

*KANUNGO FINANCIERS  
LIMITED*

*ANNUAL REPORT*

*2015-2016*

## **REGISTERED OFFICE**

B/7, B WING, 5<sup>TH</sup> FLOOR,  
AJANTA COMMERCIAL CENTER,  
INCOME TAX, ASRAM ROAD,  
AHMEDABAD- 380009

## **CORPORATE OFFICE:-**

B/7, B WING, 5<sup>TH</sup> FLOOR,  
AJANTA COMMERCIAL CENTER,  
INCOME TAX, ASRAM ROAD,  
AHMEDABAD- 380009

## **BOARD OF DIRECTORS**

- 1) SANDEEP VINODCHANDRA DAVE
- 2) PINTU AMBALAL PATEL
- 3) JAYSHREEBEN SHAH

## **COMPANY SECRETARY**

KANAK SURESHKUMAR RATHI

## **AUDITOR**

GAURANG VORA & ASSOCIATES

## **REGISTER AND TRANSFER AGENT (RTA)**

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED

UNIT NO.9, SHIV SHAKTI IND. ESTATE.  
J R BORICHA MARG,  
LOWER PAREL EAST,  
MUMBAI- 400 011.

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## KANUNGO FINANCIERS LIMITED

### NOTICE

**NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF KANUNGO FINANCIERS LIMITED WILL BE HELD ON 30<sup>TH</sup> SEPTEMBER, 2016 AT 11.00 A.M. AT REGISTERED OFFICE OF THE COMPANY TO TRANSACT THE FOLLOWING BUSINESS:**

#### **ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2016 and Balance sheet as at that date together with Directors Report and Auditors Report thereon.
- 2) To appoint a Director in place of Mr. Sandeep Dave, Director who retires by rotation and being eligible offers himself for reappointment.
- 3) To appoint a Director in place of Mr. Pintu Patel, Director who retires by rotation and being eligible offers himself for reappointment
- 4) To consider and if thought it, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

**“RESOLVED THAT** pursuant to the provisions of sections 139 (2) and 142(1) of the Companies Act 2013 the retiring Auditors **M/s. Harshad Sudhir & Company** , Chartered Accountants, and appointment of **M/s. Gaurang Vora & Associates**, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office for a year subject to ratification by members at every Annual General Meeting from the conclusion of this meeting until the conclusion of the next Annual General Meeting at such Remuneration as may be determined by the Board of Directors of the Company from time to time.”

**DATE : 5<sup>TH</sup> SEPTEMBER, 2016**  
**PLACE: AHMEDABAD**

**BY ORDER OF THE BOARD**

**SD/-**  
**CHAIRMAN**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty-eight hours before the time of holding the Meeting.
2. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 23.09.2016 TO 30.09.2016 (both days inclusive)
4. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

## SHAREHOLDER INSTRUCTIONS FOR E-VOTING

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 27.09.2016 at 2.00 P.M. and ends on 29.09.2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **KANUNGO FINANCIERS LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).



# **Board's Report**

To,  
The Members of  
**M/s. Kanungo Financiers Limited**

Your Directors have pleasure in presenting the Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2016.

## **FINANCIAL HIGHLIGHTS**

(Rs. In Lacs)

<b>Particulars</b>	<b>Standalone</b>	
	<b>2015-2016</b>	<b>2014-2015</b>
Gross Income	<b>31.13</b>	<b>10.81</b>
Total Expenses	<b>25.17</b>	<b>14.53</b>
Net Profit Before Tax	<b>5.96</b>	<b>-3.72</b>
Provision for Tax	<b>1.93</b>	<b>0.00</b>
Net Profit After Tax	<b>4.03</b>	<b>-3.72</b>

## **DIVIDEND**

However with the view to conserve the resources of company the directors are not recommending any dividend.

## **INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

Company does not have any Subsidiary, Joint venture or Associate Company.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

## **MATERIAL CHANGES AND COMMITMENTS**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report

## **EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed herewith for your kind perusal and information.

## **MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year 2015-16, the Company held **twelve** board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 which is summarized below. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

<b>Sr. No.</b>	<b>Date of Meeting</b>	<b>Board Strength</b>	<b>No. of Directors Present</b>
1	01.05.2015	4	4
2	29.05.2015	4	4
3	15.06.2015	4	4
4	15.07.2015	4	4
5	31.07.2015	4	4
6	04.09.2015	4	4
7	10.11.2015	4	4
8	31.12.2015	4	4
9	11.02.2016	4	4
10	13.02.2016	4	4
11	25.02.2016	4	4
12	31.03.2016	4	4

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

## **AUDITORS and REPORT thereon**

The Auditors, M/S, Harshad Sudhir & Co. , Chartered Accountants, retire at the ensuing Annual General Meeting and M/s GAURANG VORA & Associates Chartered Accountants were appointed as statutory auditors of the company for a period of five years in the Annual General meeting held on 30.09.2016.

Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation.

Further the Auditors' Report for the financial year ended, 31st March, 2016 is annexed herewith for your kind perusal and information.

### **LOANS, GUARANTEES AND INVESTMENTS**

The Company has provide the Loans, Guarantee given and Investments made under section 186 of the Companies Act, 2013 for the financial year ended 31st March 2016 and complies the provision of the Section 186 of the Companies Act, 2015

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large and Approval of the Board of Directors & shareholders was obtained wherever required. Further all the necessary details of transaction entered with the related parties.

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

#### **(A) Conservation of energy and Technology absorption**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

#### **(B) Foreign exchange earnings and Outgo**

There were no foreign exchange earnings and outgo during the year under review.

### **RISK MANAGEMENT**

The Company does not have any Risk Management Policy as the element of risk threatening the Company's existence is very minimal.

### **DIRECTORS and KMP**

There has been no Change in the constitution of Board during the year.

### **DEPOSITS**

The company has not accepted any deposits during the year.

### **CORPORATE SOCIAL RESPONSIBILITY**

The company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee.

