# KALYANI COMMERCIALS LIMITED

**Regd. off:** BG-223, Sanjay Gandhi Transport Nagar, GT Karnal Road, Delhi-110042
**CIN:** L65923DL1985PLC021453
**E-mail:** kalyanicommercialslimited@gmail.com
**Website:** www.kalyanicommercialsltd.com
**Ph.**: 011- 43063223, 011-47060223

**22nd August, 2018**

**To,**
**National Stock Exchange of India Limited**
**Exchange Plaza, C - 1, Block - G**
**Bandra Kurla Complex, Bandra**
**Mumbai - 400051**

**Scrip Code: KALYANI**

**Sub: Submission of 33rd Annual Report of Kalyani Commercials Limited (the Company)**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to submit herewith the 33rd Annual Report of Kalyani Commercials Limited for the Financial year 2017-18 with respect to 33rd Annual General Meeting of the Company held on Monday, 6th August, 2018 at 9:00 AM at BG-223, Sanjay Gandhi Transport Nagar, GT Karnal Road, New Delhi- 110 042.

You are requested to kindly take the same into your records.

Thanking you.

For **KALYANI COMMERCIALS LIMITED**

Vikramjit

**Vikramjit Singh**
**(Company Secretary)**
**Address:** BG-223, Sanjay Gandhi Transport Nagar
GT Karnal Road, New Delhi- 110 042

***Encl**: Annual Report*

# KALYANI COMMERCIALS LIMITED

# Annual Report 2017-18

# INDEX


| S. No. | PARTICULARS | PAGE NO. |
|---|---|---|
| 1. | Company Information | 1-3 |
| 2. | Notice of 33rd Annual General Meeting | 4-9 |
| 3. | Director's Report | 13-19 |
| 4. | Statement containing salient features of financial statement of subsidiaries/associate companies/joint ventures | 20 |
| 5. | Particulars of contracts/agreements with related party | 21-22 |
| 6. | Secretarial Audit Report | 23-25 |
| 7. | Extract of Annual Return | 26-35 |
| 8. | Details of Top Ten Employees of the Company | 36 |
| 9. | Management Discussion and Analysis Report | 37-41 |
| 10. | Consolidated Auditor's Report | 42-50 |
| 11. | Consolidated Financial Statements | 51-73 |
| 12. | Standalone Auditor's Report | 74-83 |
| 13. | Standalone Financial Statements | 84-105 |
| 14. | RBI Schedule of Non-Banking Financial Company | 106-107 |
| 15. | Proxy Form | 108-109 |
| 16. | Attendance Slip | 110 |
| 17. | Route Map | 111 |

## COMPANY INFORMATION

| | |
|---|---|
| **CIN:** | **L65923DL1985PLC021453** |
| **BOARD OF DIRECTORS:** | **Mr. Shankar Lal Agarwal**<br>(Managing Director)<br><br>**Mr. Sourabh Agarwal**<br>(Whole Time Director)<br><br>**Mrs. Manushree Agarwal**<br>(Non-Executive Director)<br><br>**Mr. Nitesh Gupta**<br>(Non-Executive Director)<br><br>**Mr. Alok Kumar Gupta**<br>(Non-Executive & Independent Director)<br><br>**Mr. Mukesh Joshi**<br>(Non-Executive & Independent Director) |
| **COMPANY SECRETARY AND COMPLIANCE OFFICER :** | **Mr. Vikramjit Singh** |

**BOARD COMMITTEES:**

**A. AUDIT COMMITTEE :**

| S.NO. | NAME OF MEMBERS | DESIGNATION | CATEGORY |
|---|---|---|---|
| 1. | Mukesh Joshi | Chairman | Non-Executive & Independent Director |
| 2. | Nitesh Gupta | Member | Non-Executive Director |
| 3. | Alok Kumar Gupta | Member | Non-Executive & Independent Director |

**B. NOMINATION AND REMUNERATION COMMITTEE :**

| S.NO. | NAME OF MEMBERS | DESIGNATION | CATEGORY |
|---|---|---|---|
| 1. | Mukesh Joshi | Chairman | Non-Executive & Independent Director |
| 2. | Nitesh Gupta | Member | Non-Executive Director |
| 3. | Alok Kumar Gupta | Member | Non-Executive & Independent Director |

| C. SHAREHOLDERS GRIEVANCE COMMITTEE : | | | |
|---|---|---|---|
| **S.NO.** | **NAME OF MEMBERS** | **DESIGNATION** | **CATEGORY** |
| **1.** | **Alok Kumar Gupta** | **Chairman** | **Non-Executive & Independent Director** |
| **2.** | **Nitesh Gupta** | **Member** | **Non-Executive Director** |
| **3.** | **Shankar Lal Agarwal** | **Member** | **Executive & Managing Director** |
| **D. FINANCE & INVESTMENT COMMITTEE :** | | | |
| **S.NO.** | **NAME OF MEMBERS** | **DESIGNATION** | **CATEGORY** |
| **1.** | **Mukesh Joshi** | **Chairman** | **Non-Executive & Independent Director** |
| **2.** | **Nitesh Gupta** | **Member** | **Non-Executive Director** |
| **3.** | **Alok Kumar Gupta** | **Member** | **Non-Executive & Independent Director** |
| **E. INTERNAL COMPLAINT COMMITTEE :** | | | |
| **S.NO.** | **NAME OF MEMBERS** | **DESIGNATION** | **CATEGORY** |
| **1.** | **Manushree Agarwal** | **Chairman** | **Non-Executive Director** |
| **2.** | **Alok Kumar Gupta** | **Member** | **Non-Executive & Independent Director** |
| **3.** | **Mukesh Joshi** | **Member** | **Non-Executive & Independent Director** |
| **SECRETARIAL AUDITOR :** | | **M/s Grover Ahuja & Associates**<br>**Address**: D-176 ,Lower Ground Floor, Defence Colony , New Delhi – 110024<br>**Contact No:** 011–46772203,04 | |
| **BANKERS:** | | **HDFC Bank Limited**<br>**Axis Bank Limited**<br>**Indusind Bank Limited**<br>**State Bank of India**<br>**ICICI Bank Limited**<br>**Bank of Baroda** | |
| **STATUTORY AUDITORS:** | | **M/s M.C. Bhandari & Co., Chartered Accountants**<br>**Address:** 38, Shopping Centre, Jhalwar Road, Kota - 324 007<br>**Contact No:** 0744-2361530, 2361042 | |

| | |
|---|---|
| **REGISTERED OFFICE:** | **BG-223, Sanjay Gandhi Transport Nagar, GT Karnal Road, Delhi-110 042** |
| **BRANCH OFFICE:** | **Ganganagar Motors (Kota)**<br>**Address**: A-165, I.P.I.A., Road no. 5, Jhalawar Road, Kota, Rajasthan – 324005<br><br>**Aarav Motors**<br>**Address:** 15/2, Mathura Road, Sector 27-A, Faridabad, Haryana – 121003<br><br>**BPCL Filling Station**<br>**Address**: Khasra No. 142 & 143, Village Vrindavan, NH-12, Jhalawar, Rajasthan – 326001 |
| **REGISTRAR & SHARES TRANSFER AGENT:** | **Skyline Financial Services Pvt. Ltd.**<br>**Address**: D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020<br>**Contact No:** 011-64732681-88 |
| **ISIN NO.:** | **INE610E01010** |
| **COMPANY WEBSITE:** | **www.kalyanicommercialsltd.com** |
| **E-MAIL:** | **kalyanicommercialslimited@gmail.com** |

## NOTICE OF 33RD ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of the members of Kalyani Commercials Limited will be held on Monday, 06th Day of August, 2018 at 9:00 A.M. at the registered office of the Company situated at BG-223, Sanjay Gandhi Transport Nagar, GT Karnal Road, Delhi-110 042 to transact the following business:
ORDINARY BUSINESS:

To receive, consider and adopt the Consolidated/ Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon.

To Appoint a Director in place of Ms. Manushree Agarwal (DIN No: 06620217), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers herself for re-appointment.

**For and on behalf of the Board**
**KALYANI COMMERCIALS LIMITED**

**Sd/-**
**Vikramjit Singh**
**(Company Secretary)**

**Date**: 09/07/2018
**Place** New Delhi

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.**

   In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company.

   PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION / AUTHORITY, AS APPLICABLE. An incomplete proxy form or proxy form received beyond time limit is liable to be rejected. A proxy form is enclosed.

2. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting along with their copy of Annual Report. No extra attendance slip and/or Annual Report will be provided at the venue of the Annual General Meeting. Also, Route map to the venue of meeting is enclosed.

3. Corporate Members intending to send their authorized representative(s) are requested to send a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.

4. Proxies shall be made available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the meeting.

5. Pursuant to section 91 of the Companies Act, 2013, the register of members and the share transfer books of the Company will remain closed from 31st July, 2018 to 06th August, 2018 (both days inclusive) for the purpose of Annual General Meeting.

6. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ M/s. Skyline Financial Services Private Limited.

7. The Company is providing facility of REMOTE E-VOTING and the business may be transacted through such voting. Details instructions are provided in the notice itself.

8. The facility for voting through Ballot paper shall also be made available at the meeting and members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting.

9. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

10. The ISIN of the Equity Shares of Rs.10/- each is INE610E01010.

11. Electronic copy of the Notice of Annual General Meeting and Annual Report 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depositories for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of Annual General Meeting and Annual Report 2017-18 is being sent in the permitted mode.

12. All the material documents, Resolutions, Memorandum and Articles of Association of the Company etc. are open for inspection to the members during the office hour of all working day till the conclusion of the Annual General Meeting at the registered office of the Company.

13. Members are requested to notify the change in address, if any, to the Company quoting their Folio Numbers, Name and number of share held by them etc.

14. Members are requested to register their e-mail addresses with the Company or depository for receiving communications including Annual Reports, Notices and Circulars etc. by the Company electronically.

15. For security reasons, no article/baggage will be allowed at the venue of the meeting.

16. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.

17. All documents referred to in accompanying Notice and Explanatory Statement shall be open for inspection by members and shall be available at the registered office of the Company on all working days during business hours from the date of this Notice up to the date of AGM.

18. The persons who have acquired shares and become members of the Company after the dispatch of notice and holding shares as on the cut-off date i.e. 31st July, 2018, then the member may obtain Login ID and other e-Voting related details from the Company.

19. Only bona fide members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

**Additional information on directors recommended for appointment / re-appointment as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.**

**Ms. Manushree Agarwal**

**Brief Profile:**

Ms. Manushree Agarwal has been working in various social fields for a long time. She possesses good management techniques and rich experience. She is competent and capable to hold the current position and provide valuable services to the Company and the work execution in a balanced manner. She possesses broad vision that shall be helpful for the Company to emerge more strongly.

**Disclosure of relationship between Directors inter-se:**

Ms. Manushree Agarwal is wife of Mr. Sourabh Agarwal and Daughter in Law of Mr. Shankar Lal Agarwal.

| | |
|---|---|
| Name | Manushree Agarwal |
| Age | 33 Years |
| Names of the Listed Companies in which the person also holds Directorship and Membership of Committees of the Board | NIL |
| Shareholding in the company | NIL |

**E-voting Instructions:**

Dear Member,

**Sub: Voting through electronic means**

Pursuant to the provision of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014, Kalyani Commercials Limited ("the Company") is offering e-Voting facility to its members in respect of the business to be transacted at the Annual General Meeting scheduled to be held on Monday, 06th August, 2018 at 9:00 A.M.

The Company has engaged the services of National Securities Depository Limited (NSDL) as the Authorized Agency to provide e-Voting facilities. The e-Voting particulars are set out below:

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

- Commencement of e-Voting: 03rd August, 2018 at 9:00 A.M.
- End of e-Voting: 05th August, 2018 till 5:00 P.M.
- The cut-off date for the purpose of e-Voting is 31st July, 2018.

Please read the instructions printed overleaf before exercising the vote. This Communication forms an internal part of the Notice dated 09th July, 2018 for the Annual General Meeting scheduled to be held on 6th August, 2018. The Notice of the Annual General Meeting and this communication will also be available on the website of the Company.

**Voting through electronic means**

i. In compliance with provisions of Section 108 of the Companies Act, 2013, 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 SEBI (Listing Obligation and Disclosure Requirements) 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 (AGM) 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 AGM may also attend the AGM but shall not be entitled to cast their vote again.

iv. The remote e-voting period commences on 03rd August, 2018 (9:00 am) and ends on 05th August, 2018 (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 31st July, 2018, 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 email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com

(iii) Click on Shareholder – Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Kalyani Commercials Limited".

(viii) Now you are ready for remote 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 authorized signatory(ies) who are authorized to vote to the Scrutinizer through e-mail to jacs.sharma@gmail.com with a copy marked to evoting@nsdl.co.in

**B.** In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

| **EVEN (Remote e-voting Event Number)** | **USER ID** | **PASSWORD/PIN** |
|---|---|---|

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.

i. 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 download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

ii. 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.

iii. 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).

iv. 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 31st July, 2018.

v. 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. 31st July, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or kalyanicommercialslimited@gmail.com

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.

vi. 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.

vii. 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.

viii. Ms. Jayanti Sharma (Membership No. 22180) on behalf of M/s. Grover Ahuja & Associates, Company Secretaries has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

ix. 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.

x. 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.

xi. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company 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 stock exchange.

**For and on behalf of the Board**
**KALYANI COMMERCIALS LIMITED**

**Sd/-**
**Vikramjit Singh**
**(Company Secretary)**

**Date**: 09/07/2018
**Place** New Delhi

## DIRECTOR'S REPORT

**To**
**The Shareholders,**

The Board of Directors hereby presents its 33rd Director's Report on business and operations of the Company, along with Standalone & Consolidated Audited Financial Statements for the Financial Year ended on 31st March, 2018.

### 1. BACKGROUND

The Company is a Non Deposit Accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration (14.00928) from the Reserve Bank of India ("RBI").

### 2. STATE OF COMPANY'S AFFAIR

With the expected positive momentum in the Indian economy, the Company is focused on growth and achieving profitability along with a renewed commitment to enhance quality and customer service and to reduce costs. Innovations, investment and positive modifications are expected in the near future, boosting the Company's revenues. Together with forward looking strategy, the Company is also focusing extensively on expanding the business and operational improvements through various strategic projects for operational excellence and cost cutting initiatives.

### 3. FINANCIAL RESULTS

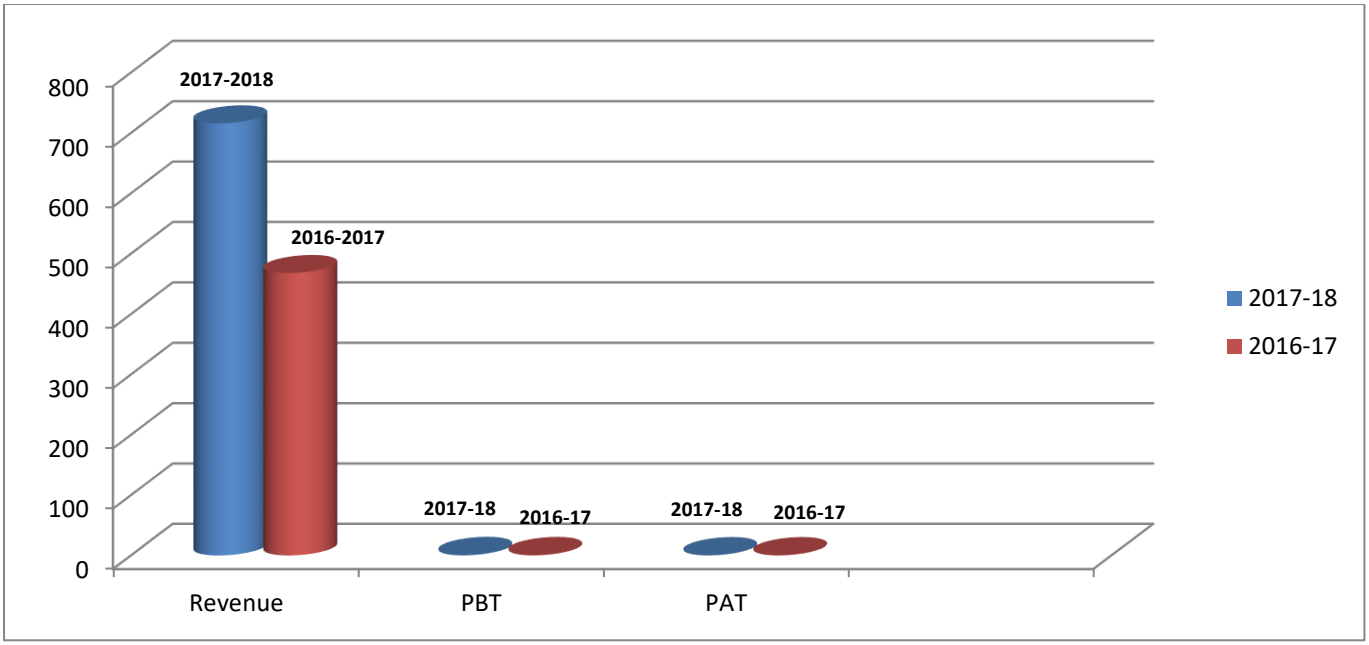
The Financial performance of the Company for the financial year ended 31st March, 2018 is summarized below:-

**(Rs. In Crore, except EPS)**

| **Particulars** | **Consolidated** | | **Standalone** | |
|---|---|---|---|---|
| | **For the year Ended** | | **For the year Ended** | |
| | **31.03.2018** | **31.03.2017** | **31.03.2018** | **31.03.2017** |
| **Total Revenue** | 715.79 | 468.04 | 495.58 | 454.62 |
| **Total Expenses** | 714.80 | 467.23 | 494.76 | 453.84 |
| **Profit Before Tax & Extraordinary Item** | 0.99 | 0.81 | 0.81 | 0.78 |
| **Tax Expenses** | | | | |
| - **Current Tax** | 0.43 | 0.28 | 0.31 | 0.27 |
| - **Deferred Tax Liability(Net)** | (0.08) | (0.008) | (0.02) | (0.03) |
| - **Income Tax Earlier Year** | 0.01 | (0.006) | 0.009 | (0.006) |
| **Profit After Tax** | **0.57** | **0.55** | **0.51** | **0.54** |
| **Earnings Per Share (EPS)** | **5.76** | **5.49** | **5.19** | **5.47** |

### 4. OPERATIONAL PERFORMANCE

During the period, collectively the company achieved revenue of Rs. 715.79 /- crores for the year ended 31st March, 2018 as against Rs. 468.04 /- for the year ended 31st March, 2017. The Company earned a profit of Rs. **0.57** /- crores during the year ended 31st March, 2018 as against the profit of Rs. **0.55** /- crores in previous year ended 31st March, 2017.




## 5. DIVIDEND

The company is planning to expand and thereby would need funds to invest in future projects. It thereby regrets to not to recommend any dividend but the directors are hopeful for better results in enduing future.

## 6. RESERVES AND SURPLUS

The Company has Rs.6,17,83,226.83/- in the reserve and surplus. Out of which, the Company has transferred a reserve of Rs.2,05,535/- as required under Section 45-IC of RBI Act, 1934 to the Statutory Reserve. Other than this, the Company is not transferring any amount to reserve out the current year's surplus.

## 7. SHARE CAPITAL

During the year under review, the share capital of the company remains unchanged and the company has also not issued any equity shares with differential rights and sweat equity shares.

## 8. LISTING OF SECURITIES

The 1000000 equity shares of Rs. 10/- each of the Company are listed on **National Stock Exchange of India Limited** (NSE) w. e. f. February 13, 2017.

The Annual listing fees for the year 2017-18 have been paid to the Stock Exchange.

## 9. DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

The Company conducts its business through its Subsidiaries for the various business segments in which it operates. As of 31st March, 2018, the Company had 1 Subsidiary and 2 wholly owned subsidiaries.

The Details of the Subsidiaries Companies are as follows:

| S. No. | Company | Status | Shareholding |
|---|---|---|---|
| 1. | Ganganagar Vehicles Private Limited | Subsidiary | 51% |
| 2. | Nekub Consultancy Limited | Wholly Owned Subsidiary | 99% |
| 3. | YYKS Buildcon Limited | Wholly Owned Subsidiary | 99% |

Pursuant to sub-section (3) of Section 129 of the Act and rules made thereunder, the statement containing the salient feature of the financial Statement of a Company's Subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given herewith AOC-1 as **Annexure-I** .

Further, pursuant to Accounting Standards i.e. AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report includes the financial information of its subsidiaries.

During the financial year under review, no new Company became Subsidiary/Joint Venture/Associate of the Company.

**10. BRANCHES OF THE COMPANY**

During the period under review, the Company has 3 (Three) branches in Rajasthan and Haryana both. The details of such branches are mentioned herein below:

| S. No. | Name | Address |
|---|---|---|
| 1. | Ganganagar Motors (Kota) | A-165, I.P.I.A., Road no. 5, Jhalawar Road, Kota, Rajasthan – 324005 |
| 2. | Aarav Motors | 15/2, Mathura Road, Sector 27-A, Faridabad, Haryana – 121003 |
| 3. | BPCL Filling Station | Khasra No. 142 & 143, Village Vrindavan, NH-12, Jhalawar, Rajasthan – 326001 |

**11. DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was payable or outstanding as on 31st March, 2018.

The company has neither accepted nor renewed any deposits falling under chapter V of Companies Act, 2013.

**12. PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTIES U/S 188(1)**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form AOC -2 as **Annexure -II.**

**13. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP) APPOINTED / RESIGNED DURING THE YEAR**

Pursuant to the provisions of the Companies Act, 2013 and the Company's Articles of Association, Ms. Manushree Agarwal, Director, retires by rotation and, being eligible, offers herself for re-appointment.

Mr. Shankar Lal Agarwal, & Mr. Sourabh Agarwal were re-appointed for a period of 5 years as the Managing Director & Whole Time Director of the Company respectively.

No Director/Key Managerial Personnel have retired or resigned during the year. Further, list of directors/KMP is mentioned herein below for your reference:

| S. No | Name | Designation |
|---|---|---|
| 1. | Shankar Lal Agarwal | Managing Director |
| 2. | Sourabh Agarwal | Whole-time Director |
| 3. | Manushree Agarwal | Director |
| 4. | Nitesh Gupta | Director |
| 5. | Alok Kumar Gupta | Independent Director |

| | | |
|---|---|---|
| 6. | Mukesh Joshi | Independent Director |

**LIST OF KEY MANAGERIAL PERSONNEL (KMP) AS ON 31ST MARCH, 2018:**

| S.No. | Name | Designation |
|---|---|---|
| **1.** | Shankar Lal Agarwal | Managing Director |
| **2.** | Sourabh Agarwal | Chief Financial Officer |
| **3.** | Vikramjit Singh | Company Secretary and Compliance Officer |

**14. MEETINGS HELD DURING THE F.Y. 2017-2018**

The Agenda and Notice of the Meetings were circulated well in advance to the respective Directors. During the year under review, 8 (Eight) Board Meetings, 4 (Four) Audit Committee Meetings, 4 (Four) Shareholder's Grievance Committee Meetings, 2 (Two) Internal Complaint Committee Meetings, 1 (One) Finance & Investment Committee Meeting and 1 (One) Independent Director's Committee Meeting were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 i.e. the maximum interval between any two meetings did not exceed 120 days.

**15. COMPOSITION OF COMMITTEES OF THE BOARD AS ON 31ST March 2018:**

**a) AUDIT COMMITTEE:**

In compliance with the provisions of Section 177 of the Companies Act, 2013, the primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurately and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The composition of Audit Committee of the Company is as following:

| S. No | Name of Member | Designation | Category |
|---|---|---|---|
| 1. | Mukesh Joshi | Chairman | Non- Executive & Independent Director |
| 2. | Nitesh Gupta | Member | Non- Executive Director |
| 3. | Alok Kumar Gupta | Member | Non- Executive & Independent Director |

The Board has accepted all the recommendations proposed by audit committee during the Financial Year.

