

K.M. INDUSTRIAL
INVESTMENTS LIMITED

Annual Report – 2016-17

36TH ANNUAL GENERAL MEETING

Registered Office:
19/C, Sarat Bose Road,
Kolkata- 700 020

CONTENTS:

<u>Particulars</u>	<u>Page No.</u>
❖ Notice	1
❖ Attendance Slip	8
❖ Proxy Form	9
❖ Director's Report	10
❖ Extract of Annual Return	16
❖ Secretarial Audit Report	22
❖ Management Discussion and Analysis	24
❖ MD & CFO Certification	25
❖ Certificate on Compliance	26
❖ Report on Corporate Governance	27
❖ Independent Auditors Report	37
❖ Balance Sheet	43
❖ Statement of Profit & Loss	44
❖ Cash Flow Statement	45
❖ Notes to Financial Statements	46

K M INDUSTRIAL INVESTMENTS LIMITED

Regd. Office: 19/C, Sarat Bose Road

Kolkata- 700 020

Ph: 033-40035242

Email id: info@kmiil.com, Website: www.kmiil.com

CIN: L67120WB1981PLC033287

Notice is hereby given that the 36th Annual General Meeting of the members of **K M INDUSTRIAL INVESTMENTS LIMITED** will be held at registered office of the Company at 19/C, Sarat Bose Road, Kolkata-700 020 on Monday, September 18, 2017 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2017 and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sunita Bagrodia (DIN: 00425561) who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 139, and all other provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and pursuant to the recommendation of audit committee of the Board, the Company hereby ratifies the appointment of M/s Bagrodia K and Co., Chartered Accountants (Firm Registration No: 324606E) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM of the Company to be held in the year 2021, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

By Order of the Board of Directors

Sd/
Sandeep Bagrodia
Managing Director
(DIN: 00425649)

Place: Kolkata
Date: 10th August, 2017

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY SO APPOINTED NEED NOT TO BE MEMBER OF THE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and rules framed there under, a person can act as a proxy on behalf of a member or members not exceeding 50 (Fifty) and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. Also, a member holding more than 10% of the total share capital of the company carrying voting rights, may appoint a single person as a proxy provided that such a person shall not act as a proxy for any other member or person.

1. The Member /Proxies should bring the Attendance Slip Sent herewith duly filled for attending the Meeting.
2. Members holding shares in physical form are requested to inform the following additional information to the Registrar and Transfer Agents viz., **Purva Sharegistry (India) Pvt. Ltd.** at Unit No. 9 Shiv Shakti Ind. Estt., J. R. Boricha marg, Opp. Kasturba Hospital Lane Lower Parel (E) Mumbai 400 011
 - a. Email Id
 - b. PAN No
 - c. Unique Identification No.
 - d. Mother's Name
 - e. Occupation
 - f. In case of a minor (Guardian's Name and date of birth of the Member)
 - g. CIN (In case the member is a body corporate)
3. All the registers and relevant documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays between 11.00 A.M – 1.00 P.M up to the date of Annual General Meeting.
4. The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are

maintaining their demat accounts. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents.

6. Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least 7 (seven) days before the date of the Meeting, so as to enable the Company to keep the information ready.
7. Electronic copy of the notice of the 36th Annual General Meeting (AGM) inter alia including the process and manner for e-voting along with proxy form and attendance slip will be send to the members whose email-id is registered with the Company/ Depository Participant for communication purposes. However, the members who have not registered their email address shall be furnished with physical copy of the same in the permitted mode.
8. Shareholders are requested to affix their signatures at the space provided on the Attendance Slip and DP ID for easy identification of attendance at the meeting.
9. Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP ID for easy identification of attendance at the meeting.
10. Corporate shareholders intending to send their authorized representatives are requested to serve a duly certified copy of the Boards Resolution authorizing their representatives to attend and vote at the AGM.
11. Distribution of Gifts: In conformity with regulatory requirements, the Company will NOT be distributing any gift, gift coupons or cash in lieu of gifts at the AGM or in connection therewith.
12. Shareholders are requested to notify immediately any change in their address to the Company Registrar and Transfer Agents viz., Purva Sharegistry (India) Pvt. Ltd. at Unit No. 9 Shiv Shakti Ind. Estt., J. R. Boricha marg, Opp. Kasturba Hospital Lane Lower Parel (E) Mumbai 400 011 Contact No.: 022 23012518 E-Mail: busicomp@gmail.com
13. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company shall remain closed from September 12, 2017 to September 18, 2017 (both days inclusive).
14. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting. If a member casts votes by both the modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.
15. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 4th August, 2017.

16. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM, remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 15th September, 2017 (9:00 am) and ends on 17th September, 2017 (5:00 pm). During this period members’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 11th September, 2017 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - i. Open e-mail and open PDF file viz. **K M Industrial Investments Limited** Notice with your Client ID or Folio No. as password. The said PDF file contains your user ID and Password for e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing following URL: <https://www.evoting.nsdl.com>
 - iii. Click on “Shareholder Login”.
 - iv. Put User ID and Password as initial password noted in step (i) above and Click Login.
 - v. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note the new password. We strongly recommend that you should not share your new password with any other persons and take utmost care to keep your password confidential.
 - vi. Home page of “e-voting” opens. Click on – Voting – Active Voting Cycles.

- vii. Select "EVEN" (E -Voting Event Number) of **K M Industrial Investments Limited**
 - viii. Now you are ready for e-voting as "Cast Vote" page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xii. Institutional Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer on or before 17th September, 2017 (5.00 p.m) on e-mail id: rinkujain20@gmail.com with a copy marked to e-voting@nsdl.com
- B. For Members holding shares in dematerialized form whose email IDs are not registered with the Company/Depository Participants, Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following instructions may be noted:
- i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (E Voting Event Number) USER ID PASSWORD
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 11th September, 2017.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 11th September, 2017 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password

by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII. Mrs. Rinku Jain (Practicing Chartered Accountant) (Membership No.ACS - 303262) (40, Garan Hatta Street, 1st Floor, Kolkata-700006) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, which shall countersign the same and declare the result of the voting forthwith.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.kmiil.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Calcutta Stock Exchange Limited.

Place: Kolkata

Dated: 10th August, 2017

By Order of the Board of Directors

Sd/-
Sandeep Bagrodia
Managing Director
(DIN: 00425649)

Director Profile (Seeking reappointment)

Name of Director	Mrs. Sunita Bagrodia
Age	48 years
Date of Appointment on the Board	22/08/1997
Expertise in specific field	She is a commerce graduate and possesses experience of over 8 years in the field of Capital Market, Financial Sector and Business Strategy
Chairman/ Member of the committee(s) of the Board of Directors of the Company	<ul style="list-style-type: none"> • Nomination and Remuneration Committee- Member • Audit Committee- Member
Directorships held in other public companies (excluding foreign companies and Section 8 companies)	NIL
Memberships/ Chairmanships of committees of other public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	NIL
Shareholding in the Company	10,450 (0.33%)

K M INDUSTRIAL INVESTMENTS LIMITED

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CIN: L67120WB1981PLC033287

ATTENDANCE SLIP I/We hereby record my/our presence at the 36 th Annual General Meeting of the Company to be held on Monday, 18 th September, 2017 at 11.00 A.M at its registered office at 19C, Sarat Bose Road, Kolkata- 700 020, West Bengal	Folio/DP ID & Client ID No.:
	Name :
	Address :
	Joint holders Name :
	Shares

.....
Name of Proxy (in BLOCK LETTERS)

Signature of Shareholder/Proxy Present

Notes: Members/Proxy holders who wish to attend the Annual General Meeting (AGM) must bring their Admission Slips to the AGM and hand over the same duly signed at the entrance. Duplicate Admission Slips will not be issued at the venue.

ELECTRONIC VOTING PARTICULARS

EVEN (E-voting Event Number)	USER ID	PERMANENT ACCOUNT NUMBER (PAN)
106980		

Please read instructions given in the Notice of the Annual General Meeting carefully before voting electronically.

The e-Voting facility will be available during the following voting period:

Commencement of e-voting: From <Friday, 15.09.2017 at 9.00 AM >

End of e-Voting: Up to <Sunday, 17.09.2017 at 5.00 PM >

K M INDUSTRIAL INVESTMENTS LIMITED

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CIN: L67120WB1981PLC033287

PROXY FORM

MGT-11

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the shareholder:

Registered address:

E-mail ID:

Folio No. / Client ID:

DP ID:

I / we, being the shareholder(s) of shares of the above named company, hereby appoint

Name _____ Address _____

Email Id _____ Signature _____ or failing him

Name _____ Address _____

Email Id _____ Signature _____ or failing him

Name _____ Address _____

Email Id _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Monday, 18th September, 2017 at 11.00 AM at its registered office at 19/C, Sarat Bose Road, Kolkata- 700 020 West Bengal and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Vote Optional	
		For	Against
1.	To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2017 and the report of the Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Sunita Bagrodia (DIN: 00425561), who retires by rotation and being eligible, offers herself for reappointment.		
3.	To ratify the appointment of M/s Bagrodia K and Co., Chartered Accountants as Statutory Auditor of the company.		

Signed thisday of2017

Member's Folio /DP ID & Client ID No.....

Signature of Shareholder(s).....