## **RATIO OF REMUNERATION TO EACH DIRECTOR**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975, in respect of employees of the Company and Directors

## **ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

## **INDEPENDENT DIRECTORS AND DECLARATION**

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

## **NOMINATION AND REMUNERATION COMMITTEE**

As per the section 178(1) of the Companies Act, 2013 the Company's Nomination and Remuneration Committee comprises of three Directors. The table sets out the composition of the Committee:

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
<b>Mr. Pintu Patel</b>	Chairman	Non Executive Independent Director
<b>Mrs. Jayshreeben Shah*</b>	Member	Non Executive Independent Director
<b>Mr. Sandeep Dave</b>	Member	Executive Director

# Mr. Krishankumar Mangla has Resigned From the directorship of the company w.e.f. 01.03.2016 so that he also ceased to be a member of this committee.

\*Mrs. Jayshreeben shah who was only a director of the company, appointed as a member of the committee in place of Mr. Krishankumar Mangla.

## **Terms of Reference**

The Terms of Reference of the Nomination and Remuneration Committee are as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

3. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
4. Regularly review the Human Resource function of the Company
5. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.
6. Make reports to the Board as appropriate.
7. Review and reassess the adequacy of this charter periodically and recommend any proposed changes to the Board for approval from time to time.
8. Any other work and policy, related and incidental to the objectives of the committee as per provisions of the Act and rules made there under.

### **REMUNERATION POLICY**

#### **Remuneration to Executive Directors:**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

#### **Remuneration to Non Executive Directors:**

The Non Executive Directors are paid remuneration by way of Sitting Fees and Commission. The Non Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them. However the Company has not paid any remuneration to the Non- Executive Director.

### **AUDIT COMMITTEE**

According to Section 177 of the Companies Act, 2013 the company's Audit Committee comprised of three directors. The board has accepted the recommendations of the Audit Committee. The table sets out the composition of the Committee:

<b>Name of the Director</b>	<b>Position held in the Committee</b>	<b>Category of the Director</b>
<b>Mr. Pintu Patel</b>	Chairman	Non Executive Independent Director

<b>Mr. Sandeep Dave</b>	Member	Executive Director
<b>Mrs. Jayshreeben Shah*</b>	Member	Non Executive Independent Director

# Mr. Krishankumar Mangla has Resigned From the directorship of the company w.e.f. 01.03.2016 so that he also ceased to be a member of this committee.

\*Mrs. Jayshreeben shah who was only a director of the company, appointed as a member of the committee in place of Mr. Krishankumar Mangla.

### **SECRETARIAL AUDIT REPORT**

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any clarification/ explanation.

Further the Secretarial Audit Report **as provided by M/s. Jaymeen Trivedi & Associates, Practicing Company Secretary** for the financial year ended, 31st March, 2016 is annexed herewith for your kind perusal and information.

### **COST AUDIT**

The cost audit is not applicable to the Company.

### **VIGIL MECHANISM**

As per Section 177(9) and (10) of the Companies Act, 2013, and as per the Clause 49 of the Listing Agreement, the company has established Vigil Mechanism for directors and employees to report genuine concerns and made provisions for direct access to the chairperson of the Audit Committee. Company has formulated the present policy for establishing the vigil mechanism/ Whistle Blower Policy to safeguard the interest of its stakeholders, Directors and employees, to freely communicate and address to the Company their genuine concerns in relation to any illegal or unethical practice being carried out in the Company. The details of the Vigil Committee are annexed herewith for your kind perusal and information.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSEL) ACT, 2013:**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary, trainees) are covered under this policy.

### **DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Your company has established adequate internal financial control systems to ensure reliable financial reporting and compliance with laws and regulations.

### **ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and Workers of the Company.

**FOR & ON BEHALF OF THE  
BOARD OF DIRECTORS**

**Date : 05.09.2016  
Place: Ahmedabad**

**Sd/-  
SANDEEP DAVE  
DIRECTOR  
DIN : 02487078**

**Sd/-  
KRISHANKUMAR MANGLA  
DIRECTOR  
DIN : 00529421**

## KANUNGO FINANCIERS LIMITED

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### **1. Overall Review**

The Growth rate has been on the upward trend as compared to the previous year with favorable market conditions which reflect the positive market.

#### **2. Financial Review**

During the year the company has continue its business activities and earned the Profit of Rs. 4.03 Lacs.

#### **3. Risk and Concern**

Bullish trend in Equity Markets, Commodities and Real estate will affect volume and profitability of Government Securities business. Changes in rate of Interest will affect Company's Profitability.

#### **4. Internal Control System and their adequacy**

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliance of guide lines and policies, adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management.

#### **5. Environmental Issues**

As the company is not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

#### **6. Financial Performance with Respect to Operation Performance**

The Company has all the plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind borrowing where ever possible.

#### **7. Cautionary Statement**

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward - looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.



# FormNo.MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON  
31.03.2016

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

## **I. REGISTRATION AND OTHER DETAILS:**

<b>i.</b>	CIN	<b>U67120WB1982PLC035219</b>
<b>ii.</b>	Registration Date	<b>27/08/1982</b>
<b>iii.</b>	Name of the Company	<b>KANUNGO FINANCIERS LTD</b>
<b>iv.</b>	Category/Sub-Category of the Company	<b>COMPANY LIMITED BY SHARES INDIAN NON- GOVERNMENT COMPANY</b>
<b>v.</b>	Address of the Registered office and contact details	<b>B/7, 'B' WING, 5TH FLOOR, AJANTA COMMERCIAL CENTER INCOME TAX, ASHRAM ROAD, AHMEDABAD- 380009 EMAIL:- <a href="mailto:kanungofinanciers@gmail.com">kanungofinanciers@gmail.com</a>  CONTACT NO.:- 9831123211</b>
	Whether listed company	<b>No</b>
<b>vi.</b>	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>PURVA SHAREGISTRY INDIA PVT. LTD.  UNIT NO. 9, SHIV SHAKTI IND. ESTT. J.R. BORICHA MARG, OPP. KASTURBA HOSPITAL LANE, LOWER PAREL (EAST), MUMBAI- 400 011  EMAIL:- <a href="mailto:busicomp@vsnl.com">busicomp@vsnl.com</a>  CONTACT NO. :- +91- 22-2301 6761</b>