**b) NOMINATION AND REMUNERATION COMMITTEE:**

In compliance with provisions of 178(1) of the Companies Act, 2013, the purpose of the committee is to screen and review individuals qualified to serve as executive directors, non-executive directors and independent directors and to review their remuneration, consistent with criteria approved by the Board, and to recommend, for approval by the Board. The composition of Nomination and Remuneration Committee of the Company is as following:

| S. No. | Name of Member | Designation | Category |
|---|---|---|---|
| 1. | Mukesh Joshi | Chairman | Non- Executive & Independent Director |
| 2. | Nitesh Gupta | Member | Non- Executive Director |
| 3. | Alok Kumar Gupta | Member | Non- Executive & Independent Director |

### c) SHAREHOLDER'S GRIEVANCE COMMITTEE :

In order to comply with the Good Corporate Governance Norms the Company has constituted this committee. The purpose of the committee is to assist the Board and the Company in maintaining healthy relationships with all stakeholders. The composition of Shareholder's Grievance Committee of the Company is as following:

| S. No. | Name of Member | Designation | Category |
|---|---|---|---|
| 1. | Alok Kumar Gupta | Chairman | Non- Executive & Independent Director |
| 2. | Shankar Lal Agarwal | Member | Executive Director |
| 3. | Nitesh Gupta | Member | Non -Executive Director |

### d) FINANCE AND INVESTMENT COMMITTEE:

The Board of Directors has constituted Finance and Investment Committee to assist it in overseeing acquisitions and investments made by the Company and provide oversight on key investment policies of the Company. The composition of Finance and Investment Committee is as following:

| S. No. | Name of Member | Designation | Category |
|---|---|---|---|
| 1. | Mukesh Joshi | Chairman | Non- Executive & Independent Director |
| 2. | Alok Kumar Gupta | Member | Non- Executive & Independent Director |
| 3. | Nitesh Gupta | Member | Non-Executive Director |

### e) INTERNAL COMPLAINT COMMITTEE :

The Board of Directors has constituted Internal Complaint Committee pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the purpose of adhering the Complaints of employees regarding Sexual Harassment.

| S. No. | Name of Member | Designation | Category |
|---|---|---|---|
| 1. | Manushree Agarwal | Chairman | Non- Executive Director |
| 2. | Alok Kumar Gupta | Member | Non- Executive & Independent Director |
| 3. | Mukesh Joshi | Member | Non-Executive & Independent Director |

## 16. DECLARATION BY INDEPENDENT DIRECTOR

The Independent Directors have submitted their declarations of independence, as required pursuant to provisions of section 149(7) of the Act, stating that they meet the criteria of independence as provided in subsection (6) and Regulation 25 of Listing Regulations.

## 17. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

In terms of regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company familiarizes the Directors about their role and responsibility at the time of their appointment through a formal letter of appointment. All new independent directors inducted into the Board attend an orientation program. Presentations are regularly made at the meetings of the Board and its various Committees on the relevant subjects. The details of programs for familiarization of Independent Directors can be accessed on the Company's website.

## 18. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

1.) in the preparation of annual accounts for the financial year ended 31st March, 2018 the applicable accounting standards have been followed along with proper explanation relating to material departures;

2.) 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 Companies as at 31st March, 2018 and of the loss of the Company for the period ended on that date;

3.) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

4.) the Directors have prepared the annual accounts on a going concern basis;

5.) the Directors have laid down proper internal financial controls to be followed by the company and such internal financial control and adequate and were operating effectively ; and

6.) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively .

## 19. DETAILS OF FRAUD REPORTED BY AUDITOR

In terms of sub clause 3 (c) (a) of Section 134 of Companies Act, 2013, there have been no frauds reported by the Auditors under sub section (12) of section 143 other than which are reportable to Central Government.

## 20. CORPORATE GOVERNANCE REPORT

As per Regulation 15 of the SEBI (Listing Regulations and Disclosure Obligations Requirements) Regulations, 2015, the provisions of Chapter IV of the said Listing Regulations, 2015, the Compliance with the corporate governance provisions as specified in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V shall not be mandatory, for the time being, in respect of the following class of companies:

A. The listed entity having Paid up Equity Share Capital not exceeding Rs.10 Crore and Net Worth not exceeding Rs.25 Crore, as on the last day of the previous financial year;

B. The Listed Entity which has listed its specified securities on the SME Exchange.

Since the Company is neither listed exclusively on the SME Exchange nor its paid-up share capital and net-worth exceeds the prescribed threshold limits therefore, Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 are not applicable on the Company.

## 21. BOARD EVALUATION

In pursuant to applicable Sections of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has formulated a framework and criteria to evaluate the performance of the entire Board of the Company, its Committees and Individual Director including Independent Directors.

The Independent Directors has met separately without any presence of Non-Independent Director and member of management to discuss the performance of Non-Independent Directors and Board as a whole.

## 22. SECRETARIAL AUDIT

As required under Section 204 (I) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Grover Ahuja & Associates, Practicing Company Secretary to conduct the Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report received from them form part of Annual Report as **Annexure III**.

## 23. SECRETARIAL AUDITORS' REPORT

The Secretarial Auditor remarks are self-explanatory and do not require any clarification from the Board except the following:

**Remark 1:** CIC Registration as provided under the Reserve Bank of India Circular No. DNBS(PD).CC. No 200/03.10.001/2010-11 dated 17th September, 2010 and related notifications issue in relation of the same, has not been acquired by the Company.

**Board Clarification:** The Board assures that the Company will comply with all the provisions of the Non – Banking Financial Companies Prudential Norms in due course.

## 24. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Pursuant to Section 186(11) of the Companies Act, 2013, disclosure under Section 134(3) (g) of the Companies Act, 2013 is not applicable on the Company.

## 25. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in form MGT-9 as required under Section 134(3) of the Companies Act, 2013, are included in this report as **Annexure – IV** and forms integral part of this report.

## 26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

## 27. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

Whereas as per the directions issued by the Ministry of Corporate Affairs to align the activity code of the Company with its objects i.e. to reflect the NBFC activity of the Company and pursuant to such directions the Company has changed its CIN from L51909DL1985PLC021453 to L65923DL1985PCL021453 w.e.f 28th September, 2017.

## 28. CHANGE IN THE NATURE OF BUSINESS

The Company has amended its Memorandum of Association (other Object) subject to the approval of its Shareholders of the Company in the Extra Ordinary General Meeting held on 22nd Day of January, 2018, in order to carry on the Business of selling and servicing of Insurance products and to act as Motor Insurance Service Provider (MISP).

## 29. SECRETARIAL STANDARDS OF ICSI

Your Company is in compliance with all the applicable Secretarial Standards as specified by the Institute of Company Secretaries of India.

## 30. STATUTORY AUDITORS

In accordance with the provisions of Section 139 of the Act and the rules framed there under, M/s M.C. Bhandari & Co., Chartered Accountants were re-appointed as statutory auditors of the Company in the Annual General Meeting held on 1st September, 2017 for a period of five years i.e. till the conclusion of the AGM to be held in the year 2022.

## 31. STATUTORY AUDITORS' REPORT

The observation made by the Auditors are self – explanatory and do not require any further clarifications. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

## 32. PARTICULARS OF EMPLOYEES

The information as per Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

(i). The ratio of remuneration of each director to the median remuneration of the employees of the employees of the Company for the financial year 2017-18:

| S. No. | Directors | Ratio to median remuneration |
|---|---|---|
| 1 | Mr. Shankar Lal Agarwal | 2.95:1 |
| 2 | Mr. Sourabh Agarwal | 4.92:1 |
| 3 | Mr. Alok Kumar Gupta | NIL |
| 4 | Mr. Nitesh Gupta | NIL |
| 5 | Mrs. Manushree Agarwal | NIL |
| 6 | Mr. Mukesh Joshi | NIL |

(ii). There has been **a percentage** increase in the remuneration of Managing Director and Company Secretary **and a percentage decrease** in the remuneration of Whole Time Director/CFO of the Company in the financial Year 2017-2018.

(iii). There has been **a 0.49% increase** in the median remuneration of employees in the financial year 2017-18.

(iv). The total number of permanent employees on the rolls of the Company during the financial year was **245**.

(v). There has been an average percentile **increase of 0.47%** in the salaries of employees and managerial personnel as well. The total remuneration to employees for the Financial Year 2017-18 was Rs. 3,57,91,892/- as compared to Rs.2,55,97,064.5/- in the Financial Year 2016-17.

(vi). The Company affirms that remuneration given is as per the remuneration policy of the Company.

However, as per the provisions of Section 136 of the Act, the Report and Accounts are being sent to all the members excluding the information on particulars of employees which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting.

## 33. DISCLOSURE UNDER RULE 5 (2) & (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014

No Directors/employees of the Company was in receipt of amount exceeding a salary of Rs. 8,50,000/- per month or more when employed for a part of the financial year and Rs. 1,02,00,000/- per annum or more when employed for whole of the year ,under the provision of Rule 5 (2) & (3) of The Companies(Appointment And Remuneration) Rules, 2014, as amended from time to time.

## 34. HUMAN RESOURCES

The Company recognizes people as its most valuable asset and it has built an open, transparent and meritocratic culture to nature this asset. The company has kept a sharp focus on Employee Engagement. The Company's Human

Resources is commensurate with the size, nature and operation of the Company. It looks at the employee's entire life cycle, to ensure timely interventions and help build a long-lasting and fruitful career.

## 35. CORPORATE POLICY

We seek to promote and follow the highest level of ethical standards in our business transactions. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on the website of the Company.

The Policies are reviewed periodically by the Board and updated on the basis of need and new Compliance.

**The Key Policies are as follows:**

| Name of the Policy | Brief Description |
|---|---|
| **Vigil Mechanism/Whistle Blower Policy** | This policy has been established with a view to provide a tool to Directors and Employees of the Company to report to Management genuine concerns including unethical behavior, actual or suspected fraud or violation of the code or the policy. The Policy also provides for adequate safeguards against victimization of Director(s)/Employee(s) who avail of the mechanism and also provides for direct access to the chairman of the Audit Committee in exceptional cases. |
| **Risk Management Policy** | This Policy represents the basic standards of Risk Assessment to be followed by the Company. Changes in the Policy will become effective upon approval by the Board of Directors of the Company. All relevant employees must be thoroughly familiar or made familiar with it and make use of the material contained in this Policy. |
| **Remuneration Policy** | The Board has on the recommendation of Nomination and Remuneration Committee framed and adopted a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. |
| **Policy for determining materiality of event or Information** | The Objective of this policy is to outline the guidelines to be followed by the Company for consistent, transparent and timely public disclosures of material information events/information and to ensure that such information is adequately disseminated to the stock Exchange(s) where the securities of the Company are listed in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality. |
| **Policy of Preservation of Records** | This policy sets the Standards for classifying, managing and storing the records of the Company. The Purpose of this policy is to establish framework for effective records Management and the process for Subsequent archival of such records. |
| **KYC and AML Policies** | This policy is made to prevent criminal elements from using Company for money laundering activities and to enable the Company to know/ understand its customers and their financial dealings better which, in turn, would help the Company to manage risks prudently |

## 36. REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT, 2013

The Board confirms that no complaints/ cases has been filed / pending with the Company under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial

year 2017-18. Further an Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment. All employees (permanent, contractual temporary, trainees) are covered under this policy.

## 37. DISCLOSURE ABOUT COST AUDIT

As per the Cost Audit Orders, Cost Audit is not applicable to the Company's for the FY 2017-18.

## 38. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable as Company is not covered under the criteria mentioned in Section 135(1) of the Companies Act, 2013.

## 39. EMPLOYEE STOCK OPTIONS DETAILS

During the year under review, the Company has no Employee's Stock Options schemes.

## 40. MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2018 and is annexed as **Annexure- VI** of this Annual Report for the reference of the stakeholders.

## 41. INTERNAL AUDIT & CONTROL

The Company's internal control system is designed to ensure operational efficiency, protection and conservation of resources, accuracy and promptness in financial reporting and compliance with laws and regulations. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the Company's internal controls, including its systems and processes and compliance with regulations and procedures.

Further, pursuant to Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, Ms. Pratibha Jain of M/s. R.L. Vijayveergiya & Co., Chartered Accountants, having ICAI Membership No. 417338, is the Internal auditor of the Company who is performing all the duties as required to performed by the Internal auditor under the Companies Act, 2013.

## 42. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In view of the nature of the activities carried out by the Company, Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 relating to conservation of energy and technology absorption, are not applicable to the Company. During the year under review, the Company had no earnings and expenditure in foreign exchange.

## 43. ACKNOWLEDGEMENT AND APPRECIATION

Yours Directors would like to express their grateful appreciation for assistance and cooperation received from the Banks, Government Authorities, Customers, Vendors and Members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives, staff and workers of the Company at all levels.

**By the order of the Board**
**For Kalyani Commercials Limited**

**Sd/-**
**Sourabh Agarwal**
**(Whole Time Director)**
**DIN: 02168346**
**Address: AE- 166, Shalimar Bagh,**
**New Delhi- 110088**

**Sd/-**
**Shankar Lal Agarwal**
**(Managing Director)**
**DIN: 01341113**
**Address: AE-166, Shalimar Bagh,**
**New Delhi- 110088**

**Date: 09/07/2018**
**Place: New Delhi**

**Annexure –I**

**Form AOC-1**

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)**

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part: "A" Subsidiaries

**(Amount in Rupees)**

| **S. No.** | **Particulars** | | | |
|---|---|---|---|---|
| 1. | **Name of Subsidiary** | **Ganganagar Vehicles Private Limited** | **Nekub Consultancy Limited** | **YYKS Buildcon Limited** |
| 2. | Reporting period for the subsidiary concerned | 2017-18 | 2017-2018 | 2017-18 |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | NA | NA | NA |
| 4. | Share capital | 8,00,00,000 | 5,00,000 | 5,00,000 |
| 5. | Reserves & surplus | 13,68,393 | (52,780) | (52,780) |
| 6. | Total assets | 109,17,02,072 | 5,02,220 | 4,69,220 |
| 7. | Total Liabilities | 1,01,03,33,679 | 55,000 | 22,000 |
| 8. | Turnover | 220,22,34,074 | 0 | 0 |
| 9. | Profit before taxation | 18,28,722 | (38,850) | (38,850) |
| 10. | Provision for taxation | 12,14,076 | - | - |
| 11. | Profit after taxation | 12,81,652 | (41,058) | (41,058) |
| 12. | Proposed Dividend | - | - | - |
| 13. | % of shareholding | 51.08% | 99.98% | 99.98% |
| 14. | Names of subsidiaries which are yet to commence operations | N.A. | | |
| 15. | Names of subsidiaries which have been liquidated or sold during the year. | | | |

**By the order of the Board**
**For Kalyani Commercials Limited**

**Sd/-**
**Sourabh Agarwal**
**(Whole Time Director)**
DIN: 02168346
Address: AE- 166, Shalimar Bagh,
New Delhi- 110088

**Sd/-**
**Shankar Lal Agarwal**
**(Managing Director**)
DIN: 01341113
Address: AE-166, Shalimar Bagh,
New Delhi- 110088

**Date**: 09/07/2018
**Place**: New Delhi

**Annexure-II**

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis- N.A.**

a) Name(s) of the related party and nature of relationship:
b) Nature of contracts/arrangements/transactions:
c) Duration of the contracts / arrangements/transactions:
d) Salient terms of the contracts or arrangements or transactions including the value, if any
e) Justification for entering into such contracts or arrangements or transactions:
f) Date(s) of approval by the Board :
g) Amount paid as advances, if any:
h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis: As table given below:**

| S.No | Particulars | Details of the Parties | | | | | |
|---|---|---|---|---|---|---|---|
| **a)** | **Name(s) of the related party and nature of relationship** | Kota Trucks Private Limited | Kota Trucks Private Limited | Argent Leasing & Finance Private Ltd | Argent Leasing & Finance Private Ltd | Mala Agarwal | Sourabh Agarwal |
| **b)** | **Nature of contracts/arrangements/transactions** | Purchases | Sales | Purchases | Sales | Payment of Lease Rent | Payment of Lease Rent |
| **c)** | **Duration of the contracts /arrangements/transaction** | 1 Year | 1 Year | 1 Year | 1 Year | 60 Months | 60 Months |
| **d)** | **Salient terms of the contracts or arrangements or transactions including the value, if any** | On Purchase order Basis | On order Basis | On Purchase order Basis | On order Basis | As per the Lease agreement | As per the Lease agreement |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **e)** | **Date(s) of approval by the Board, if any** | 30th May, 2017 | 30th May, 2017 | 30th May, 2017 | 30th May, 2017 | 30th May, 2017 | 30th May, 2014 |
| **f)** | **Amount paid as advances, if any** | - | - | - | - | - | - |

**By the order of the Board**
**For Kalyani Commercials Limited**

**Sd/-**
**Sourabh Agarwal**
**(Whole Time Director)**
DIN: 02168346
Address: AE- 166, Shalimar Bagh,
New Delhi- 110088

**Sd/-**
**Shankar Lal Agarwal**
**(Managing Director)**
DIN: 01341113
Address: AE-166, Shalimar Bagh,
New Delhi- 110088

**Date**: 09/07/2018
**Place**: New Delhi

**Annexure-III**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

To,
The Members,
**Kalyani Commercials Limited**

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by **Kalyani Commercials Limited** (hereinafter called "**the company**") for the financial year ended on 31st March, 2018 (herein after called the period under review). 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 KALYANI COMMERCIALS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 2017-18 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Kalyani Commercials Limited for the financial year ended on 2017-18 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; Not Applicable to the Company during Audit Period.

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

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
**Not Applicable to the Company during Audit period.**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
**Not Applicable to the Company during Audit period.**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
**Not Applicable to the Company during Audit period.**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
**Not Applicable to the Company during Audit period.**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
**Not Applicable to the Company during Audit period.**

(vi) Reserve Bank of India Act, 1934

(vii) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

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

- Secretarial Standards issued by The Institute of Company Secretaries of India**.**

During the period under review and as per the explanations and clarifications given to us and the representations made by the management, the Company has complied with the provisions of applicable Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following Observations:

**A. Observations/ Non Compliance/ Adverse Remarks/ Qualifications under the RBI Act, 1934 and Non-Systemically Important Non-Banking Financial( Non Deposit Accepting or Holding) Companies Prudential Norms(Reserve Bank) Directions,2015; other Notifications, Directions or Circulars issued there under as applicable on the Company**

- CIC Registration as provided under the Circular No. RBI/2014-15/458 has not been acquired by the Company.

**We further report that**

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

2. Adequate notices are given to all the directors for the scheduled Board Meetings, along with agenda and detailed notes thereon 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 for meaningful participation at the meeting.

3. 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.

**We further report** that during the audit period

1. The board of the Company is duly constituted with proper balance and combination of Executive Directors, Non-Executive Directors and Independent Directors.

2. Adequate notices are given to all the Directors for the scheduled Board Meetings, along with agenda and detailed notes thereon 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 for meaningful participation at a meeting.

3. 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.
The Company has exercised its power of Closure of Register of member and debenture holders as prescribed

**For Grover Ahuja & Associates**

**Sd/-**
**Jayanti Sharma**
**ACS No.: 22180**
**C.P. No.: 12794**

**Date:**
**Place:** New Delhi

**Note:** This Report is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

**‘Annexure’**

To,
The Members,
**Kalyani Commercials Limited**

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

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

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, we followed provide a reasonable basis for our opinion.

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

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

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

**For Grover Ahuja & Associates**

**Sd/-**
**Jayanti Sharma**
**ACS No.:** 22180
**C.P. No.:** 12794

**Date:** 09.07.2018
**Place:** New Delhi

**Annexure-IV**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**
**(As on financial year ended 31.03.2018)**

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

## I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| i. | **CIN** | L65923DL1985PLC021453 |
| ii. | **Registration Date** | 08/07/1985 |
| iii. | **Name of the Company** | Kalyani Commercials Limited |
| iv. | **Category/Sub-category of the Company** | Company having Share Capital |
| v. | **Address of the Registered Office** | BG-223, Sanjay Gandhi Transport Nagar,<br>GT Karnal Road<br>New Delhi- 110 042 |
| vi. | **Whether listed Company** | Yes |
| vii. | **Name, Address & contact details of the Registrar & Transfer Agent, if any.** | Skyline Financial Services Pvt. Ltd.<br>**Address:** D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110 02<br>**Contact No:** 011-64732681-88 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| S. No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the Company |
|---|---|---|---|
| **i.** | Vehicles and Vehicle Body | 99622813 | 97.01% |

## III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

| S.No. | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|---|---|---|---|---|---|
| **1** | **Ganganagar Vehicles Private Limited**<br><br>**Address:** BG-223 Sanjay Gandhi Transport Nagar, GT Karnal Road New Delhi 110042 | U50500DL2016PTC303464 | Subsidiary Company | 51.08% | Section 2(87)(ii) |

| | | | | | |
|---|---|---|---|---|---|
| **2.** | **Nekub Consultancy Limited**<br><br>**Address:** BG-223 Sanjay Gandhi Transport Nagar, GT Karnal Road New Delhi 110042 | U74999DL2017PLC314466 | Whole owned Subsidiary Company | 99.98% | Section 2(87)(ii) |
| **3.** | **YYKS Buildcon Limited**<br><br>**Address:** BG-223 Sanjay Gandhi Transport Nagar, GT Karnal Road New Delhi 110042 | U70109DL2017PLC314459 | Whole owned Subsidiary Company | 99.98% | Section 2(87)(ii) |

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

**i) Category-wise Share Holding**

| **Category of Shareholders** | **No. of Shares held at the beginning of the year** | | | | **No. of Shares held at the end of the year** | | | | **% change during the year** |
|---|---|---|---|---|---|---|---|---|---|
| | **Demat** | **Physical** | **Total** | **% of Total Shares** | **Demat** | **Physical** | **Total** | **% of Total Shares** | |
| **A. Promoters** | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) *Individual/HUF | 0 | 531400 | 531400 | 53.14 | 531400 | 0 | 531400 | 53.14 | 0.00 |
| b) Central Govt. or State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| c) Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| d) Bank/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | | | | | | | | | |
| ***SUB TOTAL:(A) (1)** | **0** | **531400** | **531400** | **53.14** | **531400** | **0** | **531400** | **53.14** | **0.00** |
| **(2) Foreign** | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| a) NRI-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | | | | | | | | | |
| **SUB TOTAL (A) (2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0.00** |
| | | | | | | | | | |
| ***Total Shareholding of Promoter (A)= (A)(1)+(A)(2)** | **0** | **531400** | **531400** | **53.14** | **531400** | **0** | **531400** | **53.14** | **0.00** |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| b) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| C) Central govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| d) State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| g) FIIS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| i)Others (Individual) | 0 | 468600 | 468600 | 46.86 | 0 | 468600 | 468600 | 46.86 | 0.00 |
| **SUB TOTAL (B)(1):** | **0** | **1000000** | **1000000** | **100** | **0** | **1000000** | **1000000** | **100** | **0.00** |
| | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **(2) Non Institutions** | | | | | | | | | |
| a) Bodies corporate | 0 | 2000 | 2000 | 0.20 | 0 | 2000 | 2000 | 0.20 | 0.00 |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| b) Individuals | | | | | | | | | |
| i)* Individual shareholders holding nominal share capital up to Rs.2 lakhs | 0 | 453400 | 453400 | 45.34 | 0 | 453400 | 453400 | 45.34 | 0.00 |
| ii)* Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| c) Others (HUF) | 0 | 13200 | 13200 | 1.32 | 0 | 13200 | 13200 | 1.32 | 0.00 |
| | | | | | | | | | |
| ***SUB TOTAL (B)(2):** | **0** | **468600** | **468600** | **46.86** | **0** | **468600** | **468600** | **46.86** | **0.00** |
| | | | | | | | | | |
| ***Total Public Shareholding (B)= (B)(1)+(B)(2)** | **0** | **468600** | **468600** | **46.86** | **0** | **468600** | **468600** | **46.86** | **0.00** |
| | | | | | | | | | |
| **C. Shares held by Custodian for GDRs & ADRs** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | | | | | | | | | |
| ***Grand Total (A+B+C)** | **0** | **1000000** | **1000000** | **100** | **0** | **1000000** | **1000000** | **100** | **0.00** |

