

KAMANWALA HOUSING CONSTRUCTION LIMITED

**33rd
ANNUAL REPORT
2016-2017**



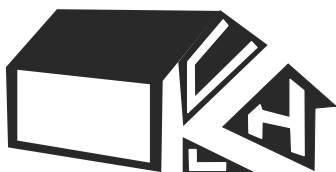
KAMANWALA HOUSING CONSTRUCTION LIMITED

CIN: L65990MH1984PLC032655

ADMINISTRATIVE OFFICE : 405/406, New Udyog Mandir-2, Mogul Lane, Mahim (West), Mumbai-400016.

Tel No.: 2447 4983 / 2445 6029 • **Fax:** 2447 4968

Email: kamanwala@gmail.com • **Website:** www.kamanwalahousing.com



KAMANWALA HOUSING CONSTRUCTION LIMITED

CIN: L65990MH1984PLC032655

BOARD OF DIRECTORS

Mr. Satish Chandra Gupta : Chairman & Independent Director (up to 12.06.2017)
 Mr. Murari Lal Gupta : Vice Chairman & Managing Director (up to 20.02.2017)
 Mr. Atul Jain : Managing Director (w.e.f. 01.06.2017)
 Mr. Tarun Jain : Whole Time Director
 Mrs. Pushpa Jain : Whole Time Director
 Mr. Amit Jain : Non-Executive Director
 Mr. Bhanwarlal D. Jogani : Independent Director
 Mr. Mukesh Jain : Independent Director

AUDITORS

M/s. Majithia & Associates,
Chartered Accountants, Mumbai

ADVOCATES

Mrs. S. S. Ayyar, Mumbai

BANKERS

Indian Overseas Bank,
 Oriental Bank of Commerce,
 Corporation Bank, Punjab National Bank

SHARE TRANSFER AGENTS

M/s. Sharex Dynamic (India) Pvt. Ltd,
 Unit no.1, Luthra Industrial Premises,
 Andheri-Kurla Road, Safed Pool,
 Andheri (East), Mumbai – 400072.
 Tel no.: 2851 5606 / 2851 5644
 Fax: 2851 2885,
 Email: sharexindia@vsnl.com

REGISTERED OFFICE

802, C-1, 8th Floor, "A" wing,
 Pinnaacle Corporate Park,
 Opp. BKC Tele. Exchange,
 BKC, Bandra (East),
 Mumbai-400051.

ADMINISTRATIVE OFFICE

405/406, New Udyog Mandir-2,
 Mogul Lane, Mahim (West),
 Mumbai-400016.
 Tel no.: 2447 4983 / 2445 6029
 Fax: 2447 4968
 Email: kamanwala@gmail.com
 Website: www.kamanwalahousing.com

CONTENTS:

Notice.....	2
Directors report.....	10
Corporate Governance Report.....	32
Independent Auditor's Report.....	41
Standalone Financial Statements.....	46
Consolidated Financial Statements.....	76
Proxy form.....	105



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTICE

NOTICE is hereby given that the Thirty third Annual General Meeting of the Members of KAMANWALA HOUSING CONSTRUCTION LIMITED will be held on Friday, the 29th September, 2017, at 11:00 a.m. at Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (West), Mumbai – 400 016, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as on 31st March, 2017 (including audited consolidated Balance sheet) and the Statement of Profit & Loss for the year ended on that date together with Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Tarun Jain (DIN:00053137), who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mrs. Pushpa jain (DIN:00180753), who retires by rotation and being eligible offers herself for reappointment.
4. To appoint Auditors and fix their remuneration and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Majithia & Associates, Chartered Accountants (Registration No. 105871W), be and are hereby appointed as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 38th Annual General Meeting of the Company, subject to ratification by members every year as applicable, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196 and 197 read with Section – II of Part – II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves the appointment of Mr. Atul Jain (DIN:00052966) as a Managing Director of the Company for a period of three years w.e.f. 1st June, 2017 as approved by the Board of Directors at its Meeting held on 29th May, 2017, on the terms and conditions as to the remuneration payable to him as recommended by the Nomination & Remuneration Committee and as set out in the Agreement, to be entered into between the Company and Mr. Atul Jain, a draft of which duly initialed by the Chairman for the purpose of identification, is placed before the Meeting.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby empowered and authorized to vary such terms and conditions of the Agreement including any increase or enhancement in the remuneration not exceeding the limits specified in Schedule V to the Companies Act, 2013 or any amendments thereto, as may be agreed to by the Board of Directors and Mr. Atul Jain and that the aforesaid draft of the Agreement to be entered into between the Company and Mr. Atul Jain be suitably amended to give effect to the same.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to enter into an Agreement on behalf of the Company with Mr. Atul Jain as per the said draft of Agreement.”

For and on behalf of the Board of Directors

ATUL JAIN
(MANAGING DIRECTOR)

Place: Mumbai
Date: 14th August, 2017

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER / MEMBERS OF THE COMPANY.
2. Proxies in order to be effective must be deposited at the Company's Registered Office not less than 48 hours before the time of the Meeting.
3. A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 AND HOLDING IN THE AGGREGATE NOT MORE THAN 10 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. HOWEVER, 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 PROXY FOR ANY OTHER PERSON OR MEMBER.
4. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to items 5 of the Notice is annexed hereto.
5. Details of Directors' appointment / re-appointment pursuant SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed hereto.
6. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2017 to 29th September, 2017 (both days inclusive).
7. The Corporate Members intending to send their duly authorized representative(s) are requested to send a duly certified copy of the Board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
8. Members are hereby requested to notify change in their addresses, make correspondence and send documents of share transfers, etc. either directly to the Company at the Registered Office or to the Office of Share Transfer Agents of the Company, M/s. Sharex Dynamic (India) Pvt. Ltd., at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072.
9. The members who hold shares in electronic form are requested to write their client ID and DP ID

and those who hold shares in physical form, are requested to write their Folio number in the attendance slip for attending the meeting.

10. The shareholders, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the benefits of dematerialization, which includes easy liquidity since the trading is permitted in dematerialized form only, electronic transfer, savings in stamp duty and elimination of possibility of loss of documents and bad deliveries.
11. Pursuant to Section 124 of the Companies Act, 2013 all unclaimed/unpaid dividend over a period of 7 years have to be transferred by the Company to the Investors Education & Protection Fund constituted by the Central Government.

Following are the details of dividend paid by the Company and their respective due dates of transfer to such Fund of the Central Government, which remains unpaid:

Date of Declaration of dividend	Divided for the year	Due date of transfer to the Government
30th September, 2010	2009-2010	6th November, 2017

It may be noted that no claim of the Shareholders will be entertained for the unclaimed dividends which have been transferred to the credit of the Investor Education & Protection Fund of the Central Government under the provisions of Section 124 of the Companies Act, 2013.

In view of the above, the shareholders are advised to send all the unencashed dividend warrants to the Company's Share Transfer Agents for revalidation and encash them before the due date for transfer to the Investor Education & Protection Fund.

12. Electronic copy of the Thirty third Annual Report for 2016-17 is being sent to all the Members, whose e-mail IDs are registered with the Company/depository participants for communication purposes unless any Member has requested for a hard copy of the same. For the Members who have not registered their e-mail address, physical copies of the Annual Report for 2016-17 is being sent in a permitted mode. Rules 18(3)(i) of the Companies (Management & Administration) Rules, 2014 requires a Company to provide advance opportunity at least once in a financial year to the Member to register his e-mail address and any



KAMANWALA HOUSING CONSTRUCTION LIMITED

change therein. In compliance with the same, we request the Members who do not have their e-mail ID registered with the Company, to get the same registered with the Company. Members are also requested to intimate to the Company the changes if any, in their e-mail address.

13. Voting through electronic means:

In compliance with the provisions of Regulation 44 of the SEBI (LODR) Regulations, 2015, Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and the Secretarial Standard on General Meetings, the Company is pleased to provide to Members the remote e-voting facility to exercise their right to vote on business to be transacted at the 33rd Annual General Meeting by electronic means through e-voting services provided by Central Depository Services (India) Limited (CDSL). A Member who has voted on a resolution through the e-voting facility will not be entitled to change it subsequently. Further, a Member who has voted through the e-voting facility will not be permitted to vote again at the venue of the Annual General Meeting of the Company.

The instructions for Members for voting electronically are as under:-

- (i) The voting period begins on 26th September, 2017 (9:00 a.m.) and ends on 28th September, 2017 (5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22nd September, 2017 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.
- (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 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:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both 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).

- (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 <Company Name> 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 a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Windows and Apple smart phones. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) **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 and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details 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 linked in the login should be emailed to 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.

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

Mr. Upendra C Shukla, Practicing Company Secretary has been appointed as Scrutinizer for conducting e-voting process & voting through ballot paper at AGM in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding 3 (three) working days from conclusion of the e-voting period unblock the votes in the presence of at least 2 (two) witnesses not in the employment of the Company and make Scrutinizer’s Report of the votes cast in favor or against, if any forthwith to the Chairman.

The results shall be declared as per the proceedings of the Annual General Meeting of the Company. The results declared along with Scrutinizer’s Report shall be placed on the Company’s website www.kamanwalahousing.com and on website of CDSL within 2 (two) days of passing of the Resolutions at the Annual General Meeting of the Company and communicated to the BSE Limited.

By Order of the Board of Directors

ATUL JAIN
(MANAGING DIRECTOR)

Place: Mumbai

Date: 14th August, 2017



KAMANWALA HOUSING CONSTRUCTION LIMITED

ANNEXURE TO THE NOTICE:

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 5:

Mr. Murari Lal Gupta, Ex-Vice Chairman and Managing Director of the Company expired on 20th February, 2017. The Board of Directors felt the need to have one of the senior most person to take the Charge as a Managing Director of the Company.

Hence, the Board of Directors at its Meeting held on 29th May, 2017 considered and approved subject to the approval of Members at the forthcoming Thirty third Annual General Meeting, the appointment of Mr. Atul Jain as a Managing Director of the Company for a term of three years with effect from 1st June, 2017. His appointment is in accordance with the provisions of Schedule V to the Companies Act, 2013. The main terms and conditions of his appointment as specified in the draft agreement as to the remuneration payable to him are as follows:

A. Salary & Perquisites :

Particulars	Atul Jain (Managing Director)
(i) Salary	Rs. 1,00,000/- p.m.
(ii) Commission	1% of the Net Profit of the Company.
(iii) Perquisites:	
(a) Free Unfurnished Residential Accommodation.	House Rent not to exceed 12.5% of the monthly salary per month.
(b) Medical Benefit for Self and family.	One month's salary per annum.
(c) Leave Travel Allowance.	One month's salary per annum
(d) Electricity.	Payment of actual Bills

The above salary (A)(i) shall be increased by Rs.10,000/- on expiry of every year of his respective term of office.

B. Payment of the following perquisites will not be included in the computation of the ceiling on remuneration:

(i) Provident Fund / Superannuation Fund.

Company's Contribution to Provident Fund or Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

(ii) Gratuity:

One-half month's salary for each completed year of service.

(iii) Leave & Leave Encashment:

Privilege Leave of 15 days encashable every year in the month of March during the tenure of his service.

C. Minimum Remuneration:

The above remuneration of A(i) and A(iii) (i.e., Salary & Perquisites) will be paid as Minimum Remuneration in case of loss or inadequacy of profits for any financial year during the term of their appointments.

D. The Managing Director will also be entitled to:

(i) A provision of car with driver (or reimbursement of driver's salary) for the use of Company's business.

(ii) Free Telephone facility at residence.

(iii) Reimbursement of all reasonable expenses including entertainment expenses incurred in connection with the business of the Company.

He shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

Mr. Atul Jain and Mrs. Pushpa Jain being the relative, may be deemed to be interested in this resolution to the extent of his appointment and the remuneration Mr. Atul Jain is entitled to receive as Managing Director. None of the other Directors, key managerial personnel or their respective relatives are in any concerned or interested financially or otherwise in the above resolution.

The documents referred to in the notice convening the meeting and explanatory statement are available for inspection by the shareholders during normal business hours of the Company except on Saturdays, Sundays and public holidays.

The information required to be provided to the shareholders in the notice of the 33rd Annual General Meeting in terms of Schedule V of the Act is set-out below:

I. General Information:

1. Nature of Industry:

The Company is engaged in construction and development of residential flats, commercial premises and industrial galas. As on today, the Company earns almost total revenue from construction and development activities.

2. Date or expected date of commencement of commercial production:

The Company is already in the business.