## **IIPRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

<b>Sr.N o.</b>	<b>Nameand Description of mainproducts/ services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
<b>1</b>	<b>FINANCING AND OTHER RELATED SERVICES</b>	<b>649/6499/64990</b>	<b>100.00</b>

## **II. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Sr. No.</b>	<b>NameAnd AddressOf The Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary /Associate</b>	<b>%of shares held</b>	<b>Applicable Section</b>
1.	N.A.	-	-	-	-



b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	135900	135900	56.625	19000	135900	154900	3.34	-53.285
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	3175000	0	3175000	68.52	-68.52
c) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	<b>0</b>	<b>135900</b>	<b>135900</b>	<b>56.625</b>	<b>3194000</b>	<b>135900</b>	<b>3329900</b>	<b>71.86</b>	<b>0</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>0</b>	<b>135900</b>	<b>135900</b>	<b>56.625</b>	<b>3194000</b>	<b>135900</b>	<b>3329900</b>	<b>71.86</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Grand Total (A+B+C)	<b>0</b>	<b>240000</b>	<b>240000</b>	<b>100</b>	<b>4394000</b>	<b>240000</b>	<b>4634000</b>	<b>100</b>	<b>0</b>

## ii. Shareholding of Promoters

Sr. 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.	SAVITA RANI MANGLA	47100	19.63	0	47100	1.02	0	-18.61
2.	KRISHANKUMAR MANGLA	10000	4.17	0	10000	0.22	0	-3.95
3.	POONAM MANGLA	10000	4.17	0	10000	0.22	0	-3.95
4.	ARPANA JAIN	10000	4.17	0	10000	0.22	0	-3.95
5.	ARCHNA VIJAY	5000	2.08	0	5000	0.11	0	-1.97
6.	ALPANA MANGALA	5000	2.08	0	5000	0.11	0	-1.97
7.	JITENDRAKUMAR GARG	5000	2.08	0	5000	0.11	0	-1.97
8.	SAROJ BALA GARG	2000	0.83	0	2000	0.04	0	-0.79
9.	NEHA GARG	3000	1.25	0	3000	0.06	0	-1.19
10.	MAYANK GARG	4000	1.67	0	4000	0.09	0	-1.58
11.	DIPIKA GARG	3000	1.25	0	3000	0.06	0	-1.19
12.	PARSHOTTAMHAI GEVARIYA	0	0	0	300000	6.47	0	6.47
13.	VANITABEN PARSHOTTAMHAI	0	0	0	150000	3.24	0	3.24
14.	NISHANT PARSHOTTAMHAI	0	0	0	200000	4.32	0	4.32
15.	VINODKUMAR BHAYABHAI GEVARIYA	0	0	0	100000	2.16	0	2.16
16.	VISHAL CHATURBHAI GEVARIYA	0	0	0	100000	2.16	0	2.16
17.	HANSABEN VINODBHAI GEVARIYA	0	0	0	100000	2.16	0	2.16
18.	MANISH VASANT THACKER	0	0	0	250000	5.39	0	5.39
	<b>Total</b>	<b>104100</b>	<b>43.38</b>	<b>0</b>	<b>1304100</b>	<b>28.14</b>	<b>0</b>	<b>0</b>

**iii.Change in Promoters 'Shareholding (please specify, if there is no change**

Sr. no		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	<b>104100</b>	<b>43.38</b>	<b>0</b>	<b>0</b>
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<b>1200000</b>	<b>-15.24</b>	<b>0</b>	<b>0</b>
	At the End of the year	<b>1304100</b>	<b>28.14</b>	<b>0</b>	<b>0</b>

#### **IV. INDEBTEDNESS**

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

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
Indebtedness at the beginning of the financial year				
<b>i)</b> Principal Amount	-	<b>0</b>	-	<b>0</b>
<b>ii)</b> Interest due but not paid	-		-	
<b>iii)</b> Interest accrued but not	-		-	
Total (i+ii+iii)	-	<b>0</b>	-	<b>0</b>
Change in Indebtedness during the financial year				
- Addition		<b>500,000</b>		<b>500,000</b>
- Reduction	-		-	
Net Change	-	<b>500,000</b>	-	<b>500,000</b>
Indebtedness at the end of the financial year				
<b>i)</b> Principal Amount	-	<b>500,000</b>	-	<b>500,000</b>
<b>ii)</b> Interest due but not paid				
<b>iii)</b> Interest accrued but not due				
Total (i+ii+iii)	<b>NIL</b>	<b>500,000</b>	<b>NIL</b>	<b>500,000</b>

## **V. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL**

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

<b>Sl. No.</b>	<b>ParticularsofRemuneration</b>	<b>NameofMD/WTD/ Manager</b>				<b>Total Amount</b>
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17 (2) Income –tax Act, 1961  (c) Profits in lieu of salary under section 17 (3) Income- tax Act,1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
6.	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-



**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	<u>Independent Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	-	-	-
	Total (1)	0	0	0	0	0
	<u>Other Non-Executive Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	-	-	-
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

**C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD**

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

6.	Total	-	-	-	-
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## VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: N.A.