**(ii) Shareholding of promoters**

| S. No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of 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 | % change in shareholding during the year |
| 1 | Shankar Lal Agarwal | 418000 | 41.80 | 0 | 418000 | 41.80 | 0 | 0.00 |
| 2 | Mala Agarwal | 45000 | 4.50 | 0 | 45000 | 4.50 | 0 | 0.00 |
| 3 | Shankar Lal Agarwal (HUF) | 40000 | 4.00 | 0 | 40000 | 4.00 | 0 | 0.00 |
| 4 | Sourabh Agarwal | 28400 | 2.84 | 0 | 28400 | 2.84 | 0 | 0.00 |
| | **Total** | **531400** | **53.14** | **0** | **531400** | **53.14** | **0** | **0.00** |

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

| Particulars | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|
| | No. of Shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| At the beginning of the year | 531400 | 53.14 | 531400 | 53.14 |
| Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.) | No change during the year | | | |
| At the end of the year | 531400 | 53.14 | 531400 | 53.14 |

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

| S. No. | Particulars | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|---|---|---|---|---|---|
| | For Each of the Top 10 Shareholders | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Vidyawati Maheshwari | 19200 | 1.92 | 19200 | 1.92 |
| 2 | Tulsi Ram Maheshwari | 15000 | 1.50 | 15000 | 1.50 |
| 3 | O. P. Dudani | 12300 | 1.23 | 12300 | 1.23 |
| 4 | Gurmeet Singh | 12000 | 1.20 | 12000 | 1.20 |
| 5 | Narendra Kumar Sharma | 10800 | 1.08 | 10800 | 1.08 |
| 6 | Puja Sharma | 8600 | 0.86 | 8600 | 0.86 |
| 7 | Ghanshyam Prasad Gupta | 6900 | 0.69 | 6900 | 0.69 |
| 8 | Devindar Sharma | 6500 | 0.65 | 6500 | 0.65 |
| 9 | Amit Aggarwal | 6400 | 0.64 | 6400 | 0.64 |
| 10 | Vinod Maheshwari | 6300 | 0.63 | 6300 | 0.63 |

**(v) Shareholding of Director's & Key Managerial Personnel's:**

| S. No. | Particulars | Shareholding at the end of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | For Each of the Directors & KMP | No. of shares | % of total shares of the Company | No of shares | % of total shares of the Company |
| 1 | **Shankar Lal Agarwal** | 418000 | 41.8 | 418000 | 41.8 |
| 2 | **Sourabh Agarwal** | 28400 | 2.84 | 28400 | 2.84 |

| | | | | | |
|---|---|---|---|---|---|
| 3 | **Mukesh Joshi** | 500 | 0.05 | 500 | 0.05 |
| 4 | **Nitesh Gupta** | 2100 | 2.10 | 2100 | 2.10 |

**(V) INDEBTEDNESS**

| **Indebtedness of the Company including interest outstanding/accrued but not due for payment** | | | | |
|---|---|---|---|---|
| **Particulars** | **Secured Loans excluding deposits** | **Unsecured Loans** | **Deposits** | **Total Indebtedness** |
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 378174137.70 | 23832026.00 | 2374566.00 | 404380729.70 |
| ii) Interest due but not paid | 3338171.43 | 240154.00 | 0.00 | 3578325.43 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | |
| **Total (i+ii+iii)** | **381512309.1** | **24072180** | **2374566** | **407959055.13** |
| | | | | |
| **Change in Indebtedness during the financial year** | | | | |
| Additions | 10484762558.02 | 15000000.00 | 283592.85 | 10500046150.87 |
| Reduction | 10127227940.13 | 7522385.00 | 702000.00 | 10135452325.13 |
| **Net Change** | **357534617.9** | **7477615** | **-418407.15** | **364593825.7** |
| | | | | |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 735708755.59 | 31309641.00 | 1956158.85 | 768974555.44 |
| ii) Interest due but not paid | 5456843.91 | 2822333.00 | 0.00 | 8279176.91 |
| iii) Interest accrued but not due | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total (i+ii+iii)** | **741165599.50** | **34131974.00** | **1956158.85** | **777253732.35** |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| S. No. | Name of the MD/WTD/Manager | | | Total Amount |
|---|---|---|---|---|
| 1 | **Gross salary** | **Shankar Lal Agarwal** | **Sourabh Agarwal** | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax 1961 | 3,60,000 | 6,00,000 | 9,60,000 |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | 0 | 0 | 0 |
| | (c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0 | 0 | 0 |
| 2 | **Stock option** | 0 | 0 | 0 |
| 3 | **Sweat Equity** | 0 | 0 | 0 |
| 4 | **Commission as % of profit** | 0 | 0 | 0 |
| 5 | **Others (specify)** | 0 | 0 | 0 |
| | **Total (A)** | 3,60,000 | 6,00,000 | 9,60,000 |
| | **Ceiling as per the Act** | 8,50,000 | 8,50,000 | 1,02,00,000 |

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

**B. Remuneration to other Directors**

| S. No. | Particulars of Remuneration | Name of the Directors | | Total Amount |
|---|---|---|---|---|
| | | **Mukesh Joshi** | **Alok Kumar Gupta** | |
| 1 | Independent Directors | 0 | 0 | 0 |
| | (a) Fee for attending board committee meetings | 0 | 0 | 0 |
| | (b) Commission | 0 | 0 | 0 |
| | (c ) Others, please specify | 0 | 0 | 0 |
| | **Total (1)** | 0 | 0 | 0 |
| 2 | Other Non-Executive Directors | **Manushree Agarwal** | **Nitesh Gupta** | |
| | (a) Fee for attending board committee meetings | 0 | 0 | 0 |
| | (b) Commission | 0 | 0 | 0 |

| | | | | |
|---|---|---|---|---|
| | (c) Others please specify. | 0 | 0 | 0 |
| | **Total (2)** | 0 | 0 | 0 |
| | **Total (B)=(1+2)** | 0 | 0 | 0 |
| | **Total Managerial Remuneration** | 0 | 0 | 0 |
| | **Overall Ceiling as per the Act** | 0 | 0 | 0 |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | **Gross Salary** | **CEO** | **CS** | **CFO** | |
| | | | **Vikramjit Singh** | **Sourabh Agarwal** | |
| 1 | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 0 | 3,96,000 | 0 | 3,96,000.00 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961. | 0 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961. | 0 | 0 | 0 | 0 |
| 2 | Stock Option | 0 | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 | 0 |
| 4 | Commission as % of profit others, specify | 0 | 0 | 0 | 0 |
| 5 | Others, please specify | 0 | 0 | 0 | 0 |
| | **Total** | **0** | **3,96,000.00** | **0** | **3,96,000.00** |

VII **PENALTIES/PUNISHMENT/COMPPOUNDING 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) |
|---|---|---|---|---|---|
| **A. COMPANY** | | | | | |
| Penalty | **No Penalties, Punishments or Compounding of Offences** | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

| B. DIRECTORS | |
|---|---|
| Penalty | **No Penalties, Punishments or Compounding of Offences** |
| Punishment | |
| Compounding | |
| **C. OTHER OFFICERS IN DEFAULT** | |
| Penalty | **No Penalties, Punishments or Compounding of Offences** |
| Punishment | |
| Compounding | |

**By the order of the Board**
**For Kalyani Commercials Limited**

**Sd/-**
**Sourabh Agarwal**
**(Whole Time Director)**
**DIN: 02168346**
**Address: AE-166, Shalimar Bagh,**
**New Delhi- 110088**

**Sd/-**
**Shankar Lal Agarwal**
**(Managing Director)**
**DIN: 01341113**
**Address: AE-166, Shalimar Bagh**
**New Delhi- 110088**

**Date: 09/07/2018**
**Place: New Delhi**

**Annexure-V**

**Information as per Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**
**Details of Top Ten Employees in terms of Remuneration Drawn**

| S. No. | Name of Employee | Designation | Remuneration Received (in Rs.) | Nature of Employment | Qualifications | Experience | Date of commencement of | Age | Last Employment held | Percentage of shares | Whether relative of any Director/Manager |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Manish Jhamb | General Manager (Sales) | 7,08,000 | Regular | B.Com | 18 Years | 01/07/2008 | 47 | Uasha Arth Movers | Nil | No |
| 2. | Mahipal Singh | Deputy General Manager (Spare) | 4,67,400 | Regular | M.A | 16 Years | 02/09/2002 | 39 | Pushpa Motors | Nil | No |
| 3. | Rajpal | Senior Manager (Spare) | 4,47,000 | Regular | Senior Secondary | 16 Years | 01/09/2006 | 46 | N.A | Nil | No |
| 4. | Aditya Kumar | Deputy General Manager (Accidental) | 5,22,000 | Regular | Senior Secondary & Diploma | 10 Years | 01/07/2008 | 50 | Rajesh Motors | Nil | No |
| 5. | Mukesh Panchal | Deputy General Manager (Accounts) | 4,94,400 | Regular | B.Com & M.B.A | 13 Years | 01/04/2005 | 37 | N.A. | 0.04 | No |
| 6. | Rajesh Ojha | Business Manager (Sales) | 5,70,000 | Regular | B.Com | 16 Years | 01/04/2011 | 55 | N.A. | Nil | No |
| 7. | Jayant Sharma | Business Manager (Sales) | 5,04,000 | Regular | B.Com | 7 Years | 12/10/2011 | 52 | Pushpa Motors | Nil | No |
| 8. | Anil Singh Shekhawat | Business Manager (Sales) | 3,88,000 | Regular | M.B.A | 4 Years | 07/02/2014 | 35 | Eicher Motors | Nil | No |
| 9. | Bharat Singh | Senior Manager (Sales) | 4,40,163 | Regular | B.Com | 3 Years | 02/12/2015 | 51 | Bharat Benz | Nil | No |
| 10. | Sunil Yadav | Manager (Insurance) | 3,60,000 | Regular | MBA (cor) | 5 Years | 30-08-13 | 35 | Shri Ram Financce | Nil | No |

**By the order of the Board**
**For Kalyani Commercials Limited**

**Sd/-**
**Sourabh Agarwal**
**(Whole Time Director)**
**DIN: 02168346**
**Address: AE- 166, Shalimar Bagh,**
**New Delhi- 110088**

**Sd/-**
**Shankar Lal Agarwal**
**(Managing Director)**
**DIN: 01341113**
**Address: AE-166, Shalimar Bagh,**
**New Delhi- 110088**

## ***Management Discussion and Analysis Report***

### INDUSTRY OVERVIEW

NBFCs have been playing a complementary role to the other financial institutions including banks in meeting the funding needs of the economy. They help fill the gaps in the availability of financial services that otherwise occur in the unbanked & the underserved areas.

The NBFC segment has witnessed considerable growth in the last few years and is now being recognized as complementary to the banking sector due to implementation of innovative marketing strategies, introduction of tailor-made products, customer-oriented services, attractive rates of return on deposits and simplified procedures, etc.

NBFCs have been at the forefront of catering to the financial needs and creating livelihood sources of the so-called non bankable masses in the rural and semi-urban areas. Through strong linkage at the grassroots level, they have created a medium of reach and communication and are very effectively serving this segment. Thus, NBFCs have all the key characteristics to enable the government and regulator to achieve the mission of financial inclusion in the given time.

### OUR INDUSTRY SEGMENT

The Non-Banking Financial Companies (NBFC) Sector is still struggling for its growth in India. The NBFC Sector is doing much better all over the world as compared to Asian Countries as the general perception about NBFC in the mind of public is still hazy.

### BUSINESS

The Company is engaged in the business of investment in securities and providing loans and advances. The Company is registered as Non-deposit taking Non-Banking Finance Company with the Reserve Bank of India. Since the asset size of the company is not more than Rs. 100 crores it is presently Non Systemically Important Non Deposit taking NBFC.

### OPPORTUNITIES AND THREATS

Over the years, your Company has achieved an appropriate balance between risk and returns by setting up an efficient risk mitigation system to meet various forms of financial and other risks. The primary risks that the company is exposed to credit risk, market risk and operational risk. Deriving from the long years of experience in NBFC sector your company's credit policy framework is designed to provide the right balance between business growth and portfolio quality.

### OUTLOOK AND FUTURE PROSPECTS

Competition continues to be intense, as the Indian and foreign banks have entered the retail lending business in a big way, thereby exerting pressure on margins. The erstwhile providers of funds have now become competitors. NBFCs can sustain in this competitive environment only through optimization of funding costs, identification of potential business areas, widening geographical reach, and use of technology, cost efficiencies, strict credit monitoring and raising the level of customer service.

### RISKS & CONCERNS

In today's complex business environment, almost every business decision requires executives and managers to balance risk and reward. Effective risk management is therefore critical to an organization's success. Globalization, with increasing integration of markets, newer and more complex products & transactions and an increasingly stringent regulatory framework has exposed organizations to newer risks. As a result, today's operating environment demands a rigorous and integrated approach to risk management. Timely and effective risk management is of prime importance to our continued success. Increased competition and market volatility has enhanced the importance of risk management. The sustainability of the business is derived from the following:

- Identification of the diverse risks faced by the company.
- The evolution of appropriate systems and processes to measure and monitor them.
- Risk management through appropriate mitigation strategies within the policy framework.
- Monitoring the progress of the implementation of such strategies and subjecting them to periodical audit and review.
- Reporting these risk mitigation results to the appropriate managerial levels.

**SUBSIDIARY COMPANY**

| S. No. | Company | Subsidiary/Joint Venture/Associates Company | Shareholding |
|---|---|---|---|
| 1 | Ganganagar Vehicles Private Limited | Subsidiary | 51% |
| 2 | Nekub Consultancy Limited | Wholly owned Subsidiary | 99% |
| 3 | YYKS Buildcon Limited | Wholly owned Subsidiary | 99% |

**HUMAN RESOURCES**

The Company's relations with the employees continued to be cordial.

**FINANCIAL RESULTS**

The Financial performance of the Company for the financial year ended 31st March, 2018 is summarized below:-

**(Rs. In Crore, except EPS)**

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | For the year Ended | | For the year Ended | |
| | 31.03.2018 | 31.03.2017 | 31.03.2018 | 31.03.2017 |
| **Total Revenue (I)** | 715.79 | 468.04 | 495.58 | 454.62 |
| **Total Expenses (II)** | 714.80 | 467.23 | 494.76 | 453.84 |
| **Profit Before Tax & Extraordinary Item** | 0.99 | 0.81 | 0.81 | 0.78 |
| **Tax Expenses** | | | | |
| - **Current Tax** | 0.43 | 0.28 | 0.31 | 0.27 |
| - **Deferred Tax Liability(Net)** | (0.08) | (0.008) | (0.02 | (0.03) |
| - **Income Tax Earlier Year** | 0.01 | (0.006) | (0.009) | (0.006) |
| **Profit After Tax** | **0.57** | **0.55** | **0.51** | **0.55** |
| **Earnings Per Share (EPS)** | **5.76** | **5.49** | **5.19** | **5.47** |

**SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

**The company operates in two segments. Hence segment wise performance is discussed as follows:**

- **Primary Segment: Business Segment**

Based on the guiding principles given in Accounting Standard AS –17 "Segment Reporting" notified under Companies (Accounting standard) Rules 2006, the Company's operating business are organized and managed separately according to the nature of products.

The Two identified reportable segments. One is Automobile segment in which trading of vehicle and servicing (Including Heavy Commercial Vehicles, Two Wheeler and Three wheelers) and other includes NBFC Division and Retail out let of petroleum products (BPCL).

❖ **Secondary Segment: Geographical segment**

Since the company's activities/operations are primarily with in the country and considering the nature of products/services it deals in, the risk and returns are same and as such there is only one geographical segment.

The following is the distributions of the company's consolidated revenue by geographical markets, regardless of where the goods/services were produced.

**(Rs. In Lacs)**

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Revenue from Domestic Market | 49534.30 | 45436.63 |
| Revenue from Overseas Market | 0.00 | 0.00 |
| **Total** | **49534.30** | **45436.63** |

**The company has assets for producing goods for domestic market and no assets for overseas markets**

❖ **Segment accounting polices:**

In addition to the significant accounting policies applicable to the business segment, the accounting policies in relation to segment accounting are as under:

**i) Segment revenue & expenses:**

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

**ii) Segment assets and liabilities:**

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowance and provisions, which are reported as direct off sets in the balance sheet. Segment Liabilities include all operating Liabilities and consist principally of creditors & accrued liabilities. Segment assets and liabilities do not include deferred income taxes except in the Ganganagar Motors (A division of Commercials Vehicles). While most of the assets/liabilities directly attributed to individual segments.

**iii) Inter segment sales:**

Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation. The main division is Ganganagar Motors (A division of Commercials Vehicles) and funds provided by the Ganganagar Motors to other division and interests on such balances are not charged.

**iv) Information about business segments :**

**For the year ending as on 31st March 2018**

| Particulars | Automobile | | Others | | Total | |
|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| **Segment Revenue :** | | | | | | |
| External sales/income (Net) | 44702.82 | 52423.92 | 733.81 | 1171.85 | 45436.63 | 53595.77 |
| | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Other reciept | 25.71 | 26.93 | 0.00 | 0.00 | 25.71 | 26.93 |
| **Total Revenue** | **44728.52** | **52450.85** | **733.81** | **1171.85** | **45462.34** | **53622.70** |
| **Segment Results :** | | | | | | |
| Segments results | 73.80 | 90.03 | 4.35 | 1.01 | 78.15 | 91.04 |
| | | | | | | |
| Unallocated expenses (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| Operation profit before Interest | 653.81 | 566.80 | 4.45 | 1.04 | 658.26 | 567.84 |
| Financial exp. | 580.01 | 476.77 | 0.10 | 0.03 | 580.11 | 476.80 |
| Income tax current/Earlier Year | 26.53 | 31.32 | 0.00 | 0.00 | 26.53 | 31.52 |
| | | | | | | |
| Less: Deferred tax Liability | -3.04 | -2.34 | 0.00 | 0.00 | -3.04 | -2.34 |
| **Net Profit** | **50.31** | **61.05** | **4.35** | **1.01** | **54.66** | **62.06** |
| **Other Information :** | | | | | | |
| | | | | | | |
| Segment Assets | 6672.98 | 6839.79 | 101.82 | 97.06 | 6774.80 | 6936.85 |
| Inter Branch | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unallocated assets | | | | | | |
| **Total Assets** | **6672.98** | **6839.79** | **101.82** | **97.06** | **6774.80** | **6936.85** |
| **Segmets Liabilities :** | | | | | | |
| Share Capital | 100.00 | 100.00 | 0.00 | 0.00 | 100.00 | 100.00 |
| | | | | | | |
| Reserve & Surplus | 458.59 | 408.29 | 101.41 | 97.06 | 560.00 | 505.35 |
| | | | | | | |
| Secured & Unsecured Loan | 3796.75 | 4488.64 | 0.00 | 0.00 | 3796.75 | 4488.64 |
| | | | | | | |
| Segment liabilities | 2317.64 | 1842.86 | 0.41 | 0.00 | 2318.05 | 1842.86 |
| | | | | | | |
| Unallocated liabilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| Deferred tax liabilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Liabilities** | **6672.98** | **6839.79** | **101.82** | **97.06** | **6774.80** | **6936.85** |
| **Capital Expenditure** | 41.60 | 82.43 | 0.00 | 0.00 | 41.60 | 82.43 |
| | | | | | | |
| Depreciation | 74.43 | 75.86 | 0.00 | 0.00 | 74.43 | 75.86 |

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUENCY

Your Company has an effective system of accounting and administrative controls supported by an internal audit system with proper and adequate system of internal check and controls to ensure safety and proper recording of all assets of the Company and their proper and authorised utilization.

As part of the effort to evaluate the effectiveness of the internal control systems, your Company's internal audit department reviews all the control measures on a periodic basis and recommends improvements, wherever appropriate. The internal audit department is manned by highly qualified and experienced personnel and reports directly to the Audit Committee of the Board. The Audit Committee regularly reviews the audit findings as well as the, an Information Security Assurance Service is also provided by independent external professionals. Based on their recommendations, the Company has implemented a number of control measures both in operational and accounting related areas, apart from security related measures.

## CAUTIONARY STATEMENT

This report describing the Companies activities, projections about future estimates, assumptions with regard to global economic conditions, government policies, etc. may contain “forward looking statements” based on the information available with the company. Forward-looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the company's operations are affected by the many external and internal factors, which are beyond the control of the management. Hence the company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

**By the order of the Board**
**For Kalyani Commercials Limited**

**Sd/-**
**Sourabh Agarwal**
**(Whole Time Director)**
**DIN: 02168346**
**Address: AE- 166, Shalimar Bagh,**
**New Delhi- 110088**

**Sd/-**
**Shankar Lal Agarwal**
**(Managing Director)**
**DIN: 01341113**
**Address: AE-166, Shalimar Bagh,**
**New Delhi- 110088**

**Date: 09/07/2018**
**Place: New Delhi**

## Independent Auditors' Report On Consolidated Financial Statements

**To**
**The Members of**
**Kalyani Commercials Limited**

### Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Kalyani Commercials Limited (herein after referred to as "the Holding Company") (the holding company and its subsidiaries (the holding company and its subsidiaries collectively referred to as the Company' or the Group ), comprising of the consolidated balance sheet as at 31 March 2018, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act ,2013 (herein after referred to as "The Act" ) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act .The respective board of Director of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 ,which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 there under.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

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

(a) In the case of consolidated Balance sheet of state of affairs of the company as at 31st March 2018.
(b) In the case of consolidated statement profit & loss of the profit for the year ended on that dated
(c) In the case of consolidated cash flows statement of the cash Flow for the year ended on that dated

## Other Matters

a. We did not audit the financial statement of three Subsidiaries i.e. Ganganagar Vehicles Private Limited , Nekub Consultancy Limited and YYKS Buildcon Limited, whose financial statements (to the extent of the group's proportionate share) reflect total assets (before elimination) of Rs. 2267.04 Lacs as at 31.03.2018, total revenue (before elimination) of Rs. 22022.34 Lacs, and net cash inflows amounting to Rs. 312.27 Lacs for the year then ended, as considered in the consolidated financial statements. These financial statements and other financial statements/ information have been audited by other auditors, whose reports have been furnished to us by the management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our reports in terms of sub-section (3) and (11) of section 143, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on work done and the reports of the other auditors .

## Report on other legal and regulatory requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable , that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies none of the Directors of the Group companies are disqualified as on 31 March 2017 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A which is based on the auditor's report of the Holding Company and subsidiaries Company. Our report express and unmodified opinion of the adequacy and operating effectiveness of the Holding company and subsidiaries companies incorporated in India for internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditors' 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, refer note 2.27 to the consolidated financial statements;

ii. The Group did not have any long term contract including derivative contracts for which they were any material foreseeable losses.

iii. There were no amount which was required to be transferred to the Investor Education and Protection Fund by the Holding Company and subsidiary companies.

**For M.C. Bhandari & Co.**
**Chartered Accountants**
**Firm's registration number: 303002E**

**Sd/-**
**S.K. Mahipal**
**Partner**
**M. No: 070366**

**Place:** Kota
**Date:** 25.05.2018

## Annexure to the 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')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Kalyani Commercials Limited (`the Holding Company') and its subsidiary companies which are companies incorporated in India as of that date.

### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, are 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 (`ICAI'). 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial 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') issued by ICAI 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 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 auditors' judgment, 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 and the Audit evidence obtained by the other Auditors of The Subsidiaries Companies, which are companies incorporated in India, in terms of their reports referred to in the other matters paragraph below, 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 Holding Company and its subsidiary companies, have 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 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**OTHER MATTER**

Our aforesaid report under section 143 (3) (i) of The Act on the adequacy and operating effectiveness of the financial controls over financial reporting in so far as it relates to three subsidiary companies is based on the corresponding reports of the Auditors of such Companies incorporated in India

**For M.C. Bhandari & Co.**
**Chartered Accountants**
**Firm's registration number: 303002E**

**Sd/-**
**S.K. Mahipal**
**Partner**
**Membership number: 070366**

**Place:** Kota
**Date:** 25.05.2018

**Note – 1**

**SCHEDULE ANNEXED TO AND FORMING PART OF CONSOLIDATED BALANCE SHEET AS AT 31.03.2018, STATEMENT OF PROFIT AND LOSS AND CASH FLOW STATEMENT FOR THE YEAR ENDED ON THAT DATE :-**

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (i) Basis of Accounting

These Consolidated financial statements of the Kalyani Commercials Limited ('The Company ") and its subsidiaries (together the 'Group) have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). `

### (ii) Principle of consolidation

The Consolidated financial statements have been prepared on the following basis:

The Financial Statement of The company and its subsidiary Companies have been combined on a line by line basis by adding together the book value of Like item of assets ,liabilities ,Income and expenses , after fully eliminating intra group balances and intra group transaction resulting in unrealized profit or losses .