Signature of Proxy holder (s)

Affix

Revenue

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

K M INDUSTRIAL INVESTMENTS LIMITED

19C SARAT BOSE ROAD Kolkata- 700 020

Email Id: - info@kmiil.com

Phone: 033 4003 5242

CIN No.-L67120WB1981PLC033287

DIRECTORS' REPORT

For The Financial Year 2016-17

Dear Members,

Your Directors have pleasure in presenting their 36th Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31st, 2017.

Financial Performance of the Company

(Amount in Rs.)

Particulars	2016-17	2015-16
Total Income	5,443,309	3,074,282
Total Expenses	2,909,232	2,418,826
Profit/ (Loss) before tax	2,534,077	655,456
Less: Tax Expenses	696,348	571,018
Profit /(Loss) for the year	1,837,729	84,438
Basic/ Diluted Earnings Per Share	0.57	0.03

Dividend

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2017.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(5) of the Companies Act, 2013 do not apply on the company as no dividend has been declared during the year.

Public Deposits

Being a non-deposit taking Company, your Company has not accepted any deposits from the public within the meaning of the provisions of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

Reserves

During the year Rs. 367,546/- was transferred from surplus to reserves.

Brief description of the Company's working during the year/State of Company's affair

The Company is registered as a Non-Banking Finance Company with Reserve Bank of India and is mainly engaged in Financing and investments as its principal business. There has been no change in the business of the Company during the financial year ended 31st March, 2017.

Change in the nature of business, if any

The company has not changed its nature of business during the current financial year.

Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

Adequacy of Internal Financial Controls with reference to Financial Statements

The directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

Details of Subsidiary/Joint Ventures/Associate Companies

The Company does not have any Subsidiary, Joint Venture or an Associate Company.

Share Capital

Issue of equity shares with differential rights

The Company has not issued any of its securities with differential rights during the year under review.

Buy Back of Securities

The company has not bought back any of its securities during the year under review.

Sweat Equity, Bonus Shares & Employee Stock Option Plan

The company has neither issued sweat equity or bonus shares nor has provided any stock option scheme to the employees.

Extract of the Annual Return

The extract of Annual Return in form no.MGT-9 as required under Section 92 of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, for the financial year ending March 31, 2017 is annexed herewith and forms part of this report.

Conservation of energy, Technology absorption and Foreign exchange earnings and Outgo

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. The company does not have any Foreign Exchange transactions during the financial year.

Corporate Social Responsibility (CSR)

As the company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crore or more during any financial year, the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable

Statutory Auditors

M/s **Bagrodia K & Co.** Chartered Accountants, have been re-appointed as Statutory Auditors of the company till the conclusion of the Annual General Meeting of the company to be held in the year 2021 (subject to ratification of their re- appointment at every AGM) and the Directors of the Company shall fix the remuneration from time to time in consultation with the Audit Committee

Auditors' Report

The observations made by the Auditors are self-explanatory and do not require any further clarification. Further, the explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the auditor in his report shall be given.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, Meenakshi Agarwal was appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31st March, 2017. There is no qualification, reservation or adverse remark or disclaimer made by the company secretary in the secretarial audit report.

Internal Audit Report

M/s D. Sikaria & Co, Chartered Accountants, has submitted a report for the financial year 2016-17 based on the internal audit conducted during the year under review.

Directors:

A. Changes in Directors and Key Managerial Personnel

Pursuant to the Resolution of the Board of Directors passed at its meeting,

- Ms. Uttara Sharma, was appointed as company Secretary w.e.f 23rd March, 2017.

B.Declaration by an Independent Director(s) and re- appointment

Mr. N S Rajasekharan Nair and Mr. Avijit Banerjee, Independent Directors of the Company have confirmed that they fulfilled all the conditions of the Independent Directorship as laid down in sub-section (6) of Section 149 of the Companies Act, 2013 and the rules made there under and the same have been noted by the Board.

C. Formal Annual Evaluation

In compliance with the Schedule IV of the Companies Act 2013, a meeting of the Independent Directors of the company was held to review and evaluate the performance of the Non- Independent Directors taking into account the views of the Executive Directors and Non-Executive Directors, assessing the quality, quantity and timeliness of flow of information between the company management and the Board and also to review the overall performance of the Board.

Number of meetings of the Board of Directors

During the financial year ended 31st March, 2017, 6 (Six) Meetings of the Board of Directors of the Company was held on the following dates:

- 28/05/2016
- 22/07/2016
- 11/08/2016
- 14/11/2016
- 07/02/2017
- 23/03/2017

The maximum time gap between two board meetings did not exceeded 120 days.

Audit Committee

Composition of the Audit committee is in accordance with the requirements of section 177 of the Companies Act 2013 which is stated below

Name of the Director	Status whether Independent/ Non Independent
N S Rajasekharan Nair	Chairman & Independent Director
Sunita Bagrodia	Executive & Non Independent Director
Avijit Banerjee	Independent Director

Nomination and Remuneration Committee

Composition of the Nomination & Remuneration Committee is in accordance with the requirements of section 178(1) of the Companies Act 2013. The composition is as under:

Name of the Director	Status whether Independent/ Non Independent
N S Rajasekharan Nair	Chairman & Independent Director
Sunita Bagrodia	Executive & Non Independent Director
Avijit Banerjee	Independent Director

Stakeholder's Relationship Committee

Composition of the Stakeholder's Relationship Committee is in accordance with the requirements of the provisions of the Companies Act, 2013. The Composition is as under:-

Name of the Director	Status whether Independent/ Non Independent
N S Rajasekharan Nair	Chairman & Independent Director
Sandeep Bagrodia	Executive & Non Independent Director
Avijit Banerjee	Independent Director

Order of Court

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Details of establishment of vigil mechanism for directors and employees

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics.

Managerial Remuneration

During the year Rs. 10,20,000 was paid as managerial remuneration to Mr. Sandeep Bagrodia, Managing Director of the Company.

Sexual Harassment of Women at Work Place

The Company has in place a policy in line with the requirements of The Sexual Harassment of Women at 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. There were nil complaints received during the year under review.

Familiarisation Programme for Independent Directors

In terms of Reg. 25(7) of the SEBI (LODR) Regulations, 2015, your Company is required to conduct the Familiarisation Programme for Independent Directors (IDs) to familiarise them about their roles, rights, responsibilities in your Company, nature of the industry in which your Company operates, business model of your Company, etc., through various initiatives.

Particulars of Loans, Guarantees or Investments

The provisions of section 186 in respect to Loans, Guarantees or Investments of the Companies Act, 2013 have been complied with.

Particulars of Contracts or Arrangements with Related Parties

Your company has no material individual transactions with its related parties which are covered under section 188 of the Companies Act, 2013, which are not in the ordinary course of business and not undertaken on an arm's length basis during the financial year 2016-17 except as disclosed in the notes forming part of the financials.

Risk management policy

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

Corporate Governance Certificate

The Corporate Governance certificate from the auditor regarding compliance of conditions of corporate governance as stipulated by SEBI (LODR) Regulations, 2015 has been annexed with the report.

Corporate Governance Report and Management Discussion & Analysis Reports

The Corporate Governance Report and Management Discussion & Analysis Report has been annexed with the report.

Operational Review

The Company discloses standalone unaudited financial results on a quarterly basis, audited financial results on an annual basis. Your Company has complied with all the norms prescribed by the Reserve Bank of India (RBI) including the Fair practices, Anti Money Laundering and Know Your Customer (KYC) guidelines.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm 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 have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors have 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 have prepared the annual accounts on a going concern basis;
- e. the directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively, and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NBFC Company

The Company is engaged in the Business of Non Banking Financial Institution and it has obtained a certificate of Registration from the Reserve Bank of India. The Company has not accepted any deposit from the public. The Company has complied with the prudential norms relating to the Income Recognition, Accounting Standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions -2007.

Acknowledgements

Your Directors would like to express their appreciation of the co-operation and assistance received from the shareholders, bankers and other business constituents during the year under review

For and on behalf of the Board of Directors

**Sd/-
Sandeep Bagrodia
Managing Director
DIN: 00425649**

**Sd/-
N S Rajasekharan Nair
Director
DIN: 00476691**

**Place: Kolkata
Date: 18/05/2017**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	L67120WB1981PLC033287
2	Registration Date	16/01/1981
3	Name of the Company	K. M. Industrial Investments Limited
4	Category/ Sub-category of the Company	Company Limited by shares/ Indian Non Government Company
5	Address of the Registered office & contact details	19C, SARAT BOSE ROAD, KOLKATA-700020 Kolkata- 700020 Tel. No: 033- 4003 5242
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Purva Sharegistry (India) Private Limited Unit No. 9, Shiv Shakti Ind. Estate, J.R. Boricha Marg Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai- 400011 Tel: 022-2301 6761/8261, Fax: 022-2301 2517 Email ID: busicomp@vsnl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
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(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other financial service activities	649	69.36%
2	Rent Income	681	19.62%
3	HIRE CHARGES FROM FURNITURE	77291	11.02%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
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SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
N.A					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	126,700	126,700	3.96%	-	126,700	126,700	3.96%	0.00%
b) Central Govt	-	-	-	-	-	-	-	-	0.00%
c) State Govt(s)	-	-	-	-	-	-	-	-	0.00%
d) Bodies Corp.	-	8,500	8,500	0.27%	-	8,500	8,500	0.27%	0.00%
e) Banks / FI	-	-	-	-	-	-	-	-	0.00%
f) Any other	-	-	-	-	-	-	-	-	0.00%
Sub Total (A) (1)	-	135,200	135,200	4.23%	-	135,200	135,200	4.23%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	0.00%
b) Other Individuals	-	-	-	-	-	-	-	-	0.00%
c) Bodies Corp.	-	-	-	-	-	-	-	-	0.00%
d) Any other	-	-	-	-	-	-	-	-	0.00%
Sub Total (A) (2)	-	-	-	-	-	-	-	-	0.00%
TOTAL (A)	-	135,200	135,200	4.23%	-	135,200	135,200	4.23%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	0.00%
b) Banks / FI	-	-	-	-	-	-	-	-	0.00%
c) Central Govt	-	-	-	-	-	-	-	-	0.00%
d) State Govt(s)	-	-	-	-	-	-	-	-	0.00%
e) Venture Capital Funds	-	-	-	-	-	-	-	-	0.00%
f) Insurance	-	-	-	-	-	-	-	-	0.00%
g) FIs	-	-	-	-	-	-	-	-	0.00%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0.00%
i) Others (specify)	-	-	-	-	-	-	-	-	0.00%
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3,000,000	-	3,000,000	93.75%	3,000,000	-	3,000,000	93.75%	
ii) Overseas	-	-	-	-	-	-	-	-	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	41,700	41,700	1.30%	-	41,700	41,700	1.30%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	23,100	23,100	0.72%	-	23,100	23,100	0.72%	0.00%
c) Others (specify)	-	-	-	-	-	-	-	-	0.00%
Non Resident	-	-	-	-	-	-	-	-	0.00%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	0.00%
Foreign Nationals	-	-	-	-	-	-	-	-	0.00%
Clearing Members	-	-	-	-	-	-	-	-	0.00%
Trusts	-	-	-	-	-	-	-	-	0.00%
Hindu Undivided Family	-	-	-	-	-	-	-	-	0.00%
Sub-total (B)(2):-	3,000,000	64,800	3,064,800	95.78%	3,000,000	64,800	3,064,800	95.78%	0.00%
Total Public (B)	3,000,000	64,800	3,064,800	95.78%	3,000,000	64,800	3,064,800	95.78%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3,000,000	200,000	3,200,000	100.00%	3,000,000	200,000	3,200,000	100.00%	0.00%

(ii) Shareholding of Promoters

SI No.	ShareHolder's Name	ShareHolding at the beginning of the 31/03/2016			Shareholding at the end of the year 31/03/2017			% 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	SHREE SANDIP BAGRODIA	29450	0.92%	-	29450	0.92%	-	0.00%
2	SHREE SANT KUMAR BAGRODIA	23150	0.72%	-	23150	0.72%	-	0.00%
3	SAWAL RAM BAGRODIA (HUF)	20000	0.63%	-	20000	0.63%	-	0.00%
4	SHREE SANDEEP BAGRODIA	16300	0.51%	-	16300	0.51%	-	0.00%
5	SHREE SANDEEP BAGRODIA	12000	0.38%	-	12000	0.38%	-	0.00%
6	SHREE SANT KUMAR BAGRODIA	10700	0.33%	-	10700	0.33%	-	0.00%
7	MRS. SUNITA BAGRODIA	10450	0.33%	-	10450	0.33%	-	0.00%
8	SANDEEP(INDIA) LTD	8500	0.27%	-	8500	0.27%	-	0.00%
9	MRS. SEEMA BAGRODIA	4500	0.14%	-	4500	0.14%	-	0.00%
10	SAWAL RAM BAGRODIA	50	0.00%	-	50	0.00%	-	0.00%
11	SANT KUMAR BAGRODIA	50	0.00%	-	50	0.00%	-	0.00%
12	MRS. SAVITRI BAGRODIA	50	0.00%	-	50	0.00%	-	0.00%

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% change in share holding during the year
1	SHREE SANDIP BAGRODIA	29450	0.92		
	31/03/2017			29450	0.92
2	SHREE SANT KUMAR BAGRODIA	23150	0.72		
	31/03/2017			23150	0.72
3	SAWAL RAM BAGRODIA (HUF)	20000	0.62		
	31/03/2017			20000	0.62
4	SHREE SANDEEP BAGRODIA	16300	0.51		
	31/03/2017			16300	0.51
5	SHREE SANDEEP BAGRODIA	12000	0.38		
	31/03/2017			12000	0.38
6	SHREE SANT KUMAR BAGRODIA	10700	0.33		
	31/03/2017			10700	0.33
7	MRS. SUNITA BAGRODIA	10450	0.33		
	31/03/2017			10450	0.33
8	SANDEEP(INDIA) LTD	8500	0.27		
	31/03/2017			8500	0.27
9	MRS. SEEMA BAGRODIA	4500	0.14		
	31/03/2017			4500	0.14
10	SAWAL RAM BAGRODIA	50	0		
	31/03/2017			50	0
11	SANT KUMAR BAGRODIA	50	0		
	31/03/2017			50	0
12	MRS. SAVITRI BAGRODIA	50	0		
	31/03/2017			50	0

(iv). Shareholding Pattern of top ten Shareholders:

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Durgapur Construction Pvt. Ltd.						
	At the beginning of the year	01/04/2016		300,000	9.38%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				300,000	9.38%
2	Grant Suppliers (P) Ltd						
	At the beginning of the year	01/04/2016		300,000	9.38%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				300,000	9.38%
3	Mateswari Sales Pvt Ltd						
	At the beginning of the year	01/04/2016		300,000	9.38%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				300,000	9.38%
4	Devesh Commosale Pvt Ltd						
	At the beginning of the year	01/04/2016		250,000	7.81%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				250,000	7.81%
5	Wonderland Paper Suppliers Pvt. Ltd						
	At the beginning of the year	01/04/2016		200,000	6.25%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				200,000	6.25%
6	Anand Potato Cold Storage Pvt Ltd						
	At the beginning of the year	01/04/2016		150,000	4.69%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				150,000	4.69%
7	Bhagwat Marcom (P) Ltd						
	At the beginning of the year	01/04/2016		150,000	4.69%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				150,000	4.69%
8	Groundzero Vincom (P) Ltd.						
	At the beginning of the year	01/04/2016		150,000	4.69%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				150,000	4.69%
9	Kamalraj Housing (P) Ltd						
	At the beginning of the year	01/04/2016		150,000	4.69%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				150,000	4.69%
10	Moonlight Vinimay Pvt Ltd						
	At the beginning of the year	01/04/2016		150,000	4.69%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				150,000	4.69%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Sunita Bagrodia						
	At the beginning of the year	01/04/2016		10,450	0.33%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				10,450	0.33%
2	Sandeep Bagrodia						
	At the beginning of the year	01/04/2016		57,750	1.80%		
	Changes during the year			No change during the year			
	At the end of the year	31/03/2017				57,750	1.80%

V. INDEBTEDNESS

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

(Amt. Rs./Lacs)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in Rs)
	Name	Sandeep Bagrodia	
	Designation	Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,020,000	1,020,000
	(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		-
	Total (A)	1,020,000	1,020,000

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount (Rs)
1	Independent Directors	There was no remuneration paid to the other Directors i.e Independent Directors and other Non-Executive Directors of the Company.	
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs)
		Name	Rajib Chakraborty	Uttara Sharma	
	Designation	CEO	CFO	CS	
1	Gross salary	-	18,000	4,645	22,645.00
	(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,	-	-	-	-
	(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	-	-	-	-
	Total	-	18,000	4,645	22,645

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
There was no penalty, punishment and compounding of offences with respect to the company, its Directors and other officers.					

Date: 18th May, 2017

Place: Kolkata

For and on behalf of Board of Directors

Sd/-
Sandeep Bagrodia
Managing Director
DIN 00425649

Sd/-
N S Rajasekharan Nair
Director
DIN 00476691

Form No. MR-3
Secretarial Audit Report
(For The Financial Year Ended 31st March, 2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
K.M. Industrial Investments Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by K. M. INDUSTRIAL INVESTMENTS LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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 ended on 31st March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Company for the period ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The Reserve Bank of India Act, 1934 and the rules, regulations and guidelines, the company being a Non- Banking Financial Company (NBFC).

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

I further report that

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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.

Place: Kolkata
Date: 18.05.2017

Sd/-
Meenakshi Agarwal
CP NO: 8292

MANAGEMENT DISCUSSION AND ANALYSIS

Business Environment

Industry Overview, Risks and Concerns

K M Industrial Investments Limited is mainly engaged in Trading / Dealing in Shares as its principal business. **K M Industrial Investments Limited** is a Non Banking Financial Company, and adheres to all RBI Regulations & Rules.

The Company Invests in equities through the secondary markets and provides Loans & Advances to Corporate, Individuals etc.

Performance review

The management is pleased to report that company's business plan is progressing as per the management's satisfaction. Details shall be made at the appropriate time.

Cautionary Note

Certain statements in "Management Discussions and Analysis" section may be forward looking and are stated as required by law and regulations. Many factors, both external and internal, may affect the actual results which could be different from what the Directors envisage in terms of performance and outlook.

For and on behalf of the Board of Directors

Sd/-
Sandeep Bagrodia
Managing Director
DIN: 00425649

Sd/-
N S Rajasekharan Nair
Director
DIN: 00476691

Place: Kolkata
Date:18/05/2017

MD & CFO CERTIFICATION

The Board of Directors
K M Industrial Investments Limited,
19C, SARAT BOSE ROAD,
KOLKATA-700020

May 18, 2017

We, Sandeep Bagrodia, Managing Director (MD) and Rajib Chakraborty, Chief Financial Officer (CFO) of **K M Industrial Investments Limited** both certify to the Board that we have reviewed the financial statements and the cash flow statement of the Company for the Financial Year ended on 31st March, 2017 and to the best of our knowledge and belief, we certify that –

- a. 1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2017, which is fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d. We hereby indicated to the auditors and the Audit committee,
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sd/-
Sandeep Bagrodia
Managing Director (MD)

Sd/-
Rajib Chakraborty
Chief Financial Officer (CFO)

CERTIFICATE ON COMPLIANCE

To,
The Members of
K M Industrial Investments Limited

We have examined the compliance of conditions of Corporate Governance by **K M INDUSTRIAL INVESTMENTS LIMITED** (‘the Company’), for the year ended 31 March, 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) as referred to in Regulation 15(2) of the Listing Regulations for the period 1st April, 2016 to 31st March, 2017.

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

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

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

For Bagrodia K & Co.
Chartered Accountants
Firm Registration no- 324606E

Sd/-

Ca Kamal Bagrodia
Partner
Membership no -058385

Place of signature: Kolkata

Date: 18/05/2017

REPORT ON CORPORATE GOVERNANCE

OUR POLICY ON GOVERNANCE

The Company's philosophy of Corporate Governance is adopting highest standards of professionalism, honesty; integrity and ethical behavior to achieve business excellence and enhancing and maximizing shareholders value and protect the interest of stakeholders. The governance structure involves distribution of rights and responsibilities among different participants in the corporation (such as the board of directors, managers, shareholders, creditors, auditors, regulators, and other stakeholders).

BOARD OF DIRECTORS

The Board of Directors consists of professionals drawn from diverse fields, resulting in a wide range of skills and experience brought to the Board. The company has complied with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17(1) of Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 with respect to the composition of the Board i.e. combination of executive and non-executive directors with not less than fifty percent of the Board of Directors comprising of non-executive directors.

The Board of Directors duly met 6 (Six) times respectively on 28/05/2016, 22/07/2016, 11/08/2016, 14/11/2016, 07/02/2017 and 23/03/2017 in respect of which meetings proper Notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

The composition and category of directors, attendance of each Directorate the Board of Directors meetings during the financial year 2016-2017 and at the last Annual General Meeting is indicated below and other relevant details is as under:

Name	Category	Attendance		No. of other Directorships **	No. of Board Committees (other than K M INDUSTRIAL INVESTMENTS LTD)
		Board Meeting	Last AGM		
Sunita Bagrodia	Executive	6	Yes	0	0
Sandeep Bagrodia	Managing Director	6	Yes	1	1
N S Rajasekharan	Non-Executive Independent Director	6	Yes	Nil	Nil
Avijit Banerjee	Non-Executive Independent Director	6	Yes	1	3

**Excluding directorship in, unlisted public companies, private companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013

The Company did not have any pecuniary relationship and transaction with any of the Non- Executive Directors during the year under reference.

Sunita Bagrodia retires by rotation at the forthcoming Annual General Meeting. She is eligible for re-appointment. Their particulars are enclosed as an Annexure to the Notice convening the ensuing Annual General Meeting.

✓ **COMMITTEES OF THE BOARD**

With an objective to have a more focused attention on various facets of business, better accountability and ensuring compliances, the Board has constituted under mentioned committees which complies with the requirements of the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015.

Audit Committee
Nomination and Remuneration Committee
Stakeholders Relationship Committee

Each of these Committees has been mandated to operate within a given framework.

AUDIT COMMITTEE

The Audit Committee consists of 3 members viz. N S Rajasekharan Nair, Sunita Bagrodia and Avijit Banerjee.

N S Rajasekharan Nair is the chairman of the Committee. The quorum for the Committee Meeting is two directors personally present.

The Audit Committee met four times during the year, i.e on 28/05/2016, 11/08/2016, 14/11/2016, and 07/02/2017.

Name	Category	No. of Meetings during the year 2016-17	
		Held	Attended
N S Rajasekharan Nair	Chairman & Independent Director	4	4
Sunita Bagrodia	Executive & Non Independent Director	4	4
Avijit Banerjee	Independent Director	4	4

Terms of Reference

This Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013, and Corporate Governance Norms (Regulation 18(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015):.

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of Internal Financial Controls and Risk Management Systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal Auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the Whole-Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

STAKEHOLDERS RELATIONSHIP COMMITTEE

This Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013, and Corporate Governance Norms (Regulation 20(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015).

At present the Stakeholders Relationship Committee constitutes of 3 members viz. N S Rajasekharan Nair, Sandeep Bagrodia and Avijit Banerjee.

N S Rajasekharan Nair is the chairman of the Committee. The quorum for the Committee Meeting is two directors personally present.

The Committee met four times during the year, i.e on 28/05/2016, 11/08/2016, 14/11/2016, and 07/02/2017.

Name	Category	No. of Meetings during the year 2016-17	
		Held	Attended
N S Rajasekharan Nair	Chairman & Independent Director	4	4
Sandeep Bagrodia	Executive & Non Independent Director	4	4
Avijit Banerjee	Independent Director	4	4

Terms of Reference

The Committee monitors the Company's response to investor complaints. The Committee exercises the power to transfer of shares, non-receipt of dividend/notices/annual reports, etc

Name and designation of Compliance Officer:

Uttara Sharma
 19/C, Sarat Bose Road
 Kolkata- 700020
 Tel.No. 033- 4003 5242
 Email ID: info@kmiil.com

Status Report of Investor Complaints for the year ended March 31, 2017

No of Complaints Received–Nil

No of Complaints Resolved–Nil

No of Complaints Pending– Nil

NOMINATION AND REMUNERATION COMMITTEE

This Committee has been constituted in line with the provisions of Section 178 of the Companies Act, 2013, and Corporate Governance Norms (Regulation 19(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015).

At present the Nomination and Remuneration Committee constitutes of 3 members viz. N S Rajasekharan Nair, Sunita Bagrodia and Avijit Banerjee.

N S Rajasekharan Nair, Independent Director chairs the Committee Meeting. The quorum for the Committee Meeting is two directors personally present.

The Committee met twice during the year under reference i.e. on 22/07/2016 and 23/03/2017.

Name	Category	No. of Meetings during the year 2016-17	
		Held	Attended
N S Rajasekharan Nair	Chairman & Independent Director	2	2
Sunita Bagrodia	Executive & Non Independent Director	2	2
Avijit Banerjee	Independent Director	2	2

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
2. The Committee while formulating the policy will 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.
3. Formulation of criteria for evaluation of Independent Directors and the Board.

4. Devising a policy on Board diversity.
5. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and the Company shall disclose the Remuneration Policy and the evaluation criteria in its Annual Report.
6. Recommend & Review succession plans for Managing Director and approve succession plans for Senior Management
7. Such other matters as Board may from time to time request the Nomination and Remuneration Committee to examine and recommend / approve.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Reg. 25(7) of the SEBI (LODR) Regulations, 2015 the Company is required to conduct the Familiarisation Programme for Independent Directors (IDs) to familiarise them about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various initiatives. The details of such familiarization programmes are available on the Company's website.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

Separate meeting of the Independent Directors was held on 07/02/2017 as per the requirement of the Act and SEBI LODR Regulations, 2015. The Independent Directors reviewed the performance of the Board as a whole. The Directors also discussed about the Diversity of the Board.

REMUNERATION

During the year Rs. 10,20,000 was paid as managerial remuneration to Mr. Sandeep Bagrodia, Managing Director of the Company.

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

The Company has established an effective Whistle Blower Policy and procedures for its directors and Employees to deal with instances of fraud and mismanagement, if any. The policy on Whistle Blower may be accessed on the Company's website

ANNUAL GENERAL MEETINGS:

The details of the Annual General Meetings held in the past three years and the special resolutions passed there are as follows:

Year	Date	Venue	Time	No of Special Resolution Passed
2013-14	30 th September, 2014	S 208, IDEAL PLAZA, 11/1 SARAT BOSE RD, KOLKATA - 700020	11.00 AM	-
2014-15	30 th September, 2015	S 208, IDEAL PLAZA, 11/1 SARAT BOSE RD, KOLKATA - 700020	01.00 PM	-
2015-2016	29 th September, 2016	19/C, SARAT BOSE ROAD, KOLKATA-700020	11.00 AM	-

No Postal Ballot was conducted during the financial year 2016-17.

DISCLOSURES

- i) There was no material individual transaction with related parties such as Promoter, Directors, Key Managerial Personnel, relatives or subsidiary that could have potential conflict of interest with the Company, during the year ended 31st March, 2017, except from those disclosed in the financial statements for the year ended March 31, 2017.
- ii) The Company follows the mandatory Accounting Standards prescribed by the Institute of Chartered Accountants of India and to the best of its knowledge there are no deviations in the accounting treatments that require specific disclosure.
- iii) Accountants of India and to the best of its knowledge there are no deviations in the accounting treatments that require specific disclosure.
- iv) The CEO/CFO certificate for the financial year ended March 31, 2017 is annexed hereto.
- v) There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Securities and Exchange Board of India or any other statutory authority relating to capital markets during the years.
- vi) The Company has a specific Whistle blower policy. A certificate from Auditor certifying the compliance by the Company with the provisions of Corporate Governance of the Listing Agreement is annexed hereto.
- vii) A qualified practicing Company Secretary conducted a Reconciliation of Share Capital Audit on quarterly basis reconciling the total Share Capital; all the shares are held in both physical and demat form.

- viii) The Internal Auditor regularly reviews and reports their audit findings to Audit Committee.
- ix) Pursuant to Regulation 40(9) of the SEBI Listing Regulations, 2015 with the Stock Exchange a Company Secretary-in Practice have issued certificates on half yearly basis, confirming due compliance of share transfer formalities by the Company.

MEANS OF COMMUNICATION

- (i) The Management Discussion and Analysis Report, in accordance with the SEBI (LODR) 2015 is annexed to the Directors' Report and forms part of this Annual Report being sent to all the members of the Company.
- (ii) The quarterly and annual yearly results were published in the newspaper. The results are also display on the website of the company.

GENERAL SHAREHOLDER INFORMATION

Date, time and venue of AGM	Monday 18 th September, 2017 at 11:00 A.M. at the registered office of the Company.
Financial Year	1 st April, 2016 to 31 st March, 2017
Dates of Book Closure	September 12, 2017 to September 18, 2017 (Both the days inclusive)
Dividend Payment Date	Not Applicable
Financial Calendar Period	Board Meeting to approve quarterly financial results (Tentative Schedule)
First Quarter Results	-Mid August, 2017
Second Quarter Results	-Mid November, 2017
Third Quarter Results	-Mid February, 2018
Fourth Quarter & Annual Results	-End May, 2018

Listing on Stock Exchanges	The Calcutta Stock Exchange Limited
Listing Fees	Listing fees paid to the Calcutta Stock Exchange upto 31 st March, 2017.
Stock Code	CSE - 21096
Registered Office	19/C SARAT BOSE RD, KOLKATA - 700020
Compliance officer & Contact Address	Uttara Sharma 19/C, Sarat Bose Road, Kolkata- 700020 Tel. No. 033- 4003 5242 Email ID: info@kmiil.com Website: www.kmiil.com

SHARE TRANSFER SYSTEM

Share transfers in physical form are processed by the Registrar and Transfer Agents, Purva Sharegistry (India) Pvt. Ltd and are approved by the Stakeholders Relationship Committee of the Company or the authorised signatories of the Company. Share transfers are registered and returned within 15 days from the date of lodgment if documents are complete in all respects. The depository system handles share transfers in dematerialised form.

Registrar and Transfer Agents:

Purva Sharegistry (India) Pvt. Ltd
9, Shiv Shakti Ind. Estt.
J.R. Boricha Marg
Lower Parel (E), Mumbai – 400011
Phone: 2301 6761/8261

Distribution of Shareholding as on March 31, 2017

Share holding of nominal value of	No. of shareholders	% of holders	Share (Amount)	% of Shareholding
Up to 5000	497	93.95%	150,700	0.47%
10,001 - 20,000	3	0.57%	48,300	0.15%
40,001 - 50,000	2	0.38%	95,000	0.30%
50,001 -1,00,000	3	0.57%	254,500	0.80%
1,00,001 and above	24	4.54%	31451500	98.29%
Total	529	100.00%	32,000,000	100.00%

Categories of Shareholders as at March 31, 2017

Sr. No	Description	No. of Shares	% to Capital
A.	Promoters & Promoters Group		
	- Individuals	1,26,700	3.96
	- Body Corporate	8,500	0.27
B.	Public Shareholding		
	-Institutions		
	Financial Institutions/Banks	Nil	Nil
	-Non-institutions		
	Body Corporate	30,00,000	93.75
	Individuals	64,800	2.02
	Total	3,200,000	100%

ADDRESS OF CORRESPONDENCE

Members may contact Ms. Uttara Sharma Compliance Officer for all investor related matters at the registered office of the company at the following address:

K M INDUSTRIAL INVESTMENTS LTD

19/C SARAT BOSE RD,
Kolkata- 700020
Tel. No. 033- 4003 5242
Email ID: info@kmiil.com

Place - Kolkata
Date-18/05/2017

On behalf of the Board of Directors

Sd/-
SANDEEP BAGRODIA
Managing Director
DIN 00425649

DECLARATION

To,
The Members
K M INDUSTRIAL INVESTMENTS LTD

I, SANDEEP BAGRODIA, Managing Director & CEO of the Company declare that all Board Members and Senior Management of the Company have affirmed compliance with the code of conduct.

K M INDUSTRIAL INVESTMENTS LTD

Sd/-
SANDEEP BAGRODIA
Chief Executive Officer
Place – Kolkata
Date: 18/05/2017

Independent Auditors' Report

**To the Members of
K. M. Industrial Investments Limited**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order and as required by Non-Banking Financial Company Auditors' Report (Reserve Bank) Directions 1998 we give the report in the Annexure B.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure C"
 - (f) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations' given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer note 20 to notes to the financial statement.

For Bagrodia K & Co.
Chartered Accountants
FRN : 324606E

Sd/-
(CA Kamal Bagrodia)
Partner
Membership No. 058385

Kolkata, May 18, 2017

K M Industrial Investment Limited

Annexure A to Independent Auditors' Report

(Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- 1) In respect of fixed assets of the Company:
 - (a) The company has maintained proper records showing full particulars including the quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified by the management during the year and no material discrepancies between the book records and the physical inventory were noticed. In our opinion, the frequency of verification is reasonable.
 - (c) In our opinion and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.
- 2) In respect of its inventories of the Company :

The provisions of clause 3(ii) of the Order are not applicable to the Company as the Company doesn't have any inventory.
- 3) In respect of the loans, secured or unsecured, granted by the Company to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, if so:
 - (a) In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
 - (b) In our opinion and according to the information and explanations given to us, the parties have repaid the principal amounts and interest as stipulated in schedule of repayment and have also been regular in the payment of interest and repayment of principle to the company.
 - (c) Since the parties are regular in repayment of principal amount and also regular in payment of interest, the provisions of clause 3(iii)(c) with relating to recovery of loan are not applicable.
- 4) In our opinion and according to the information and explanations given to us, the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security, have been complied with.
- 5) In our opinion and according to the information and explanations given to us, the company has not accepted deposits during the year and does not have any unclaimed deposits. Therefore, the provisions of the clause 3(v) of the Order are not applicable to the Company.
- 6) The provision of clause 3(vi) of the order are not applicable to the company as the company is not covered by the companies (Cost Records and Audit) Rules, 2014.
- 7) According to the information and explanation given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues including Income Tax, Service Tax, cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts have been paid in respect of income-tax, service tax.

- 8) As the company does not have any borrowings or loans from any financial institution, bank or governments nor it has issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the company.
- 9) According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loan during the year, nor does it have any loan amount lying outstanding as at the beginning of the year.
- 10) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or any material fraud on the Company by its officers/employees has been noticed or reported during the year.
- 11) In our opinion and according to the information and explanations given to us, the company has been paid in accordance with the requisite mandated as per the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- 12) Having regard to the nature of the Company's business/activities during the year, provisions of Clause 3(xii) of the Order relating to Nidhi Company are not applicable to the Company
- 13) In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc as required by applicable accounting standards.
- 14) The company has not made preferential allotment/private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 15) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore provision of clause 3(xv) of the order are not applicable to the company
- 16) In our opinion and according to the information and explanations given to us, the company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.

For Bagrodia K & Co.
Chartered Accountants
FRN : 324606E

Sd/-
CA Kamal Bagrodia
Partner
Membership No. 058385

Kolkata, May 18, 2017

K. M. Industrial Investments Limited
Annexure C to Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of M/s K. M. Industrial Investments Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Bagrodia K & Co.
Chartered Accountants
FRN : 324606E

Sd/-
(CA Kamal Bagrodia)
Partner
Membership No. 058385

Kolkata, May 18, 2017

K.M. INDUSTRIAL INVESTMENTS LIMITED

Balance Sheet as at 31st March, 2017

Particulars	Note No	As at 31.03.2017 (in `)	As at 31.03.2016 (in `)
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	32,000,000	32,000,000
Reserves and Surplus	4	17,400,748	15,563,019
		49,400,748	47,563,019
Non-Current Liabilities			
Deferred tax liabilities	5	105,945	-
Long term provisions	6	57,871	-
		163,816	-
Current Liabilities			
Short term provisions	6	1,217,572	685,040
Other Current Liabilities	7	692,594	488,311
		1,910,166	1,173,351
Total		51,474,730	48,736,370
ASSETS			
Non-current assets			
Fixed Assets	8	3,198,537	3,266,226
Non-Current Investments	9	22,506,376	25,606,903
Long term loans and advances	10	298,575	298,575
		26,003,488	29,171,704
Current assets			
Other Current asset	11	522,458	43,847
Cash and bank balances	12	523,086	190,695
Short-term loans and advances	10	24,425,698	19,330,124
		25,471,242	19,564,666
Total		51,474,730	48,736,370
Summary of significant accounting polices	2	-	-

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

As per our report of even date

For **Bagrodia K & Co.**

Chartered Accountants

FRN: 324606E

Sd/-

(CA. Kamal Bagrodia)

Mem no. 058385

Partner

Kolkata, dated: 18.05.2017

For and on behalf of the Board

Sd/-

Sandeep Bagrodia

Managing Director

DIN:00425649

Sd/-

N S Rajasekharan Nair

Director

DIN:00476691

Sd/-

Rajib Chakraborty

Chief Financial Officer

Sd/-

Uttara Sharma

Company Secretary

K.M. INDUSTRIAL INVESTMENTS LIMITED
Statement of Profit & Loss for the year ended 31st March, 2017

Particulars	Note No	For the year ended 31.03.2017 (in `)	For the year ended 31.03.2016 (in `)
INCOME :			
Revenue from operations	13	3,775,309	1,334,282
Other Income	14	1,668,000	1,740,000
Total Revenue		5,443,309	3,074,282
EXPENDITURE :			
Employee benefit expense	15	1,737,145	1,239,434
Other expenses	16	976,323	923,770
Depreciation and amortization expense	17	195,764	255,622
Total Expenses		2,909,232	2,418,826
Profit/ (Loss)before exceptional and extraordinary items and tax		2,534,077	655,456
Exceptional items		-	-
Profit/ (Loss)before extraordinary items and tax		2,534,077	655,456
Extraordinary Items		-	-
Profit/ (Loss) before tax		2,534,077	655,456
Tax expense:			
Current tax		579,000	600,000
Earlier Year Tax		-	(31,290)
Deferred Tax		105,945	-
Contingent provision against Standard Assets		11,403	2,308
		696,348	571,018
Profit(Loss) for the year from continuing operations		1,837,729	84,438
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discounting operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the year		1,837,729	84,438
Earning per equity share:	20		
Basic		0.57	0.03
Diluted		0.57	0.03
Nominal Value per share		10.00	10.00
Summary of significant accounting polices	2		

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

As per our report of even date

For **Bagrodia K & Co.**

Chartered Accountants

FRN: 324606E

Sd/-

(CA. Kamal Bagrodia)

Mem no. 058385

Partner

Kolkata, dated: 18.05.2017

Sd/-

Sandeep Bagrodia

Managing Director

DIN:00425649

For and on behalf of the Board

Sd/-

N S Rajasekharan Nair

Director

DIN:00476691

Sd/-

Rajib Chakraborty

Chief Financial Officer

Sd/-

Uttara Sharma

Company Secretary

K. M. INDUSTRIAL INVESTMENTS LIMITED
Cash Flow Statement for the year ended 31st March, 2017

		For the Year ended 31st March, 2017 (in `)	For the Year ended 31st March, 2016 (in `)
A: Cash Flow From Operating Activities :			
Profit before Taxes		2,534,077	655,456
Adjustment for :			
Depreciation		195,764	255,622
Dividend income on investments		(194,506)	-
Dividend income on non-current investments			
Provision for diminution in the value of current investments			
Provision for Diminution in the Value of Long Term Investments		-	-
Provision for diminution in the value of non-current investments		-	-
(Profit)/loss on sale of non-current Investments		(883,064)	1,325,114
Profit on sale of non-current Investments			
Provision for diminution in value of investments written back			
Interest expense		-	-
Interest income		(4,381)	(214,218)
Operating Profit / (Loss) before Working Capital Changes		1,647,890	2,021,974
Adjustments For :			
Decrease / (increase) in trade receivables		(374,230)	(18,743)
Decrease / (Increase) loans and advances		(4,491,514)	(117,185)
Increase/ (Decrease) in other current liabilities		204,283	(205,913)
Increase/ (decrease) in provisions		-	38,572
Cash used in Operating Activities		(3,013,571)	1,718,705
Direct Taxes Paid		(604,060)	(1,488,710)
Net Cash generated from (used in) Operating Activities	A	(3,617,631)	229,995
B: Cash Flow From Investing Activities :			
Acquisition of Fixed Assets		(128,075)	-
Purchase of investments		(18,954,206)	(2,808,982)
Proceeds from sale of non-current investments		22,937,797	2,405,425
Fixed Deposit (including Interest)		(104,381)	-
Dividend		194,506	214,218
Interest received		4,381	-
Net Cash generated from / (Used in) Investing Activities	B	3,950,022	(189,339)
C: Cash Flow From Financing Activities :			
Proceeds from Short term-borrowings		-	-
Interest paid		-	-
Net Cash generated from Financing Activities	C	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents	(A+B+C)	332,391	40,656
Cash and Cash Equivalents at the beginning of the year		190,695	150,039
Cash and Cash Equivalents at the end of the year		523,086	190,695
Cash & Cash equivalents at the end of the year includes			
Balances with banks on current Account		476,548	152,171
Cash on hand		46,538	38,524
		523,086	190,695
Summary of significant accounting policies	2		

As per our report of even date

For **Bagrodia K & Co.**
Chartered Accountants
FRN: 324606E

Sd/-
(CA. Kamal Bagrodia)
Mem no. 058385
Partner
Kolkata, dated: 18.05.2017

Sd/-
Sandeep Bagrodia
Managing Director
DIN:00425649

For and on behalf of the Board

Sd/-
N S Rajasekharan Nair
Director
DIN:00476691

Sd/-
Rajib Chakraborty
Chief Financial Officer

Sd/-
Uttara Sharma
Company Secretary

K.M. INDUSTRIAL INVESTMENTS LIMITED

Notes to financial statements for the year ended 31st March, 2017

1 Corporate Information

K.M.Industrial Investment Limited, is a public Limited Company domiciled in India and incorporated under the provision of the Companies Act, 1956.The CIN of the Company is **L67120WB1981PLC033287**. The Company is registered as Non-Deposit taking Non Banking Financial Company with Reserve Bank of India having Registration No.: 05.00377 dated 26.02.1998.

2 SIGNIFICANT ACCOUNTING POLICIES

A Basis Of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of Companies Act 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company ascertains its operating cycle for the purpose of current/non-current classification of assets and liabilities.

B Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

D Provision For Current And Deferred Tax

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

E Revenue recognition

Shares & Mutual fund

The Company being non-banking financial company deals in shares and mutual funds . Revenue in respect of sale of shares and mutual funds are recognized when the significant risks and rewards of ownership of the shares and units of mutual funds have passed to the buyer. Net profit / (loss) is included under the head 'revenue from operation' in the statement of profit and loss.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Revenue from operations" in the statement of profit and loss.

Dividend

Dividend is recorded when the right to receive payment is established and recognised under "revenue from operation"

K.M. INDUSTRIAL INVESTMENTS LIMITED

F Employee's Retirement Benefits

Since the Payment of Gratuity Act, 1972 is not applicable to the company during the current financial year, provision for the same has not been made in the financial statements, moreover the actuarial valuation for the same has also not been done. The other benefits are paid in the year in which it is accrued.

G Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments. All other investments are classified as Long Term Investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Long term investments are carried in the financial statements at cost.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

H Earnings Per Share

Basic Earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

I Tangible fixed assets and depreciation

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs, if capitalization criteria are met and directly attributable cost of bring the assets to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of assets and are recognised in the statement of profit and loss when the assets is derecognised.

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value(WDV) Method, unless otherwise stated. Depreciation is provided based on useful life of the assets as prescribed in schedule II to the Companies Act, 2013.

The Company has used the following useful life as stated in Schedule II to provide depreciation on its fixed assets:

<u>Type of assets</u>	<u>Life</u>
Building	60 years
Furniture	10 years

3 Share Capital

Particulars	As at 31.03.17 (in `)	As at 31.03.16 (in `)
Authorized shares		
35,00,000 (35,00,000) Equity shares of ` 10 each	35,00,000	35,00,000
	<u>35,00,000</u>	<u>35,00,000</u>
Issued, subscribed and fully paid-up shares		
32,00,000 (32,00,000) Equity shares of ` 10 each	32,00,000	32,00,000
	<u>32,00,000</u>	<u>32,00,000</u>
Total issued, subscribed and fully paid-up share capital	<u>32,00,000</u>	<u>32,00,000</u>

Figures in () represents previous year's figures.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.17		As at 31.03.16	
	(Nos.)	(in `)	(Nos.)	(in `)
Equity shares				
At the beginning of the year	3,200,000	32,00,000	3,200,000	32,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>3,200,000</u>	<u>32,00,000</u>	<u>3,200,000</u>	<u>32,00,000</u>

K.M. INDUSTRIAL INVESTMENTS LIMITED

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share and dividends, if approved. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

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

Name of the shareholder	As at 31.03.17		As at 31.03.16	
	(Nos.)	(% holding in the class)	(Nos.)	(% holding in the class)
Grant Suppliers Private Ltd.	300,000	9.38%	300,000	9.38%
Durgapur Construction Private Ltd.	300,000	9.38%	300,000	9.38%
Mateswari Sales Private Ltd.	300,000	9.38%	300,000	9.38%
Devesh Commosale Private Ltd.	250,000	7.81%	250,000	7.81%
Wonderland Paper Suppliers Pvt Ltd*	200,000	6.25%	200,000	6.25%

(d) The Company does not have any Holding Company / Ultimate Holding Company.

(e) No shares have been reserved for issue under options and contracts/commitments for the sale of shares.

(f) No shares have been brought back by the Company during the period of 5 years preceding the date at which the Balance Sheet is prepared.

(g) No convertible securities have been issued by the Company during the year.

(h) No calls are unpaid by any director or officer of the Company.

* Due to typographical error in the past, the name of shareholder has been wrongly written as Multifold Plastic Marketing Pvt Ltd instead of Wonderland Paper Suppliers Pvt Ltd

4 Reserves & Surplus

Particulars	As at 31.03.17 (in `)	As at 31.03.16 (in `)
Reserve Fund		
Balance as per last Financial Statements	2,715,000	2,695,000
Add: Transfer from Surplus	367,546	20,000
Less: Utilised/transferred during the year	-	-
Closing Balance	3,082,546	2,715,000
Surplus in the statement of profit and loss		
Balance as per last Financial Statements	12,848,019	12,783,581
Add: Profit for the year	1,837,729	84,438
Less: Amount transferred to Reserve fund	367,546	20,000
Net surplus in the statement of profit and loss	14,318,202	12,848,019
Total reserves and surplus	17,400,748	15,563,019

5 Deferred Tax Liabilities

Particulars	As at 31.03.17 (in `)	As at 31.03.16 (in `)
Impact of expense recognised in the Statement of Profit & Loss in the current year	105,945	-
	105,945	-

K.M. INDUSTRIAL INVESTMENTS LIMITED

6 Provisions

Particulars	Long Term		Short Term	
	As at 31.03.17 (in `)	As at 31.03.16 (in `)	As at 31.03.17 (in `)	As at 31.03.16 (in `)
Provision for Taxation	-	-	1,179,000	600,000
Income Tax Payable	-	-	38,572	38,572
Contingent Provisions Against Standard Assets	57,871	-	-	46,468
	57,871	-	1,217,572	685,040

7 Other Current Liabilities

Particulars	As at 31.03.17 (in `)	As at 31.03.16 (in `)
Rent deposit	642,000	450,000
Audit fees payable	46,000	34,407
TDS payable	673	3,904
Demat Charges payable	3,921	-
	692,594	488,311

8 Fixed Assets (Separate Page attached)

9 Investment (Separate Page attached)

10 Loans and Advances

Particulars	Non-current		Current	
	As at 31.03.17 (in `)	As at 31.03.16 (in `)	As at 31.03.17 (in `)	As at 31.03.16 (in `)
Advances recoverable in cash or in kind				
Advance Income Tax	-	-	400,000	200,000
Income Tax refundable	-	-	121,664	121,664
Tax deducted at source	-	-	755,181	351,121
Cenvat credit of Service Tax	-	-	625	70,000
Security Deposit	298,575	298,575	-	-
Loans (Unsecured, considered good)				
Bodies Corporate	-	-	1,000,000	1,018,493
Others	-	-	22,148,228	17,568,846
Total Loans and advances	298,575	298,575	24,425,698	19,330,124

K.M. INDUSTRIAL INVESTMENTS LIMITED

11 Other Assets

Particulars	Non-current		Current	
	As at 31.03.17 (in `)	As at 31.03.16 (in `)	As at 31.03.17 (in `)	As at 31.03.16 (in `)
Other Current Assets	-	-	418,077	43,847
Other Bank Balances(Note 13)	-	-	100,000	-
(A)	-	-	518,077	43,847
Others				
Interest Accrued on FD	-	-	4,381	-
(B)	-	-	4,381	-
(A+B)	-	-	522,458	43,847

12 Cash and bank balances

Particulars	Non-current		Current	
	As at 31.03.17 (in `)	As at 31.03.16 (in `)	As at 31.03.17 (in `)	As at 31.03.16 (in `)
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	476,548	152,171
Cash on hand	-	-	46,538	38,524
	-	-	523,086	190,695
<u>Other Bank Balances</u>				
Deposits with original maturity for more 3 Months but less than 12 months	-	-	100,000	-
	-	-	100,000	-
Shown under other Current Assets (Note 12)	-	-	(100,000)	-
	-	-	523,086	190,695

13 Revenue from Operations

Particulars	For the year ended 31.03.2017 (in `)	For the year ended 31.03.2016 (in `)
Interest	2,677,110	2,445,178
Dividend income	194,506	214,219
Gain / (Loss) on sale of Investment	899,312	(1,325,115)
Interest on Fixed deposit	4,381	-
	3,775,309	1,334,282

K.M. INDUSTRIAL INVESTMENTS LIMITED

14 Other Income

Particulars	For the year ended 31.03.2017 (in `)	For the year ended 31.03.2016 (in `)
Hire charges	600,000	600,000
Rental income	1,068,000	1,140,000
	1,668,000	1,740,000

15 Employee Benefit Expenses

Particulars	For the year ended 31.03.2017 (in `)	For the year ended 31.03.2016 (in `)
Salaries and bonus	682,645	289,199
Director's Remuneration	1,020,000	900,000
Staff Welfare Expenses	34,500	50,235
	1,737,145	1,239,434

16 Other Expenses

Particulars	For the year ended 31.03.2017 (in `)	For the year ended 31.03.2016 (in `)
Auditor's Remuneration		
- as Statutory Audit	28,750	17,250
- as Internal Audit	17,250	-
Legal & Professional Charges	340,512	538,544
Municipal Corporation Tax	211,466	-
Repairs & Maintenance	123,805	29,227
Travelling & Conveyance Charges	48,587	62,194
Custodian Fees	35,434	31,655
Listing Fees	28,625	28,090
Securities Transaction Tax	24,531	4,643
Brokerage	24,000	-
Filing Fees	19,800	22,200
Speculation loss	16,248	861
Rates and Taxes	16,515	30,885
Electricity Charges	11,180	-
Bank Charges	2,327	16,379
Demat Charges	8,635	-
Miscellaneous Expenses	7,576	113,978
Advertisement	6,240	9,420
Telephone Charges	-	14,462
Printing & Stationery	1,091	1,639
Postage & Telegram	2,500	2,343
Swatch Bharat Cess Paid	1,250	-
	976,323	923,770

K.M. INDUSTRIAL INVESTMENTS LIMITED

17 Depreciation & Amortization Expenses

Particulars	For the year ended 31.03.2017 (in `)	For the year ended 31.03.2016 (in `)
Depreciation	195,764	255,622
	195,764	255,622

18

(a) List of related parties with whom transactions have taken place and relationships:

<u>Name of the Related Party</u>	<u>Relationship</u>
Sandeep Bagrodia	Key management personnel
Jyoti Nahata	Key management personnel (Former company secretary)
Rajib Chakraborty	Key management personnel
Uttara Sharma	Key management personnel (company secretary)
K M Enterprise	Enterprises over which Key Management Personnel or their relatives are able to exercise significant influence
Namokar Merchandise Pvt Ltd.	Do
Shilpi (India) Pvt Ltd.	Do
Sandeep (India) Ltd.	Do
Industrial Sales Corporation	Do

(b) Transactions during the year with related parties:

<u>Nature of Transactions</u>	<u>Enterprises over which Key Management Personnel or their relatives are able to exercise significant influence</u>	<u>Key Management Personnel</u>
Remuneration	-	1042645/(959699)
Rent received	689500/(683360)	
Investment Held	442295/(117295)	
Loan given (cl. Bal.)	22148228/(17568846)	
Interest received	2386110/(1941080)	
Other Benefit		0/(8940)

Figures in () represents previous year's figures.

19 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017, the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank Notes	Other Denomination notes	Total
	Amount/Rs.	Amount/Rs.	Amount/Rs.
Closing Cash in hand as on 08.11.2016	61,500	4,484	65,984
Add: Permitted receipts	-	50,000	50,000
Less: Permitted payments	-	24,137	24,137
Less: Amount deposited in banks	61,500	-	61,500
Closing Cash in hand as on 30.12.2016	-	30,347	30,347

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

K.M. INDUSTRIAL INVESTMENTS LIMITED

20 Earning Per Share (EPS)

	As at 31.03.17	As at 31.03.16
Net profit after tax	1,837,729	84,438.04
Weighted average no. of equity shares	3,200,000	3,200,000
Basis & Diluted earning per share of ` 10 each	0.57	0.03

21 Segment Reporting

Information about business segments (Identified on the basis of risk & return)

<u>Particulars</u>	<u>Year</u>	<u>Rent & allied services</u>		<u>Investing activities</u>		<u>Total</u>	
		Rs.	P.	Rs.	P.	Rs.	P.
SEGMENT REVENUE							
Sales (Including gain on sale of investments)	2016-17	1,668,000		3,759,061		5,427,061	
	2015-16	1,740,000		2,659,397		4,399,397	
Segment Expenses (Including Depreciation)	2016-17	543560		1,889,340		2,432,900	
	2015-16	255,623		1,332,927		1,588,550	
Segment Results (Profit after considering other income and before taxation)	2016-17	1,124,440		1,869,721		2,994,161	
	2015-16	1,484,377		1,326,470		2,810,847	
Other Unallocated Expenses (net of Income)	2016-17					460,084	
	2015-16					2,157,699	
Profit before Tax	2016-17					2,534,077	
	2015-16					653,148	
Segment Assets	2016-17	3,600,884		46,828,471		50,429,355	
	2015-16	3,869,344		44,194,241		48,063,585	
Unallocated Assets	2016-17					1,045,374	
	2015-16					672,785	
Total Assets	2016-17					51,474,729	
	2015-16					48,736,370	
Segment Liabilities	2016-17	642,000		62,464		704,464	
	2015-16	526,883		46,468		573,351	
Unallocated Liabilities	2016-17					1,369,517	
	2015-16					600,000	
Total Liabilities	2016-17					2,073,981	
	2015-16					1,173,351	

K.M. INDUSTRIAL INVESTMENTS LIMITED

22 Previous year figures

Prior year comparative amounts in these financial statements have been reclassified wherever applicable to conform to current year's presentation. The figures of previous year were audited by a firm of Chartered Accountants other than Bagrodia K & Co.

23 Contingent Provision against standard assets has been maintained at 0.25% of the Loans given to vaiours parties

As per our report of even date

For **Bagrodia K & Co.**

Chartered Accountants

FRN: 324606E

Sd/-

(CA. Kamal Bagrodia)

Mem no. 058385

Partner

Kolkata, dated: 18.05.2017

Sd/-

Sandeep Bagrodia
Managing Director

DIN:00425649

For and on behalf of the Board

Sd/-

N S Rajasekharan Nair
Director

DIN:00476691

Sd/-

Rajib Chakraborty
Chief Financial Officer

Sd/-

Uttara Sharma
Company Secretary

K.M. INDUSTRIAL INVESTMENTS LIMITED

Note 8 - Fixed assets

Tangible Assets

Amount in `

Assets	Gross Block			Depreciation				Net Block	
	As on 01.04.16	Addition / (Deletion)	As on 31.03.17	Up to 31.03.16	For the year	Sales/ Adjustment	Up to 31.03.17	As on 31.3.17	As on 31.03.16
Land	2,397,155	-	2,397,155	-	-	-	-	2,397,155	2,397,155
Building	1,589,490	-	1,589,490	1,229,032	17,206	-	1,246,238	343,252	360,458
Furniture	1,500,000	128,075	1,628,075	991,387	178,558	-	1,169,945	458,130	508,613
Total Tangible assets	5,486,645	128,075	5,614,720	2,220,419	195,764	-	2,416,183	3,198,537	3,266,226

Previous Year	5486645	-	5486645	1964797	255622	-	2220419	3266226	
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K. M. INDUSTRIAL INVESTMENTS LIMITED

Note - 9 INVESTMENTS

Long Term other than trade

Particulars	Face Value	As at 31st March 2017		As at 31st March 2016	
		Nos.	Amount(₹)	Nos.	Amount(₹)
A. Quoted Shares (Fully Paid-up)					
Aditya Birla Nuvo Ltd.	10	300	219,881	213	198,399
CESC Ltd.	10	83	755	83	755
EIH Ltd.	2	344	24,811	344	24,811
Garware Shipping Corpn. Ltd.*	10	500	8,400	500	8,400
Glaxosmithkline Pharmaceuticals Ltd.	10	350	154,263	350	154,263
Tata Investments corporation Ltd.	10	1,950	300,584	1,950	300,584
Gati Ltd.	2	1,000	96,301	1,000	96,301
The Indian Hotels company Ltd.	1	2,407	292,815	2,407	292,815
Sterlite Technologies Ltd.	2	1,000	114,190	1,000	114,190
K.C. Textile Ltd.*	10	50	500	50	500
MIPCO Seamless Rings (Co.) Ltd.*	10	25	250	25	250
Sandeep (I) Ltd.	10	21,300	117,295	21300	117,295
TISCO Ltd.	10	1,665	473,399	1665	473,399
S.S. Organics Ltd. *	10	1,000	30,750	1000	30,750
Swastic Vinayak Synthetic Ltd	1	10,000	10,000	10000	10,000
Tata Davy Ltd. *	10	50	1,525	50	1,525
Unit Trust Of India (Master Shares)	10	6,679	108,537	6679	108,537
Fortis Healthcare Ltd.	10	1,000	170,610	1000	170,610
Uflex Ltd.	10	-	-	1000	283,429
Unitech Ltd.	2	1,000	84,688	1000	84,688
United Phosphorus Ltd.	2	500	104,357	500	104,357
Govind Rubber Ltd.	10	3,000	75,460	3000	75,460
J. M. Financial Ltd	1	2,000	34,363	2000	34,363
NMDC Ltd	1	400	64,496	400	64,496
Century Textile Ltd.	10	900	765,029	500	245,899
Gas Authority of India Ltd.	10	1,000	112,485	750	112,485
Bombay Dyeing & Mfg. Ltd.	2	-	-	2000	172,064
Tata Tele Services Ltd.	10	3,400	54,140	3400	54,140
ITC Ltd.	1	4,980	344,516	3320	344,516
J K Cement Ltd.	10	800	144,169	800	144,169
NTPC Ltd.	10	2,400	417,383	2400	417,383
J.K.Lakshmi Cement Ltd.	5	1,000	75,763	1000	75,763
Bellary Steel Ltd.	1	45,000	135,647	45000	135,647
IFCI Ltd.	10	-	-	1000	96,039
NOCIL Ltd.	10	-	-	1000	37,090
Development Credit Bank Ltd	10	2,000	157,593	2000	157,593
NIIT Ltd.	2	1,000	73,203	1000	73,203
Electrosteel Steels Ltd.	10	30,000	300,000	50000	500,000
Ashok Leyland Ltd.	1	2,500	165,890	1500	78,179
Fineotex Chemicals Ltd.	2	10,000	1,341,085	10000	1,341,085
Mysore Bank Ltd.	10	-	-	50	29,037
State Bank of Travankore	10	-	-	10	6,071
Supreme Infrastructure India Ltd.	10	-	-	48950	12,732,983
TVS Motor company Ltd.	1	500	111,392	500	111,392
Balrampur Chini Mills Ltd	1	7,000	849,529	3000	284,922
Bharat Forge ltd	2	650	639,659	650	639,659
Britania industries Ltd.	2	100	296,555	100	296,555
Dhampur Sugar Mills Ltd	10	3,000	364,542	5000	327,383
IDFC Ltd	10	1,000	66,287	1000	66,287
Oudh Sugar		-	-	4500	240,373
Schneider Electric Infrastructure Ltd	2	500	85,303	-	85,303
Amar Raja Battery Ltd	1	300	294,276	-	-
Andhra Cement ltd	10	30,000	347,715	-	-
Astec Lifesciences Limited	10	500	219,785	-	-

K.M. INDUSTRIAL INVESTMENTS LIMITED

Banco Product (India) Ltd	2	3,000	667,271	-	-
Cholamandalam Inv. And Fin. Company Ltd	10	100	109,858	-	-
Geojit Financial Services Ltd	1	36,500	1,392,594	-	-
Grauer and Weil Ltd	1	4,000	169,406	-	-
Hdfc Bank Ltd	2	700	881,459	-	-
ItcCementation	1	2,000	301,066	-	-
Jindal Steel & Power	1	2,000	250,598	-	-
JK Paper Limited	10	1,000	90,362	-	-
Kesoram Industries Ltd	10	1,000	144,462	-	-
L&T Finance Holdings Limited	10	1,000	93,886	-	-
Network 18 media & investments Ltd	5	1,000	41,922	-	-
Usha Martin Ltd	1	40,000	740,489	-	-
Welspun Corp Ltd	5	4,000	357,983	-	-
Aegis Logistics Ltd	1	1,585	229,523	-	-
Ajanta pharma Ltd	2	12	22,952	-	-
Alkem laboratories Ltd	2	75	127,004	-	-
Birla Corporation Ltd	10	438	300,732	-	-
Canfin homes Ltd	10	78	117,083	-	-
Development Credit Bank Ltd	10	2,406	295,568	-	-
Dhanuka Agritech	2	133	101,740	-	-
Dishman pharmaceuticals & Chemicals Ltd	2	318	94,328	-	-
DR Lal Pathlabs Ltd	10	120	125,516	-	-
Gabriel india	1	1,433	170,097	-	-
ITD Cementation India Ltd	1	640	93,222	-	-
Kajaria ceramics Ltd	1	258	163,047	-	-
Lakshmi Vilas Bank Ltd	10	851	122,298	-	-
Mahanagar Gas Ltd	10	174	112,761	-	-
Phoenix Lamps Ltd	10	554	80,044	-	-
Qess Corp Ltd	10	270	149,175	-	-
TTK Prestige Ltd	10	31	152,829	-	-
Aditya Birla Fashion and Retails	10	1,107	99,200	-	-
Total (A)			17,648,650	21,555,396	
<u>B. Debenture</u>					
NTPC Ltd. (Non Convertible Debenture)	12.5	2400	---	2400	-
Total (B)			---	---	
<u>C. Mutual Fund Units</u>					
Aditya Birla Private Equity Fund I		4481	429,055	7844	751,007
Aditya Birla Real Estate Fund I		25	2,095,216	25	2,500,000
Osian Art Fund		10000	800,000	10000	800,000
Birla sun life Balanced Fund 95		309.526	200,000	-	-
Birla Sunlife Resurgent Fund		10000	100,000	-	-
Hdfc Prudence Fund		482.953	200,000	-	-
Idfc Dynamic Bond fund		10080.544	200,000	-	-
idfc Infrastructure Fund		13575.940	175,000	-	-
Sbi Pharma Fund		3004.784	300,000	-	-
Total (C)			4,499,271	4,051,007	
<u>D. Unquoted Shares</u>					
Namokar Merchandise Pvt Ltd	10	50000	100,000	-	-
Shilpi(India)Pvt Ltd	10	45000	225,000	-	-
Enkay Projects Ltd.	10	50	500	50	500
Total (D)			325,500	500	
<u>E. Investment in Gold Coins</u>					
Total (E)			32,955	-	
GRAND TOTAL : (A + B + C+ D+ E)			22,506,376	25,606,903	

* These are physical shares held in the name of the Company