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority[R D /NCLT/Court]	Appeal made. If any(give details)
<b>A. Company</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. Directors</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. Other Officers In Default</b>					
Penalty	-	-	-	-	-
Punishment	--	-	-	-	-
Compounding	-	-	-	-	-

**Form No. MR-3**

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

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED ON 31-03-2016

To,  
The Members,  
M/s. Kanungo Financiers Limited.  
Ahmedabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kanungo Financiers Limited, (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's 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, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31-03-2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- NA

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not Applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not Applicable to the Company during the Audit Period);-
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ; (Company had started RTA facility with said date)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998(Not Applicable to the Company during the Audit Period);-
- (i) Other laws applicable to the company are
  - 1. Income Tax Act, 1961
  - 2. Professional Tax
  - 3. Local Authority Registration at Municipal Corporation

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.(to the extent it is applicable)

(ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange till March, 2016 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(From December 01, 2015 to March 31, 2016). However the company has not filled the various compliances within the time limit, but filling of the same company has revoked the suspension from the Calcutta Stock Exchange.

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

Company had not appointed internal auditor CEO, CFO for the said financial year under review.

**I further report that**

The Board of Directors of the Company is constituted. The changes in the composition of the Board of Directors that took place during the period under review.

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

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

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

**I further report that** company made preferential issue of 43,94,000 equity shares to non – promoters in said financial year.

Place: Ahmedabad  
Date : 31.08.2016

Sd/-  
Jaymeen Trivedi & Associates  
ACS NO- 27983.  
C P No.10035:

APPENDIX - A

To,  
The Members  
M/s. Kanungo Financiers Limited

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

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit as presented by management to us.

2. We have followed the audit practices and process 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 process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure 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.

Place: Ahmedabad

Date : 30.08.2016

Sd/-

Jaymeen Trivedi & Associates

ACS NO- 27983.

C P No.10035

## Independent Auditors' Report

To the Members of M/s. Kanungo Financiers Limited

### Report On the Financial Statements

We have audited the accompanying financial statements of Kanungo Financiers Limited, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

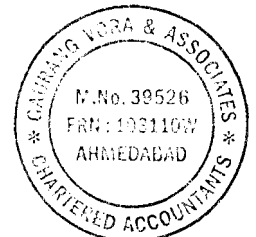
The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles respect of Section 133 of Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

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

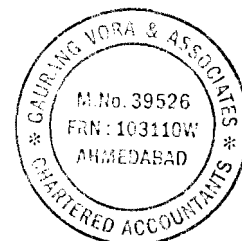
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016 and
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

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

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


- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
- c. the Balance Sheet and Statements of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the Balance Sheet and Statement of Profit and Loss 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 31<sup>st</sup> March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact, if any, of pending litigation as at March 31, 2016 on its financial position in its financial statements.
  - ii. The company has made provision as at March 31, 2016 as required under applicable law or accounting standards for material foreseeable losses if any on long term contracts.

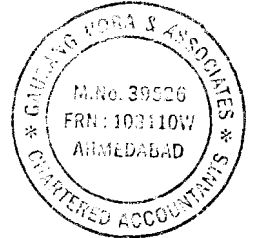




- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company during the year ended March 31, 2016.

Place: Ahmedabad  
Date: 10/08/2016

  
**Gaurang Vora, Proprietor**  
**For, Gaurang Vora & Associates**  
**Chartered Accountants**



## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Annexure referred to in paragraph 1 under the heading of "report on other Legal and Regulatory Requirements" of our report of even date to the members of Kanungo Financiers Limited on the Standalone Financial Statements for the year ended 31st March, 2016)

**i. In respect to Fixed assets:**

- a. As company has no Fixed assets, this clause is not applicable.

**ii. In respect of its inventories:**

- a. Inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us the procedures of 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. On the basis of our examination of inventory records, we are of the opinion that the Company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on physical verification of the inventories, as compared to book records maintained.

**iii.** The Company has not granted any unsecured loans to company covered in the register maintained under section 189 of the Companies Act.

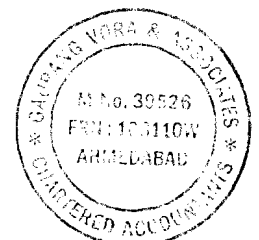
**iv.** In our opinion and according to the information and explanations given to us, the company has not made any investments, loans and guarantees under section 185 and 186 of the Companies Act

**v.** The Company has not accepted any deposit during the year. Therefore, the provisions of clause (v) of paragraph 3 of the said Order are not applicable to the company.

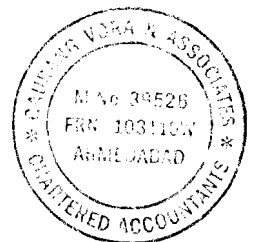
**vi.** According to the information and explanations given to us, Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of activities carried on by the company. Therefore the provisions of clause (vi) of paragraph 3 of the said Order are not applicable to the company.

**vii. In respect to Statutory dues:**

- a. According to the records of the company, the company has been generally regular during the year in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value Added tax, Cess and any other statutory dues as applicable to it with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date of becoming payable.



- b. In our opinion and according to the information and explanations given to us, there are no disputed dues in respect of sales tax, Income Tax, excise duty, Service Tax, Cess and other statutory dues payable by the company as on 31<sup>st</sup> March, 2016.
- viii. The company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year . Accordingly, paragraph 3(viii) of the order is not applicable.
- ix. The company did not raise any money by way of public offer or Further Public Offer(including debt Instrument) and term loan during the year.
- x. Based upon the audit procedures performed for the purposes of reporting the true and fair view of the Standalone Financial Statements and as per the information and explanations even by the management, we report that no fraud by the Company and no material fraud on the Company has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has not paid or provided any managerial remuneration in accordance with the provision of Section 197 read with Schedule V to the act.
- xii. In our opinion and according to the information and explanation given to us, the company is not a nidhi company. Accordingly paragraph 3(xii) of the order is not applicable.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial statements as required by the applicable Accounting Standards.
- xiv. Based upon the audit procedure performed and the information and explanations given by the management, the company has made preferential allotment of 43,94,000 Equity Shares having face value of Rs. 10 at par amounting to Rs. 4.39 cr during the year and the requirement of Section 42 of the Companies Act, 2013 have been complied. However there is not allotment of fully or partly convertible debentures during the year.
- xv. Based upon the audit procedures performed and the information and explanation given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the order are not applicable to the company and hence not commented upon.

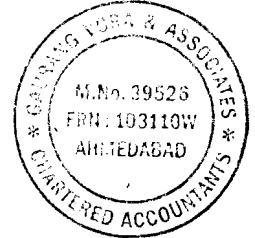


xvi. In our opinion, the company is not required to be registered under section 451A of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the order are not applicable to the company and hence not commented upon.

Place: Ahmedabad

Date: 10/08/2016

  
**Gaurang Vora, Proprietor**  
**For, Gaurang Vora & Associates**  
**Chartered Accountants**



## KANUNGO FINANCIERS LIMITED

### NOTE NO. 1 : SIGNIFICANT ACCOUNTING POLICIES

1) **Accounting Convention :**

The Financial Statement have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the requirement of accounting Standards prescribed by the Companies (Accounting Standards) Rule, 2006 and the provisions of the Companies Act, 2013 to the extent applicable.

2) **Use of Estimate :**

The preparation of financial statements requires the management of the Company to make certain estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure for the year. Actual results may differ from those estimates. Any revision to such estimates is recognised prospectively.

3) **Inventories :**

Finished goods and work-in-Progress are valued at lower of the cost including related overheads or estimated net realisable value.

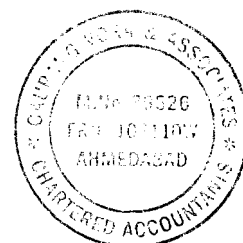
4) **Revenue Recognition :**

The Company generally follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.

Dividend, interest and other income are accounted on accrual basis except those items with significant uncertainties.

5) **Taxation :**

- (i) Provision for current tax is made on the assessable income computed for the accounting period in accordance with the income Tax Act, 1961.
- (ii) Deferred tax is recognised, subject to the consideration of prudence, on timing differences, calculated by applying tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets arising mainly on account of business losses and capital losses under tax laws are recognised, only if there is a virtual certainty of its realization, supported by convincing evidence. At each balance sheet date,



the carrying amount of deferred tax assets is reviewed to reassure realization.

6) **Cash and Cash Equivalents :**

Cash flow are reported using the indirect method, where by net profit before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of past or future cash receipts or payments,. The cash flow comprises regular revenue generating, investing and financing activities of the company. Cash and cash equivalents in the Balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in the value.

7) **Provisions :**

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

8) **Earnings Per Share :**

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity share (after deducting preference dividends and attributable taxes if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders: share split and consolidation of shares, if any. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all potential equity shares.

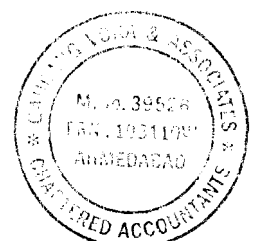
9) **Other Accounting Policies**

These are consistent with generally accepted accounting principles.

10) The Balance of Sundry Debtors, Advances Recoverable & Sundry Creditors are subject to their confirmation.

11) No provision for payment of gratuity has been made since none of the employees has rendered continuous service for five years.

12) In the opinion of Management and to the best of their knowledge and belief the value of realisation of Loans, Advances and Current Assets in ordinary course of



Business will not be less than the amount for which they are stated in the Balance Sheet.


- 13) There are no present obligations requiring provision in accordance with the guiding principles as enunciated in Accounting Standard "Provisions, Contingent Liabilities and Contingent Assets", (AS-29), as it is not probable that the outflow of resources.
- 14) The previous financial year's figures have been reworked, regrouped and reclassified to the extent possible, wherever necessary.




For, Kanungo Financiers Limited

As per our attached report of even date

Place: Ahmedabad  
Date: 10/08/2016

 J.K. Shah  
Director Director

  
**Gaurang Vora, Proprietor**  
**For, Gaurang Vora & Associates**  
**Chartered Accountants**



**M/S KANUNGO FINANCIERS LTD.**  
**Balance Sheet as at 31st March, 2016**

	Particulars	Notes	(Amount in Rs)	
			As on 31.3.2016	As on 31.3.2015
<b>I.</b>	<b>Equity &amp; Liabilities</b>			
<b>A.</b>	<u>Shareholder's Fund:</u>			
	Share Capital	2	46,340,000.00	2,400,000.00
	Reserves & Surplus	3	(1,414,626.34)	(1,817,647.34)
			44,925,373.66	582,352.66
<b>B.</b>	<u>Current Liabilities:</u>			
	Short Term Borrowings	4	500,000.00	-
	Trade payables	5	28,750.00	28,500.00
	Short Term Provisions	6	184,240.00	-
	<b>TOTAL</b>		<b>45,638,363.66</b>	<b>610,852.66</b>
<b>II.</b>	<b>Asset</b>			
<b>A.</b>	<u>Non-Current Assets:</u>			
	Fixed Assets		-	-
	Long-term loans and advances	7	2,780.00	2,780.00
<b>B.</b>	<u>Current Assets:</u>			
	Inventories	8	-	500,800.00
	Trade receivables	9	-	-
	Cash and Bank Balances	10	581,478.00	98,287.66
	Short-term Loans and advances	11	45,054,105.00	8,985.00
	<b>TOTAL</b>		<b>45,638,363.66</b>	<b>610,852.66</b>
	<b>Significant Accounting Policies</b>	1		

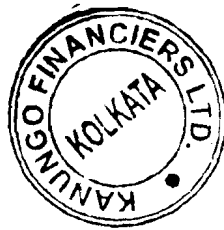
The accompanying notes are an integral part of these financial statements

As per our attached report of even date

**FOR, Gaurang Vora & Associates**  
[Firm Registration No.103110W]  
Chartered Accountants



Proprietor  
Mem. No. 39526



**FOR AND ON BEHALF OF THE BOARD**

J. K. Shah

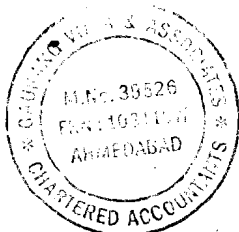


Director

Director

Place : Ahmedabad  
Date : 10/08/2016

Place : Ahmedabad  
Date : 10/08/2016





**M/S KANUNGO FINANCIERS LTD.**  
**Statement of Profit & Loss for the year ended 31st March, 2016**

	Particulars	Notes	(Amount in Rs)	
			31.03.2016	31.03.2015
I.	Revenue from operation	12	3,112,780.00	962,174.96
II.	Other income	13	-	119,115.00
III.	Loss from Derivative Dealings		-	-
	<b>TOTAL (I+II+III)</b>		<b>3,112,780.00</b>	<b>1,081,289.96</b>
V.	<b>Expenses</b>			
	Purchases of Stock-in-Trade	14	-	579,797.96
	Changes in inventories of Stock-in-Trade	15	500,800.00	351,081.00
	Employee Benefit expenses	16	720,000.00	-
	Depreciation		-	-
	Other Expenses	17	1,295,734.00	522,726.52
	<b>TOTAL EXPENSES</b>		<b>2,516,534.00</b>	<b>1,453,605.48</b>
	<b>Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>596,246.00</b>	<b>(372,315.52)</b>
	Less: Exceptional Items		-	-
	<b>Profit before extraordinary items and tax</b>		<b>596,246.00</b>	<b>(372,315.52)</b>
	Less: Extraordinary Items		-	-
	<b>Profit Before Taxation</b>		<b>596,246.00</b>	<b>(372,315.52)</b>
	<b>Less: Tax Expenses</b>			
	Current Tax		184,240.00	-
	Short Provision for earlier years		8,985.00	-
	Deferred Tax		-	-
	<b>Profit After Taxation</b>		<b>403,021.00</b>	<b>(372,315.52)</b>
	Earning Per Share ( Basic)	18	0.11	-1.55
	Earning Per Share ( Diluted)	18	0.11	-1.55
<b>Significant Accounting Policies</b>		1		

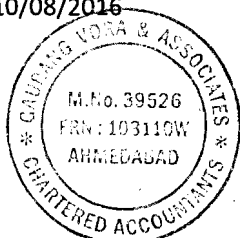
The accompanying notes are an integral part of these financial statements

As per our attached report of even date

**FOR , Gaurang Vora & Associates**  
 [Firm Registration No. 103110W]  
 Chartered Accountants

• Proprietor  
 Mem. No. 39526

Place : Ahmedabad  
 Date : 10/08/2016



FOR AND ON BEHALF OF THE BOARD

J. K. Shuk

Director

Director

Place : Ahmedabad  
 Date : 10/08/2016

**M/S KANUNGO FINANCIERS LTD.**  
Cash Flow Statement for the year ended 31st March,2016

(Amount in Rs)

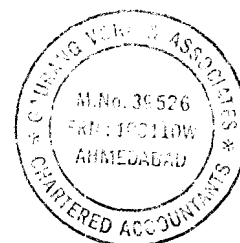
Particulars		As on 31.3.2016	As on 31.3.2015
I.	<b>Net Profit Before Tax and Extraordinary items</b>	403,021.00	-372,315.52
	<b>Adjustments for non-cash and non-operative items</b>		
	Provision for Income Tax	184,240.00	-
		<b>587,261.00</b>	<b>-372,315.52</b>
	Operating Profit/(Loss) Before Working Capital Changes:	<b>587,261.00</b>	<b>-372,315.52</b>
	<b>Adjustments for working capital changes:</b>		
	(Increase)/Decrease in Inventory	500,800.00	351,081.00
	Increase/(Decrease) in Trade payables	250.00	(349,140.00)
	Increase/(Decrease) in Other Current Liabilities	-	(45,737.00)
	(Increase)/Decrease in Trade Receivables	-	119,255.32
	(Increase)/Decrease in Loans And Advances	-45,045,120.00	5,460.00
		<b>-44,544,070.00</b>	<b>80,919.32</b>
	<b>Cash Flow from Operating activities before tax:</b>	<b>(43,956,809.00)</b>	<b>(291,396.20)</b>
	Less: Income Tax Paid	-	-
	<b>Cash Flow from Operating Activities :</b> (A)	<b>(43,956,809.00)</b>	<b>(291,396.20)</b>
II.	<b>Cash Flow from Investing Activities :</b>		
	Allotment of Equity Shares	43,940,000.00	-
	<b>Net Cash Flow from Investing Activities :</b> (B)	<b>43,940,000.00</b>	<b>-</b>
III.	<b>Cash Flow from Financing Activities :</b>		
	Increase/(Decrease) in Loans Taken	500,000.00	(193,000.00)
	<b>Net Cash Flow from Financing Activities :</b> (C)	<b>500,000.00</b>	<b>(193,000.00)</b>
	<b>Net Cash Flow during the year (A+B+C)</b>	<b>483,191.00</b>	<b>(484,396.20)</b>
	Opening Cash and Cash Equivalents	98,287.00	582,683.86
	<b>Closing Cash and Cash Equivalents</b>	<b>581,478.00</b>	<b>98,287.66</b>

**Notes**

1) The above Cash Flow Statement has been prepared under the Indirect Method as set out in AS-3 on Cash Flow Statement.

2) **Cash and Cash Equivalents Comprise:**

	As on 31.03.2016	As on 31.03.2015
Balance with Scheduled Banks In Current Account	457,831.00	5,528.00
Cash in hand (As certified by the management)	123,647.00	92,759.00
	<b>581,478.00</b>	<b>98,287.00</b>



M/S KANUNGO FINANCIERS LTD.

Notes to the Balance Sheet

	(Amount in Rs)	
	As on 31.03.2016	As on 31.03.2015
<b>Note - 2</b>		
<b>Share Capital</b>		
<b>A. Authorised Capital</b>		
52,40,000 (P.Y. 2,40,000) Equity Shares of Rs.10/- each	5,24,00,000.00	2,40,00,000.00
	<b>5,24,00,000.00</b>	<b>2,40,00,000.00</b>
<b>B. issued, Subscribed &amp; Paid up Capital</b>		
46,34,000 (P.Y. 2,40,000) Equity Shares of Rs 10/- each fully paid	46,34,00,000.00	2,40,00,000.00
	<b>46,34,00,000.00</b>	<b>2,40,00,000.00</b>

**C. Statement of Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**

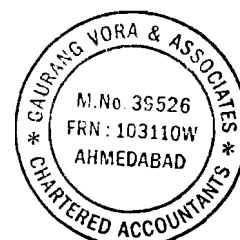
	As on 31.03.2016		As on 31.03.2015	
	No. Of Shares	Amount(Rs)	No. Of Shares	Amount(Rs)
Outstanding at the beginning of the year	240,000	2,40,00,000.00	240,000	2,40,00,000.00
Add: Issued during the year:	4,394,000	43,94,00,000.00	-	-
<b>Total</b>	<b>4,634,000</b>	<b>46,34,00,000.00</b>	<b>240,000</b>	<b>2,40,00,000.00</b>
Less: Bought Back During the year	-	-	-	-
Closing Balance	<b>4,634,000</b>	<b>46,34,00,000.00</b>	<b>240,000</b>	<b>2,40,00,000.00</b>

**D. Rights, preferences and Restrictions attached to Equity Shares**

The Company has only one class of shares referred to as equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any proposed by the board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, if any, in proportion to their shareholding.

**E. List of Share holders holding more than 5% shares in the company**

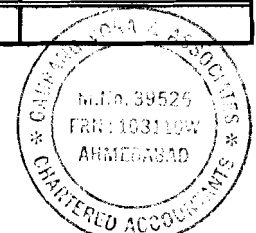
Sl NO	Name Of Shareholder	As on 31.3.2016		As on 31.3.2015	
		No. of Shares Held	Percentage	No. of Shares Held	Percentage
1	Parshotambhai N Gevariya	300,000	6.47	0	0
2	Manish Vasant Thakar HUI	250,000	5.39	0	0
3	Ankit N Patel	250,000	5.39	0	0
4	Manishkumar P Jivani	300,000	6.47	0	0
5	Savita Rani Mangala	47,100	1.02	47,100	19.63



M/S KANUNGO FINANCIERS LTD.

Notes to Balance Sheet

	(Amount in Rs)	
	As on 31.03.2016	As on 31.03.2015
<b>Note - 3</b>		
<b>Reserves &amp; Surplus</b>		
<b>Surplus in Statement of Profit &amp; Loss</b>		
As per last Balance Sheet	(1,817,647.34)	(1,445,331.82)
Add: Profit during the year	403,021.00	(372,315.52)
Closing Balance	<b>(1,414,626.34)</b>	<b>(1,817,647.34)</b>
<b>Note - 4</b>		
<b>Current Liabilities</b>		
<b>Shortterm Borrowings</b>		
<b>Unsecured Loans</b>		
Intercorporate loans	500,000.00	-
	<b>500,000.00</b>	-
<b>Note - 5</b>		
<b>Trade Payables</b>		
Micro and Small Enterprises	-	-
Goods and Services	28,750.00	28,500.00
	<b>28,750.00</b>	<b>28,500.00</b>
<b>Note - 6</b>		
<b>Short Term Provisions</b>		
Provision for Taxation	184,240.00	-
	<b>184,240.00</b>	-
<b>Note - 7</b>		
<b>Long-term loans and advances</b>		
<b>Unsecured, considered good</b>		
Security Deposit	2,780.00	2,780.00
	<b>2,780.00</b>	<b>2,780.00</b>
<b>Note - 8</b>		
<b>Inventories</b>		
Stock of Shares	-	500,800.00
	-	<b>500,800.00</b>
<b>Note - 9</b>		
<b>Trade receivables</b>		
Unsecured, considered good		
For a period exceeding six months	-	-
Other Debts	-	-
	-	-
<b>Note - 10</b>		
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	123,647.00	92,759.18
Balance with Bank Accounts		
In Current A/c	457,831.00	5,528.48
	<b>581,478.00</b>	<b>98,287.66</b>
<b>Note - 11</b>		
<b>Loans &amp; Advances</b>		
Unsecured, considered good, except otherwise stated)		
Advances recoverable in cash or kind or for value to be received	44,868,926.00	-
Tax Deducted at Source	185,179.00	-
Advance income tax (Net of provision of taxes)	-	8,985.00
	<b>45,054,105.00</b>	<b>8,985.00</b>



**M/S KANUNGO FINANCIERS LTD.**

**Note : 21**

**Related Party Disclosure**

A. List of related parties where control exists-None

B. Name of the related parties with whom the transactions were carried out during the year.

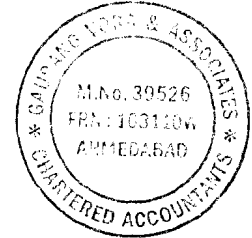
<u>Name of the Related Party</u>	<u>Relationship</u>
Krishan Kumar Mangla resign on 01/03/2016	Key Managerial Personnel

C. Transaction during the year with related parties

<u>Nature of Transaction</u>	<u>Enterprises Owned or significantly Influenced by KMP or their relatives</u>	<u>KMP</u>	<u>Relative of KMP</u>	<u>Total</u>
<b>Purchases</b>	-	-	-	-
Previous Year	-	-	-	-
<b>Remuneration</b>	-	-	-	-
Previous Year	-	175,000.00	-	175,000.00
<b>Loans Taken</b>	-	-	-	-
Previous Year	-	-	-	-
<b>Loans Repaid</b>	-	-	-	-
Previous Year	-	-	-	-

D. Year end balances with related parties:

<u>Name</u>	<u>Balance as at 31st March, 2015</u>	<u>Nature</u>		
	Nil			



**KANUNGO FINANCIERS LIMITED**

**BALANCESHEET GROUPING AS AT 31ST MARCH, 2016**

**Amount (In Rs.)**

**Unsecured Loans**

**Others**

Purple Entertainment Limited	300000
Mukesh Prabhudas Pathak HUF	200000
<b>Total</b>	<b>500000</b>

**Loans & Advances**

Anr Finance Limited	12500000
Arfin India Pvt LTd	5000000
Ganesh Enterprise	1500000
Hansaben R. Shah	2500000
Hareshkumar P. Patel	1000000
Prolife Industries Ltd	10890630
Shailesh Sarania	100000
Synergy Money Control Pvt Ltd	1566576
Taru Pallav Projects Pvt Ltd	2500000
Vidisha Tradlink Pvt Ltd	2500000
Vikramsinh L. Sisodiya	1000000
Vinayak Road Carriers	3811720

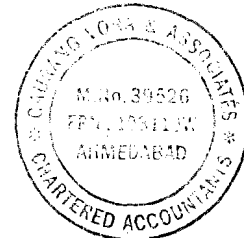
**Total** **44868926**

**Trade Payables**

**Others**

Unpaid Audit fees	17250
Jigar Gandhi	11500

**Total** **28750**



# KANUNGO FINANCIERS LIMITED

REGISTERED OFFICE: - B-7, B wing, 5th Floor Ajanta Commercial Center, Income Tax,  
Ahmedabad - 380009  
ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

Full Name of the member attending.....

Full Name of the first Joint-holder.....

(To be filled in if first named joint-holder does not attend the meeting)

Name of Proxy.....

(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the Annual General Meeting of the Company held on Friday, the 30<sup>th</sup> day of September, 2016 at 11:00 A.M. at - B-7, B wing, 5th Floor Ajanta Commercial Center, Income Tax, Ahmedabad – 380009

Ledger Folio No.....

No. of Share held.....

.....  
Member's/Proxy's Signature  
(To be signed at the time of handling over the slip)

---

# KANUNGO FINANCIERS LIMITED

REGISTERED OFFICE: - B-7, B wing, 5th Floor Ajanta Commercial Center, Income Tax,  
Ahmedabad - 380009

## PROXY

I/We.....of.....  
..... in the district  
of..... being a Member / Members of  
**KANUNGO FINANCIERS LIMITED** hereby appoint  
..... of  
..... in the district of ..... or  
..... failing him,.....  
..... of .....  
..... in the district of ..... as my /

our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company held on Friday, the 30<sup>th</sup> day of September, 2016 at 11:00 A.M. at 1- B-7, B wing, 5th Floor Ajanta Commercial Center, Income Tax, Ahmedabad - 380009 and at any adjournment thereof.

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

Ledger Folio No.....

No. of Shares held.....

(Signature of Member)

**Note :** Proxy must be deposited at the Registered Office of the Company not less than 48 Hours before the commencement of the meeting.

## PROXY FORM

Name of the member (s):	E-mail Id:
	No. of shares held
Registered address:	Folio No.
	DP ID*.
	Client ID*.

\* Applicable for investors holding shares in electronic form.

I/We being the member(s) of the above named Company hereby appoint:

S.No.	Name	Address	Email address	
1				or failing him
2				or failing him
3				

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 30<sup>th</sup> day of September, 2016 at 11:00 A.M. at - B-7, B wing, 5th Floor Ajanta Commercial Center, Income Tax, Ahmedabad - 380009. and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

S.No.	Resolution	For	Against
1	Adoption of the Audited Profit and Loss Account And Balance sheet for the year ended 31st March, 2016		
2	To appoint Mr. Sandeep Dave, Who retire by rotation and being eligible offers himself for reappointment.		



3	To appoint Mr. Pintu Patel, Who retire by rotation and being eligible offers himself for reappointment.		
4	Appointment of M/s. Gaurang Vora & Associates, Chartered Accountants, as Auditor of the Company.		

\*\* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

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

Signature of shareholder.....

Signature of Proxy holder(s) (1).....

Signature of Proxy holder(s) (2).....

Signature of Proxy holder(s) (3).....

<p>Affix Revenue Stamp not less than Re.0.15</p>
--

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
6. Please complete all details including details of member(s) in above box before submission.

## ANNEXURE I

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)**

<b>KANUNGO FINANCIERS LIMITED</b>				
<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016</b>				
<i>[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</i>				
<b>I.</b>	<b>SL No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1.	Turnover / Total income	3112780.00	3112780.00
	2.	Total Expenditure	2516534.00	2516534.00
	3.	Net Profit/(Loss)	403021.00	403021.00
	4.	Earnings Per Share	0.11	0.11
	5.	Total Assets	45638363.66	45638363.66
	6.	Total Liabilities	712990.00	712990.00
	7.	Net Worth	44925373..66	44925373..66
	8.	Any other financial item(s) (as felt appropriate by the management)		

<b>II.</b>	<p><b><u>Audit Qualification (each audit qualification separately):</u></b></p> <ul style="list-style-type: none"><li>a. <b>Details of Audit Qualification: N.A.</b></li><li>b. <b>Type of Audit Qualification : N.A.</b></li><li>c. <b>Frequency of qualification: N.A.</b></li><li>d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A.</b></li><li>e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor: N.A.</b><ul style="list-style-type: none"><li>(i) <b>Management's estimation on the impact of audit qualification:</b></li><li>(ii) <b>If management is unable to estimate the impact, reasons for the same:</b></li><li>(iii) <b>Auditors' Comments on (i) or (ii) above</b></li></ul></li></ul>
<b>III.</b>	<p><b><u>Signatories:</u></b></p> <ul style="list-style-type: none"><li>• <b>Managing Director:</b> Sd/- Sandeep Dave</li><li>• <b>Statutory Auditor</b> Sd/- Gaurang Vora</li></ul> <p><b>Place: Ahmedabad</b> <b>Date: 05.09.2016</b></p>