The consolidated financial statements have been prepared using uniform accounting policies for like transaction and other event in similar circumstances and are presented in the same manner as the company separate financial statement.

Minority Interest in the net Assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity subsequent to the dates of investments.

(b) The Companies considered in the consolidated financial statements are:

| Name of the group company | Country of incorporation | % of ownership as at 31.03.2018 | % of ownership as at 31.03.2017 |
|---|---|---|---|
| **Subsidiaries** | | | |
| Ganganagar Vehicles Private Limited | India | 51.08% | 51.08% |
| Nekub Consultancy Limited | India | 99.96% | 99.96% |
| YYKS Buildcon Limited | India | 99.96% | 99.96% |

### 1.1. USE OF ESTIMATES

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of percentage of completion which requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended, provisions for doubtful debts, income taxes and the useful lives of tangible assets and intangible assets.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Changes in estimates are reflected in the consolidated financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

**1.2 REVENUE RECOGNITION:**

**A)** Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the Revenue can be reliably measured. Revenue from Sale and service business operations (gross) is net of adjustments on account of cancellation / returns. In NBFC Business Interest income on loans given is recognized under internal rate of return method.

Revenue is recognized when the substantial risk and reward of ownership is transferred to the buyer which coincides with the dispatches of the goods to the customers.

All the revenue Income is accounted for on accrual basis.

However ,Sales Tax/Value Added Tax (VAT)/ Goods & Service Tax (GST) is not received by the company on its own account rather, it is tax collected on valued added to the commodity /Service by the seller on behalf of the government, accordingly it is excluded from revenue

2. In case of NBFC business income recognition shall be based on recognized accounting principles and RBI Guidelines.

(i) Interest/discount and other income is recognized on accrual basis.
(ii) Income including interest/ discount or any other charges on NPA shall be recognized only when it is actually realized. Any such income recognized before the asset became non-performing and remaining unrealized shall be reversed.

**B) EXPENSES:**

Expenses are generally accounted for on accrual basis except claims.

**1.3** Fixed Assets are stated at cost net of cenvat less accumulated depreciation and impairment losses, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental/preoperative expenses and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.

**1.4 Depreciation**

The depreciation on fixed assets is provided to the extent of depreciable amount on WDV method of depreciation is provided based on useful life of the asset as prescribed in schedule II to the Companies Act 2013.

**1.5 Valuation of Inventories:**

**Inventories are valued as follows: -**

| | | | |
|---|---|---|---|
| (A) | (a) | Commercial Vehicles , Vehicle Body & Two wheeled motor Vehicles<br>Passenger Vehicle- Four Wheelers | Commercial vehicle, Three Wheelers and Passenger Vehicles are valued at lower of cost net realizable value computed on FIFO basis |
| | (b) | Spare Parts | Stores and spares and others are valued at lower of cost net realizable value computed on FIFO basis. |
| | (c) | Petroleum products | Petroleum Products valued on FIFO method. (Cost price) |

*Net realizable value is estimated selling price in the ordinary course of business.

**1.6 Secured Loan and advance**

Loans and advance having classified in accordance with the RBI Guidelines as Standard Assets and doubtful assets. The provision made for non-performing assets has been reduced from the loans and advance. Secured Loan is valued at installments receivable but not due as on 31.03.2018

.

**b) Bad and doubtful debts**

The income has been suspended when the assets are identified as an impaired assets and the client is unable to serve the interest. No income has been accrued on loss and non-performing assets. The company has identified the non-performing assets based on the credit worthiness on the client, cash flow of the company, behavior of the account and the risk modifier. The behavior indicates the client's willingness to pay while cash flow determines the ability to pay. All loans are subject to continuous scrutiny and grading based on credit risk.

The company has adopted policy regarding provisioning norms as specified and required by RBI, The company has made certain provision, which cover identified account and general provision in order to cover unanticipated credit risks that may be inherent in the portfolio.

**1.7 Investments:**

Investments that are readily realizable and intended to be held for not more than a year are 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 charge such as brokerage, fees and duties. Current investments (if any) are carried at lower of cost and fair value determined on an individual investment basis. Long term Investments are carried at cost. However, Provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments.

**1.8 Assets Classification:**

Loans and Advances are standard assets.

**1.9 Advances :**

**a)** Advances are classified as performing and non-performing based on the Reserve Bank of India, guidelines. Interest on non-performing advances is not recognized in the profit & loss account until received.

**b)** Non-performing assets :
The company classifies advances, non-performing assets in respect of which the interest and/or installment of principal has remained due for over 90 days as a non-performing assets.

**1.10 Retirement & other Employee Benefits:**

**a)** Retirement benefit in the form of provident fund is a defined benefit obligation of the company and the contributions are charged to the statement of profit and loss of the year when the contributions to the funds are due. The company is liable to meet the Shortfall, if any, in payment of interest at the rates declared by the central Government, and such liability is recognized in the year of shortfall.

**b) Gratuity :**

Gratuity liability is a defined benefit obligation of the company .The company provides for gratuity to all eligible employees. The benefit is in the form of Lump sum payments to vested employees on resignation, retirement, on death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable to each completed year of services. Vesting occurs upon completion of 5 years of services. The company has taken a policy with LIC to cover the gratuity liability of the employees and contribution paid to the LIC is charged to statement of Profit & Loss.

**c) Leave Salaries:**

Liabilities for privilege leave benefits, in accordance with the rules of the company is provided for, as prevailing salary rate for the entire un-availed leave balance as at the balance sheet date. The privilege leave are compensated in leave and Accumulated leaves are equals to 40 days then en cashed. Actuarial valuation for the liabilities has not been taken from the Certified Valuer.

**1.11 TAXATION :**

**(a) Current & Deferred Tax**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**1.12 Impairment of assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimation of recoverable amount

**1.13 Provisions and Contingent Liabilities and Assets:**

A Provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settled the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not disclosed to its present value and are determined based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Other contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

**1.14 Earning per Share**:

Basic earnings per share is calculated by dividing the Net Profit or Loss for the year attributable to equity share holders (After deducting taxes etc.) by the weighted average number of the equity shares outstanding during the year are adjusted for the effect.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year are attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**1.15 Operating**

Operating Lease receipts and payments are recognized as income or expense in the statement of profit and loss as per the terms of the lease agreement.

**1.16 Cash flow statement**

The Cash flow statement is prepaid using “in direct method” set out in Accounting Standard – 3 cash flow statement and presents the cash flow by operating, investing and financing activities of the company. Cash and Cash Equivalents presented in the cash flow statement consist of cash on hand and highly liquid bank balance.

**KALYANI COMMERCIALS LIMITED**

**Consolidated Balance Sheet as at 31st March, 2018**

| Particulars | Note No. | As At 31.03.2018 (Rs.) | As at 31.03.2017 (Rs.) |
|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | |
| **(1) Shareholder's Funds** | | | |
| (a) Share Capital | 2.1 | 10000000.00 | 10000000.00 |
| (b) Reserves and Surplus | 2.2 | 61783226.83 | 56021323.10 |
| **Sub Total** | | **71783226.83** | **66021323.10** |
| | | | |
| **(2) Minority Interest** | | 39801695.83 | 19657551.36 |
| | | | |
| **(3) Non-Current Liabilities** | | | |
| (a) Long-term borrowings | 2.3 | 49088623.00 | 27933565.00 |
| (b) Deferred tax liabilities | | 0.00 | 0.00 |
| (c) Other Long Term Liabilities | 2.4 | 0.00 | 122750.00 |
| (d) Long Term Provisions | 2.5 | 9493.00 | 3939.00 |
| **Sub Total** | | **49098116.00** | **28060254.00** |
| | | | |
| **(4) Current Liabilities** | | | |
| (a) Short-term borrowings | 2.6 | 1668106566.70 | 477637175.41 |
| (b) Trade payables | 2.7 | 43753760.17 | 193669535.18 |
| (c) Other current liabilities | 2.8 | 63288614.40 | 97372971.21 |
| (d) Short Term Provision | 2.9 | 0.00 | 280219.29 |
| **Sub Total** | | **1775148941.27** | **768959901.09** |
| **Total** | | **1935831979.93** | **882699029.55** |
| | | | |
| **II. Assets** | | | |
| **(1) Non-current assets** | | | |
| *(a) Fixed assets* | | | |
| (i) Tangible assets | 2.10 | 93210467.64 | 74164747.33 |
| (ii) Intangible assets | | 64977.11 | 148433.04 |
| (iii) Capital Work in Progress | | 41772117.00 | 18925290.00 |
| **Sub Total** | | **135047561.75** | **93238470.37** |
| (b) Non-current investments | 2.11 | 3436450.0 | 3463450.00 |
| (c) Deferred tax Assets | 2.12 | 1858554.00 | 988225.00 |

| | | | |
|---|---|---|---|
| (d) Long term loans and advances | 2.13 | 15421605.44 | 14073650.15 |
| (e) Other non-current assets | 2.14 | 3754813.00 | 6632326.00 |
| Sub Total | | **159518984.19** | **118396121.52** |
| | | | |
| **(2) Current assets** | | | |
| (a) Inventories | 2.15 | 803066881.79 | 156801248.86 |
| (b) Trade receivables | 2.16 | 681773954.79 | 573658485.54 |
| (c) Cash and Bank Balances | 2.17 | 38483352.83 | 22001205.23 |
| (d) Short-term loans and advances | 2.18 | 248701587.09 | 11841968.40 |
| **Sub Total** | | **252988806.33** | **764302908.03** |
| **Total** | | **1935831979.93** | **882699029.55** |

For **M. C. BHANDARI & CO**
**CHARTERED ACCOUNTANTS**

**For and behalf of board of director**
**KALYANI COMMERCIALS LIMITED**

| | | | | |
|---|---|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** |
| **(CA S.K. MAHIPAL)** | **(S.L. Agarwal)** | **(Mukesh Joshi)** | **(Vikramjit Singh)** | **(SourabhAgarwal)** |
| **PARTNER** | **M. Director** | **Director** | **CS** | **CFO** |
| **38, SHOPPING CENTRE** | **DIN: 01341113** | **DIN: 06697613** | **M. No.:40598** | **DIN: 02168346** |
| **KOTA (RAJ.)** | | | | |

**Date:** 25.05.2018
**Place:** Kota

**KALYANI COMMERCIALS LIMITED**

**Consolidated Statement of Profit And Loss for the year ended 31st March 2018**

| Particulars | Note No | As At 2017-18 (Rs.) | As At 2016-17 (Rs.) |
|---|---|---|---|
| Revenue from operations | 2.19 | 7153479155.11 | 4665532593.50 |
| Other Income | 2.20 | 4520670.06 | 14949300.06 |
| **Total Revenue** | | **7157999425.17** | **4680481893.56** |
| | | | |
| **Expenses:** | | | |
| Purchase of Stock-in-Trade | 2.21 | 7351770693.99 | 4250498466.99 |
| Changes in inventories of finished goods and Stock-in-Trade | 2.22 | -646265632,93 | 59266418.18 |
| Employee benefit expense | 2.23 | 104499643.19 | 46125307.63 |
| Financial costs | 2.24 | 99492458.58 | 59818120.05 |
| Depreciation and amortization expense | | 15124264.66 | 8566269.39 |
| Other expenses | 2.25 | 22348449.48 | 248068049.33 |
| | | | |
| **Total Expenses** | | **7148055476.97** | **4672342631.57** |
| | | | |
| **Profit before tax** | | **9944348.20** | **8139261.99** |
| | | | |
| **Tax expense**: | | | |
| (1) Current tax | 2.26 | 4329074.00 | 2753216.00 |
| (2) Deferred tax liability (Net) | | -874745.O0 | -81516.00 |
| (3) Income Tax Earlier Year | | 101141.00 | -61817.00 |
| **Profit/(Loss) for the period before Minority Interest** | | **6388878.20** | **5529378.99** |
| **Less: Share of Minority Shareholders** | | 626974.47 | 42431.36 |
| **Profit/(Loss) for the period** | | **5761903.73** | **5486947.63** |
| **Earning per equity share:** | | | |
| **(1) Basic** | | **5.76** | **5.49** |
| **(2) Diluted** | | **5.76** | **5.49** |

For **M. C. BHANDARI & CO.**
**CHARTERED ACCOUNTANTS**

**For and behalf of board of director**
**KALYANI COMMERCIALS LIMITED**

**Sd/-**
**(CA S.K. MAHIPAL)**
**PARTNER**
**38, SHOPPING CENTRE**
**KOTA (RAJ.)**

**Sd/-**
**(S.L. Agarwal)**
**M. Director**
**DIN: 01341113**

**Sd/-**
**(Mukesh Joshi)**
**Director**
**DIN: 06697613**

**Sd/-**
**(Vikramjit Singh)**
**CS**
**M. No.:40598**

**Sd/-**
**(SourabhAgarwal)**
**CFO**
**DIN: 02168346**

**Date: 25.05.2018**
**Place:** Kota

**KALYANI COMMERCIALS LIMITED**

**Consolidated Cash Flow Statement for the year ended 31st March 2018**

| S. No. | Particulars | As At 2017-18 (Rs.) | As At 2016-17 (Rs.) |
|---|---|---|---|
| **A** | **Cash Flow from Operating Activities** | | |
| | Profit before Tax | 9,944,348.20 | 8139261.99 |
| | **Adjustment for:** | | |
| | Depreciation and amortization | 15,124,264.66 | 8566269.39 |
| | Provision | 5554.00 | 3939.00 |
| | Profit on sale of Fixed Assets | (81,592.00) | (5,676.00) |
| | **Operating profit before working capital changes** | 24,992,574.86 | 16,703,794.38 |
| | **Adjustments for movement in working capital :** | | |
| | Adjustments for (increase)/ decrease in operating assets: | | |
| | Stock | (646,265,632.93) | 59,266,418.18 |
| | Trade receivables | (108,115,469.25) | (198,656,873.61) |
| | Short-term loans and advances | (238,321,618.69) | (1,789,156.98) |
| | Other Current Assets | (2,825,219.24) | (1.462.000.00) |
| | | **(995,527,940.11)** | **(142,641,612.41)** |
| | Adjustments for increase / (decrease) in operating liabilities: | | |
| | Short term Borrowings | 1,190,469,391.29 | 34,479,206.71 |
| | Trade Payables | (149,915,775.01) | 53,994,862.51 |
| | Other Current liabilities | (34,084,356.81) | 54,356,211.40 |
| | | **1,006,469,259.47** | **142,830,280.62** |
| | Direct Taxes paid/deducted at source | (4,706,019.33) | (2,411,180.00) |
| | **Net Cash From/(USED IN) Operating Activities** | **31,227,874.89** | **14,481,282.59** |
| | | | |
| **B** | **Cash Flow from Investing Activities** | | |
| | Long term loans and advances | (1,347,955.29) | (12,328,666.72) |
| | Other Non-Current Assets | 2,877,513.00 | (464,875.00) |
| | Sale of Investments | 27,000.00 | (960,450.00) |
| | Purchase of Fixed Assets | (58,037,076.00) | (36,549,825.50) |
| | Sale of Fixed Assets | 1,185,313.00 | 169,755.00 |
| | **Net Cash used in Investing Activities** | **(55,295,205.29)** | **(50,134,062.22)** |
| | | | |

| | | | |
|---|---|---|---|
| **C** | **Cash Flow from Financing Activities** | | |
| | Proceeds from Issue of Equity Shares | 19,517,170.00 | 19615120 |
| | Increase/(Decrease) in long term borrowings | 21,155.,058.00 | 22,227,109.50 |
| | Increase/(Decrease) in other long term liabilities | (122,750.00) | (1,473,000.00) |
| | **Net Cash Flow from / used in Financing Activities** | **40,549,478.00** | **40,369,229.50** |
| | | | |
| **D** | **Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)** | **16,482,147.60** | **4,716,449.87** |
| **E** | **Cash and cash equivalents as at the end of previous period.** | 22,001,205.23 | 17,284,755.07 |
| **F** | **Cash and cash equivalents as at end of the year** | **38,483,352.83** | **22,001,205.23** |

Note: The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

For **M. C. BHANDARI & CO**
**CHARTERED ACCOUNTANTS**

**For and behalf of board of director**
**KALYANI COMMERCIALS LIMITED**

| | | | | |
|---|---|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** |
| **(CA S.K. MAHIPAL)** | **(S.L. Agarwal)** | **(Mukesh Joshi)** | **(Vikramjit Singh)** | **(SourabhAgarwal)** |
| **PARTNER** | **M. Director** | **Director** | **CS** | **CFO** |
| **38, SHOPPING CENTRE** | **DIN: 01341113** | **DIN: 06697613** | **M. No.:40598** | **DIN: 02168346** |
| **KOTA (RAJ.)** | | | | |

**Date: 25.05.2018**
**Place:** Kota

**KALYANI COMMERCIALS LIMITED**

**Notes annexed to and forming part of Consolidated Balance Sheet as at 31.03.2018**

| Particulars | Total As at 31.03.2018 (Rs.) | Total As at 31.03.2017 (Rs.) |
|---|---|---|
| | | **Note - 2.1** |
| **SHARE CAPITAL :** | | |
| **Authorized :** | | |
| 40,00,000 Equity Share Of Rs.10/- each | **40000000.0** | **40000000.0** |
| **Issued, Subscribed & Paid Up :** | | |
| 10,00,000 Equity Share Of Rs.10/- each (Fully paid up in cash ) | 10000000.00 | 10000000.00 |
| | | |
| | **10000000.00** | **10000000.00** |

**Notes :**

(1) The company has a single class of equity shares. Each shareholder is eligible for one Vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(2) The details of Shareholders holding more than 5% equity shares as at 31.03.2018 & 31.03.2017

| Shareholder | No. of Shareas on 31.03.2018 | Ownership Interest % as on 31.03.2018 | No. of Share as on 31.03.2018 |
|---|---|---|---|
| Shankar Lal Agarwal | 418000.00 | 41.80% | 418000.00 |
| | **418000.00** | **41.80%** | **418000.00** |

As per the records of the company including its register of shareholders/ members and other declaration received from shareholder regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of shares.

(3) The reconciliation of the number of shares outstanding as at March 31, 2018 and March 31, 2017 is set out below:

| Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|---|---|
| Number of shares at the beginning | 1000000.00 | 1000000.00 |
| Number of shares at the end | 1000000.00 | 1000000.00 |
| | | **Note - 2.2** |
| **Reserves and Surplus :** | | |
| **Statutory Reserve** | | |
| Opening Balance | 17900.00 | 0.00 |
| Add: Transfer from Statement of Profit and Loss (see note 1 ) | 205515.00 | 17900 |
| | **223435.OO** | **17900.00** |

| | | |
|---|---|---|
| **Surplus as per statement of Profit & Loss** | | |
| Opening Balance | 56003423.10 | 50534375.47 |
| Profit and Loss | 5761903.73 | 5486947.63 |
| Surplus (Closing Balance) | 61765326.83 | 56021323.10 |
| **Appropriations** | | 50534375.47 |
| Less : Transfer to Statutory Reserve 20% | 205535.00 | 17900.00 |
| | **61559791.83** | **56003423** |
| | | |
| **Grand Total** | **61783226.83** | **56021323.10** |

**Note (1):** Amount of Statutory Reserve transfer from statement of Profit and Loss @ 20%of the profit of NBFC Division u/s 45 -IC of The RBI Act, 1934.

| **Particulars** | **As at 31.03.2018 (Rs.)** | | **As at 31.03.2017 (Rs.)** | |
|---|---|---|---|---|
| | | | | **Note - 2.3** |
| **LONG TERM BORROWINGS** | | | | |
| | **Non Current** | **Current Maturity** | **Non Current** | **Current Maturity** |
| **Secured Loans :** | | | | |
| **Non Current Maturity** | | | | |
| **TERM LOAN** | | | | |
| From HDFC Bank Ltd. (See note No.1) | 1783407.00 | 1228347.00 | 0.00 | 0.00 |
| Tata Motors Finance Limited (See note No.1) | 2254680.00 | 715128.72 | 0.00 | 0.00 |
| Kotak Mahindra (See note No.1) | 1670917.00 | 356368.00 | 0.00 | 0.00 |
| From ICICI Bank Limited (See note No.1) | 3468981.00 | 422464.80 | 3861385.00 | 726763.50 |
| **Unsecured Loans:** | | | | |
| Tata Capital Financial Services Ltd. | 5778664.00 | 16954498.00 | 0.00 | 0.00 |
| Inter Corporate Deposits and Director's (See note No.2) | 34131974.00 | 0.00 | 24072180.00 | 0.00 |
| | **49088623.00** | **19676806.52** | **27933565.00** | **726763.50** |

| NOTES: 1 | | | | |
|---|---|---|---|---|
| **Name of Bank** | **Terms of Repayment** | **Rate of interest** | **Amount O/s including current Maturity** | **Security** |
| ICICI Bank | Repayable to ICICI from May 2015 in 120 Monthly installments (Due within One Year Rs. 326896.00) | 9.90% | 3215267.00 | Secured by Equitable mortgage of House Property (Flat No. 502, 5th Floor Plot no. 120, Shakti Nagar, Dadabari ,KOTA) |
| ICICI Bank | Repayable to ICICI from June 2015 in 120 Monthly installments (Due within One Year Rs. 65508.00) | 9.95% | 646118.00 | Secured by Equitable mortgage of House Property (Flat No. 502, 5th Floor Plot no. 120, Shakti Nagar, Dadabari, KOTA) |
| ICICI Bank | Repayable to ICICI from June 2015 in 35 Monthly installments (Due within One Year Rs. 30060.80) | 10.00% | 30060.80 | Secured by the way of hypothecation of TATA LP 709 (Vehicle) |
| TATA MOTORS FINANCE LIMITED | Repayable to TMFL from February 2018 in 60 Monthly installments (Due within One Year Rs.281177.72) | 8.76% | 1631990.72 | Secured by the way of hypothecation of TATA HEXA (Vehicle) |
| TATA MOTORS FINANCE LIMITED | Repayable to TMFL from February 2018 in 36 Monthly installments (Due within One Year Rs.139949) | 8.02% | 426899.00 | Secured by the way of hypothecation of TATA MAGIC EXPRESS (Vehicle) |
| TATA MOTORS FINANCE LIMITED | Repayable to TMFL from February 2018 in 36 Monthly installments (Due with in One Year Rs.139949) | 8.02% | 426899.00 | Secured by the way of hypothecation of TATA MAGIC EXPRESS (Vehicle) |
| TATA MOTORS FINANCE LIMITED | Repayable to TMFL from February 2018 in 36 Monthly installments (Due with in One Year Rs. 171044) | 8.02% | 521766.00 | Secured by the way of hypothecation of TATA 207Di (Vehicle) |
| TATA MOTORS FINANCE LIMITED | Repayable to TMFL from March 2018 in 36 Monthly installments (Due with in One Year Rs. 122959) | 8.38% | 389153.00 | Secured by the way of hypothecation of TATA ACE MEGA XL (Vehicle) |
| Kotak Mahindra Bank | Repayable to Kotak Mahindra from February 2018 in 60 Monthly installments (Due with in One Year Rs. 356368) | 9.03% | 2027285.00 | Secured by the way of hypothecation of INNOVA (Vehicle) |

| | | | | |
|---|---|---|---|---|
| HDFC Bank | Repayable to HDFC from June 2017 in 36 Monthly installments (Due with in One Year Rs. 344837) | 8.35% | 859542.00 | Secured by the way of hypothecation of HONDA CITY (Vehicle) |
| HDFC Bank | Repayable to HDFC from June 2017 in 36 Monthly installments (Due with in One Year Rs. 651626) | 8.35% | 1624237.00 | Secured by the way of hypothecation of HONDA CRV (Vehicle) |
| HDFC Bank | Repayable to HDFC from June 2017 in 36 Monthly installments (Due with in One Year Rs. 231884) | 8.35% | 527975.00 | Secured by the way of hypothecation of HONDA JAZZ (Vehicle) |
| Note:2<br><br>Tata Capital Financial Limited<br><br>(Term Loan) | Repayable to TCFSL from February 2018 in 18 Monthly instalments (Due within One Year Rs. 16954498/-) | 11.25% | 22733162.00 | Unsecured |

3. Inter Corporate Deposit and directors deposit repayable in next 3 to 4 years and rate of Interest is 11.30 %

**Note - 2.4**

| **Other Long Term Liabilities** | **Non Current** | **Current Maturity** | **Non Current** | **Current Maturity** |
|---|---|---|---|---|
| **Non-Current** | | | | |
| Advance from supplier | 0.00 | 122750 | 122750 | 1473000.00 |
| | **0.00** | **122750.00** | **122750.00** | **1473000.00** |

**Note - 2.5**

| | | |
|---|---|---|
| **Long Term Provision** | | |
| Contingent Provision Against Standard Assets | 9493.00 | 3939.00 |
| (Refer note 2.25) | **9493.00** | **3939.00** |

| **Particulars** | **As at 31.03.2018 (Rs.)** | **As at 31.03.2017 (Rs.)** |
|---|---|---|
| | | **Note - 2.6** |
| **Short Term Borrowings** | | |
| **Secured** : | | |
| **Working Capital Loan** | | |
| From HDFC Bank Limited (See Note No. 1) | 712710171.31 | 111471506.00 |
| From Other Banks (See Note No. 2) | 483977941.66 | 232923686.34 |

| | | |
|---|---|---|
| From NBFC'S (See Note No.3) | 466995466.73 | 133241982.57 |
| **Unsecured:** | | |
| From HDFC Bank Limited | 1722987.00 | 0.00 |
| Inter Corporate Deposit | 2700000.00 | 0.00 |
| **Total** | **1668106566.70** | **477637175.41** |

**NOTES:**

1. Cash Credit Limit from HDFC Bank Ltd. is secured by way of hypothecation of stock of vehicle and all related accessories, Spare Parts & components, current assets and book debts etc. and further secured by way of equitable mortgage of factory land & Building located at Kota and also personal guaranteed of Directors i.e. Shankar Lal Agarwal and Sourabh Agarwal of the Company.

2. In case of Kalyani Commercials Limited loan from Axis Bank Limited of Rs. 450.08 Lacs, State Bank of India of Rs. 432.61 Lacs, Indusind Bank Limited nof Rs. 61.84 Lacs, Yes Bank Limited of Rs. 416.25 Lacs and Standard Chartered Bank of Rs. 703.51 Lacs and in case of Ganganagar Vehicles Private Limited loan from state bank of India of Rs. 1802.55 and ICICI Bank of Rs. 972.91is secured by way of Hypothecation Secured by way of Hypothecation on book debts and PDC.

3. In case of Kalyani Commercials Limited loan from TATA MOTORS FINANCE SOLUTIONS LIMITED of Rs. 486.71, Loard Fincab Limited of Rs. 12.70 and TATA Capital Financial Services Limited of Rs. 1734.00 Lacs and in case of Ganganagar Vehicles Private Limited loan from Reliance Commercial Finance Services of Rs. 201.33, TATA Capital Financial Services Limited of Rs. 299.71 and TATA Motors Finance Solutions Limited of Rs. 1935.49

4. Rate Of Interest :( MCLR + 3 to 4 % )

| | | |
|---|---|---|
| A - Micro, Small and Medium Enterprises Development Act, 2006 for goods and others. | 0.00 | 0.00 |
| B - Sundry Creditors | 43753760.17 | 193669535.18 |
| | **43753760.17** | **193669535.18** |
| | | **Note - 2.8** |
| **Other Current Liabilities** | | |
| Current Maturity of Long Term Borrowings | 19676806.52 | 726763.50 |
| Current Maturity of other Long Term Borrowings | 122750.00 | 1473000.00 |
| Government dues (Taxes) Including ESI & PF | 17184451.97 | 57332360.01 |
| Advances From customer | 25066310.26 | 37840847.70 |
| Bank Balance due to Reconciliation | 1238295.65 | 0.00 |
| | **63288614.40** | **97372971.21** |
| | | **Note - 2.9** |
| **Short Term Provision** | | |
| Provision For Income Tax (Net) | 0.00 | 280219.29 |
| | **0.00** | **280219.29** |

Note - 2.10

(Amount in Rupees)

| PARTICULARS | Carrying Cost | | | | DEPRECIATION | | | | Carring Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | AS AT 31.03.2017 | ADDITION During the year | SALES/ Adjustment | AS AT 31.03.2018 | AS AT 31.03.2017 | During The YEAR | Deduction/ Transfer | AS AT 31.03.2018 | AS AT 31.03.2018 | AS AT 31.03.2017 |
| **Tangible Assets** | | | | | | | | | | |
| Leasehold Land | 2879425.00 | 0.00 | 0.00 | 2879425.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2879425.00 | 2879425.00 |
| Agricuiture Land | 1246397.00 | 0.00 | 0.00 | 1246397.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1246397.00 | 1246397.00 |
| Commercial Land | 11657836.00 | 0.00 | 0.00 | 11657836.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11657836.00 | 11657836.00 |
| Building | 59913353.34 | 2194822.00 | 0.00 | 62108175.34 | 27001625.13 | 3369661.69 | 0.00 | 30371286.82 | 31736888.52 | 32911728.21 |
| Plant & Machinery | 23855664.60 | 4651149.00 | 0.00 | 28506813.60 | 9407245.14 | 3266985.74 | 0.00 | 12674230.88 | 15832582.72 | 14448419.46 |
| Office Equipment | 9566421.50 | 3491950.28 | 0.00 | 13058371.78 | 7011680.01 | 1532080.56 | 0.00 | 8543760.57 | 4514611.21 | 2554741.49 |
| Electrical Goods & Fitting | 2755949.55 | 1363178.00 | 0.00 | 4119127.55 | 2242428.17 | 273936.64 | 0.00 | 2516364.81 | 1602762.74 | 513521.38 |
| Furniture & Fixture | 7450177.61 | 6452881.66 | 0.00 | 13903059.27 | 6333240.95 | 986980.81 | 0.00 | 7320221.76 | 6582837.51 | 1116936.66 |
| Computer | 12025014.11 | 4768475.97 | 0.00 | 16794490.08 | 8645706.60 | 2831872.95 | 0.00 | 11477579.55 | 5316910.53 | 3380307.51 |
| Vehicles | 8250335.02 | 12267792.09 | 2468485.00 | 18049642.11 | 4794900.37 | 2779289.34 | 1364764.01 | 6209425.70 | 11840216.41 | 3455434.65 |
| **Sub Total:-** | **139601573.73** | **35190249.00** | **2468485.00** | **172323337.73** | **65436826.37** | **15040807.73** | **1364764.01** | **79112870.09** | **93210467.64** | **74164747.36** |
| **Intangible Assets** | | | | | | | | | | |
| Computer Software | 755492.00 | 0.00 | 0.00 | 755492.00 | 607060.35 | 83455.93 | 0.00 | 690516.28 | 64977.11 | 148431.65 |
| **Sub Total** | **755492.00** | **0.00** | **0.00** | **755492.00** | **607060.35** | **83455.93** | **0.00** | **690516.28** | **64977.11** | **148431.65** |
| **Work in Progress** | | | | | | | | | | |
| Furniture | 348886.00 | 0.00 | 348886.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 348886.00 |
| Building | 18576404.00 | 25523387.00 | 2327674.00 | 41772117.00 | 0.00 | 0.00 | 0.00 | 0.00 | 41772117.00 | 18576404.00 |
| **Sub Total:-** | **18925290.00** | **25523387.00** | **2676560.00** | **41772117.00** | **0.00** | **0.00** | **0.00** | **0.00** | **41772117.00** | **18925290.00** |
| **GRAND Total :** | [illegible] | [illegible] | [illegible] | | | | | | | |

| | | | | |
|---|---|---|---|---|
| | | | | **Note - 2.11** |
| **Non Current Investment** | | | | |
| **LONG TERM INVESTMENTS (at cost):** | **No of Shares** | **Face Value** | | |
| National Saving Certificate (Deposit with Sales Tax Department) | | | 3000.00 | 3000.00 |
| Ganganagar Automobile Private Limited | 250000.00 | 10.00 | 2500000.00 | 2500000.00 |
| Pawan Finvest (P) Limited | 322300.00 | 1.50 | 483450.00 | 483450.00 |
| Aligner Enterprises Private Limited | 45000.00 | 10.00 | 450000.00 | 477000.00 |
| | | | **3436450.00** | **3463450.00** |
| **Note:** | | | | |
| **Aggregate value of investments** | | | | |
| **Quoted** | | | 0.00 | 0.00 |
| **Unquoted** | | | 34.33 | 34.60 |
| **Market price** | | | | |
| **quoted** | | | 0.00 | 0.00 |
| | | | | **Note - 2.12** |

**Deferred Tax Assets (Net)**

The Company has recognized deferred taxes, which result from timing difference between the book profit and tax profit. The details of which are as under :-

| **Particulars** | **Opening balance** | **Arising during the year** | **Balance as at 31.03.2018** |
|---|---|---|---|
| **A. Deferred Tax Assets on Depreciation/ Amortization** | 988670.00 | 869532.00 | 1858202.00 |
| **B. Deferred tax Assets on Preliminary Expenses** | -445.00 | 797.00 | 352.00 |
| **Net Deferred Tax Assets** | 988225.00 | 870329.00 | 1858554.00 |

| | | | | |
|---|---|---|---|---|
| | | | | **Note - 2.13** |
| **Long term Loans & Advances** | | | | |
| **Unsecured, Considered good unless otherwise stated** | | | | |
| Deposits* | | | 15271682.85 | 13650566.00 |
| Income taxes paid( Net) | | | 149922.59 | 423084.15 |

| | | |
|---|---|---|
| | **15421605.44** | **14073650.15** |
| **Note:** | | |
| * Due in related party | **0.05** | **0.05** |
| | | **Note - 2.14** |
| **Other Non-Current Assets** | | |
| **Unsecured, Considered good unless otherwise stated** | | |
| **Non-Current Assets** | | |
| Fixed Deposit with Banks | 3754813.00 | 6632326.00 |
| | **3754813.00** | **6632326.00** |
| | | **Note - 2.15** |
| **INVENTORIES** | | |
| Trade Goods | | |
| Vehicles | 767387868.25 | 88386208.12 |
| Spare Parts | 31685393.81 | 64956867.96 |
| Oil & Lubricants | 78453.82 | 76136.24 |
| Petrol (MS) | 1112556.98 | 828423.23 |
| Diesel (HSD) | 2634418.93 | 2552833.31 |
| Battery Water & Acid | 1190.00 | 780.00 |
| Accessories | 167000.00 | 0.00 |
| | **803066881.79** | **156801248.86** |
| | | **Note - 2.16** |
| **Trade Receivable** | | |
| (Unsecured considered good except to the extent stated) | | |
| Outstanding for a period exceeding 6 months from the date they are due for payment | 4374066.90 | 54607475.90 |
| Other debtors – Doubtful | 1120076.00 | 1120076.00 |
| Other debtors - Considered Goods | 677399887.89 | 517930933.64 |
| Less: Provision for Bad Debts | 1120076.00 | 0.00 |
| | **681773954.79** | **573658485.54** |
| | | **Note - 2.17** |
| **CASH AND BANK BALANCES** | | |
| **CASH AND CASH EQUIVALENTS** | | |
| **Balances with Banks** | | |
| On Current Account | 34791726.26 | 18565026.53 |
| Cash on Hand | 3691626.57 | 3436178.70 |
| | **38483352.83** | **22001205.23** |
| **Others** | | |
| **In term deposit account** | | |
| With maturity more than 12 months at inception | 3754813.00 | 6632326.00 |
| Total | **42238165.83** | **28633531.23** |
| Amount disclosed under non-current assets | 3754813.00 | 6632326.00 |
| | **38483352.83** | **22001205.23** |
| | | |
| **Note:**<br>Earmarked balance (In term deposit account) | 37.54 | 66.32 |
| | | **Note - 2.18** |
| **Short Term Loans and Advances** | | |
| **(Unsecured, Considered good unless otherwise stated)** | | |

| | | |
|---|---|---|
| **Others** | | |
| **Advances** | | |
| Prepaid Expenses | 1787685.00 | 1666842.00 |
| For supply of Goods and rendering of services | 62530634.09 | 6188964.40 |
| Balances with Revenue Authority | 181517537.00 | 521600.00 |
| Advance to Staff | 1278841.00 | 877269.00 |
| **Loans to Firms and Individuals** | | |
| Standard Assets | 1586890.00 | 1125293.00 |
| | **248701587.09** | **10379968.40** |
| | | **Note- 2.19** |
| **Other Current Assets** | | |
| Income Taxes Paid (Net of Provisions) | 186452.24 | 0.00 |
| Stock of Old Vehicle held Disposal | 4100767.00 | 1462000.00 |
| | **4287219.24** | **1462000.00** |

| **Particulars** | **Total 2017-18 (Rs.)** | **Total 2016-17 (Rs.)** |
|---|---|---|
| | | **Note- 2.20** |
| **Revenue From Operation** | | |
| **Turnover :** | | |
| Vehicles and Vehicle Body | 6765319694.10 | 4389141093.59 |
| Spares Parts & Accessories | 154822124.86 | 165740787.50 |
| Oil & Lubricants | 28250.06 | 51507.53 |
| HSD (Diesel) | 46160311.86 | 65583071.32 |
| MS (Petrol) | 6678664.11 | 7652771.06 |
| Others Sales | 231644.24 | 81455.00 |
| | **6973270689.53** | **4628250686.00** |
| **Service:** | | |
| Job Work Receipt | 108469953.71 | 35524409.46 |
| Commission Received | 13287721.93 | 1705691.04 |
| Incentive Income | 58349956.30 | 0.00 |
| Interest Received (NBFC) | 100833.64 | 51807.00 |
| | **180208465.58** | **37281907.50** |
| | | |
| | **7153479155.11** | **4665532593.50** |
| | | **Note - 2.21** |
| **Other Income:** | | |
| Interest Received | 1272463.65 | 583579.00 |
| Rent Receipt | 1980000.00 | 1980000.00 |
| Miscellaneous Income | 147788.41 | 5885.06 |
| Profit on Sale of Fixed Assets | 81592.00 | 5676.00 |
| Discount Received | 1038826.00 | 0.00 |
| Incentive Income | 0.00 | 12374160.00 |
| | **4520670.06** | **14949300.06** |
| | | **Note - 2.22** |
| **Purchase of Stock in Trade (Trading)** | | |
| Purchases Vehicle | 7196302160.82 | 4029411358.72 |
| Purchases Spare Parts & Accessories | 141008020.74 | 149014341.94 |
| Purchase Petro Product | 51245779.26 | 72072766.33 |
| Purchase Used Vehicle | 220000.00 | 0.00 |
| Amount Transfer to GST(Trans-1 & 2) | -37055266.83 | 0.00 |
| | **73517206963.99** | **4250498466.99** |

| | | |
|---|---|---|
| | | **Note - 2.23** |

| | | |
|---|---|---|
| **Changes in Inventories of Stocks:** | | |
| **Opening Stock:** | | |
| Vehicles | 88386208.12 | 182009706.26 |
| Spare Parts | 64956867.96 | 31333507.41 |
| Oil & Lubricants | 76136.24 | 91323.63 |
| Petrol (MS) | 828423.23 | 856572.64 |
| Diesel (HSD) | 2552833.31 | 1331920.72 |
| Battery Water and Acid | 780.00 | 850.00 |
| Accessories | 0.00 | 443786.38 |
| | **156801248.86** | **216067667.04** |
| **Closing Stock:** | | |
| Vehicles | 767387868.25 | 88386208.12 |
| Spare Parts | 31685393.81 | 64956867.96 |
| Oil & Lubricants | 78453.82 | 76136.24 |
| Petrol (MS) | 1112556.98 | 828423.23 |
| Diesel (HSD) | 2634418.93 | 2552833.31 |
| Battery Water and Acid | 1190.00 | 780.00 |
| Accessories | 167000.00 | 0.00 |
| | **803066881.79** | **156801248.86** |
| **INCREASE (DECREASE) IN STOCKS:** | **-646265632.93** | **59266418.18** |
| | | **Note - 2.24** |
| **Employees Benefit Expenses:** | | |
| Salaries, Wages, Bonus and Allowances etc. | 88015622.00 | 37235013.00 |
| Contribution of PF, ESI | 6888949.00 | 4771326.00 |
| Gratuity | 183224.00 | 2486752.00 |
| Employee Welfare Exp. | 9411848.19 | 1632216.63 |
| | **104499643.19** | **46125307.63** |
| | | |
| | | **Note - 2.25** |
| **Financial Cost:** | | |
| Bank charges | 2762792.75 | 690605.18 |
| Interest paid | 96729665.83 | 59127514.87 |
| | **99492458.58** | **59818120.05** |
| | | **Note - 2.26** |
| **Other Expenses** | | |
| **Trading & Job / Servicing Expenses** | | |
| Job and other work exp. | 19591449.10 | 8355047.44 |
| Consumable store | 392340.00 | 305445.00 |
| **Repairs & Maintenance** | | |
| a) To Machinery | 836088.76 | 791967.20 |
| b) To Building | 5803770.34 | 747920.00 |
| Insurance Expenses | 3376492.00 | 735464.00 |
| Sub Total | **30000140.20** | **10935843.64** |
| **Establishment and Selling Exp.** | | |
| Rent | 38272812.00 | 5867386.00 |
| Electricity & Water | 6932698.00 | 2758691.00 |
| Freight & Forwarding | 998596.48 | 534384.43 |
| Trade Certificate & TRC Charges | 347900.00 | 338110.00 |
| Telephone, telex and postage | 2249737.54 | 914505.70 |
| Travelling and conveyance expenses | 4673494.23 | 1702179.01 |
| Legal, consultancy, retainership, professional arbitration & Technical expenses | 4298264.00 | 3811711.02 |
| Vehicle running & maintenance | 1816178.23 | 1663481.12 |
| Donation | 0.00 | 361000.00 |
| Miscellaneous expenses | 11843309.63 | 4057052.75 |
| Bad Debts | 1120076.00 | |
| Repair & Maintenance (other) | 2488411.50 | 1103309.00 |
| Audit fees | 135470.00 | 125000.00 |

| | | |
|---|---|---|
| Advertisement | 10028626.11 | 1180146.00 |
| Sales Promotion | 8760726.32 | 2218784.44 |
| Claims / rebate and discount exp. | 96513335.24 | 208478686.22 |
| Sales Commission | 2998720.00 | 1487580.00 |
| Contingent Prov against standard Assets | 5554.00 | 3939.00 |
| Preliminary Exp. W. off | 0.00 | 526260.00 |
| Sub Total | **193483909.28** | **237132205.69** |
| Total | **223484049.48** | **248068049.33** |
| | | **Note - 2.27** |
| **Current Tax:** | | |
| Provision for Income Tax | 4329074.00 | 2753216.00 |
| | **4329074.00** | **2753216.00** |

**2.27 Contingent Liabilities (Not provided for) in respect of:**

**(Rs. In Lacs)**

| S. No. | Particulars | As at 31.03.2018 | As at 31.03.2017 |
|---|---|---|---|
| i) | Outstanding bank guarantee | 66.32 | 66.32 |
| ii) | Other Claims against the Company not acknowledged a debt relating to supplies and service matters* | 185.54 | 239.13 |
| iii) | Show cause/demand/notices by excise dept., service tax, income tax authorities being disputed by the company. (See note no 2.31 below.)(Net)* | 1.75 | 5.48 |

* Based on favorable decisions in similar cases, legal opinion taken by the company., discussions with the solicitors, etc., the company believes that there is fair chance of decisions in its favors in respect of all the items listed in (ii) & (iii) above and hence no provisions is considered necessary against the same.

**2.28 Related Party disclosure under Accounting Standard AS-18 "Related party disclosures" issued by the Institute of Chartered Accountants of India:**

During the year, the company entered into transactions with the related parties. Those transactions along with related balance as at 31st March 2018 and for the year ended are presented in the following tables.

List of related parties with whom transactions have taken place during the year along with nature and volume of transactions are summarized as follows:

(a) **Related parties and Relationship**:

(i) **Subsidiary Companies**

Ganganagar Vehicles Private Ltd.
NEKUB Consultancy Limited
YYKS Consultancy Limited

(ii) **Associates Companies**

Ganganagar Automobile Private Ltd.

(iii) **Enterprises over which key management personnel have Significant Control:**

Kota Trucks Pvt Ltd.
Argent Leasing & Finance Private Ltd

(iv) **Key Management Personnel:**

| | |
|---|---|
| Mr. Shankar Lal Agarwal | Managing Director |
| Mr. Sourabh Agarwal | Chief Financial officer |
| Mr. Vikramjit Singh | Company Secretary |

(v) **Relative of Key management persons**:

Smt. Mala Agarwal

**(b) Transactions with related parties:**

| S. No. | Name | Nature of Transaction | 2017-18 | 2016-17 |
|---|---|---|---|---|
| **(i) Subsidiary Companies** | | | | |
| 1 | **Ganganagar Vehicles Private Limited** | Opening Balance Dr. | 20485000.00 | 0.00 |
| | | Shares Opening Balance | | 0.00 |
| | | Amount paid | | 5405430.00 |
| | | Inst. Received | | 42308.00 |
| | | Investment Purchase | 20382830.00 | 20485000.00 |
| | | Amount Received | | 5447738.00 |
| | | Share closing balance | 40867830.00 | 20485000.00 |
| | | Outstanding at the year end | | 0.00 |
| | | | | |
| 2. | **NEKUB Consultancy Limited** | Opening Balance Dr. | 0.00 | 0.00 |
| | | Investment Purchase | 499940.00 | 0.00 |
| | | Shares closing Balance | 499940.00 | 0.00 |
| | | | | |
| 3. | **YYKS Consultancy Limited** | Opening Balance Dr. | 499940.00 | 0.00 |
| | | Investment Purchase | 0.00 | 499940.00 |
| | | Shares closing Balance | 499940.00 | 499940.00 |
| **(ii) Associates Companies** | | | | |
| 1 | Ganganagar Automobile Private Limited | Opening Balance Dr. | 0.00 | 0.00 |
| | | Shares Opening Balance | 2500000.00 | 2500000.00 |
| | | Amount paid | 13527408.00 | 31500000.00 |
| | | Interest Received | 156118.18 | 10030.00 |
| | | Investment Purchase | 0.00 | 0.00 |
| | | Amount Received | 13683526.18 | 31510030.00 |
| | | Outstanding at the year end | 0.00 | 0.00 |
| | | Shares closing Balance | 2500000.00 | 2500000.00 |

| | | | | |
|---|---|---|---|---|
| **(iii) Enterprises over which key management personnel have Significant Control:** | | | | |
| 2 | Argent Leasing & Finance Private Ltd.(NBFC) | Opening Balance Cr. | 2031675.00 | 1107026.00 |
| | | Amount Received | 0.00 | 750000.00 |
| | | Interest Paid | 229579.00 | 194055.00 |
| | | TDS Deducted | 22958.00 | 19406.00 |
| | | Outstanding Balance(Cr.) | 2238296.00 | 2031675.00 |
| 3. | M/s Kota Trucks Pvt. Ltd. | Opening Balance (Dr.) | 0.00 | 2785722.00 |
| | | **Transaction During the year** | | |
| | | Rent (Received) | 1980000.00 | 1980000.00 |
| | | Purchases | 9694838.00 | 3606978.00 |
| | | Sales | 12646800.00 | 3630295.00 |
| | | Intt. Recieved | 545016.05 | 0.00 |
| | | Outstanding at the year end (Dr.) | 0.00 | 0.00 |
| **(iv) Key Management Personnel** | | | | |
| 1. | Shankar Lal Agarwal | Opening Balance (Cr.) | 0.00 | 0.00 |
| | | Director Remuneration | 360000.00 | 0.00 |
| | | Outstanding at the year end | 0.00 | 0.00 |
| 2. | Sourabh Agarwal | Opening Balance (Cr.) | 0.00 | 0.00 |
| | | Rent Paid | 386100.00 | 413700.00 |
| | | Director Remuneration | 600000.00 | 600000.00 |
| | | Amount Received | 740000.00 | 0.00 |
| | | Interest Paid | 0.00 | 0.00 |
| | | TDS Deducted | 45438.00 | 45450.00 |
| | | Amount Paid | 1280562.00 | 968250.00 |
| | | Loan account cr. Balance | 0.00 | 0.00 |
| 3. | Vikramjit Singh | Opening | 22000.00 | 17032.00 |
| | | Salary Paid | 396000.00 | 264000.00 |
| | | Outstanding at the year end | 33000.00 | 22000.00 |
| **(V) Relatives to the Key Management:** | | | | |
| 1 | Smt. Mala Agarwal | Opening | 0.00 | 19200.00 |
| | | Rent during the year | 9600.00 | 9600.00 |
| | | Amount Paid | 9600.00 | 28800.00 |
| | | Outstanding at the year end | 0.00 | 0.00 |
| 2. | Kalpana Agarwal | Opening | 0.00 | 0.00 |
| | | Rent Paid | 5000.00 | 5000.00 |
| | | TDS Deducted | 1200.00 | 9600.00 |
| | | Amount Paid | 12000.00 | 9600.00 |
| | | Closing Balance (Sec. Deposit) | 5000.00 | 5000.00 |
| | | Outstanding at the year end | 0.00 | 0.00 |

**Note:** The transaction relating to reimbursement of actual expenses to/from related Parties have not been considered above below.

**2.29 Segment Reporting**:

**(a) Primary Segment:** Business Segment

Based on the guiding principles given in Accounting Standard AS –17 "Segment Reporting" notified under Companies (Accounting standard) Rules 2006, the Company's operating business are organized and managed separately according to the nature of products. The Two identified reportable segments. One is Automobile segment in which trading of vehicle and servicing (Including Heavy Commercial Vehicles, Two Wheeler and Three wheelers) and Other includes NBFC Division and Retail out let of petroleum products (BPCL).

**(b) Secondary Segment:** Geographical segment

Since the company's activities/operations are primarily with in the country and considering the nature of products/services it deals in, the risk and returns are same and as such there is only one geographical segment.

The following is the distributions of the company's consolidated revenue by geographical markets, regardless of where the goods/services were produced.

**(Rs. In Lacs)**

| **Particulars** | **2017-18** | **2016-17** |
|---|---|---|
| Revenue from domestic Market | 71534.79 | 46655.33 |
| Revenue from Overseas Market | 0.00 | 0.00 |
| **Total** | **71534.79** | **46655.33** |

The company has assets for producing goods for domestic market and no assets for overseas markets.

**(c) Segment accounting polices**:

In addition to the significant accounting policies applicable to the business segment as set in note 1 &2 "notes to accounts" the accounting policies in relation to segment accounting are as under:

**i) Segment revenue & expenses:**

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

**ii) Segment assets and liabilities:**

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowance and provisions, which are reported as direct off sets in the balance sheet. Segment Liabilities include all operating Liabilities and consist principally of creditors & accrued liabilities. Segment assets and liabilities do not include deferred income taxes except in the Automobile Division. While most of the assets/liabilities directly attributed to individual segments.

**iii) Inter segment sales:**

Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation. The main division is Automobile division and funds provided by the Automobile division to other division and interests on such balances are not charged.

**iv)** Other segments do not have revenue from sale to external customers and to other segments in excess of10% of total revenue of all segments, external or internal.

**d) Information about business segments consolidated :**

For the year ending as on 31st March 2018

(Amount in Rupees)

| Particulars | Automobile | | Others | | Total | |
|---|---|---|---|---|---|---|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| **Segment Revenue :** | | | | | | |
| External sales/income (Net) | 70995.69 | 45921.52 | 539.10 | 733.81 | 71534.79 | 46655.33 |
| Other receipt | 45.21 | 149.50 | 0.00 | 0.00 | 45.21 | 149.50 |
| **Total Revenue** | **71040.90** | **46071.01** | **539.10** | **733.81** | **71580.00** | **46804.83** |
| **Segment Results :** | | | | | | |
| Segments results | 1081.39 | 675.12 | 12.98 | 4.45 | 1094.37 | 679.57 |
| Unallocated expenses (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Operation profit before Interest | 1081.39 | 675.12 | 12.98 | 4.45 | 1094.37 | 679.57 |
| Financial exp. | 994.57 | 598.08 | 0.35 | 0.10 | 994.92 | 598.18 |
| Income tax current/Earlier Year | 44.30 | 26.91 | 0.00 | 0.00 | 44.30 | 26.91 |
| Less: Deferred tax Liability | -8.75 | -0.82 | 0.00 | 0.00 | -8.75 | -0.82 |
| **Net Profit** | **51.26** | **50.95** | **12.63** | **4.35** | **63.89** | **55.30** |
| **Other Information :** | | | | | | |
| Segment Assets | 19232.18 | 8715.31 | 126.14 | 111.68 | 19358.32 | 8826.99 |
| Inter Branch | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unallocated assets | | | | | | |
| **Total Assets** | **19232.18** | **8715.31** | **126.14** | **111.68** | **19358.32** | **8826.99** |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Segments Liabilities :** | | | | | | |
| Share Capital | 100.00 | 100.00 | 0.00 | 0.00 | 100.00 | 100.00 |
| Reserve & Surplus | 503.79 | 458.79 | 114.04 | 101.41 | 617.83 | 560.20 |
| Minority Interest | 398.02 | 196.58 | 0.00 | 0.00 | 398.02 | 196.58 |
| Secured & Unsecured Loan | 17171.95 | 5055.71 | 0.00 | 0.00 | 17171.95 | 5055.71 |
| Segment liabilities | 1058.42 | 2914.09 | 12.10 | 0.41 | 1070.52 | 2914.50 |
| Unallocated liabilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Deferred tax liabilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Liabilities** | **19232.18** | **8725.17** | **126.14** | **101.82** | **19358.32** | **8826.99** |
| **Capital Expenditure** | 607.13 | 365.49 | 0.00 | 0.00 | 607.13 | 365.49 |
| Depreciation | 151.24 | 85.66 | 0.00 | 0.00 | 151.24 | 85.66 |

**2.30 Earnings Per Share**:

| **Particulars** | **2017-18 (Rs.)** | **2016-17 (Rs.)** |
|---|---|---|
| Net Profit or Loss after Tax attributable to share holders | 5761903.73 | 5529378.9985 |
| Weighted average no. Of ordinary shares for basic EPS | Nos. 1000000 | Nos. 1000000 |
| **Basic & Diluted EPS** | **5.76** | **5.49** |

**2.31 Details of the disputed dues that were not deposited with the appropriate authorities:**

| **Nature of the Statute** | **Nature of Dues** | **Forum where dispute is pending** | **Demand Amount (Rs. in Lacs.)** | **Amount paid under protest (Rs. in Lacs.)** | **Period to which the amount relates** |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | CIT (Appeal) | 1.75 | 0.00 | 2009-10 |

**2.32** The company has taken Office and showroom Premises on cancelable Operating Lease. The tenure of these agreements range between 3 to 5 Years. The amount of lease rentals paid of Rs. 328.73 Lacs (P.Y. Rs. 58.67 Lacs) has been charged under the head “Rent” in Note 2.26.

**2.33** Based on the information available with the company, the balance due to Micro, Small and Medium Enterprises as defined under the “Micro, Small and Medium Enterprises development Act. 2006” is Rs. Nil (2015-16 Rs. Nil) further no interest during the year has been paid or is payable under the terms of the “Micro, Small and Medium Enterprises development Act, 2006”.

**2.34** The company has complied with prudential norms relating to income recognition, accounting standards, assets classifications 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, during the financial year ended on March 31, 2018.As NBFC activities started during the year initially therefore the guidelines issued by RBI regarding assets and income share of business could not be complied with.

**2.35 Provision for loans:**

| Particulars | % of Provision made | As at 31.03.2017 | As at 31.03.2018 | Total |
|---|---|---|---|---|
| Standard Assets | 0.25 | 3939.00 | 5554.00 | 9493.00 |
| **Total** | **0.25** | **3939.00** | **5554.00** | **9493.00** |

**2.36** Statement containing salient feature, pursuant to Schedule III of The Companies Act 2013 of Subsidiaries as per standalone financial statement of each entity (Before Adjustment of Intra group Transaction /Balances)

| Particulars | Net Assets | | Share in Profit(Loss) | |
|---|---|---|---|---|
| | As % of Consolidated net assets | Amount (Rs. Lacs) | As % of Consolidated net assets | Amount (Rs. Lacs) |
| **Parent** | | | | |
| Kalyani Commercials Limited | 99.17% | 711.90 | 90.06% | 51.89 |
| **Subsidiaries** | | | | |
| Ganganagar Vehicles Private Ltd. | 113.35% | 813.68 | 12.82% | 12.82 |
| Nekub consultancy Limited | 0.62% | 4.47 | -0.64% | -0.41 |
| YYKS Buildcon Limited | 0.62% | 4.47 | -0.64% | -0.41 |
| **Minority Interest** | - | (398.02) | - | (6.27) |

**2.37** Particulars regarding subsidiary Companies pursuant to General Circular No. 2/2011 dated February 8, 2011 from Ministry of Corporate Affairs Government of India Year ended March 31, 2018.

| Name of Subsidiary Company | Capital | Reserves | Total Assets | Total Liabilities | Turnover | Profit/ Loss Before Taxati | Provision for Taxation | Profit/Loss for after Taxation | Proposed Dividend |
|---|---|---|---|---|---|---|---|---|---|
| Ganganagar Vehicles Private Ltd. | 800.00 | 13.68 | 10917.02 | 10103.34 | 22022.34 | 18.28 | 5.47 | 12.81 | - |
| Nekub consultanc | 5.00 | -0.53 | 5.02 | 0.55 | 0.00 | -0.39 | 0.02 | -0.41 | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| y Limited | | | | | | | | | |
| YYKS Buildcon Limited | 5.00 | -0.53 | 4.69 | 0.22 | 0.00 | -0.39 | 0.02 | -0.41 | - |

**2.38** Previous year figures have been regrouped/rearranged wherever necessary to facilitate comparison.

**2.39** Notes 1 & 2 forms an integral part of the Balance Sheet & statement of Profit and Loss and Cash Flow statement has been duly authenticated.

**SIGNED FOR IDENTIFICATION**

For **M. C. BHANDARI & CO**
**CHARTERED ACCOUNTANTS**

**For and behalf of board of director**
**KALYANI COMMERCIALS LIMITED**

| | | | | |
|---|---|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** |
| **(CA S.K. MAHIPAL)** | **(S.L. Agarwal)** | **(Mukesh Joshi)** | **(Vikramjit Singh)** | **(SourabhAgarwal)** |
| **PARTNER** | **M. Director** | **Director** | **CS** | **CFO** |
| **38, SHOPPING CENTRE** | **DIN: 01341113** | **DIN: 06697613** | **M. No.:40598** | **DIN: 02168346** |
| **KOTA (RAJ.)** | | | | |

**Date: 25.05.2018**
**Place:** Kota

## STANDALONE AUDITORS REPORT

To
The Members of
KALYANI COMMERCIALS LIMITED

**Report on the Financial Statement**

1 We have audited the accompanying standalone financial statements of **Kalyani Commercial Limited** ('the Company') which comprise the Balance Sheet as at 31 March, 2018 and the Statement of Profit and Loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

2 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 and presentation of these standalone 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 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company, 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**

3 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 there under and the order u/s 143 (ii) of the Act .

4 We conducted our audit of the standalone financial statement 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 standalone financial statements are free from material misstatement.

5 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 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

6 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**

7 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,
   a) In the case of Balance sheet, of the state of affairs of the Company as at 31st March 2018,
   b) In the case of the statement of Profit and Loss of the profit for the year ended on that date,
   c) In the case of the cash flow statement, of the cash flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirement**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure "A" a statement on the matter specified in paragraph 3 and 4 of the order.

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

a) we have sought all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the standalone financial statement dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements i.e. balance sheet & the statement of profit & loss and Cash Flow statement comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e) on the basis of written representations received from the directors as on 31 March, 2018 and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March, 2018 from being appointed as the Director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our Report expresses and unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

i. The Company has disclosed the impact of pending litigation on its financial position in its financial statement as referred in note no. 2.27 to the financial statement.

ii. The Company did not have any long term contracts including derivative contracts for which they were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For M.C. Bhandari & Co.**
**Chartered Accountants**
**Firm's registration number: 303002E**

**Sd/-**
**S.K. Mahipal**
**Partner**
**M No.: 070366**

**Place:** Kota
**Date: 25.05.2018**

## ANNEXURE TO THE AUDITOR'S REPORT

**Annexure referred to in paragraph 1 under the heading of "Report on other legal and Regulatory requirements" of the independent Auditor's Report on the Accounts of KALYANI COMMERCIALS LIMITED ("The Company'') for the year ended on 31st March 2018.**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, we report that:

i. In respect of fixed assets :

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

b) The fixed assets were physically verified during the year by the management in accordance with a program of verification, the frequency of verification is reasonable having regard to the size of the company and the nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification as compared to books records.

c) The title deeds of all the immovable properties are held in the name of the Company

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification/ material discrepancies noticed on physical verification have been properly dealt with in the books of account.

iii. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

iv. In our opinion the, company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees, and security.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

vii. a) The Company is generally regular in depositing undisputed statutory dues including income-tax, and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

b) **The dues outstanding in respect of income-tax on account of any dispute are as follows:**

| **Nature of the Statute** | **Nature of Dues** | **Demand Amount (Rs. in Lacs.)** | **Amount paid under protest (Rs. in Lacs.)** | **Period to which the amount relates** | **Forum where dispute is pending** |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | 1.75 | 0.00 | 2009-10 | CIT (Appeal) |

viii. The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

ix. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments), in our opinion and information and explanation given to us the company has not defaulted in repayment of due to banks.

x. No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

xi. In our opinion, managerial remuneration has been paid (and)/ provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.

xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In our opinion all transactions with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

xv. The company has not entered into any non-cash transactions with directors or persons connected with them.

xvi. "The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company vide Certificate No. 14.00928 dated 2nd June 1998."

**For M.C. Bhandari & Co.**
**Chartered Accountants**
**Firm's registration number: 303002E**

**Sd/-**
**S.K. Mahipal**
**Partner**
**M No: 070366**

**Place:** Kota
**Date: 25.05.2018**

**Annexure to the Independent Auditor's Report of even date to the members of Kalyani Commercials Ltd., on the financial statements for the year ended 31st March 2018**

## INDEPENDENT AUDITOR'S REPORT

**Annexure B**

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

1. In conjunction with our audit of the standalone financial statements of **Kalyani Commercials Ltd.** ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

**Management's Responsibility for Internal Financial Controls**

2. The Company's Board of Directors 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 Control Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). 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 the company's 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 Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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.

5. 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 IFCoFR.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

**8.** In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI).

**For M.C. Bhandari & Co.**
**Chartered Accountants**
**Firm's registration number: 303002E**

**Sd/-**
**S.K. Mahipal**
**Partner**
**M No.: 070366**

**Place:** Kota
**Date: 25.05.2018**

**NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31.03.2017, STATEMENT OF PROFIT AND LOSS AND CASH FLOW STATEMNENT FOR THE YEAR ENDED ON THAT DATE**

**Note -1**

**A.) Company Overview:**

The company is in the business of Sales and servicing of Commercial Vehicle and Two Wheelers and Petroleum Products.

The company is also in the business of Finance works The Company has obtained a certificate of Registration from the Reserve Bank of India as a Non-Banking Finance Company vide Registration No **14.00928 dated 2nd June 1998.**

**B.) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

**1.1 BASIS OF PREPARATION:**

The financial statements of the company have been prepared to comply with the Indian Generally Accepted Accounting Principles (Indian GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013,("The Act ") read with rule 7 of companies (Accounts ) Rules, 2014.

The financial statements have been prepared under the historical cost convention on an accrual basis and considering the direction issued by the Reserve Bank of India to the extent applicable to the company. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

**1.2 REVENUE RECOGNITION:**

**A)** Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the Revenue can be reliably measured. Revenue from Sale and service business operations (gross) is net of adjustments on account of cancellation / returns. In NBFC Business Interest income on loans given is recognized under internal rate of return method. Income on NPA is recognized only when it is actually realized/ received.

Revenue is recognized when the substantial risk and reward of ownership is transferred to the buyer which coincides with the dispatches of the goods to the customers.

All the revenue Income is accounted for on accrual basis.

**B) Expenses:**

Expenses are generally accounted for on accrual basis except claims.

**1.3** Fixed Assets are stated at cost net of cenvat less accumulated depreciation and impairment losses, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes and incidental/preoperative expenses and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.

**1.4 Depreciation**

The depreciation on fixed assets is provided to the extent of depreciable amount on WDV method of depreciation is provided based on useful life of the asset as prescribed in schedule II to the Companies Act 2013.

**1.5 Valuation of Inventories:**

**Inventories are valued as follows: -**

| | | **Particulars** | |
|---|---|---|---|
| (A) | (a) | Commercial Vehicles , Vehicle Body & Two wheeled motor Vehicles | Commercial vehicle/Three Wheelers are valued at cost net realizable value computed on FIFO basis |
| | | | |
| | (b) | Spare Parts | Stores and spares and others are valued at lower of cost net realizable value computed on FIFO basis. |
| | | | |
| | (c) | Petroleum products | Petroleum Products valued on FIFO method. (Cost price) |

*Net realizable value is estimated selling price in the ordinary course of business.

**1.6 Loan and Advance**

**a) Secured Loan and advance**

Loans and advance having classified in accordance with the RBI Guidelines as standard Assets and doubtful assets. The provision made for non-performing assets has been reduced from the loans and advance. Secured Loan is valued at installments receivable but not due as on 31.03.2017.

b) **Bad and doubtful debts**

The income has been suspended when the assets are identified as an impaired assets and the client is unable to serve the interest. No income has been accrued on loss and non- performing assets. The company has identified the non- performing assets based on the credit worthiness on the client, cash flow of the company, behavior of the account and the risk modifiers. The behaviour indicates the client willingness to pay while cash flow determines the ability to pay. All loans are subject to continuous scrutiny and grading based on credit risk.

The company has adopted policy regarding provisioning norms as specified and required by RBI , The company has made certain provision, which cover identified account and general provision in order to cover unanticipated credit risks that may be inherent in the portfolio.

**1.7 Investments:**

Investments that are readily realizable and intended to be held for not more than a year are 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 charge such as brokerage, fees and duties. Current investments (if any) are carried at lower of cost and fair value determined on an individual investment basis. Long term Investments are carried at cost. However, Provision for diminution in the value is made to recognize a decline other than temporary in the value of the investments.

**1.8 Assets Classification:**

Loans and advances are standard assets.

**1.9 Advances:**

a) Advance is classified as performing and non-performing based on the Reserve Bank of India, guidelines. Interest on non-performing advances is not recognized in the profit & loss account until received.

b) Non-performing assets :

The company classifies advances, non-performing assets in respect of which the interest and/or installment of principal has remained due for over 90 days as a non-performing assets.

**1.10 Retirement & other Employee Benefits:**

**a)** Retirement benefit in the form of provident fund is a defined benefit obligation of the company and the contributions are charged to the statement of profit and loss of the year when the contributions to the funds are due. The company is liable to meet the Shortfall, if any, in payment of interest at the rates declared by the central Government, and such liability is recognized in the year of shortfall.

**b) Gratuity:**

Gratuity liability is a defined benefit obligation of the company. The Company provides for gratuity to all eligible employees. The benefit is in the form of Lump sum payments to vested employees on resignation, retirement, on death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable to each completed year of services. Vesting occurs upon completion of 5 years of services. The company has taken a policy with LIC to cover the gratuity liability of the employees and contribution paid to the LIC is charged to statement of Profit & Loss.

**c) Leave Salaries:**

Liabilities for privilege leave benefits, in accordance with the rules of the company is provided for, as prevailing salary rate for the entire un-availed leave balance as at the balance sheet date. The privilege leave are compensated in leave and Accumulated leaves are equals to 40 days then en cashed. Actuarial valuation for the liabilities has not been taken from the certified valuer.

**1.11 TAXATION :**

**(a) Current & Deferred Tax**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**1.12 Impairment of assets:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimation of recoverable amount.

**1.13 Provisions and Contingent Liabilities and Assets:**

A Provision is recognized when an enterprise has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settled the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not disclosed to its present value and are determined

based on best management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Other contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

**1.14 Earning per Share**:

Basic earnings per share is calculated by dividing the Net Profit or Loss for the year attributable to equity share holders (After deducting taxes etc.) by the weighted average number of the equity shares outstanding during the year are adjusted for the effect.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year are attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**1.15 Use of Estimate:**

The preparation of financial statements in conformity with the generally accepted accounting principles (GAAP) requires the management to make judgment, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and Liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**1.16 Operating Lease**:

Operating Lease receipts and payments are recognized as income or expense in the statement of profit and loss as per the terms of the lease agreement.

**1.17 Cash flow statement:**

The Cash flow statement is prepaid using "in direct method "set out in Accounting Standard – 3 cash flow statement "and presents the cash flow by operating, investing and financing activities of the company. Cash and Cash equivalents presented in the cash flow statement consist of cash on hand and highly liquid bank balances.

**KALYANI COMMERCIALS LIMITED**

**Balance Sheet as at 31st March, 2018**

| Particulars | Note No. | As At 31.03.2018 (Rs.) | As at 31.03.2017 (Rs.) |
|---|---|---|---|
| **I. EQUITY AND LIABILITIES** | | | |
| **(1) Shareholder's Funds** | | | |
| (a) Share Capital | 2.1 | 10000000.00 | 10000000.00 |
| (b) Reserves and Surplus | 2.2 | 61195268.09 | 56000457.46 |
| **Sub Total** | | **71195258.09** | **66000457.46** |
| **(2) Share application money pending allotment** | | | |
| **(3) Non-Current Liabilities** | | | |
| (a) Long-term borrowings | 2.3 | 44730433.00 | 27933565.00 |
| (b) Deferred tax liabilities | | 0.00 | 0.00 |
| (c) Other Long Term Liabilities | 2.4 | 0.00 | 122750.00 |
| (d) Long Term Provisions | 2.5 | 9493.00 | 3939.00 |
| **Sub Total** | | **44739926.00** | **28060254.00** |
| **(4) Current Liabilities** | | | |
| (a) Short-term borrowings | 2.6 | 712902759.70 | 351498634.41 |
| (b) Trade payables | 2.7 | 16272965.17 | 151464751.18 |
| (c) Other current liabilities | 2.8 | 39920724.40 | 80056003.21 |
| (d) Short Term Provision | 2.9 | 269388.76 | 280219.29 |
| **Sub Total** | | **769365838.03** | **583299608.09** |
| **Total** | | **885301032.12** | **677360319.55** |
| **II. Assets** | | | |
| **(1) Non-current assets** | | | |
| *(a)* Fixed assets | | | |
| (i) Tangible assets | 2.10 | 59225646.64 | 59279851.33 |
| (ii) Intangible assets | | 64977.11 | 148433.04 |
| (iii) Capital Work in Progress | | 0.00 | 2543708.00 |
| **Sub Total** | | **59290623.75** | **61971992.37** |

| | | | |
|---|---|---|---|
| (b) Non-current investments | 2.11 | 44370710.00 | 23987880.00 |
| (c) Deferred tax Assets | 2.12 | 1418661.00 | 1210922.00 |
| (d) Long term loans and advances | 2.13 | 2106081.44 | 2780758.15 |
| (e) Other non-current assets | 2.14 | 3754813.00 | 6632326.00 |
| **Sub Total** | | **110940889.19** | **96583878.52** |
| **(2) Current assets** | | | |
| (a) Inventories | 2.15 | 301869236.22 | 47181197.86 |
| (b) Trade receivables | 2.16 | 381156516.79 | 521292246.54 |
| (c) Cash and Bank Balances | 2.17 | 28650992.83 | 4757977.23 |
| (d) Short-term loans and advances | 2.18 | 62683395.09 | 7545019.40 |
| | | **774360142.93** | **580776441.03** |
| **Total** | | **885307032.12** | **677360319.55** |

Notes to the accounts 1&2

The schedule referred to above and the notes to Accounts form an integral part of the Balance sheet.

For **M. C. BHANDARI & CO**
**CHARTERED ACCOUNTANTS**

**For and behalf of board of director**
**KALYANI COMMERCIALS LIMITED**

| | | | | |
|---|---|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** |
| **(CA S.K. MAHIPAL)** | **(S.L. Agarwal)** | **(Mukesh Joshi)** | **(Vikramjit Singh)** | **(SourabhAgarwal)** |
| **PARTNER** | **M. Director** | **Director** | **CS** | **CFO** |
| **38, SHOPPING CENTRE** | **DIN: 01341113** | **DIN: 06697613** | **M. No.:40598** | **DIN: 02168346** |
| **KOTA (RAJ.)** | | | | |

**Date: 25.05.2018**
**Place:** Kota

**Kalyani Commercials Limited**

**Statement of Profit and Loss for the year ended 31st March, 2018**

| Particulars | Note No | 2017-18 | 2016-17 |
|---|---|---|---|
| Revenue from operations | 2.19 | 4953430468.06 | 4543663061.50 |
| Other Income | 2.20 | 2450939.47 | 2570730.06 |
| **Total Revenue** | | **4955881407.53** | **4546233791.56** |
| Expenses: | | | |
| Purchase of Stock-in-Trade | 2.21 | 4937242473.99 | 4025487447.99 |
| Changes in inventories of finished goods and Stock-in-Trade | 2.22 | -254688038.36 | 168886469.18 |
| Employee benefit expense | 2.23 | 53647255.19 | 39272914.63 |
| Financial costs | 2.24 | 71778670.94 | 58010928.05 |
| Depreciation and amortization expense | | 6917558.66 | 7443356.39 |
| Other expenses | 2.25 | 132784690.48 | 239317623.33 |
| **Total Expenses** | | **4947682610.90** | **4538418739.57** |
| **Profit before tax** | | **8198796.63** | **7815051.99** |
| **Tax expense:** | | | |
| (1) Current tax | 2.26 | 3115000.00 | 2715000.00 |
| (2) Deferred tax liability (Net) | | -207739.00 | -304213.00 |
| (3) Income Tax Earlier Year | | 96725.00 | -61817.00 |
| Profit/(Loss) for the period | | **5194810.63** | **5466081.99** |
| **Earning per equity share:** | | | |
| (1) Basic | | 5.19 | 5.47 |
| (2) Diluted | | 5.19 | 5.47 |

**Signed in terms of our report of even date annexed**

**For M. C. BHANDARI & CO**
**CHARTERED ACCOUNTANTS**

**For and behalf of Board of Director**
**KALYANI COMMERCIALS LTD.**

| | | | | |
|---|---|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** |
| **(CA S.K. MAHIPAL)** | **(S.L. Agarwal)** | **(Mukesh Joshi)** | **(Vikramjit Singh)** | **(SourabhAgarwal)** |
| **PARTNER** | **M. Director** | **Director** | **CS** | **CFO** |
| **38, SHOPPING CENTRE** | **DIN: 01341113** | **DIN: 06697613** | **M. No.:40598** | **DIN: 02168346** |
| **KOTA (RAJ.)** | | | | |

**Date: 25.05.2018**
**Place:** Kota

**KALYANI COMMERCIALS LIMITED**

**Cash Flow Statement for the year ended 31st March, 2018**

| S. No. | Particulars | As At 2017-18 (Rs.) | As At 2016-17 (Rs.) |
|---|---|---|---|
| **A** | **Cash Flow from Operating Activities** | | |
| | Profit before Tax | 8198797 | 7815052 |
| | **Adjustment for:** | | |
| | Depreciation and amortization | 6917559 | 7443356 |
| | Provision | 5554 | 3939 |
| | Profit on sale of Fixed Assets | (81592) | (5676) |
| | **Operating profit before working capital changes** | 15040317 | 15256671 |
| | **Adjustments for movement in working capital :** | 1397738.65 | 677694.00 |
| | Adjustments for (increase)/ decrease in operating assets: | | |
| | Stock | (254,688,038) | 168886469 |
| | Trade receivables | 140135728 | (146290635) |
| | Short-term loans and advances | (55138376) | 1045792 |
| | Other Current Assets | | |
| | | (169690686) | 23641627 |
| | Adjustments for increase / (decrease) in operating liabilities: | | 168886469.18 |
| | Short term Borrowings | 361404125 | (91659334) |
| | Trade Payables | (135191786) | 11790079 |
| | Other Current liabilities | (40135279) | 37039243 |
| | | **186077060** | **(42830012)** |
| | Direct Taxes paid/deducted at source | (3222556) | (2372965) |
| | **Net Cash From/(USED IN) Operating Activities** | **28204136** | **(6304679)** |
| **B** | **Cash Flow from Investing Activities** | | |
| | Long term loans and advances | 674677 | (1035775) |
| | Other Non-Current Assets | 2877513 | (464875) |
| | Sale of Investments | (20382830) | (21484880) |
| | Purchase of Fixed Assets | (5339911) | (4160435) |
| | Sale of Fixed Assets | 1185313 | 169756 |
| | **Net Cash used in Investing Activities** | **(20985238**) | (**26976208**) |
| | | | |

| | | | |
|---|---|---|---|
| **C** | **Cash Flow from Financing Activities** | | |
| | Proceeds from Issue of Equity Shares | - | - |
| | Increase/(Decrease) in long term borrowings | 16796868 | 22,227,110 |
| | Increase/(Decrease) in other long term liabilities | (122,750) | (1,473,000) |
| | **Net Cash Flow from / used in Financing Activities** | **16674118** | **20754110** |
| | | | |
| **D** | **Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)** | **23893016** | **(12526778)** |
| **E** | **Cash and cash equivalents as at the end of previous period.** | 4757977 | 17284755 |
| **F** | **Cash and cash equivalents as at end of the year** | **28650993** | **4757977** |

Note: The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

**SIGNED FOR IDENTIFICATION**

For **M. C. BHANDARI & CO**
**CHARTERED ACCOUNTANTS**

**For and behalf of board of director**
**KALYANI COMMERCIALS LIMITED**

| | | | | |
|---|---|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** |
| **(CA S.K. MAHIPAL)** | **(S.L. Agarwal)** | **(Mukesh Joshi)** | **(Vikramjit Singh)** | **(SourabhAgarwal)** |
| **PARTNER** | **M. Director** | **Director** | **CS** | **CFO** |
| **38, SHOPPING CENTRE** | **DIN: 01341113** | **DIN: 06697613** | **M. No.:40598** | **DIN: 02168346** |
| **KOTA (RAJ.)** | | | | |

**Date: 25.05.2018**
**Place:** Kota

**KALYANI COMMERCIALS LIMITED**

**Notes Annexed to and forming part of Balance Sheet as at 31/03/2018**

| **Particulars** | **As at 31.03.2018 (Rs.)** | **As at 31.03.2017 (Rs.)** |
|---|---|---|
| | | **Note - 2.1** |
| **SHARE CAPITAL :** | | |
| **Authorized :** | | |
| 40,00,000 Equity Share Of Rs.10/- each | **40000000.00** | **40000000.00** |
| **Issued, Subscribed & Paid Up :** | | |
| | | |
| 10,00,000 Equity Share Of Rs.10/- each | 10000000.00 | 10000000.00 |
| (Fully paid up in cash ) | | |
| | | |
| | **10000000.00** | **10000000.00** |

**Notes :**

(1) The company has a single class of equity shares. Each shareholder is eligible for one Vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(2) The details of Shareholders holding more than 5 % equity shares as at 31.03.2018 & 31.03.2017

| **Share Holder** | **No. of Share as on 31.03.2018** | **Ownership Interest % as on 31.03.2018** | **No. of Share as on 31.03.2017** | **Ownership Interest % as on 31.03.2017** |
|---|---|---|---|---|
| | | | | |
| Shankar Lal Agarwal | 418000.00 | 41.80% | 418000.00 | 41.80% |
| **Total** | **418000.00** | **41.80%** | **418000.00** | **41.80%** |

As per the records of the company including its register of shareholders/ members and other declaration received from shareholder regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of shares

(3) The reconciliation of the number of shares outstanding as at March 31, 2018 and March 31, 2017 is set out below:

| **Particulars** | **As at 31.03.2018** | **As at 31.03.2017** |
|---|---|---|
| Number of shares at the beginning | 1000000.00 | 1000000.00 |
| Number of shares at the end | 1000000.00 | 1000000.00 |
| | | **Note - 2.2** |
| **Reserves and Surplus:** | | |
| **Statutory Reserve** | | |
| Opening Balance | 17900.00 | 0.00 |
| Add: Transfer from Statement of Profit and Loss | 205535.00 | 17900.00 |
| | **223435.00** | **17900.00** |
| **Surplus as per statement of Profit & Loss** | | |
| Opening Balance | 55982557.46 | 50534375.47 |

| | | |
|---|---|---|
| Add: Net Profit after Tax Transferred from statement of Profit and Loss | 5194810.63 | 5466081.99 |
| **Surplus (Closing Balance)** | **61177368.09** | **56000457.46** |
| | | |
| **Appropriations:** | | |
| Less : Transfer to Statutory Reserve 20% | 205535.00 | 17900.00 |
| | **60971833.09** | **55982557.46** |
| | | |
| **Grand Total** | **61195269.09** | **56000457.46** |
| | | |

Note : Amount of Statutory Reserve transfer from statement of profit and Loss @ 20%of the profit of NBFC Division U/s. 45 -IC of The RBI Act, 1934

**Note – 2.3**

**LONG TERM BORROWINGS:**

| **Secured Loans :** | **Non-Current** | **Current Maturity** | **Non-Current** | **Current Maturity** |
|---|---|---|---|---|
| **TERM LOAN** | | | | |
| From Tata Motors Financial Ltd Bank Ltd. (See note No.1) | 1350814.00 | 281177.72 | 0.00 | 0.00 |
| From ICICI Bank Limited (See note No.1) | 3468981.00 | 422464.80 | 3861385.00 | 726763.50 |
| | | | | |
| **Unsecured Loans:** | | | | |
| From Tata Capital Financial Services Ltd. | 5778664.00 | 16954498.00 | 0.00 | 0.00 |
| Inter Corporate Deposits and Director's | 34131974.00 | 0.00 | 24072180.00 | 0.00 |
| (See note No.2) | | | | |
| | **44730433.00** | **17658140.52** | **27933565.00** | **726763.50** |

**NOTES: 1**

| Name of Bank | Terms of Repayment | Rate of interest | Amount O/s including current Maturity | Security |
|---|---|---|---|---|
| ICICI Bank | Repayable to ICICI from May 2015 in 120 Monthly installments (Due within One Year Rs. 326896.00) | 9.90% | 3215267.00 | Secured by Equitable mortgage of House Property ( Flat No. 502 , 5th Floor Plot no. 120,Shakti Nagar ,Dadabari,KOTA). |
| ICICI Bank | Repayable to ICICI from June 2015 in 120 Monthly installments (Due within One Year Rs. 30060.80) | 9.95% | 30060.80 | Secured by Equitable mortgage of House Property (Flat No. 502 , 5th Floor Plot no. 120,Shakti Nagar ,Dadabari ,KOTA ). |
| ICICI Bank | Repayable to ICICI from June 2015 in 35 Monthly installments (Due within One Year Rs. 281177.72) | 10.00% | 371962.50 | Secured by the way of hypothecation of TATA LP 709 (Vehicle) |
| Tata Motors Finance Limited | Repayable to TMFL from February 2018 in 60 Monthly installments (Due within One Year Rs.281177.72) | 8.76% | 1631991.72 | Secured by the way of hypothication of TATA HEXA (Vehicle) |
| Note:2<br>Tata Capital Financial Limited | Repayable to TCFSL from February 2018 in 18 Monthly instalments (Due within One Year Rs. 16954498/-) | 11.25% | 22733162.00 | Unsecured |

3. Inter Corporate Deposit and directors deposit repayable in next 3 to 4 years and rate of Interest is 11.30 %

**Note - 2.4**

**Other Long Term Liablities**

| | Non-Current | Current Maturity | Non-Current | Current Maturity |
|---|---|---|---|---|
| | | | | |
| Advance from Supplier | 0.00 | 122750.00 | 122750.00 | 1473000.00 |
| | | **122750.00** | **122750.30** | **1473000.00** |

**Note - 2.5**

**Long Term Provision**

| | | |
|---|---|---|
| Contigent Provision against Standard Assets | 9493.00 | 3939.00 |
| (Refer note no 2.26) | **9493.00** | **3939.00** |
| **Particulars** | **As at 31.03.2018 (Rs.)** | **As at 31.03.2017 (Rs.)** |

**Note - 2.6**

**SHORT TERM BORROWINGS**

| | | |
|---|---|---|
| **Secured:** | | |
| **Working Capital Loan** | | |

| | | |
|---|---|---|
| From HDFC Bank Limited | 281407251.31 | 110041314.50 |
| (See note No.1) | | |
| | | |
| From Other Banks | 206430823.66 | 106905005.34 |
| (See note No.2) | | |
| | | |
| From NBFC'S | 223341697.73 | 133241982.57 |
| (See note No.3) | | |
| **Unsecured:** | | |
| From HDFC Bank | 1722987.00 | 1310332.00 |
| | **712902759.70** | **351498634.41** |
| **NOTES:** | | |

1. Cash Credit Limit from HDFC Bank Ltd. is secured by way of hypothecation of stock of vehicle and all related accessories, Spare Parts & components, current assets and book debts etc. and further secured by way of equitable mortgage of factory land & Building located at Kota and also personal guaranteed of Directors i.e. Shankar Lal Agarwal and Sourabh Agarwal of the Company.

2. Secured by way of Hypothecation on book debts and PDC From Axis Bank Limited by Rs. 450.08 Lacs, State Bank of India by Rs.432.61 Lacs and IndusInd Bank Limited by Rs. 61.85 Lacs, Yes Bank limited by Rs 416.25 Lacs and Standard Chartered Bank by Rs. 703.51 lacs.

3. Secured by way of Hypothecation on book debts and Stock From TATA MOTORS FINANCE SOLUTIONS LIMITED by Rs. 486.71 , TATA Capital Financial Services Limited by Rs. 1734.00 Lacs and Lord Fincab Ltd by Rs. 12.69 Lacs

4. Rate Of Interest :( MCLR + 3 to 4 % )

| | | |
|---|---|---|
| | | **Note - 2.7** |
| **Trade Payables** | | |
| A - Micro, small and Medium | | |
| enterprises Development Act, 2006 for goods & others | | 0.00 |
| B - Sundry Creditor | 16272965.17 | 151464751.18 |
| | **16272965.17** | **151464751.18** |
| | | **Note - 2.8** |
| **Other Current Liabilities** | | |
| | | |
| Current Maturity of Long Term Borrowings | 17658140.52 | 726763.50 |
| Current Maturity of other Long Term Borrowings | 122750.00 | 1473000.00 |
| Government dues ( Taxes )Including ESI & PF | 8947225.97 | 48253373.01 |
| Adavances From customer | 11954312.26 | 29602866.70 |
| Bank Balance due to reconcilation | 1238295.65 | 0.00 |
| | **39920724.40** | **80056003.21** |
| | | **Note - 2.9** |
| **Short Term Provision** | | |
| Provision For Income Tax (Net) | 269388.76 | 280219.29 |
| | **269388.76** | **280219.29** |

Note - 2.10

(Amount in Rupees)

| PARTICULARS | Carrying Cost | | | | DEPRECIATION | | | | Carring Amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | AS AT 31.03.2017 | ADDITION During the year | SALES/ Adjustment | AS AT 31.03.2018 | AS AT 31.03.2017 | During The YEAR | Deduction/ Transfer | AS AT 31.03.2018 | AS AT 31.03.2018 | AS AT 31.03.2017 |
| **Tangible Assets** | | | | | | | | | | |
| Leasehold Land | 2879425.00 | 0.00 | 0.00 | 2879425.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2879425.00 | 2879425.00 |
| Agriculture Land | 1246397.00 | 0.00 | 0.00 | 1246397.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1246397.00 | 1246397.00 |
| Commercial Land | 11657836.00 | 0.00 | 0.00 | 11657836.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11657836.00 | 11657836.00 |
| Building | 59913353.34 | 2194822.00 | 0.00 | 62108175.34 | 27001625.13 | 3369661.69 | 0.00 | 30371286.82 | 31736888.52 | 32911728.21 |
| Plant & Machinery | 12992691.60 | 100000.00 | 0.00 | 13092691.60 | 8783362.14 | 852834.74 | 0.00 | 9636196.88 | 3456494.72 | 4209329.46 |
| Office Equipment | 7615391.50 | 262622.28 | 0.00 | 7878013.78 | 6870316.01 | 286910.56 | 0.00 | 7157226.57 | 720787.21 | 745075.49 |
| Electrical Goods & Fitting | 2755949.55 | 0.00 | 0.00 | 2755949.55 | 2242428.17 | 135898.64 | 0.00 | 2378326.81 | 377622.74 | 513521.38 |
| Furniture & Fixture | 7450177.61 | 2538188.66 | 0.00 | 9988366.27 | 6333240.95 | 629549.81 | 0.00 | 6962790.76 | 3025575.51 | 1116936.66 |
| Computer | 8889468.11 | 895729.97 | 0.00 | 9785198.08 | 8290123.60 | 406423.95 | 0.00 | 8696547.55 | 1088650.53 | 599344.51 |
| Vehicles | 8193075.02 | 1892256.09 | 2468485.00 | 7616846.11 | 4792817.37 | 1152823.34 | 1364764.01 | 4580876.70 | 3035969.41 | 3400257.65 |
| **Sub Total:-** | **123593764.73** | **7883619.00** | **2468485.00** | **129008898.73** | **64313913.37** | **6834102.73** | **1364764.01** | **69783252.09** | **59225646.64** | **59279851.36** |
| **Intangible Assets** | | | | | | | | | | |
| Computer Software | 755492.00 | 0.00 | 0.00 | 755492.00 | 607060.35 | 83455.93 | 0.00 | 690516.28 | 64977.11 | 148431.65 |
| **Sub Total** | **755492.00** | **0.00** | **0.00** | **755492.00** | **607060.35** | **83455.93** | **0.00** | **690516.28** | **64977.11** | **148431.65** |
| **Work in Progress** | | | | | | | | | | |
| Furniture | 348886.00 | 0.00 | 348886.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 348886.00 |
| Building | 2194822.00 | 0.00 | 2194822.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2194822.00 |
| **Sub Total:-** | **2543708.00** | **0.00** | **2543708.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **2543708.00** |
| **GRAND Total :** | **126892964.73** | **7883619.00** | **5012193.00** | **129764390.73** | **64920973.72** | **6917558.66** | **1364764.01** | **70473768.37** | **59290623.75** | **61971991.01** |
| **Figures for Prev. year** | **123052463.23** | **4160434.50** | **319933.00** | **126892964.73** | **57633471.36** | **7443356.40** | **155854.00** | **64920973.72** | **61971991.01** | **65418991.87** |

Place : Kolkata

| | | | | |
|---|---|---|---|---|
| | | | | **Note - 2.11** |
| **Non Current Investment** | | | | |
| **LONG TERM INVESTMENTS (at cost):** | **No of Shares** | **Face Value** | | |
| | | | | |
| National Saving Certificate | | | 3000.00 | 3000.00 |
| (Deposit with Sales Tax Dept.) | | | | |
| Ganganagar Automobile Private Limited | 250000.00 | 10.00 | 2500000.00 | 2500000.00 |
| Ganganagar Vehicles Private Limited | 4086783.00 | 10.00 | 40867830.00 | 20485000.00 |
| Nekub Consultancy Limited | 49994.00 | 10.00 | 499940.00 | 499940.00 |
| YYKS Buildcon Limited | 49994.00 | 10.00 | 499940.00 | 499940.00 |
| | | | | |
| | | | **44370710.00** | **23987880.00** |
| **Note:** | | | | |
| **Aggregate value of investments** | Quoted | | 0.00 | 0.00 |
| | Unquoted | | 443.71 | 239.85 |
| | Market price – quoted | | 0.00 | 0.00 |
| | | | | |

| | | | |
|---|---|---|---|
| | | | **Note - 2.12** |
| **Deferred Tax Assets (Net)** | | | |
| The Company has recognized deferred taxes, which result from timing difference between the book profit and tax profit . The details of which are as under :- | | | |
| **Particulars** | **Balance as at 31.03.2017** | **Arising during the year** | **Balance as at 31.03.2017** |
| **A. Deferred Tax Assets** | | | |
| Depreciation and amortization | 1210922.00 | 207739.00 | 1418661.00 |
| **Net Deferred tax Assets** | **1210922.00** | **207739.00** | **1418661.00** |

| | | |
|---|---|---|
| | | **Note - 2.13** |
| **Long term Loans & Advances** | | |
| Unsecured, Considered good unless otherwise stated | | |
| Deposits* | 1956158.85 | 2374566.00 |
| Income taxes paid ( Net) | 149922.59 | 406192.15 |
| | **2106081.44** | **2780758.15** |
| **Note:**<br>*** Due in related party** | **0.05** | **0.05** |
| | | **Note - 2.14** |
| **Other Non Current Assets** | | |
| Unsecured, Considered good unless otherwise stated | | |
| **Non Current Assets** | | |
| Fixed Deposit with Banks | 3754813.00 | 6632326.00 |
| | **3754813.00** | **6632326.00** |
| | | **Note - 2.15** |
| **INVENTORIES** | | |
| **Trade Goods** | | |

| | | |
|---|---|---|
| Vehicles | 266184757.25 | 10108156.12 |
| Spare Parts | 31690859.24 | 33614868.96 |
| Oil & Lubricants | 78453.82 | 76136.24 |
| Petrol (MS) | 1112556.98 | 828423.23 |
| Diesel (HSD) | 2634418.93 | 2552833.31 |
| Battery Water & Acid | 1190.00 | 780.00 |
| Accessories | 0.00 | 0.00 |
| Used Vehicle | 167000.00 | 0.00 |
| | **301702236.22** | **47181197.86** |
| | | **Note - 2.16** |
| **Trade Receivable** | | |
| (Unsecured considered good except to the extent stated)<br>Outstanding for a period exceeding 6 months from<br>the date they are due for payment | 4374066.90 | 2189950.90 |
| Other debtors - Doubtful | 1120076.00 | 1171362.00 |
| Other debtors - Considered Goods | 376782451.89 | 517930933.64 |
| | **382276594.79** | **521292246.54** |
| Less : Provision for Bad Debts | **1120076.00** | **0.00** |
| | **381156518.79** | **521292246.54** |
| | | **Note - 2.17** |
| **CASH AND BANK BALANCES** | | |
| CASH AND CASH EQUIVALENTS | | |
| **Balances with Banks** | | |
| On Current Account | 26997029.26 | 2406040.53 |
| | | |
| Cash on Hand | 1653963.57 | 2351936.70 |
| | **28650992.83** | **4757977.23** |
| **Others** | | |
| **In term deposit account** | | |
| | | |
| With maturity more than 12 months at inception | 3754813.00 | 6632326.00 |
| | | |
| | | |
| **Total** | **32405805.83** | **11390303.23** |

| | | |
|---|---|---|
| Amount disclosed under non current assets | 3754813.00 | 6632326.00 |
| | 28650992.83 | **4757977.23** |
| **Note:**<br>Earmarked balance (In term deposit account) | 66.32 | 61.67 |
| | | |
| | | **Note - 2.18** |
| **Short Term Loans and Advances** | | |
| (Unsecured, Considered good unless otherwise stated) | | |
| Others | | |
| **Advances** | | |
| Prepaid Expenses | 973379.00 | 1290379.00 |
| For supply of Goods and rendering of services | 4284911.09 | 4411848.40 |
| Balances with Revenue Authority | 55008583.00 | 0.00 |
| Advance to Staff | 829632.00 | 717499.00 |
| | | |

| | | |
|---|---|---|
| **Loans to , Firms and Individuals** | | |
| Standard Assets | 1586890.00 | 1125293.00 |
| | **62683395.09** | **7545019.40** |
| | | **Note- 2.19** |
| **Revenue From Operation** | | |
| **Turnover :** | | |
| Vehicles and Vehicle Body | 4692517852.40 | 4273516537.59 |
| Spares Parts & Accessories | 154822124.86 | 165740787.50 |
| Oil & Lubricants | 28250.06 | 51507.53 |
| HSD (Diesel) | 46160311.86 | 65583071.32 |
| MS (Petrol) | 6678664.11 | 7652771.06 |
| Others Sales | 231644.24 | 81455.00 |
| | **4900438847.53** | **4512626130.00** |
| **Service:** | | |
| Job Work Receipt | 39886833.71 | 29829664.46 |
| Commission Received | 1585452.93 | 1113152.04 |
| Interest Received (NBFC) | 1033260.59 | 94115.00 |
| Incentive Income | 10486073.30 | 0.00 |
| | **52991620.53** | **31036931.50** |
| | | |
| | **4953430468.06** | **4543663061.50** |

| | | |
|---|---|---|
| | | **Note - 2.20** |
| **Other Income:** | | |
| Interest Received | 364478.06 | 583579.00 |
| Rent Receipt | 1980000.00 | 1980000.00 |
| Miscellaneous Income | 24869.41 | 1475.06 |
| Profit on Sale of Fixed Assets | 81592.00 | 5676.00 |
| | | |
| | **2450939.47** | **2570730.06** |
| | | |
| | | **Note - 2.21** |
| **Purchase of Stock in Trade (Trading)** | | |
| | | |
| Purchases Vehicle | 4763268407.82 | 3804400339.72 |
| Purchases Spare Parts & Accessories | 141008020.74 | 149014341.94 |
| Purchase Petro Product | 51245779.26 | 72072766.33 |
| Purchase Used Vehicle | 220000.00 | 0.00 |
| Less : Amount Transfer to GST (TRANS -1 &2) | -18499733.83 | 0.00 |
| | **4937242473.99** | **4025487447.99** |
| | | **Note - 2.22** |
| **Changes in Inventories of Stocks:** | | |
| **Opening Stock:** | | |
| Vehicles | 10108156.12 | 182009706.26 |
| Spare Parts | 33614868.96 | 31333507.41 |
| Oil & Lubricants | 76136.24 | 91323.63 |
| Petrol (MS) | 828423.23 | 856572.64 |
| Diesel (HSD) | 2552833.31 | 1331920.72 |
| Battery Water and Acid | 780.00 | 850.00 |
| Accessories | | 443786.38 |
| | **47181197.86** | **216067667.04** |

| | | |
|---|---|---|
| **Closing Stock:** | | |
| Vehicles | 266184757.25 | 10108156.12 |
| Spare Parts | 31690859.24 | 33614868.96 |
| Oil & Lubricants | 78453.82 | 76136.24 |
| Petrol (MS) | 1112556.98 | 828423.23 |
| Diesel (HSD) | 2634418.93 | 2552833.31 |
| Battery Water and Acid | 1190.00 | 780.00 |
| Accessories | 0.00 | 0.00 |
| Used Vehicle | 167000.00 | 0.00 |
| | **301869236.22** | **47181197.86** |
| | | |
| **INCREASE (DECREASE) IN STOCKS:** | **-254688038.36** | **168886469.18** |
| | | **Note - 2.23** |
| **Employees Benefit Expenses:** | | |
| Salaries, Wages, Bonus and Allowances etc. | 47947946.00 | 31550079.00 |
| Contribution of PF, ESI | 4157701.00 | 4116956.00 |
| Gratuity | 183224.00 | 2486752.00 |
| Employee Welfare Exp. | 1358384.19 | 1119127.63 |
| | | |
| | **53647255.19** | **39272914.63** |
| | | **Note - 2.24** |
| **Financial Cost:** | | |
| | | |
| Bank charges | 1325779.75 | 585060.18 |
| Interest paid | 70452891.19 | 57425867.87 |
| | **71778670.94** | **58010928.05** |
| | | **Note - 2.25** |
| **Other Expenses** | | |
| | | |
| **Trading & Job / Servicing Expenses** | | |
| Job and other work exp. | 6705804.10 | 7843881.44 |
| Consumable store | 321901.00 | 271250.00 |
| **Repairs & Maintenance** | | |
| | | |
| a) To Machinery | 820187.76 | 786439.20 |
| | | |
| b) To Building | 3672523.34 | 594150.00 |
| | | |
| Insurance Expenses | 598634.00 | 613742.00 |
| | | |
| | **12119050.20** | **10109462.64** |
| **Establishment and Selling Exp.** | | |
| | | |
| Rent | 4592310.00 | 2852719.00 |
| Electricity & Water | 2801485.00 | 2424706.00 |
| Freight & Forwarding | 201637.48 | 469376.43 |
| Trade Certificate & TRC Charges | 347900.00 | 338110.00 |
| Telephone, telex and postage | 863006.54 | 775821.70 |
| Travelling and conveyance expenses | 1985842.23 | 1522080.01 |
| Legal, consultancy, retainership, professional, arbitration & Technical expenses | 2630216.00 | 3438401.02 |
| Vehicle running & maintenance | 1573618.23 | 1657400.12 |
| Donation | 0.00 | 361000.00 |
| Miscellaneous expenses | 4558042.63 | 2510888.75 |

| | | |
|---|---|---|
| Repair & Maintenance (other) | 495615.50 | 567241.00 |
| Audit fees | 100000.00 | 115000.00 |
| Advertisement | 348364.11 | 229508.00 |
| Sales Promotion | 3480215.32 | 2151347.44 |
| Claims / rebate and discount exp. | 94672757.24 | 208406622.22 |
| Sales Commission | 889000.00 | 1384000.00 |
| Contigent Provision against standard Assets | 5554.00 | 3939.00 |
| Bad Debts | 1120076.00 | 0.00 |
| | | |
| | **120665640.28** | **229208160.69** |
| | **132784690.48** | **239317623.33** |
| | | |
| *** Rent paid to related Parties** | 3.72 | 4.14 |
| | | |

| | | **Note - 2.26** |
|---|---|---|
| **Current Tax:** | | |
| Provision for Income Tax | 3115000 | 2715000.00 |
| | **3115000** | **2715000.00** |
| | | |

**2.27 Contingent Liabilities (Not Provided For) in respect of:**

**(RS. IN LACS)**

| **S. No.** | **Particulars** | **As at 31.03.2018** | **As at 31.03.2017** |
|---|---|---|---|
| i) | Outstanding bank guarantee | 66.32 | 66.32 |
| ii) | Other Claims against the Company not acknowledged a debt relating to supplies and service matters* | 185.54 | 239.13 |
| iii) | Show cause/demand/notices by excise dept., service tax, income tax authorities being disputed by the company. (See note no 2.31 below.)(Net)* | 1.75 | 5.48 |

*Based on favorable decisions in similar cases, legal opinion taken by the company., discussions with the solicitors, etc., the company believes that there is fair chance of decisions in its favors in respect of all the items listed in (ii) & (iii) above and hence no provisions is considered necessary against the same.

**2.28 Related Party disclosure under Accounting Standard AS-18 "Related party disclosures" issued by the Institute of Chartered Accountants of India:**

During the year, the company entered into transactions with the related parties. Those transactions along with related balance as at 31st March 2018 and for the year ended are presented in the following tables.

List of related parties with whom transactions have taken place during the year along with nature and volume of transactions are summarized as follows:

(a) **Related parties and Relationship**:

(i) **Subsidiary Companies**

Ganganagar Vehicles Private Ltd.
NEKUB Consultancy Limited
YYKS Consultancy Limited

(ii ) **Associates Companies**

Ganganagar Automobile Private Ltd.

(iii) **Enterprises over which key management personnel have Significant Control:**

Kota Trucks Pvt Ltd.
Argent Leasing & Finance Private Ltd

(iv) **Key Management Personnel :**

| | |
|---|---|
| Mr. Shankar Lal Agarwal | Managing Director |
| Mr. Sourabh Agarwal | Chief Financial officer |
| Mr. Vikramjit Singh | Company Secretary |

(v) **Relative of Key management persons**:

Smt. Mala Agarwal

**(b) Transactions with related parties:**

| S. No. | Name | Nature of Transaction | 2017-18 | 2016-17 |
|---|---|---|---|---|
| **(i)Subsidiary Companies** | | | | |
| 1 | Ganganagar Vehicles Private Limited | Opening Balance Dr. | 0.00 | 0.00 |
| | | Shares Opening Balance | 20485000.00 | 0.00 |
| | | Amount paid | 398047047.00 | 5405430.00 |
| | | Purchase | 15010500.00 | 0.00 |
| | | Intt. Received | 115646.36 | 42308.00 |
| | | Investment Purchase | 20382830.00 | 20485000.00 |
| | | Amount Received | 383679241.00 | 5447738.00 |
| | | Sale | 21025524.00 | 0.00 |
| | | Shares Closing Balance | 40867830.00 | 0.00 |
| | | Outstanding at the year end | 0.00 | 0.00 |
| | | | | |
| 2. | NEKUB Consultancy Limited | Opening Balance Dr. | 0.00 | 0.00 |
| | | Shares Opening Balance | 499940.00 | |
| | | Investment Purchase | 0.00 | 499940.00 |
| | | Shares closing Balance | 499940.00 | 499940.00 |
| | | | | |
| 3. | YYKS Consultancy Limited | Opening Balance Dr. | 0.00 | 0.00 |
| | | Shares Opening Balance | 499940.00 | |
| | | Investment Purchase | 0.00 | 499940.00 |
| | | Shares closing Balance | 499940.00 | 499940.00 |
| **(ii) Associates Companies** | | | | |
| 1 | Ganganagar Automobile Private Limited | Opening Balance Dr. | 0.00 | 0.00 |
| | | Shares Opening Balance | **2500000.00** | 2500000.00 |
| | | Amount paid | 13527408.00 | 31500000.00 |
| | | Intt. Received | 156118.18 | 10030.00 |
| | | Investment Purchase | 0.00 | 0.00 |
| | | Amount Received | 13527408.00 | 31510030.00 |
| | | Outstanding at the year end | 0.00 | 0.00 |
| | | Shares closing Balance | **2500000.00** | **2500000.00** |
| | | | | |

| | | | | |
|---|---|---|---|---|
| **(iii) Enterprises over which key management personnel have Significant Control:** | | | | |
| 2 | Argent Leasing & Finance Private Ltd.(NBFC) | Opening Balance Cr. | 2031675.00 | 1107026.00 |
| | | Amount Received | 0.00 | 750000.00 |
| | | Interest Paid | 229579.00 | 194055.00 |
| | | TDS Deducted | 22958.00 | 19406.00 |
| | | Outstanding Balance(Cr.) | 2238296.00 | 2031675.00 |

| | | | | |
|---|---|---|---|---|
| | | | | |
| | M/s Kota Trucks Pvt. Ltd. | Opening Balance(Dr.) | 0.00 | 0.00 |
| | | **Transaction During the year** | | |
| | | Rent (Received) | 1980000.00 | 1980000.00 |
| | | Purchases | 9694838.00 | 3606978.00 |
| | | Sales | 12646800.00 | 3630295.00 |
| | | Intt. Received | 545016.05 | 0.00 |
| | | Outstanding at the Year End (Dr.) | 0.00 | 0.00 |
| | | | | |
| **(iv)Key Management Personnel** | | | | |
| 1. | Shankar Lal Agarwal | Opening Balance (Cr.) | 0.00 | 0.00 |
| | | Directors Remunertion | 360000 | 0.00 |
| | | Outstanding at the year end | 0.00 | 0.00 |
| | | | | |

| | | | | |
|---|---|---|---|---|
| 2. | Sourabh Agarwal | Opening Balance (Cr.) | 0.00 | 0.00 |
| | | Rent Paid | 360000.00 | 413700.00 |
| | | Director Remuneration | 600000.00 | 600000.00 |
| | | Amount Received | 740000.00 | 0.00 |
| | | Interest Paid | 0.00 | 0.00 |
| | | TDS Deducted | 45438.00 | 45450.00 |
| | | Amount Paid | 1280562.00 | 968250.00 |
| | | Loan account cr. Balance | 0.00 | 0.00 |
| | | | | |
| 3. | Vikramjit Singh | Opening | 22000.00 | 17032.00 |
| | | Salary Paid | 396000.00 | 264000.00 |
| | | Outstanding at the year end | 33000.00 | 22000.00 |
| **(V)Relatives to the Key Management:** | | | | |
| 1 | Smt. Mala Agarwal | Opening | 0.00 | 19200.00 |
| | | Opening Balance (Sec. Deposit) | 5000.00 | 5000.00 |
| | | Rent during the year | 12000.00 | 9600.00 |
| | | Amount Paid | 12000.00 | 9600.00 |
| | | Closing Balance (Sec. Deposit) | 5000.00 | 5000.00 |
| | | Outstanding at the year end | 0.00 | 0.00 |

**Note:** The transaction relating to reimbursement of actual expenses to/from related parties has not been considered above below.

**2.29 Segment Reporting**:

**(a) Primary Segment:** Business Segment

Based on the guiding principles given in Accounting Standard AS –17 "Segment Reporting" notified under Companies (Accounting standard) Rules 2006, the Company's operating business are organized and managed separately according to the nature of products. The Two identified reportable segments. One is Automobile segment in which trading of vehicle and servicing (Including Heavy Commercial Vehicles, Two Wheeler and Three wheelers ) and Other includes NBFC Division and Retail out let of petroleum products (BPCL).

**(b) Secondary Segment: Geographical segment:**

Since the company's activities/operations are primarily with in the country and considering the nature of products/services it deals in, the risk and returns are same and as such there is only one geographical segment,

The following is the distributions of the company's consolidated revenue by geographical markets, regardless of where the goods/services were produced.

**(Rs. in Lacs)**

| Particulars | 2017-18 | 2016-17 |
|---|---|---|
| Revenue from domestic Market | 49526.13 | 45436.63 |
| Revenue from Overseas Market | 0.00 | 0.00 |
| **Total** | **49526.13** | **45436.63** |

The company has assets for producing goods for domestic market and no assets for overseas markets

**(c) Segment accounting polices**:

In addition to the significant accounting policies applicable to the business segment as set in note 1 & 2 "notes to accounts" the accounting policies in relation to segment accounting are as under:

**i) Segment revenue & expenses:**

Joint revenue and expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

**ii) Segment assets and liabilities:**

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowance and provisions, which are reported as direct off sets in the balance sheet. Segment Liabilities include all operating Liabilities and consist principally of creditors & accrued liabilities. Segment assets and liabilities do not include deferred income taxes except in the Ganganagar Motors (A division of Commercials Vehicles). While most of the assets/liabilities directly attributed to individual segments.

**iii) Inter segment sales:**

Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation. The main division is Ganganagar Motors (A division of Commercials Vehicles) and funds provided by the Ganganagar Motors to other division and interests on such balances are not charged.

**d) Information about business segment**

**For the year ending as on 31st March 2017**

| **Particulars** | **Automobile** | | **Others** | | **Total** | |
|---|---|---|---|---|---|---|
| | **Current Year** | **Previous Year** | **Current Year** | **Previous Year** | **Current Year** | **Previous Year** |
| **Segment Revenue :** | | | | | | |
| External sales/income (Net) | 44702.82 | 52423.92 | 733.81 | 1171.85 | 45436.63 | 53595.77 |
| | | | | | | |
| Other reciept | 25.71 | 26.93 | 0.00 | 0.00 | 25.71 | 26.93 |
| **Total Revenue** | **44728.52** | **52450.85** | **733.81** | **1171.85** | **45462.34** | **53622.70** |
| **Segment Results :** | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Segments results | 73.80 | 90.03 | 4.35 | 1.01 | 78.15 | 91.04 |
| | | | | | | |
| Unallocated expenses (Net) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| Operation profit before Interest | 653.81 | 566.80 | 4.45 | 1.04 | 658.26 | 567.84 |
| | | | | | | |
| Financial exp. | 580.01 | 476.77 | 0.10 | 0.03 | 580.11 | 476.80 |
| | | | | | | |
| Income tax current/Earlier Year | 26.53 | 31.32 | 0.00 | 0.00 | 26.53 | 31.32 |
| | | | | | | |
| Less: Deferred tax Liability | -3.04 | -2.34 | 0.00 | 0.00 | -3.04 | -2.34 |
| **Net Profit** | **50.31** | **61.05** | **4.35** | **1.01** | 54.66 | **62.06** |
| **Other Information :** | | | | | | |
| Segment Assets | 6672.98 | 6839.79 | 101.82 | 97.06 | 6774.80 | 6936.85 |
| | | . | | | | |
| Inter Branch | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unallocated assets | | | | | | |
| **Total Assets** | **6672.98** | **6839.79** | **101.82** | **97.06** | **6774.80** | **6936.85** |
| **Segmets Liabilities :** | | | | | | |
| Share Capital | 100.00 | 100.00 | 0.00 | 0.00 | 100.00 | 100.00 |
| | | | | | | |
| Reserve & Surplus | 458.59 | 408.29 | 101.41 | 97.06 | 560.00 | 505.35 |
| | | | | | | |
| Secured & Unsecured Loan | 3796.75 | 4488.64 | 0.00 | 0.00 | 3796.75 | 4488.64 |
| | | | | | | |
| Segment liabilities | 2317.64 | 1842.86 | 0.41 | 0.00 | 2318.05 | 1842.86 |
| | | | | | | |
| Unallocated liabilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | | | |
| Deferred tax liabilities | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Total Liabilities** | **6672.98** | **6839.79** | **101.82** | **97.06** | **6774.80** | **6936.85** |
| **Capital Expenditure** | 41.60 | 82.43 | 0.00 | 0.00 | 41.60 | 82.43 |
| Depreciation | 74.43 | 75.86 | 0.00 | 0.00 | 74.43 | 75.86 |
| | | | | | | |

**2.30 Earning Per Share**:

| **Particulars** | **2017-18 (Rs.)** | **2016-17 (Rs.)** |
|---|---|---|
| Net Profit or Loss after Tax attributable to share holders | 6309421.79 | 5466081.995 |
| Weighted average no. Of ordinary shares for basic EPS | Nos. 1000000 | Nos. 1000000 |
| **Basic & Diluted EPS** | **6.31** | **5.47** |

**2.31 Details of the disputed dues that were not deposited with the appropriate authorities:**

| Nature of the Statute | Nature of Dues | Forum where dispute is pending | Demand Amount (Rs. in Lacs.) | Amount paid under protest (Rs. in Lacs.) | Period to which the amount relates |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax | CIT ( Appeal) | 1.75 | 0.00 | 2009-10 |

**2.32** The company has taken Office and showroom Premises on cancelable Operating Lease.The tenure of these agreements range between 3 to 5 Years. The amount of lease rentals paid of Rs. 45.92 Lacs (P.Y. Rs.28.53 Lacs) has been charged under the head "Rent" in Note 2.25

**2.33** Based on the information available with the company, the balance due to Micro, Small and Medium Enterprises as defined under the "Micro, Small and Medium Enterprises development Act. 2006" is Rs. Nil (2015-16 Rs. Nil) further no Interest during the year has been paid or is payable under the terms of the "Micro, Small and Medium Enterprises development Act. 2006".

**2.34** Additional information pursuant to the provision of the Companies Act 2013 is given below:

(i) Since the items traded by the company other than vehicles and petroleum products are small and numerous, it is not practically possible to give the quantitative details in the manner required. The quantitative details of commercial and other vehicles and HSD and MS, are as under: -

| Particulars | 2017-18 | | 2016-17 | |
|---|---|---|---|---|
| | Qty. Nos (Ltr. In case of MS & HSD) | Amount (Rs.) | Qty. Nos (Ltr. In case of MS & HSD) | Amount (Rs.) |
| Opening Stock (Vehicles) | 0 | 0 | 95 | 177818258.83 |
| Opening Stock (Three Wheelers Vehicles) | 76 | 10108156.12 | 0 | 0 |
| Opening Stock (Two Wheelers) | 0 | 0 | 70 | 4191447.43 |
| Opening Stock (MS) | 11678 | 828423.23 | 14656.82 | 856572.64 |
| Opening Stock (HSD) | 41677 | 2552833.31 | 26558.92 | 1331920.72 |
| Purchases (Vehicles) | 2286 | 5057919751.88 | 2103 | 3780657169.94 |
| Purchases Three Wheelers Vehicles) | 1245 | 149266421.15 | 103 | 13666849.94 |
| Purchase(Two Wheelers Vehicle) | 0 | 0 | 246 | 14076319.84 |
| Purchases (MS) | 98799.23 | 6756511.97 | 110628.78 | 7260376.38 |
| Purchases(HSD and Speed Diesel) | 734152.00 | 447600001.34 | 1158264.33 | 64843428.83 |
| Sales (Vehicles) | 2156 | 4534797785.95 | 2198 | 4250675243.73 |
| Sales (Three Wheelers Vehicles) | 1231 | 157720066.45 | 27 | 3691732.46 |
| Sales (Two Wheeler vehicle) | 0 | 0 | 316 | 19149561.40 |
| Sales (MS) | 94917.23 | 6678664.11 | 113606.78 | 7652771.06 |
| Sales (HSD and Speed Diesel) | 735644.00 | 46160311.86 | 1143146.33 | 65583071.32 |

| | | | | |
|---|---|---|---|---|
| Closing Stock (New Vehicle) | 130 | 255730507.25 | 0 | 0 |
| Closing Stock (Three Wheelers Vehicles) | 90 | 10454250.00 | 76 | 10108156.12 |
| Closing Stock(Two Wheeler Vehicle) | 0 | 0 | 0 | 0 |
| Closing Stock (MS) | 15560 | 1112556.98 | 11678 | 828423.23 |
| Closing Stock (HSD) | 40185 | 2634418.93 | 41677 | 2552833.31 |
| Shortages (MS) | 826.01 | | 1044.70 | |
| Shortages (HSD) | 807.85 | | 3119.48 | |

**(ii) Other additional information:**

| S.No. | Particulars | Current Year | Previous year |
|---|---|---|---|
| I | C.I.F. Value of Imports | | |
| | Raw Material | 0 | 0 |
| | Capital Goods | 0 | 0 |
| Ii | EXPENDITURE IN FOREIGN CURRENCY (PAID OR PROVIDED) | 0 | 0 |
| | Capital | 0 | 0 |
| | Traveling | 0 | 0 |
| | Consultancy | 0 | 0 |
| iii) | Income in Foreign Currency (Sales) | 0 | 0 |
| iv) | Net dividend remitted in foreign currency | 0 | 0 |
| | No. of NRI share holders | 0 | 0 |
| | No of shares held by them | 0 | 0 |
| | Dividend paid (Rs. In Lacs) | 0 | 0 |
| | Year to which dividend relates | 0 | 0 |

**(iii) Value of Raw Material & Stores and Components consumed:**

**(Rs. In Lacs)**

| Particulars | 2018 | % | 2017 | % |
|---|---|---|---|---|
| Raw Material | | | | |
| Imported | 0 | 0 | 0 | 0 |
| Indigenous | 0 | 0 | 0 | 0 |
| Total :- | 0 | 0 | 0 | 0 |
| Stores & Spares | - | - | - | - |
| Imported | - | - | 0 | - |
| Indigenous | 0 | 0 | 0 | 0 |

**2.35 Loans and advances include following amounts due from subsidiaries:**

**(Rs. in Lakhs)**

| Name of The Party | