systems in the Company. Internal audit is conducted to assess the adequacy of our internal control procedures and processes, and their reports are reviewed by the audit committee of the Board. Policy and process corrections are undertaken based on inputs from the internal auditors. The prime objective of such audits is to test the adequacy and effectiveness of the internal controls laid down by management and to suggest improvements.

**HUMAN RESOURCES:**

Human Resource is one of the most important keys to success of any Company. Your Company business critically depends on quality of manpower. Your Company poses unique challenges to the Human Resource function. The HR function of your Company has been structured and aligned in line with the business needs and requirements. The Company business is managed by a team of competent and passionate leaders, capable of enhancing your company standing in the competitive market. The Company employees have a defining role in significantly accelerating its growth and transformation, thereby enhancing its position as one of the largest corporate houses. The Company has a structured recruitment process; the focus is on recruiting people who have the right mindset for working, supported by structured training programmes and internal growth opportunities. The Company consistently invests efforts in training and developing its employees, which in turn leads to sustained growth.

**CAUTIONARY STATEMENT**

Statement in the Management Discussion and Analysis, describing the Company's objectives, opportunities and expectations may constitute "Forward Looking Statements" within the meaning of applicable laws and regulations. The actual result may vary materially from those expressed or implied in the statement. Several factors make a significant difference to the Company operation including the government regulation, taxation and economic scenario affecting demand and supply condition and other such factors over which the Company does not have any direct control.

## ANNEXURE - 2

### CORPORATE GOVERNANCE REPORT

#### 1. The Company's Philosophy on Code of Corporate Governance

In accordance with Clause 49 of the Listing Agreement with BSE and some of the best practices followed internationally on Corporate Governance, the report containing the details of corporate governance systems and processes at Kailash Auto Finance Limited is as follows:

Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors, and the society at large. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demands of corporate governance require professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics.

#### 2. Board of Directors

The Board of Directors as on the date consist of Five Directors out of whom 3 (Three) are Non Executive Directors. The Chairman of the Company is Executive Director. The composition of Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchange. The details of the Board of Directors as on 31<sup>st</sup> March, 2015 are as under:

Name	Category
Mr. Babalu Prasad Keshari	Managing Director
Mr. Probir Kumar	Executive Director
Mr. Dipan Patel Jesing Bhai	Non-Executive Independent Director
Mr. Deepak Kunjbihari Dave	Non-Executive Independent Director
Ms. Vanita Mansukh Parmar	Non-Executive Independent Director

#### **Note:**

- a) Mr. Asmanja Deb ceased from Directorship with effect from 21<sup>st</sup> November, 2014 due to his death.
- b) Mr. Kailashchand Gupta resigned with effect from 20<sup>th</sup> September, 2014
- c) Mr. Probir Kumar has been appointed with effect from 14<sup>th</sup> February, 2015
- d) Ms. Vanita Mansukh Parmar has been appointed with effect from 31<sup>st</sup> March, 2015

The following table gives the number of outside directorships and the committee positions held by each of the Directors as on 31<sup>st</sup> March, 2015.

Name	No of outside Directorship(s) held in Public Limited and Private Limited Companies		No. of Board Committee position held in other Public Limited Companies	
	Private	Public	Chairman	Member
Mr. Babalu Prasad Keshari	-	-	-	-
Mr. Probir Kumar	-	-	-	-
Mr. Dipan Patel Jesingbhai	1	1	-	2
Mr. Deepak Kunjbihari Dave	-	-	-	-
Ms. Vanita Mansukh Parmar	-	2	1	2

**Note:**

- a) Mr. Probir Kumar has been appointed with effect from 14th February, 2015
- b) Ms. Vanita Mansukh Parmar has been appointed with effect from 31st March, 2015

**3. Board Meetings**

The Board held 10(Ten) Meetings during the year 2014-2015 and the gap between two meetings did not exceed 120 days. The dates on which Board Meetings were held were 30<sup>th</sup> April, 2014, 30<sup>th</sup> May, 2014, 11<sup>th</sup> June, 2014, 14<sup>th</sup> August, 2014, 28<sup>th</sup> August, 2014, 22<sup>nd</sup> September, 2014, 14<sup>th</sup> November, 2014, 19<sup>th</sup> January, 2015, 14<sup>th</sup> February, 2015, 31<sup>st</sup> March, 2015.

**Attendance of Directors at Board Meetings and at the Annual General Meeting**

Name of the Directors	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Babalu Prasad Keshari	10	Yes
Mr. Probir Kumar	2	No
Mr. Dipan Patel Jesingbhai	10	Yes
Mr. Deepak Kunjbihari Dave	10	Yes
Ms. Vanita Mansukh Parmar	1	No
Mr. Kailashchand Gupta	3	No
Mr. Asamanja Deb	6	Yes

**Note:**

- a) Mr. Asmanja Deb ceased from Directorship with effect from 21<sup>st</sup> November, 2014 due to his death.
- b) Mr. Kailashchand Gupta resigned with effect from 20th September, 2014
- c) Mr. Probir Kumar has been appointed with effect from 14th February, 2015
- d) Ms. Vanita Mansukh Parmar has been appointed with effect from 31st March, 2015

The Board ensures compliance of all laws applicable to the company and takes steps to rectify non-compliances, if any.

#### 4. Committees of the Board

##### a) **Audit Committee**

###### **Composition and Attendance**

During the year 2014-2015, 5 (Five) Meetings of the Audit Committee were held on 30<sup>th</sup> May, 2014, 14<sup>th</sup> August, 2014, 14<sup>th</sup> November, 2014, 14<sup>th</sup> February, 2015, 27<sup>th</sup> March, 2015.

Name of the Members	Category	Position	No. of Meetings Attended
Mr. Dipan Patel Jesingbhai	Non-Executive Independent Director	Chairman	5
Mr. Asamanja Deb	Non-Executive Independent Director	Member	2
Mr. Deepak Kunjbihari Dave	Non-Executive Independent Director	Member	3
Mr. Babalu Prasad Keshari	Managing Director	Member	5

###### **Note:**

- Mr. Asmanja Deb ceased from Directorship with effect from 21<sup>st</sup> November, 2014 due to his death.
- Mr. Kailashchand Gupta resigned with effect from 20<sup>th</sup> September, 2014
- Mr. Probir Kumar has been appointed with effect from 14<sup>th</sup> February, 2015
- Ms. Vanita Mansukh Parmar has been appointed with effect from 31<sup>st</sup> March, 2015

The Members of the Audit Committee have requisite knowledge in the field of Finance, Accounts and Management. Minutes of each Meeting of Audit Committee are placed and discussed before the Board of Directors.

The representative of Statutory Auditors attended the meetings of Audit Committee.

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

##### b) **Nomination and Remuneration Committee**

Nomination and Remuneration Committee (NRC) was constituted by the Board in terms of reference as were specified in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Committee comprise of the following Directors as on 31st March, 2015:

Mr. Deepak Kunjbihari Dave... Independent Director

Mr. Dipan Patel Jesingbhai .... Independent Director

Mr. Babalu Prasad Keshari... Managing Director

The Key terms of reference of the Nomination and Remuneration Committee under clause 49 of the Listing Agreement are as under:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial Personnel and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**Term/ Tenure**

- **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**Remuneration to Director, KMP and Senior Management Personnel:**

- **Fixed pay:**

The Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director/KMP and Senior Management in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- Provisions for excess remuneration:

If any Director/KMP and Senior Management draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**Remuneration to Non- Executive / Independent Director:**

- Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

- Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

Details of remuneration paid to directors during the financial year 2014-2015:

Remuneration	Salary & Benefits	Bonus/ performance linked Incentives	Total	No. of Stock Option granted
Mr. Babalu Prasad Keshari	180000	-	180000	Nil
Mr. Probir Kumar	38393	-	38393	Nil
Mr. Dipan Patel Jesingbhai	-	-	-	Nil
Mr. Deepak Kunjbihari Dave	-	-	-	Nil
Ms. Vanita Mansukh Parmar	-	-	-	Nil
Mr. Kailashchand Gupta	-	-	-	Nil
Mr. Asamanja Deb	-	-	-	Nil

### Attendance during the year

The details of Meetings attended by the Directors during the year are given below:

Name of the Members	Category	Position	No. of Meetings Attended
Mr. Dipan Patel Jesingbhai	Non-Executive Independent Director	Chairman	2
Mr. Deepak Kunjbihari Dave	Non-Executive Independent Director	Member	2
Mr. Asamanja Deb	Non-Executive Independent Director	Member	1
Mr. Babalu Prasad Keshari	Managing Director	Member	2

**Note:**

- a) Mr. Asmanja Deb ceased from Directorship with effect from 21<sup>st</sup> November, 2014 due to his death.

**c) Stakeholders Relationship Committee**

The 'Stakeholders Relationship Committee' was constituted by the Board. The Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The committee approves and monitors transfer, transmission, splitting, consolidation, dematerialization and rematerialization of shares. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

The Committee comprises of the following directors as on 31<sup>st</sup> March, 2015:

Mr. Dipan Patel Jesingbhai.... Independent Director

Mr. Deepak Kunjbihari Dave.... Independent Director

Mr. Babalu Prasad Keshari....Managing Director

### Attendance during the year

The details of Meetings attended by the Directors during the year are given below:

Name of the Members	Category	Position	No. of Meetings Attended
Mr. Dipan Patel Jesingbhai	Non-Executive Independent Director	Chairman	1
Mr. Deepak Kunjbihari Dave	Non-Executive Independent Director	Member	1
Mr. Asamanja Deb	Non-Executive Independent Director	Member	0
Mr. Babalu Prasad Keshari	Managing Director	Member	1



During the year, the complaints received from the shareholders were resolved.

Outstanding Complaints as on 31<sup>st</sup> March, 2015 were Nil.

The company has generally attended to the investors' grievances/correspondence within 15 days from the receipt of the same, except in cases that are constrained by disputes or legal impediments.

Shareholders' request for transfer/transmission of equity shares were effected within 15 days from the receipt of the same.

**d) Independent Directors Meeting**

During the year, separate Meeting of the Independent Directors was held on 27<sup>th</sup> March 2015, without the attendance of Non-Independent Directors and members of the Management inter alia, to evaluate:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the Meeting.

**5. Compliance Officer**

Ms. Anchal Gupta was the company secretary and compliance officer till 15th May, 2015. With effect from 15th May, 2015 Ms. Vidisha Gehani, Company Secretary, is the Compliance Officer for complying with requirements of Company Law, Securities Laws and Listing Agreements with Stock Exchanges and all other law which is applicable to the company.

**6. Subsidiary Companies**

The Company does not have any Subsidiary companies and hence your company does not require to have an Independent Director of the company on the Board of such Subsidiary.

**7. General Body Meetings**

a) The Last three Annual General Meetings were held as per the details given below:

Financial Year	Date	Time	Venue
2013-2014	23.09.2014	11.00 AM	Mehfil Restaurant, 16/12 Civil Lines Near I G Police Residence, Kanpur-208 001
2012-2013	23.09.2013	11.00 AM	19, Rollant Complex, 37/17, The Mall Kanpur- 208001, (U. P.)
2011-2012	29.09.2012	04.30 PM	19, Rollant Complex, 37/17, The Mall Kanpur- 208001, (U. P.)

b) There was no Extra Ordinary General Meeting held during the financial year 2014-2015.

**8. Code of Conduct**

A code of Conduct has been laid down for all Board Members and Senior Management of the Company. The same is in line with the requirements of Companies Act, 2013. All the Board Members

and Senior Management of the Company have affirmed compliance with the Code of Conduct of the Company. The Code of Conduct is posted on Company's website.

## **9. Disclosures**

- During the year, there were no materially significant related party transactions, i.e. transactions of the Company of material nature with its promoters, their subsidiaries, the Directors or the management or relatives, etc. that may have potential conflict with the interests of the Company at large.
- The Company has complied with the requirements of the Stock Exchanges/ SEBI and statutory authorities on all matters related to the capital markets from the period of its Listing at Stock Exchange. SEBI has imposed penalty on the company and the said penalty was paid by the company.
- The Managing Director has certified to the Board in accordance with Clause 49 IX of the Listing Agreement pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2015.
- The Company has a well defined risk management framework in place. The Company periodically places before the Audit Committee and the Board, the key risks and the risk assessment and mitigation procedures followed by the Company.
- The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.
- The Company has followed the Accounting Standards laid down by The Companies (Accounting Standards) Rules, 2006 in the preparation of its financial statements.
- A certificate from the Managing Director on the Financial Statements of the Company was placed before the Board.
- Means of Communication
  - Quarterly results are published in leading newspapers like The Financial Express (All India Edition) and Jansatta.
  - The Company has its own website [www.kailfin.com](http://www.kailfin.com) and all vital information relating to the company and its performance including financial results are posted on the website.
  - Management Discussion and Analysis Report forms part of the Director's Report.

## **10. General Shareholders Information**

### **a) Date, Time and Venue of Annual General Meeting:**

The Company will hold its Thirtieth Annual General Meeting on Saturday, 26<sup>th</sup> September, 2015 at 11:00 AM. at Mehfil Restaurant, 16/12 Civil Lines, Near I G Police Residence, Kanpur-208 001, Uttar Pradesh.

**b) Financial Calendar (tentative and subject to change)**

The Company expects to announce the Quarterly results for the year 2015-2016, as per the following schedule:

Financial Reporting for the quarter ending 30 <sup>th</sup> June, 2015	Within 45 days from the end of the quarter ending 30 <sup>th</sup> June, 2015.
Financial Reporting for the quarter ending 30 <sup>th</sup> September, 2015	Within 45 days from the end of the quarter ending 30 <sup>th</sup> September, 2015.
Financial Reporting for the quarter ending 31 <sup>st</sup> December, 2015	Within 45 days from the end of the quarter ending 31 <sup>st</sup> December, 2015.
Financial Reporting for the quarter ending 31 <sup>st</sup> March, 2016	Within 60 days from the end of the quarter ending 31 <sup>st</sup> March, 2016.

**c) Date of Book Closure**

The Company's Register of Members and Share Transfer Book will remain closed from Tuesday, 22<sup>nd</sup> September, 2015 to Saturday, 26<sup>th</sup> September, 2015 (both days inclusive).

**d) Dividend Payment Date**

The Board of Directors has not recommended any dividend for the financial year 2014-2015.

**e) Company Registration Details**

The Company is registered in the State of Uttar Pradesh, India. The Corporate Identification No. (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is CIN: L65921UP1984PLC006829.

**f) Listing on Stock Exchanges**

The Company's Shares are listed on BSE. The requisite listing fees for 2015-16 has been paid in full to the exchange.

**g) Stock Code**

BSE: 511357

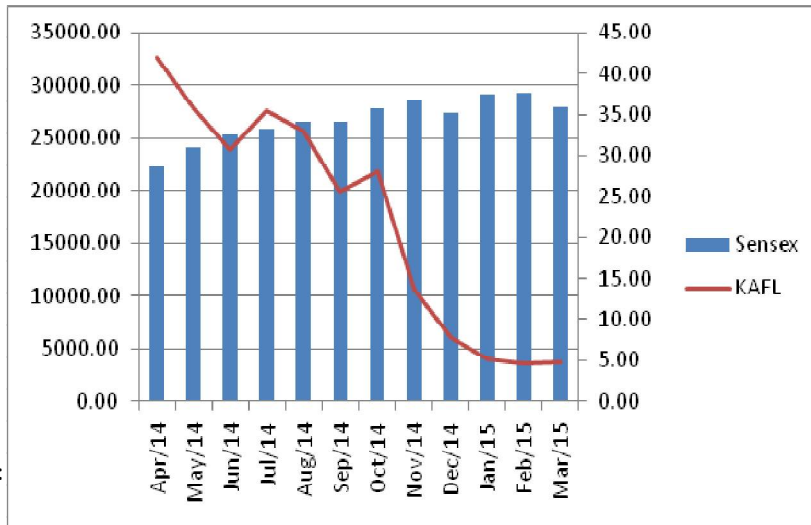
ISIN: INE410001022

**h) Stock Market Data**

Market Price Data- Monthly high/low of Company's Equity shares during the financial year 2014-2015 on the BSE :

Month	BSE	
	High (Rs)	Low (Rs)
April, 2014	44.95	35.00
May, 2014	47.00	33.05
June, 2014	40.60	27.00
July, 2014	40.00	27.00
August, 2014	38.00	30.10
September, 2014	35.50	21.20
October, 2014	29.20	15.80
November, 2014	29.40	13.55
December, 2014	13.55	7.75
January, 2015	7.60	5.15
February, 2015	5.05	4.17
March, 2015	5.04	4.36

i) **Performance in comparison to broad-based indices such as BSE sensex :**



j) **Registrar and Transfer Agents for shares held in Physical as well as Depository mode:**

**M/s. Maheshwari Datamatics Pvt Ltd**

6, Mangoe Lane, 2nd Floor,  
Kolkata - 700001.

West Bengal

Ph -91-33- 22435029/5809

Fax – 91-33- 22484787

Email: - mdpl@cal.vsnl.net.in ; mdpldc@yahoo.com

k) **Share Transfer System**

The Board has delegated the power of share transfer to Stakeholders Relationship Committee. The Committee holds meeting at regular intervals to consider all matters concerning transfer and transmission of Shares.

l) **Secretarial Audit**

- M/s Amit Jain & Associates, Practicing Company Secretaries have conducted a Secretarial Audit of the Company for the year 2014-15. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act and the Rules made there under, Listing Agreements with the Stock Exchanges, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.
- A Company Secretary in practice carries out a half-yearly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

m) Distribution and Shareholding Pattern

**Distribution of shareholding of the Company as on 31<sup>st</sup> March, 2015:**

Range of Equity Shares	No of Shareholders	% of total Shareholders	No. of Shares Held	% to Total Shares
Up to 500	4897	70.4300	882026	00.1502
501 - 1000	526	07.5651	450895	00.0768
1001 - 2000	258	03.7106	395733	00.0674
2001 - 3000	66	00.9492	172405	00.0294
3001 - 4000	38	00.5465	139146	00.0237
4001 - 5000	61	00.8773	295872	00.0504
5001 - 10000	95	01.3663	763591	00.1301
10001 and Above	1012	14.5549	583960415	99.4720
<b>Total</b>	<b>6953</b>	<b>100.0000</b>	<b>587060083</b>	<b>100.0000</b>

n) Shareholding Pattern of the company as on 31<sup>st</sup> March, 2015

Category	No. of Shares held	Percentage of Holding
<b>A Promoter and Promoter Group</b>		
<b>1. Indian Promoters</b>		
i. Individual	-	-
ii. Bodies Corporate	6,00,000	0.1022
<b>2. Foreign Promoters</b>	-	-
<b>Sub Total</b>	<b>6,00,000</b>	<b>0.1022</b>
<b>B Public Shareholding</b>		
<b>1. Institutional Investors</b>		
- Mutual Funds & UTI	-	-
- Banks, Financial Institutions, Insurance Companies	-	-
- Central Government/ State Government(s)	-	-
- Foreign Institutional Investors	52,293	0.0089
<b>2. Non-Institutional Investors</b>		
- Bodies Corporate	46,84,28,465	79.7923
- Individuals/ HUFs	11,77,27,245	20.0537
- Any Others		
- Trust	32,000	0.0055
- Clearing Member	1,70,541	0.0291
- Non Resident Individual	49,539	0.0084
<b>Sub Total</b>	<b>58,64,60,083</b>	<b>99.8979</b>
<b>C Shares Held by Custodians and against which Depository Receipts have been issued</b>		
- Promoter & Promoter Group	—	—
- Public	—	—
<b>Sub Total</b>	<b>—</b>	<b>—</b>
<b>Total (A+B+C)</b>	<b>58,70,60,083</b>	<b>100.00</b>

**o) Dematerialization of Securities**

The Company's Shares are available for trading in the Depository System at Central Depository Services (India) Limited (CDSL) and National Depository Services Limited (NSDL). The International Security Identification Number (ISIN) allotted to Kailash Auto Finance Limited is INE410O01022. As on 31<sup>st</sup> March 2015, 99.84 % of the total equity share capital was held in dematerialized form.

**p) Outstanding GDRs/ADRs/Warrants or any other Convertible Instrument**

Company has not issued any GDRs/ ADRs/ Warrants or any other convertible instruments or any issue (public issue, right issue, preferential issue etc.) which likely to have impact on Equity Share Capital of the Company.

**q) PAN Requirement**

SEBI had vide its circulation no. MRD/DOP/Cir – 05/2009 dated 20-05-2009 made the requirement of PAN Card of all Transferee(s) compulsory in case of all Physical Transfer of Shares

**r) Plant Location**

The Company does not have any manufacturing plants.

**s) Address for Correspondence**

For any assistance, queries, regarding transfer or transmission of shares, dematerialization, non receipt of dividend, on shares, non receipt of share application money, non credit of shares in demat account and any other queries relating to the shares of the Company and Annual Report, the investors may please write to the following :

**M/s Kailash Auto Finance Limited**

**Registered Office:** 19 Rollant Complex, 37/17 The Mall, Kanpur-208 001, Uttar Pradesh. Phone: 05123012032, Email: info@kailfin.com  
Website: www.kailfin.com

**Corporate Office:** Room No-10, Ground Floor, Rajshila Premises Co-operative Society, Building No-597, J.S.S. Marg, Mumbai-400 002, Phone: +9122-22057729

&

Office No-32 33, 199 Gopal Bhuvan, 2<sup>nd</sup> Floor, Shamaldas Gandhi Marg, Mumbai-400 002

**Registrar & Share Transfer Agent**

**M/s. Maheshwari Datamatics Pvt Ltd**

6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata - 700001, West Bengal  
Ph -91-33- 22435029/5809, Fax – 91-33- 22484787,  
Email:-[mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in) ; [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)

**t) Compliance Certificate of The Auditors**

Certificate from the Company's Auditors, Mr. Anil Agrawal confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing, is attached to this Report.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 30<sup>th</sup> May 2015

Babalu Prasad Keshari  
Managing Director

## CEO/CFO CERTIFICATION UNDER CLAUSE 49 (IX)

**To  
The Board of Directors  
Kailash Auto Finance Limited**

- a) I have reviewed financial statements and the cash flow statement of Kailash Auto Finance Limited for the year ended 31<sup>st</sup> March, 2015 and to the best of my knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. I have not come across any reportable deficiencies in the design of operation of such internal controls.
- d) I have indicated to the Auditors and the Audit committee:
1. that there are no significant changes in internal control over financial reporting during the period;
  2. that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. that there are no instances of significant fraud of which I have become aware.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: 30<sup>th</sup> May 2015

Babalu Prasad Keshari  
Managing Director

## CERTIFICATE ON CORPORATE GOVERNANCE BY INDEPENDENT AUDITOR

**To**

The Members

**Kailash Auto Finance Limited**

We have examined the compliance of conditions of Corporate Governance by **KAILASH AUTO FINANCE LIMITED** ("the company") for the year ended 31<sup>st</sup> March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchange in India.