3. In case of new companies, expected date of commencement of activities as per project approved by the financial institutions appearing in the prospectus:

Not Applicable

4. The detailed financial position and performance of the Company for the last five years are as under:-

(Rupees in Lacs)

Particulars	2016-17 (₹)	2015-16 (₹)	2014-15 (₹)	2013-14 (₹)	2012-13 (₹)
(I) EQUITY AND LIABILITIES:					
Equity Share Capital	1409.32	1409.32	1409.32	1409.32	1409.32
Reserves & Surplus	6606.18	6593.10	7670.68	7506.12	7356.94
Non-Current Liabilities	1113.66	1421.15	495.91	1521.11	587.95
Current Liabilities	3678.90	6417.06	8726.53	8440.78	9518.76
TOTAL:	12808.06	15840.63	18302.44	18877.33	18872.97
(II) ASSETS:					
Fixed Assets (Net)	102.61	145.66	203.30	236.36	244.40
Other Non-Current Assets	4965.28	4811.52	3703.51	2752.13	2003.03
Current Assets	7737.87	10877.36	14383.73	15879.53	16615.27
OTHER CURRENT ASSETS	2.29	6.09	11.90	9.31	10.27
TOTAL :	12808.06	15840.63	18302.44	18877.33	18872.97
Total Income	4261.20	8900.84	3568.57	2684.39	8689.35
Interest & Financial Charges	130.14	661.54	807.92	1012.17	817.31
Depreciation	28.04	28.69	30.02	21.91	20.67
Tax Expense	(2.43)	(1.20)	49.49	36.04	85.00
Net Profit	13.08	(1077.58)	167.93	149.17	264.83

5. Foreign Investments or collaboration, if any as on 31.03.2017:

Company does not have any foreign investment or collaboration.

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details :

- 1) Mr. Atul Jain aged 60 years is a Bachelor of Arts. He joined the Company on 1st August, 1985 as a Promoter Director and was appointed as a

Whole-time Director of the Company w.e.f. 1st November, 1985. Looking at his long association with the Company in managing finance and executing projects in efficient manner, the Board of Directors thought it fit to appoint him as a Managing Director of the Company for a term of three years. His total remuneration package as indicated in the proposed resolution of his appointment is quite reasonable compared to still higher remuneration packages prevailing in the industry for comparable senior position.



KAMANWALA HOUSING CONSTRUCTION LIMITED

(Rs. in lacs)

2. Past remuneration	2015	2016	2017
Salary	16.50	16.50	11.25
Commission	Nil	Nil	Nil
Perquisites	8.39	6.51	Nil
Contribution to Provident Fund	1.98	1.98	0.99

3. Recognition of awards :

Not Applicable

4. Job Profile and his suitability :

Subject to supervision and guidance of the Board of Directors, the Managing Director shall have the general control of the business of the Company with power to appoint and dismiss employees, to enter into contracts on behalf of the Company in ordinary course of the business and to do and perform all acts, deeds and things which in the ordinary course of the business, he may consider necessary or proper in the interest of the Company.

Considering the above and having regard to his age, qualifications, ability and experience and looking to the business requirement, the proposed remuneration is in the interest of the Company.

5. Remuneration proposed :

As indicated above.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person :

Compared to the remuneration with respect to the industry, size of the company, etc. the remuneration proposed to be paid to Mr. Atul Jain is lower than the industry standard.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any :

Mr. Atul Jain has no pecuniary relationship with the Company or with key managerial personnel except to the extent of remuneration being paid to him as Managing Director of the Company.

III. OTHER INFORMATION :

1. Reasons for loss or inadequate of profit:

The Company is engaged in the building construction activity. Due to volatile market conditions, rising interest and input costs, unfavorable government policies, cut throat competition from the unorganized real estate sector,

profit margin remained subdued.

2. Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:

Efforts are being made to increase revenue by undertaking premium housing/commercial projects which could provide better profit margin.

IV. DISCLOSURES :

1. All elements of remuneration Package such as salary, benefits, Bonuses, stock options, pension, etc. of all the directors :

Mentioned in the Directors Report.

2. Details of fixed component and performance linked incentives along with the performance criteria :

Mentioned in the Directors Report.

3. Service contracts, notice period and severance fees :

Service contract is for a period of three years from 1st June, 2017 to 31st May, 2020. There is no notice period and no severance pay is payable on termination of appointment.

4. Stock option details, if any, and whether the same is issued at a discount as well as the period over which accrued and over which exercisable :

NIL.

For and on behalf of the Board of Directors

ATUL JAIN
(MANAGING DIRECTOR)

Place: Mumbai

Date: 14th August, 2017