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 as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management, we certify that the Company has complied, in all material respect, with the conditions of Corporate Governance stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**For Anil Agrawal**

Chartered Accountants

**CA Anil Agrawal**

Proprietor

Membership No: 79054

Place : Mumbai

Date : 30th May, 2015



## ANNEXURE - 3

### NOMINATION & REMUNERATION POLICY

#### 1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- d) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- e) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- f) To devise a policy on Board diversity
- g) To develop a succession plan for the Board and to regularly review the plan;

#### 2. DEFINITIONS

- a) "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
- b) "Board" means Board of Directors of the Company.
- c) "Directors" mean Directors of the Company.
- d) "Key Managerial Personnel" means
  - i. Chief Executive Officer or the Managing Director or the Manager;
  - ii. Whole-time director;
  - iii. Chief Financial Officer;
  - iv. Company Secretary; and
  - v. Such other officer as may be prescribed.
- e) "**Senior Management**" means personnel of the company who are members of its core management team excluding the Board of Directors including Functional Heads.

#### 3. ROLE OF COMMITTEE

- a) **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.

- ii. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- iii. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

**b) Policy for appointment and removal of Director, KMP and Senior Management**

**i. Appointment criteria and qualifications**

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**ii. Term / Tenure**

- Managing Director/Whole-time Director: The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- Independent Director: An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1<sup>st</sup> October, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**iii. Evaluation**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

**iv. Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**v. Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**c) Policy relating to the Remuneration for the Director, KMP and Senior Management Personnel**

**i. General:**

- The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- The remuneration and commission to be paid to the Whole-time Director, KMP and Senior Management Personnel shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director, KMP and Senior Management Personnel.
- Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**ii. Remuneration to Director, KMP and Senior Management Personnel:**

**• Fixed pay:**

The Director, KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension

scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Director, KMP and Senior Management Personnel in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

- **Provisions for excess remuneration:**

If any Director, KMP and Senior Management Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**iii. Remuneration to Non- Executive / Independent Director:**

- Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

- Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

- Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

**4. MEMBERSHIP**

- a) The Committee shall consist of a minimum 3 directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**5. CHAIRPERSON**

- a) Chairperson of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- d) Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**6. FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

**7. COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**8. SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

**9. VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**10. NOMINATION DUTIES**

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;
- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- j) Recommend any necessary changes to the Board; and
- k) Considering any other matters, as may be requested by the Board.

#### **11. REMUNERATION DUTIES**

The duties of the Committee in relation to remuneration matters include:

- a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate.
- b) to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) to delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d) to consider any other matters as may be requested by the Board.
- e) Professional indemnity and liability insurance for Directors and senior management.

#### **12. MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

## ANNEXURE - 4

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31st Day of March, 2015

*[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 Kailash Auto Finance Limited**

We have conducted the **Secretarial Audit** of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Kailash Auto Finance Limited (CIN: L65921UP1984PLC006829)** (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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, and authorized 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 **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended **31st March, 2015** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The following Regulations (as amended from time to time) and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
  - 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, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
5. Foreign Exchange Management Act, 1999 and the Rules and Regulations (Not applicable to the Company during the Audit Period).
6. Other laws applicable to the company as per representation made by the company.

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

- i. The Listing Agreements entered into by the Company with **BSE**.
- ii. Secretarial Standards issued by The Institute of Company Secretaries of India: **Not Yet Notified**

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

1. *That the Company has failed to file MGT-14 required to be filed on the following occasions as per the provisions of the Act and Rules made thereunder.*
  - *Disclosure of Directors Interest in its first board meeting of the financial year*
  - *Adoption of audited financial result for the financial year ended 31<sup>st</sup> March, 2014*
  - *Special resolution passed at the general meeting of the company for adoption of new set of Article of Association of the company.*
2. *Few Forms were filed by the Company during the year under review, with the Registrar of Companies in compliance with the provisions of the Act, but with additional fees. The same is reported as compliance by reference of payment of additional fees*

**We further report that:**

The Board of Directors of the Company **is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director.**

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

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

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management.

**We further report that** the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, half-yearly financial results under Clause 41 of the Listing Agreement and the annual financial statements, Cost Records/Cost Audit is not applicable to the company. 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.

For Amit Jain & Associates  
Practicing Company Secretary

Amit Jain  
Proprietor  
Membership No-35596  
Firm Registration No-13254  
Date: 30<sup>th</sup> May, 2015



**'Annexure A'**

To,  
The Members,  
**M/s Kailash Auto Finance Limited**

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. Where ever 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 Amit Jain & Associates  
Practicing Company Secretary

Amit Jain  
Proprietor  
Membership No-35596  
Firm Registration No-13254  
Date: 30<sup>th</sup> May, 2015

**Annexure 5**

**FORM NO. MGT 9**  
**Extract of Annual Return**  
**As on financial year ended on 31.03.2015**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.**

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L65921UP1984PLC006829
ii	Registration Date	14-Nov-84
iii	Name of the Company	Kailash Auto Finance Limited
iv	Category/Sub-category of the Company	Public Company/Limited by Shares
v	Address of the Registered office & contact details	19 Rollant Complex, 37/17 The Mall, Kanpur-208001, Uttar Pradesh Email: info@kailfin.com
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any	M/s Maheshwari Datamatics Pvt Ltd. 6, Mangoe Lane, 2nd Floor, Kolkata - 700 001 Phone : 033 22435029 / 22482248 Fax : 033-22484787 Emai : mdpldc@yahoo.com

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the products/services	% to total turnover of the company
1	Dealing in Securities	6599	92.3%

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	NIL	NIL	NIL	NIL	NIL

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2014]				No of Shares held at the end of the year [As on 31-March-2015]			% change during the Yr.	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	600,000	-	600,000	0.10	600,000	-	600,000	0.10	-
e) Banks/FI									
f) Any other									
<b>Sub-total (A)(1)</b>	<b>600,000</b>	<b>-</b>	<b>600,000</b>	<b>0.10</b>	<b>600,000</b>	<b>-</b>	<b>600,000</b>	<b>0.10</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>600,000</b>	<b>-</b>	<b>600,000</b>	<b>0.10</b>	<b>600,000</b>	<b>-</b>	<b>600,000</b>	<b>0.10</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs	1,975,777	-	1,975,777	0.34	52,293	-	52,293	0.01-	0.33
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total(B)(1):-</b>	<b>1,975,777</b>	<b>-</b>	<b>1,975,777</b>	<b>0.34</b>	<b>52,293</b>	<b>-</b>	<b>52,293</b>	<b>0.01 -</b>	<b>0.33</b>

Category of Shareholders	No of Shares held at the beginning of the year [As on 01-April-2014]				No of Shares held at the end of the year [As on 31-March-2015]			% change during the Yr.	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	289,988,952	4,600	289,993,552	49.40	468,423,865	4,600	468,428,465	79.79	30.39
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	77,120,017	1,004,083	78,124,100	13.31	29,525,544	959,233	30,484,777	5.19	- 8.11
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	213,494,728	-	213,494,728	36.37	87,242,468	-	87,242,468	14.86	- 21.51
c) Others (Specify)									
Non Resident Indians	-	-	-	-	49,539	-	49,539	0.01	0.01
Qualified Foreign Investor Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	2,799,926	-	2,799,926	0.48	170,541	-	170,541	0.03	- 0.45
Trusts	72,000	-	72,000	0.01	32,000	-	32,000	0.01	- 0.01
Foreign Bodies-D R									
<b>Sub-total(B)(2):-</b>	<b>583,475,623</b>	<b>1,008,683</b>	<b>584,484,306</b>	<b>99.56</b>	<b>585,443,957</b>	<b>963,833</b>	<b>586,407,790</b>	<b>99.89</b>	<b>0.33</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>585,451,400</b>	<b>1,008,683</b>	<b>586,460,083</b>	<b>99.90</b>	<b>585,496,250</b>	<b>963,833</b>	<b>586,460,083</b>	<b>99.90</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>586,051,400</b>	<b>1,008,683</b>	<b>587,060,083</b>	<b>100.00</b>	<b>586,096,250</b>	<b>963,833</b>	<b>587,060,083</b>	<b>100.00</b>	

## ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding 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	Sri Karani Exports Private Limited	314,700	0.05	-	314,700	0.05	-	-
2	Radhashyam Dealtrade Private Limited	285,300	0.05	-	285,300	0.05	-	-
	<b>Total</b>	<b>600,000</b>	<b>0.10</b>	<b>-</b>	<b>600,000</b>	<b>0.10</b>	<b>-</b>	<b>-</b>

## Date wise change in Promoters Shareholding

Sl No	Name of Shareholder	Shareholding at the at the begning of the year		Date wise increase / decrease in shareholding during the year			Cumulative Shareholding	
		No. of Shares	% of total Shares of the Company	Date	Increase/ Decrease	Reason	No. of Shares	% of total Shares of the Company
1	Sri Karani Exports Pvt. Ltd	314,700	0.0536	01.04.14 31.03.15		No change during the year	314,700	0.0536
2	Radhashyam Dealtrade Pvt. Ltd.	285,300	0.0486	01.04.14 31.03.15		No change during the year	285,300	0.0486

Based on the paid up share capital of the company as on 31st March, 2015.

**iii) Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)-**

Sr. No	Name of Shareholder	Shareholding at the beginning of the year		Date wise Increase/ Decrease in Shareholding during the year			Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ Decrease	Reason	No. of Shares	% of total Shares of the Company
1	Nirdesh Trading Pvt. Ltd.	4,054,419	0.6906	01.04.14			4,054,419	0.6906
				04.04.14	15,000	Transfer	4,069,419	0.6932
				11.04.14	103,000	Transfer	4,172,419	0.7107
				18.04.14	89,000	Transfer	4,261,419	0.7259
				25.04.14	131,500	Transfer	4,392,919	0.7483
				02.05.14	39,500	Transfer	4,432,419	0.7550
				09.05.14	169,000	Transfer	4,601,419	0.7838
				16.05.14	147,950	Transfer	4,749,369	0.8090
				30.05.14	2,133,443	Transfer	6,882,812	1.1724
				06.06.14	178,402	Transfer	7,061,214	1.2028
				13.06.14	612,423	Transfer	7,673,637	1.3071
				30.06.14	815,076	Transfer	8,488,713	1.4460
				04.07.14	37,500	Transfer	8,526,213	1.4524
				11.07.14	233,355	Transfer	8,759,568	1.4921
				18.07.14	145,800	Transfer	8,905,368	1.5169
				25.07.14	14,000	Transfer	8,919,368	1.5193
				01.08.14	254,300	Transfer	9,173,668	1.5626
				08.08.14	50,500	Transfer	9,224,168	1.5712
				22.08.14	118,700	Transfer	9,342,868	1.5915
				29.08.14	147,000	Transfer	9,489,868	1.6165
				19.09.14	1,016,025	Transfer	10,505,893	1.7896
				30.09.14	335,029	Transfer	10,840,922	1.8466
				03.10.14	98,069	Transfer	10,938,991	1.8634
				31.10.14	498,947	Transfer	11,437,938	1.9483
				14.11.14	106,472	Transfer	11,544,410	1.9665
21.11.14	347,342	Transfer	11,891,752	2.0256				
28.11.14	106,927	Transfer	11,998,679	2.0439				
19.12.15	1,750	Transfer	12,000,429	2.0442				
31.03.15			12,000,429	2.0442				
2	Optimistic Mercantile Pvt. Ltd.	-	-	01.04.14			-	-
				06.06.14	770,100	Transfer	770,100	0.1312
				30.06.14	300,000	Transfer	1,070,100	0.1823
				04.07.14	1,600,000	Transfer	2,670,100	0.4548
				18.07.14	952,892	Transfer	3,622,992	0.6171
				25.07.14	335,100	Transfer	3,958,092	0.6742
				01.08.14	250,500	Transfer	4,208,592	0.7169

				08.08.14	328,000	Transfer	4,536,592	0.7728
				22.08.14	1,934,233	Transfer	6,470,825	1.1022
				29.08.14	233,500	Transfer	6,704,325	1.1420
				19.09.14	1,384,141	Transfer	8,088,466	1.3778
				30.09.14	66,500	Transfer	8,154,966	1.3891
				03.10.14	491,000	Transfer	8,645,966	1.4728
				31.10.14	1,496,699	Transfer	10,142,665	1.7277
				07.11.14	301,500	Transfer	10,444,165	1.7791
				17.11.14	91,805	Transfer	10,535,970	1.7947
				21.11.14	140,000	Transfer	10,675,970	1.8185
				12.12.14	10,000	Transfer	10,685,970	1.8203
				31.12.14	870,000	Transfer	11,555,970	1.9684
				06.02.15	19,939	Transfer	11,575,909	1.9718
				13.02.15	89,000	Transfer	11,664,909	1.9870
				31.03.15			11,664,909	1.9870
3	Alok Knit Exports Ltd	18,810,000	3.2041	01.04.14		No change		
				31.03.15		during the		
						year	18,810,000	3.2041
4	Expression Dealers Pvt. Ltd.	3,277,401	0.5583	01.04.14			3,277,401	0.5583
				11.04.14	40,000	Transfer	3,317,401	0.5651
				18.04.14	600	Transfer	3,318,001	0.5652
				25.04.14	147,800	Transfer	3,465,801	0.5904
				02.05.14	148,000	Transfer	3,613,801	0.6156
				30.05.14	4,924,540	Transfer	8,538,341	1.4544
				06.06.14	208,382	Transfer	8,746,723	1.4899
				13.06.14	29,318	Transfer	8,776,041	1.4949
				30.06.14	200,617	Transfer	8,976,658	1.5291
				11.07.14	51,150	Transfer	9,027,808	1.5378
				18.07.14	1,640,000	Transfer	10,667,808	1.8172
				01.08.14	40,000	Transfer	10,707,808	1.8240
				29.08.14	29,326	Transfer	10,737,134	1.8290
				19.09.14	1,000	Transfer	10,738,134	1.8291
				19.12.14	4,000	Transfer	10,742,134	1.8298
				31.03.15			10,742,134	1.8298
5	RR Equity Brokers Pvt. Ltd.	-	-	01.04.14			-	-
				04.04.14	461,188	Transfer	461,188	0.0786
				11.04.14	67,342	Transfer	528,530	0.0900
				18.04.14	324,800	Transfer	853,330	0.1454
				25.04.14	530,980	Transfer	1,384,310	0.2358
				02.05.14	561,350	Transfer	1,945,660	0.3314
				09.05.14	-1,096,058	Transfer	849,602	0.1447
				16.05.14	1,221,119	Transfer	2,070,721	0.3527
				30.05.14	1,323,526	Transfer	3,394,247	0.5782
				06.06.14	989,138	Transfer	4,383,385	0.7467

				13.06.14	1,692,994	Transfer	6,076,379	1.0351
				30.06.14	-5,815,461	Transfer	260,918	0.0444
				04.07.14	2,022,152	Transfer	2,283,070	0.3889
				11.07.14	2,889,263	Transfer	5,172,333	0.8811
				18.07.14	2,695,538	Transfer	7,867,871	1.3402
				25.07.14	2,266,795	Transfer	10,134,666	1.7263
				01.08.14	-3,587,336	Transfer	6,547,330	1.1153
				08.08.14	1,589,814	Transfer	8,137,144	1.3861
				22.08.14	-2,317,342	Transfer	5,819,802	0.9913
				29.08.14	916,569	Transfer	6,736,371	1.1475
				19.09.14	-81,649	Transfer	6,654,722	1.1336
				30.09.14	-6,654,722	Transfer	-	-
				03.10.14	49,064	Transfer	49,064	0.0084
				31.10.14	3,562,964	Transfer	3,612,028	0.6153
				07.11.14	802,987	Transfer	4,415,015	0.7521
				14.11.14	1,101,096	Transfer	5,516,111	0.9396
				21.11.14	2,270,041	Transfer	7,786,152	1.3263
				28.11.14	3,687,078	Transfer	11,473,230	1.9544
				19.12.14	680,376	Transfer	12,153,606	2.0702
				16.01.15	70,000	Transfer	12,223,606	2.0822
				23.01.15	529,000	Transfer	12,752,606	2.1723
				30.01.15	336,256	Transfer	13,088,862	2.2296
				06.02.15	668,504	Transfer	13,757,366	2.3434
				13.02.15	-9,414,134	Transfer	4,343,232	0.7398
				20.02.15	489,011	Transfer	4,832,243	0.8231
				27.02.15	1,956,963	Transfer	6,789,206	1.1565
				06.03.15	1,043,709	Transfer	7,832,915	1.3343
				13.03.15	939,017	Transfer	8,771,932	1.4942
				20.03.15	1,219,219	Transfer	9,991,151	1.7019
				27.03.15	9,709,132	Transfer	282019	0.0480
				31.03.15	-26,300	Transfer	255,719	0.0436
				31.03.15			255,719	0.0436
6	Bholebaba Suppliers Pvt. Ltd.	4,906,132	0.8357	01.04.14			4,906,132	0.8357
				11.04.14	357,998	Transfer	5,264,130	0.8967
				09.05.14	77,000	Transfer	5,341,130	0.9098
				11.07.14	200,000	Transfer	5,541,130	0.9439
				18.07.14	1,400,000	Transfer	6,941,130	1.1824
				01.08.14	1,475,000	Transfer	8,416,130	1.4336
				22.08.14	522,500	Transfer	8,938,630	1.5226
				29.08.14	350,000	Transfer	9,288,630	1.5822
				19.09.14	470,000	Transfer	9,758,630	1.6623
				30.09.14	400,000	Transfer	10,158,630	1.7304
				03.10.14	300,000	Transfer	10,458,630	1.7815
				31.10.14	655,000	Transfer	11,113,630	1.8931
				14.11.14	83,750	Transfer	11,197,380	1.9074
				31.03.15			11,197,380	1.9074
7	Devpujan Vincom Pvt. Ltd.	1,009,131	0.1719	01.04.14			1,009,131	0.1719
				25.04.14	2,000,000	Transfer	3,009,131	0.5126



				02.05.14	1,995,000	Transfer	5,004,131	0.8524
				09.05.14	988,394	Transfer	5,992,525	1.0208
				30.05.14	48,500	Transfer	6,041,025	1.0290
				30.06.14	-2,200,000	Transfer	3,841,025	0.6543
				19.09.14	-1,800,000	Transfer	2,041,025	0.3477
				31.03.15			2,041,025	0.3477
8	Kelvin Info Traders Pvt. Ltd.	7,228,666	1.2313	01.04.14			7,228,666	1.2313
				11.04.14	400,000	Transfer	7,628,666	1.2995
				30.06.14	43,490	Transfer	7,672,156	1.3069
				31.03.15			7,672,156	1.3069
9	Triala Dealers Pvt. Ltd.	6,008,818	1.0235	01.04.14			6,008,818	1.0235
				04.04.14	65,000	Transfer	6,073,818	1.0346
				11.04.14	195,000	Transfer	6,268,818	1.0678
				18.04.14	200,000	Transfer	6,468,818	1.1019
				25.04.14	538,500	Transfer	7,007,318	1.1936
				02.05.14	443,999	Transfer	7,451,317	1.2693
				09.05.14	10,000	Transfer	7,461,317	1.2710
				30.05.14	-7,461,317	Transfer	-	-
				13.06.14	110,000	Transfer	110,000	0.0187
				30.06.14	150,000	Transfer	260,000	0.0443
				18.07.14	-260,000	Transfer	-	-
				25.07.14	25,000	Transfer	25,000	0.0043
				22.08.14	-25,000	Transfer	-	-
				31.03.15			-	-
10	Gainsay Property Pvt. Ltd.	5,081,261	0.8655	01.04.14			5,081,261	0.8655
				04.04.14	120,000	Transfer	5,201,261	0.8860
				11.04.14	296,000	Transfer	5,497,261	0.9364
				18.04.14	646,500	Transfer	6,143,761	1.0465
				25.04.14	1,600,950	Transfer	7,744,711	1.3192
				02.05.14	756,382	Transfer	8,501,093	1.4481
				09.05.14	155,000	Transfer	8,656,093	1.4745
				30.05.14	88,501	Transfer	8,744,594	1.4896
				06.06.14	236,952	Transfer	8,981,546	1.5299
				13.06.14	45,000	Transfer	9,026,546	1.5376
				30.06.14	1,387,510	Transfer	10,414,056	1.7739
				11.07.14	616,000	Transfer	11,030,056	1.8789
				25.07.14	-1,907,496	Transfer	9,122,560	1.5539
				01.08.14	698,343	Transfer	9,820,903	1.6729
				22.08.14	79,700	Transfer	9,900,603	1.6865
				29.08.14	259,444	Transfer	10,160,047	1.7307
				19.09.14	199,005	Transfer	10,359,052	1.7646
				30.09.14	-100,000	Transfer	10,259,052	1.7475
				31.10.14	215,064	Transfer	10,474,116	1.7842
				05.12.14	300,000	Transfer	10,774,116	1.8353
				12.12.14	150,000	Transfer	10,924,116	1.8608
				13.02.15	-2,000,000	Transfer	8,924,116	1.5201
				27.02.15	245,000	Transfer	9,169,116	1.5619

				31.03.15	9,350	Transfer	9,178,466	1.5635
							9,178,466	1.5635
11	Multifold Agencies Pvt. Ltd.	290,933	0.0496	01.04.14			290,933	0.0496
				04.04.14	75,000	Transfer	365,933	0.0623
				02.05.14	9,000	Transfer	374,933	0.0639
				30.06.14	9,582,937	Transfer	9,957,870	1.6962
				31.10.14	42,469	Transfer	10,000,339	1.7035
				14.11.14	15,000	Transfer	10,015,339	1.7060
				21.11.14	1,000	Transfer	10,016,339	1.7062
				31.03.15			10,016,339	1.7062
12	Moonlife Developers Pvt. Ltd.	5,713,644	0.9733	01.04.2014			5,713,644	0.9733
				19.09.14	-200,000	Transfer	5,513,644	0.9392
				31.03.15			5,513,644	0.9392
13	Mindspecs Vanijya Pvt. Ltd.	9,961,901	1.6969	01.04.14		No change during the year		
				31.03.15			9,961,901	1.6969
14	Quickscope Dealers Pvt. Ltd.	10,800	0.0018	01.04.14			10,800	0.0018
				11.04.14	1,100	Transfer	11,900	0.0020
				25.04.14	10,700	Transfer	22,600	0.0038
				02.05.14	97,894	Transfer	120,494	0.0205
				09.05.14	643,376	Transfer	763,870	0.1301
				16.05.14	25,000	Transfer	788,870	0.1344
				30.05.14	588,309	Transfer	1,377,179	0.2346
				13.06.14	37,900	Transfer	1,415,079	0.2410
				30.06.14	2,614,491	Transfer	4,029,570	0.6864
				01.08.14	593,053	Transfer	4,622,623	0.7874
				22.08.14	152,382	Transfer	4,775,005	0.8134
				30.09.14	3,642,034	Transfer	8,417,039	1.4338
				19.12.14	115,970	Transfer	8,533,009	1.4535
				23.01.15	128,000	Transfer	8,661,009	1.4753
				13.02.15	3,015,134	Transfer	11,676,143	1.9889
				06.03.15	417,192	Transfer	12,093,335	2.0600
				13.03.15	472,694	Transfer	12,566,029	2.1405
				20.03.15	187,945	Transfer	12,753,974	2.1725
				27.03.15	320,722	Transfer	13,074,696	2.2271
				31.03.15	245,021	Transfer	13,319,717	2.2689
				31.03.15			13,319,717	2.2689
15	Signature Dealtrade Pvt. Ltd	-	-	01.04.14			-	-
				04.07.14	1,761,666	Transfer	1,761,666	0.3001
				11.07.14	200,000	Transfer	1,961,666	0.3342
				18.07.14	984,000	Transfer	2,945,666	0.5018

				25.07.14	2,500,000	Transfer	5,445,666	0.9276
				01.08.14	1,250,000	Transfer	6,695,666	1.1405
				08.08.14	4,218,780	Transfer	10,914,446	1.8592
				22.08.14	2,604,424	Transfer	13,518,870	2.3028
				19.09.14	270,626	Transfer	13,789,496	2.3489
				31.10.14	31,217	Transfer	13,820,713	2.3542
				14.11.14	13,398	Transfer	13,834,111	2.3565
				12.12.14	300,000	Transfer	14,134,111	2.4076
				19.12.14	386,000	Transfer	14,520,111	2.4734
				20.02.15	100,000	Transfer	14,620,111	2.4904
				20.03.15	200,000	Transfer	14,820,111	2.5245
				27.03.15	300,000	Transfer	15,120,111	2.5756
				31.03.15	367,000	Transfer	15,487,111	2.6381
				31.03.15			15,487,111	2.6381
16	Shagunshree Info Traders Pvt. Ltd.	6,360,736	1.0835	01.04.14		No change during the		
				31.03.15		year	6,360,736	1.0835
17	Saktimata Marketing Pvt. Ltd.	7,415,155	1.2631	01.04.14			7,415,155	1.2631
				04.04.14	110,392	Transfer	7,525,547	1.2819
				11.04.14	298,017	Transfer	7,823,564	1.3327
				18.04.14	409,103	Transfer	8,232,667	1.4024
				25.04.14	700,000	Transfer	8,932,667	1.5216
				02.05.14	25,000	Transfer	8,957,667	1.5259
				09.05.14	90,000	Transfer	9,047,667	1.5412
				16.05.14	139,000	Transfer	9,186,667	1.5649
				30.05.14	682,872	Transfer	9,869,539	1.6812
				06.06.14	277,000	Transfer	10,146,539	1.7284
				13.06.14	-306,800	Transfer	9,839,739	1.6761
				30.06.14	-450,000	Transfer	9,389,739	1.5995
				04.07.14	-400,000	Transfer	8,989,739	1.5313
				11.07.14	-325,000	Transfer	8,664,739	1.4760
				18.07.14	-300,000	Transfer	8,364,739	1.4249
				01.08.14	-587,500	Transfer	7,777,239	1.3248
				08.08.14	-650,000	Transfer	7,127,239	1.2141
				22.08.14	-900,000	Transfer	6,227,239	1.0607
				19.09.14	1,361,100	Transfer	7,588,339	1.2926
				03.10.14	-300,000	Transfer	7,288,339	1.2415
				31.10.14	38,000	Transfer	7,326,339	1.2480
				16.01.15	50,000	Transfer	7,376,339	1.2565
				30.01.15	99,900	Transfer	7,476,239	1.2735
				13.02.15	2,000,000	Transfer	9,476,239	1.6142
				20.02.15	156,871	Transfer	9,633,110	1.6409
				31.03.15	350,000	Transfer	9,983,110	1.7005
				31.03.15			9,983,110	1.7005
18	O P Agrawal	6,500,000	1.1072	01.04.14			6,500,000	1.1072
				29.08.14	-500,000	Transfer	6,000,000	1.0220

				19.09.14	-500,000	Transfer	5,500,000	0.9369
				30.09.14	-500,000	Transfer	5,000,000	0.8517
				03.10.14	-500,000	Transfer	4,500,000	0.7665
				31.10.14	-1,500,000	Transfer	3,000,000	0.5110
				14.11.14	-1,000,000	Transfer	2,000,000	0.3407
				28.11.14	-1,000,000	Transfer	1,000,000	0.1703
				31.12.14	500,000	Transfer	1,500,000	0.2555
				31.03.15			1,500,000	0.2555
<b>19</b>	S. K. Khemka	1,426,612	0.2430	01.04.14			1,426,612	0.2430
				18.04.14	40,000	Transfer	1,466,612	0.2498
				25.04.14	-400,000	Transfer	1,066,612	0.1817
				02.05.14	1,020,000	Transfer	2,086,612	0.3554
				09.05.14	500,000	Transfer	2,586,612	0.4406
				16.05.14	-1,750,000	Transfer	836,612	0.1425
				30.05.14	3,378,317	Transfer	4,214,929	0.7180
				06.06.14	3,602,422	Transfer	7,817,351	1.3316
				13.06.14	-6,760,000	Transfer	1,057,351	0.1801
				30.06.14	-170,739	Transfer	886,612	0.1510
				04.07.14	54,000	Transfer	940,612	0.1602
				22.08.14	-120,000	Transfer	820,612	0.1398
				29.08.14	-290,000	Transfer	530,612	0.0904
				19.09.14	237,500	Transfer	768,112	0.1308
				30.09.14	-340,000	Transfer	428,112	0.0729
				31.10.14	-100,000	Transfer	328,112	0.0559
				28.11.14	40,000	Transfer	368,112	0.0627
				31.12.14	100,000	Transfer	468,112	0.0797
				20.02.15	75,000	Transfer	543,112	0.0925
				27.02.15	75,000	Transfer	618,112	0.1053
				27.03.15	60,000	Transfer	678,112	0.1155
				31.03.15			678,112	0.1155
<b>20</b>	Shilpa Agrawal	6,000,000	1.0220	01.04.14			6,000,000	1.0220
				29.08.14	-500,000	Transfer	5,500,000	0.9369
				19.09.14	-500,000	Transfer	5,000,000	0.8517
				03.10.14	-500,000	Transfer	4,500,000	0.7665
				31.10.14	-1,000,000	Transfer	3,500,000	0.5962
				07.11.14	-500,000	Transfer	3,000,000	0.5110
				28.11.14	-500,000	Transfer	2,500,000	0.4259
				31.12.14	546,500	Transfer	3,046,500	0.5189
				31.03.15			3,046,500	0.5189
<b>21</b>	Nikita Agrawal	6,000,000	1.0220	01.04.14			6,000,000	1.0220
				29.08.14	-500,000	Transfer	5,500,000	0.9369
				03.10.14	-500,000	Transfer	5,000,000	0.8517
				31.10.14	-500,000	Transfer	4,500,000	0.7665
				07.11.14	-500,000	Transfer	4,000,000	0.6814
				28.11.14	-500,000	Transfer	3,500,000	0.5962
				31.12.14	1,000,000	Transfer	4,500,000	0.7665
				31.03.15			4,500,000	0.7665

**v) Shareholding Pattern of Directors and Key Managerial Personnel**

Sl No	For Each of the Director & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	Nil	Nil	Nil	Nil
2	Date wise Increase/decrease in shareholding during the year specifying the reasons for increase /decrease (e.g. allotment, transfer/ bonus/ sweat equity etc.)				
3	<b>At the end of the year</b>	Nil	Nil	Nil	Nil

**vi) Indebtedness**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

vii) 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 the MD/WTD/Manager		Total Amount
		Babalu Prasad Keshari	Probir Kumar	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	180,000.00	38,393.00	218,393.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>180,000.00</b>	<b>38,393.00</b>	<b>218,393.00</b>
	<b>Ceiling as per the Act</b>	<b>1391735.00</b>	<b>1391735.00</b>	<b>1391735.00</b>

B) Remuneration to other directors:

Sl. No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Dipan Patel Jesingbhai	Deepak Dave Kunjbihari	Vanita Mansukh Parmar	
	(a) Fee for attending board committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	<b>Total (1)</b>	-	-	-	-
2	Other Non Executive Directors	-	-	-	-
	(a) Fee for attending board committee meetings	-	-	-	-

(b) Commission	-	-	-	-
(c ) Others, please specify.				-
<b>Total (2)</b>				-
<b>Total (B)=(1+2)</b>	-	-	-	-
<b>Total Managerial Remuneration Overall Cieling as per the Act.</b>	-	-	-	-

**C) Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CEO	CFO	Total
1	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	174,400.00			174,400.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-			-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-			-
2	Stock Option	-			-
3	Sweat Equity	-			-
4	Commission as % of profit others, specify	-			-
5	Others, please specify				
	<b>Total</b>	<b>174,400.00</b>	<b>-</b>	<b>-</b>	<b>174,400.00</b>

**viii) Penalties/Punishment/Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment /Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors/Other officers in Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

## **INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**KAILASH AUTO FINANCE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Kailash Auto Finance Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors are responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flow of the company in accordance with the accounting policies 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 provision of the Act for safeguarding of 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 prudence; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the adequacy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

We have taken into accounts the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made thereunder.

We have conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 consider internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's directors, as well as evaluating the overall presentation of the financial statements.

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



## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the company as at 31<sup>st</sup> March, 2015, its profit or loss and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2015 (" the order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on 31st March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of section 164(2) of the Act; and
  - f. With respect to the other matters to be included in the Auditor's Reports in accordance with Rule 11 of the companies (Audit and Auditors ) rules, 2014 , in our opinion and to the best of our information and according to the explanation given to us:
    - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements – refer Note 23 of the financial statement.
    - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For Anil Agrawal  
Chartered Accountants**

**Anil Agrawal  
Proprietor  
Membership No: 79054  
Place: Mumbai  
Date: May 30, 2015**

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal & Regulatory Requirements of the Independent Auditors Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- i. a The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- b The company has a regular programme of the physical verification of its fixed assets by which all fixed assets are verified in the phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- ii. a The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- b The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c The Company is maintaining proper records of inventories. There was no material discrepancies noticed on verification between the physical stock and the book records.
- iii. The Company has not granted any loans secured or unsecured, to companies, firms or other parties 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, there is an adequate internal control system commensurate with the size of the company and the nature of the business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- v. According to the information and explanations given to us, the company has not accepted any deposits from the public during the year and accordingly the question of complying with section 73 and 76 of the Companies Act 2013 does not arise.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for the Company.
- vii. a According to the information and explanations given to us and on the basis of our examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income- tax, sales tax, Wealth tax, Service tax, Duty of excise, Value added tax and any other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.
- b According to the information and explanations given to us, the dues of Income- tax, sales tax, Wealth tax, Service tax, Duty of customs, Duty of excise, Value added Tax

and any other material statutory dues which were not deposited on account of any disputes are as follows

**1. Interest Tax:**

Assessment Year 1998-99, 1999-2000 and 2000-2001 cases are pending before Allahabad High Court by the Income Tax Department against the order of ITAT where in it is held that the Finance Charges on Hire Purchase is not interest but a profit.

**2. Income Tax:**

- a. Assessment Year 2001-2002 and 2002-2003 are pending before Allahabad High Court (by the Deptt.) against the order of the ITAT wherein depreciation is allowed at the rate of 40% on leased vehicles.
- b. Assessment Year 1996-1997 is pending before Allahabad High Court against the penalty order passed by the ITAT.
- c. Assessment Year 2004-05: Case is pending before ITAT (u/s 254) and before High Court against the legal ground that case cannot be opened u/s 148 before completion of 12 months in which return of income was originally filed.
- d. Assessment Year 2006-07: Case is pending before CIT (Appeals) Kanpur against the order of the Assessing Officer.
- e. Assessment Year 2007-08: Case is pending for assessment before DCIT – 6 Kanpur.
- f. Assessment Year 1995-96: We have filed a Writ Petition before Lucknow High Court under the KAR VIVAD SAMADHAN SCHEME and matter is pending before Lucknow High Court.
- g. Assessment Year 1992-93: Application is pending for appeal effect to be given before the Assessing Officer.

The quantification of above liabilities has not been done on account of cases pending before the authority.

**3. Legal Cases:**

- a. Disputed Case of Bhubaneswar Branch for recovery of Rs. 4.45/- Lacs deposited in court.
  - b. Disputed Case of Citi Corp for recovery of Rs. 3.04/- Lacs of Alwar Branch.
  - c. Disputed Case liabilities of Rs 3.08/- Lacs repayable if claimed by the customer
- c. According to the information and explanations given to us there was no amount which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the companies Act, 1956 and rules framed there under.
- viii. The company has accumulated losses of Rs. 204.29 lacs at the end of the financial year and has not incurred cash losses in the financial year covered by our Audit and in the immediately preceding financial year.

- ix. In our opinion and according to the information and explanations given to us, the company does not have any outstanding dues to any bank or financial institution or debenture holders.
- x. In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us the Company has not taken any term loan during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

**For Anil Agrawal  
Chartered Accountants**

**Anil Agrawal  
Proprietor  
Membership No: 79054  
Place: Mumbai  
Date: May 30, 2015**

**BALANCE SHEET AS AT 31ST MARCH, 2015**

	Notes	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	5870,60,083	5870,60,083
Reserves and Surplus	4	121,73,578	(56,86,068)
		<u>5992,33,661</u>	<u>5813,74,016</u>
<b>Non- Current Liabilities</b>			
Long Term Borrowings	5	14,47,099	14,47,099
		<u>14,47,099</u>	<u>14,47,099</u>
<b>Current Liabilities</b>			
Other Current Liabilities	6	288,26,319	264,55,112
Short-Term Provisions	7	161,33,933	61,85,950
		<u>449,60,252</u>	<u>326,41,062</u>
TOTAL		<b><u>6456,41,012</u></b>	<b><u>6154,62,177</u></b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Asset	8	6,53,877	20,652
Non-Current Investments	9	352,02,139	724,51,622
Long Term Loans & Advances	10	355,45,000	94,45,000
Deferred Tax Assets (Net)		3,39,763	3,66,833
		<u>717,40,779</u>	<u>822,84,107</u>
<b>Current Assets</b>			
Inventories	11	216,96,952	533,34,533
Cash and Bank Balances	12	115,57,316	125,40,539
Short Term Loans and Advances	13	5406,45,965	4673,02,998
		<u>5739,00,233</u>	<u>5331,78,070</u>
TOTAL		<b><u>6456,41,012</u></b>	<b><u>6154,62,177</u></b>
Significant Accounting Policies	2		

See accompanying Notes to the Financial Statements

As per our Report of even date attached

**For Anil Agrawal**  
Chartered Accountants

For and On behalf of the Board of Directors

**CA Anil Agrawal**  
Proprietor  
Membership No: 79054  
Place : Mumbai  
Date : 30th May, 2015

**Babalu Prasad Keshari**  
Managing Director  
**Vidisha Gehani**  
Company Secretary

**Dipan Patel Jesingbhai**  
Director

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

	Notes	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
<b>INCOME</b>			
Revenue from Operations	14	6241,61,768	2040,98,732
Other Income	15	26,215	57,519
Change In Inventories	16	(316,37,581)	533,34,533
<b>TOTAL REVENUE</b>		<b><u>5925,50,402</u></b>	<b><u>2574,90,784</u></b>
<b>EXPENDITURE</b>			
Purchases		5537,74,108	2371,48,786
Employee Benefit Expenses	17	9,94,160	4,46,950
Finance Cost	18	10,63,699	4,98,734
Depreciation		87,751	13,769
Other Expenses	19	87,95,984	61,51,729
<b>TOTAL EXPENSES</b>		<b><u>5647,15,702</u></b>	<b><u>2442,59,968</u></b>
<b>Profit Before Tax</b>		<b>278,34,699</b>	<b>132,30,816</b>
Provision for Standard Assets		1,71,319	11,46,937
Provision for Substandard Assets		3,50,000	
<b>Tax Expense</b>			
Current Tax		94,26,664	37,29,726
Deferred Tax		27,070	1,484
<b>Profit for the year</b>		<b><u>178,59,646</u></b>	<b><u>83,52,668</u></b>
<b>Earnings per share of face value of Re 1/- each</b>			
<b>Basic</b>		0.03	0.01
<b>Diluted</b>		0.03	0.01
Significant Accounting Policies	2		

See accompanying Notes to the Financial Statements

As per our Report of even date attached

**For Anil Agrawal**  
Chartered Accountants

For and On behalf of the Board of Directors

**CA Anil Agrawal**  
Proprietor  
Membership No: 79054  
Place : Mumbai  
Date : 30th May, 2015

**Babalu Prasad Keshari**  
Managing Director  
**Vidisha Gehani**  
Company Secretary

**Dipan Patel Jesingbhai**  
Director

**Cash Flow Statement for the year ended 31st March, 2015**

(Amount in Rs)

PARTICULARS	2014-2015	2013-2014
<b>A Cash Flow from Operating Activities :</b>		
<b>Net Profit after tax, Prior Period and Extraordinary Items :</b>	<b>178,59,646</b>	<b>83,52,668</b>
<b>Adjustments for :</b>		
Depreciation on fixed assets	87,751	13,769
<b>Operating Profit before Changes in Operating Assets</b>	<b>179,47,397</b>	<b>83,66,437</b>
<b>Adjustments for net change in :</b>		
Short Term Loans and Advances	(733,42,967)	(2126,70,403)
Long Term Loans and Advances	(261,00,000)	-
Increase / (Repayment) of Long Term Borrowings	-	(28,21,285)
Other Current Liabilities	23,71,207	260,89,696
Inventories	316,37,581	(533,34,533)
Provision for Standard Assets	1,71,319	11,46,937
Provision for Sub - Standard Assets	3,50,000	-
Provision For taxation and adjustment for earlier year taxes	94,26,664	28,61,264
Provision For Deffered Tax	27,070	1,484
<b>Cash Flow before Prior Period and Extraordinary Items</b>	<b>(375,11,729)</b>	<b>(2303,60,402)</b>
Net Income tax Paid and Refunds	-	-
<b>Net Cash Flow from Operating Activities —————(A)</b>	<b><u>(375,11,729)</u></b>	<b><u>(2303,60,402)</u></b>
<b>B Cash Flow from Investing Activities</b>		
Procurement of Fixed Assets	(7,20,976)	-
Investments in Non-Current Investments	372,49,483	2418,22,275
<b>Net Cash Flow from Investing Activities —————(B)</b>	<b><u>365,28,507</u></b>	<b><u>2418,22,275</u></b>
<b>C Cash Flow from Financing Activities :</b>		
Issue of Equity Shares	-	-
<b>Receipt on Amalgamation</b>		
Securities Premium	-	-
Reserves & Surplus	-	-
<b>Net Cash Flow from Financing Activities —————(C)</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net Increase in Cash and Cash Equivalents (A) + (B) + (C)</b>	<b><u>(9,83,222)</u></b>	<b><u>114,61,873</u></b>
<b>Cash &amp; Cash Equivalents at the beginning of the period</b>	<b><u>125,40,539</u></b>	<b><u>10,78,666</u></b>
<b>Cash &amp; Cash Equivalents at the end of the period</b>	<b><u>115,57,316</u></b>	<b><u>125,40,539</u></b>
Cash in Hand	9,55,712	1,93,176
Balances with Banks	106,01,604	123,47,363
<b>Total</b>	<b><u>115,57,316</u></b>	<b><u>125,40,539</u></b>

**For Anil Agrawal**  
Chartered Accountants

For and On behalf of the Board of Directors

**CA Anil Agrawal**  
Proprietor

**Babalu Prasad Keshari**  
Managing Director

**Dipan Patel Jesingbhai**  
Director

Membership No: 79054  
Place : Mumbai  
Date : 30th May, 2015

**Vidisha Gehani**  
Company Secretary

## **Notes to Financial Statements:**

### **1 Corporate Information:**

Kailash Auto Finance Ltd. is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Stock Exchange in India. The company is engaged in the business of NBFC activities. The company caters to domestic market only.

### **2 Significant Accounting Policies:**

#### **2.1 Basis of preparation:**

The Financial Statements have been prepared in accordance with the generally accepted accounting principles ('GAAP') applicable in India. The Company has prepared these financial statements to comply in all material respects with the provisions of the Companies Act, 2013 ('the Act') and accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The financial statements are presented in Indian Rupees.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

#### **2.2 Use of Estimates:**

The preparation of Financial Statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by management that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

#### **2.3 Revenue Recognition:**

Income and expenditure are recognized and accounted on accrual basis as and when they are earned or incurred. Revenue from sales transaction is recognized as and when the significant risk and reward attached to ownership in goods is transferred to the buyer. However leave with wages and bonus is accounted on cash basis.

Profit on sale of investments is recorded on transfer of title from the company and is determined as the difference between the sale price and the carrying value of the investment. Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Hire purchase and Lease Income is accounted by using the internal rate of return (IRR) implicit in contracts to provide a constant periodic rate of return on the net outstanding on those contracts.

Prompt payment rebate and overdue charges are determined and accounted for on termination of the contracts.

The company follows prudential norms for recognition of Income of Non Performing Assets as per the directions prescribed by Reserve bank of India for NBFC.



## 2.4 Fixed Assets and Depreciation:

Tangible Assets are stated at cost (or revalued amount as the case may be) less accumulated depreciation and accumulated impairment losses if any. Cost Comprises purchase price and any other attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gain or loss arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on fixed assets is provided on written down value method (WDV) at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. The residual life of an asset is taken as 5%. The details of the estimated life of each category of asset are as under

S.no	Asset	Useful Life (Years)
1	Computer	3
2	Printer	3
3	Furniture & Fixture	10

## 2.5 Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments in accordance with the RBI guidelines and Accounting Standard 13 on 'Accounting for Investments' as notified under the companies (Accounting Standards) Rules, 2006. Current investments also include current maturities of long- term investments. All other investments are classified as non- current investments. Current investments are carried at lower of cost and market price determined category- wise. All non – current investments are carried at cost. However, provision for diminution in value, other than temporary in nature, is made to recognize a decline, on an individual basis.

Investment in Venture Capital Fund is valued at cost.

## 2.6 Impairment:

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal/external factors. Where the carrying value exceeds the estimated recoverable amount, provision for impairment is made to adjust the carrying value to the recoverable amount. The recoverable amount is the greater of the assets estimated net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discounting rate. If at the Balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to maximum of depreciable historical cost.

## 2.7 Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## **2.8 Inventories**

Stock in trades are valued at cost.

## **2.9 Derivatives:**

Pursuant to the announcement on Accounting for derivatives issued by the Institute of Chartered Accountants of India (ICAI), the company in accordance with the principle of prudence as enunciated in Accounting Standard 1 on 'Disclosure of Accounting Policies' provides for losses in respect of all outstanding derivative contracts at the Balance Sheet date by marking them to market. Any gains arising on such mark to market are not recognized as income.

## **2.10 Foreign Currency:**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary items in foreign currencies are stated at the closing exchange rate. Gains/losses on conversion/translation are recognized in the Statement of Profit and Loss. All forward exchange contracts are backed by underlying transactions and the premium or discount arising at inception of such a forward exchange contract is amortized as expense or income over the life of the contract and the exchange differences on such contracts are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

## **2.11 Cash Flow Statement:**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information

## **2.12 Employee Benefits:**

Short term benefits and post employment benefits are accounted in the period during which the services have been rendered.

## **2.13 Taxation:**

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with relevant provisions of Income Tax Act, 1961.

In accordance with the guidance note issued by the Institute of Chartered Accountants of India ('ICAI') on accounting for credit available in respect of Minimum Alternate Tax (MAT) under the Income Tax Act, 1961, the Company recognizes MAT credit as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

Deferred tax charge or credit and correspondingly deferred tax liability or asset is recognized using tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In the event of unabsorbed depreciation or carried forward loss under taxation

laws, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount i.e. reasonable/virtually certain (as the case may be) to be realized.

#### **2.14 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognized only when there is a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Contingent Liability is disclosed for (i) Possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognized in the financial statements.

#### **2.15 Earnings per Share:**

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

#### **2.16 Provisioning For Standard Assets**

The Reserve Bank of India (RBI) vide Notification no. DNBS 223/CGM/(US)-2011 dated January 17, 2011 has issued direction to all NBFCs to make provision of 0.25% on standard assets. Accordingly, the company has made provision @0.25% on standard assets in accordance with RBI directions.

#### **2.17 Segment Reporting:**

The generally accepted accounting principles used in the preparation of the financial statements are applied to record revenue and expenditure in individual segments.

Segment revenue and segment results include transfers between business segments. Such transfers are accounted for at the agreed transaction value and such transfers are eliminated in the consolidation of the segments.

Expenses that are directly identifiable to segments are considered for determining the segment result. Expenses, which relate to the company as a whole and are not allocable to segments, are included under unallocated corporate expenses.

Segment assets and liabilities include those directly identifiable with the respective segments. Unallocated corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

**Note 3 SHARE CAPITAL**

(Amount in Rs)

Particulars	As at	As at	As at	As at
	31st March, 2015 (No of Shares)	31st March, 2015 Rs	31st March, 2014 (No of Shares)	31st March, 2014 Rs
<b>(a) Authorised Share Capital</b>				
Equity Shares of Rs 10/- each	100,00,000	1000,00,000	100,00,000	1000,00,000
Equity Shares of Re 1/- each	6000,00,000	6000,00,000	6000,00,000	6000,00,000
Preference Shares of Rs100/- each	5,00,000	500,00,000	5,00,000	500,00,000
	<u>6105,00,000</u>	<u>7500,00,000</u>	<u>6105,00,000</u>	<u>7500,00,000</u>
<b>(b) Issued , Subscribed and Fully Paid up</b>				
Equity Shares of Re 1/- each fully paid up	<u>5870,60,083</u>	<u>5870,60,083</u>	<u>5870,60,083</u>	<u>5870,60,083</u>
<b>TOTAL</b>	<u>5870,60,083</u>	<u>5870,60,083</u>	<u>5870,60,083</u>	<u>5870,60,083</u>

**Notes:**

**(A) Reconciliation of number of equity shares outstanding as at the beginning and at the end of the reporting period:**

Particulars	As at	As at
	31st March, 2015 (No of Shares)	31st March, 2014 (No of Shares)
Equity Shares of Re1/- each outstanding at the beginning of the year	5870,60,083	11,49,283
Share Capital Suspense Shares issued to the Shareholders	-	5859,10,800
Equity Shares of Re1/- each outstanding at the end of the year	<b>5870,60,083</b>	<b>5870,60,083</b>

**(B) The details of shareholders holding more than 5% shares:**

Name of shareholders	31st March, 2015		31st March, 2014	
	Number of shares held	% held	Number of shares held	% held
-	-	-	-	-

**(C) Information on equity shares allotted without receipt of cash or allotted as bonus shares or shares bought back**

5859,10,800 Equity Shares were allotted to the erstwhile shareholders of Careful Projects Advisory Ltd and Panchshul Marketing Ltd pursuant to Scheme of Amalgamation sanctioned by the Hon'ble High Courts in the year 2013-14

**(D) Rights , preference and restrictions attached to the Equity Shares**

The Equity Shares of the Company , having par value of Re1 per share, rank paripasu in all respects including voting rights and entitlement to dividend

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

	As at		As at	
	31st March, 2015		31st March, 2014	
	Rs		Rs	
<b>Note - 4 Reserves &amp; Surplus</b>				
Profit & Loss Account				
At the Beginning of the year	(382,88,650)		(466,41,318)	
Add For The Year	178,59,646		83,52,668	
At the end of the year		(204,29,004)		(382,88,650)
General Reserve				
At the Beginning and at the end of the year		89,55,000		89,55,000
Securities Premium Account				
At the Beginning and end of the year		192,62,549		192,62,549
Statutory Reserve				
At the Beginning and at the end of the year		35,28,000		35,28,000
Capital Reserve				
At the Beginning and at the end of the year		8,57,033		8,57,033
		<u>121,73,578</u>		<u>(56,86,068)</u>
<b>Note - 5 Long Term Borrowings</b>				
Fixed Deposit with Public	2,70,000		2,70,000	
Add Interest Accrued and Due on Fixed Deposits	19,280		19,280	
Less Amount Deposited in SBI Escrow Account	<u>3,21,590</u>	(32,310)	<u>3,21,590</u>	(32,310)
Other Liabilities		<u>14,79,409</u>		<u>14,79,409</u>
		<u>14,47,099</u>		<u>14,47,099</u>
<b>Note - 6 Other Current Liabilities</b>				
Liabilities For Expenses		1,24,764		2,52,113
Trade Payables		284,70,604		260,59,820
Statutory Dues		2,30,951		1,43,179
		<u>288,26,319</u>		<u>264,55,112</u>
<b>Note - 7 Short Term Provisions</b>				
Provision for Standard Assets		13,18,256		11,46,937
Provision for Substandard Assets		3,50,000		-
Provision for Tax		144,65,677		50,39,013
		<u>161,33,933</u>		<u>61,85,950</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

(Amount in Rs)

**Note 8: FIXED ASSETS**

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION/ AMORTISATION				NET BLOCK	
	Cost as on 01.04.2014	Additions	Sales/ Adjustment	Cost as on 31.03.2015	Upto 01.04.2014	Sales/ Adjustment	For the Year	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
Computer	27,768	5,09,250	-	5,37,018	16,256	-	68,836	85,092	4,51,926	11,512
Furniture & Fixture		2,11,726		2,11,726			11,412	11,412	2,00,314	-
Printer	22,048	-	-	22,048	12,908	-	7,503	20,411	1,637	9,140
<b>Total</b>	<b>49,816</b>	<b>7,20,976</b>	<b>-</b>	<b>7,70,792</b>	<b>29,164</b>	<b>-</b>	<b>87,751</b>	<b>1,16,915</b>	<b>6,53,877</b>	<b>20,652</b>
<b>Prev:Year</b>	<b>49,816</b>		<b>-</b>	<b>49,816</b>	<b>15,395</b>	<b>-</b>	<b>13,769</b>	<b>29,164</b>	<b>20,652</b>	<b>-</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.....)**

	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
<b>Note - 9 Non Current Investments</b>		
Investments (at Cost):		
Investments in Quoted Equity Shares	-	19,78,121
Investment In Venture Capital Fund	271,50,000	51,80,000
Other Investments	80,52,139	652,93,501
	<u>352,02,139</u>	<u>724,51,622</u>
Market Value of Quoted Investments	-	21,95,077
<b>Note - 10 Long Term Loans &amp; Advances</b>		
(Unsecured, considered good unless otherwise stated)		
Advance against Property	351,00,000	90,00,000
Security Deposit with Court	4,45,000	4,45,000
	<u>355,45,000</u>	<u>94,45,000</u>
<b>Note - 11 Inventories</b>		
Closing Stock of Equity Shares	<u>216,96,952</u>	<u>533,34,533</u>
	<u>216,96,952</u>	<u>533,34,533</u>
<b>Note - 12 Cash and Cash Balances</b>		
Cash on hand	9,55,712	1,93,176
Balance with Scheduled Banks		
- In current account	106,01,604	123,46,741
Escrow Account	-	622
	<u>115,57,316</u>	<u>125,40,539</u>
<b>Note - 13 Short Term Loans and Advances</b>		
(Unsecured, considered good unless otherwise stated)		
Loans & Advances	5273,02,267	4587,74,861
Advance recoverable in cash or in kind or value to be received	1,72,791	2,17,972
Balance with Revenue Authorities	<u>131,70,907</u>	<u>83,10,165</u>
	<u>5406,45,965</u>	<u>4673,02,998</u>
<b>Note - 14 Revenue From Operations</b>		
Sales	5762,23,822	1839,83,939
Interest Income	479,37,946	141,96,414
Other Operating Income	-	59,18,379
	<u>6241,61,768</u>	<u>2040,98,732</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.....)**

	As at 31st March, 2015 Rs	As at 31st March, 2014 Rs
<b>Note - 15 Other Income</b>		
Short Term Capital Gain	-	12,350
Miscellaneous income	26,215	45,169
	<u>26,215</u>	<u>57,519</u>
<b>Note - 16 Increase /(Decrease in Inventories)</b>		
Closing Stock of Shares	216,96,952	533,34,533
Opening Stock of Shares	533,34,533	-
	<u>(316,37,581)</u>	<u>533,34,533</u>
<b>Note - 17 Employees Benefit Expenses</b>		
Salaries and Bonus	8,46,418	4,46,950
Staff Welfare	1,47,742	-
	<u>9,94,160</u>	<u>4,46,950</u>
<b>Note - 18 Finance Cost</b>		
Interest Paid	10,63,699	4,98,734
	<u>10,63,699</u>	<u>4,98,734</u>
<b>Note - 19 Other Expenses</b>		
Advertisement	69,118	88,375
Printing & Stationery	67,300	48,350
Demat Expenses	5,896	4,299
Rent paid	2,66,832	78,000
Travelling & Conveyance	3,80,695	6,29,482
Miscellaneous expenses	46,55,488	10,16,964
General Expenses	1,11,329	1,21,618
Postage & Courier Charges	1,01,864	96,712
Bank Charges	29,021	51,529
Registrar Expenses	2,84,256	64,608
Professional & Legal Fees	23,37,874	35,66,678
Connectivity Charges	1,91,012	2,27,754
Listing Fees	1,86,799	1,12,360
<b>Auditors' Remuneration</b>		
As Audit Fees	45,000	35,000
Tax Audit Fees	10,000	10,000
Certification Fees	53,500	-
	<u>87,95,984</u>	<u>61,51,729</u>



**20 Related Party Transactions****Nature of Relationship**

Key Managerial Personnel

**Name of the Related Party**Mr Babalu Prasad Keshari.  
Ms Vidisha Gehani**Payment to Key Managerial Personnel**

Name	Relationship	Year Ending March 31, 2015	Year Ending March 31, 2014
Mr Babalu Prasad Keshari	Key Managerial Personnel	1,80,000	—

**21 Earnings per Share as per Accounting Standard 20:**

Particulars	Year Ending March 31, 2015	Year Ending March 31, 2014
Profit after Tax	1,78,59,646	83,52,668
Weighted Average number of Equity Shares used as denominator for calculating EPS	58,70,60,083	58,70,60,083
Basic Earnings Per Share of Re1/- each	0.03	0.01
Potentially dilutive shares	58,70,60,083	58,70,60,083
Diluted Earnings per share	0.03	0.01

**22 Deferred Tax Asset**

Particulars	Year Ending March 31, 2015	Year Ending March 31, 2014
Fixed Asset as per Income Tax Act	5,62,567	12,380
Fixed Asset as per Companies Act	6,53,877	20,652
Deferred Tax Liability	91,310	8,272
Tax on above	29,626	2,556

**23 Contingent Liabilities:**

a. Contingent Liabilities not provided for

Particulars	Year Ending March 31, 2015 Rs	Year Ending March 31, 2014 Rs
Income Tax & Interest Tax demands disputed by the company ( Amount already paid Rs 57,98,482/-)	58,37,482	58,37,482
Service Tax on Hire Purchase and Lease transaction not realized and paid in view of interim stay of Hon'ble Madras High Court.	Amount not ascertained	Amount not ascertained
Disputed penalty liabilities in legal cases (Amount already paid Rs 3,55,000/-)	7,00,213	7,00,213
Income Tax Demand for the F.Y.2003-04 ( Matter pending with ITAT)	4,45,727	4,45,727

- b. Stock in hire repossessed include 14 cases amounting to Rs 18,17,000/- which are legally disputed and their recovery is pending before the legal authorities.
- c. The Contingent liabilities as mentioned in point no a & b above except disputed liabilities on account of income tax and other statutory taxes had been assigned to M/s Kailash Motors Finance Pvt Ltd, Jabalpur vide assignment deed executed on 13.02.2012
- 24 Fixed Deposits repayment due within one year is Rs 2,89,280/- ( Previous Year Rs2,89,280/-) an all due amount deposited in SBI Escrow A/c. The interest on Fixed Deposit has not be taken during the year.
- 25 The Company is engaged primarily in the business of Non Banking Financial Activities and accordingly there are no separate reportable segments as per Accounting Standard AS -17- segment reporting issued by ICAI.
- 26 Certain Balances of parties under sundry debtors, creditors, loans and advances are under confirmations/reconciliation.
- 27 Information as required in terms of paragraph 9BB of NBFC Prudential Norms (Reserve Bank) Direction 1998 is attached.
- 28 There was no expenditure/earning in Foreign Currency during the year.
- 29 There was no outstanding derivative contract as on 31<sup>st</sup> March 2015.
- 30 As informed there are no dues to Micro Small and Medium Enterprises as on 31.3.2015.
- 31 Trade Payables includes amount payables to Brokers where share trading account of the company is maintained.
- 32 Advance against Property includes amount paid / advance to various parties for striking property purchase deal in favour of the company.
- 33 Short term Loans & Advances includes amount given as Loans repayable on demand during the normal course of the business of the company.
- 34 The provision @0.25% on standard assets was made in accordance with RBI directions.
- 35 Provision for Substandard Asset of Rs 3,50,000 was made during the year
- 36 Balance with Revenue Authorities includes balances with Income Tax Department.
- 37 The Non Banking business of the company under category "A" of Reserve Bank of India has been converted to category "B" i.e. non deposit acceptance company w.e.f 12<sup>th</sup> Jan, 2009.
- 38 The Previous year's figures have been regrouped, reclassified or rearranged wherever necessary.

**For Anil Agrawal**  
Chartered Accountants

For and On behalf of the Board of Directors

**CA Anil Agrawal**  
Proprietor

**Babalu Prasad Keshari**  
Managing Director

**Dipan Patel Jesingbhai**  
Director

Membership No: 79054  
Place : Mumbai  
Date : 30th May, 2015

**Vidisha Gehani**  
Company Secretary

**Information as required in terms of Paragraph 9BB of Non Banking Financial Prudential Norms (Reserve Bank) Direction 1998 :-**

(Rs In Lakhs)

Particulars	Amount Outstanding	Amount Overdue
<b>Liabilities Side:</b>		
<b>1 Loans &amp; Advances availed by the NBFC's inclusive of interest accrued thereon but not paid</b>		
(a) Debentures :		
Secured	-	-
Unsecured (Other than falling within the meaning of public deposits)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Intercompany Loans & Borrowings	14.50	-
(e) Commercial Papers	-	-
(f) Public Deposits	-	-
(g) Other Loans (specify nature)	-	-
<b>2 Break up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)</b>		
(a) In the form of Unsecured debentures	-	
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	
(c) Other Public Deposits	-	
<b>Assets side:</b>		
<b>3 Break-up of Loans &amp; Advances including bills receivables (other than those include in para (4) below)</b>		
(a) Secured	-	
(b) Unsecured	5,624.02	
<b>4 Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities.</b>		
(i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease	-	
(b) Operating lease	-	
(ii) Stock on hire including hire charges under sundry debtors :		
(a) Assets on hire	-	
(b) Repossessed Assets	-	
(iii) Hypothecation loans counting towards EL/HP activities		
(a) Loans where assets have been repossessed	-	
(b) Loans other than (a) above (Nos)	-	
<b>5 Break-up of Investment</b>		
<b>Current Investments</b>		
<b>1 Quoted</b>		
(i) Shares (a) Equity	-	
(b) Preference	-	
(ii) Debentures & Bonds	-	
(iii) Units of mutual funds	-	
(iv) Government Securities	-	
(v) Others ( please specify)	-	
<b>2 Unquoted</b>		
(i) Shares (a) Equity	-	
(b) Preference	-	
(ii) Debentures & Bonds	-	
(iii) Units of mutual funds	-	
(iv) Government Securities	-	
(v) Others ( please specify)	-	

(Rs In Lakhs)

Particulars	Amount Outstanding	Amount Overdue
-------------	--------------------	----------------

**Long Term Investments****1 Quoted**

(I) Shares		
(a) Equity	-	
(b) Preference	-	
(ii) Debentures & Bonds	-	
(iii) Units of mutual funds	-	
(iv) Government Securities	-	
(v) Others ( please specify)	-	

**2 - Unquoted**

(I) Shares (a) Equity	77.29	
(b) Preference	-	
(ii) Debentures & Bonds	-	
(iii) Units of mutual funds	271.50	
(iv) Government Securities	-	
(v) Others	3.23	

**6 Borrower group wise classification of all leased assets stockon hire and loans and advances**

Category	Amount Net of Provisions		
	Secured	Unsecured	Total
1 Related Parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other Related Parties	-	-	-
2 Other than Related Parties	-	5,624.02	5,624.02
Total	-	<b>5,624.02</b>	<b>5,624.02</b>

**7 Investor group wise classification of all investments (Current-and long term) in shares & securities (both quoted & unquoted)**

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1 Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other Related Parties	-	-
2 Other than Related Parties	348.79	348.79
Total	<b>348.79</b>	<b>348.79</b>

**8 Other Information**

## Particulars

1 Gross Non Performing Assets	
(a) Related Parties	-
(b) other than Related Parties	3.50
2 Net Non Performing Assets	
(a) Related Parties	-
(b) other than Related Parties	3.50
3 Assets acquired in satisfaction on debts	-

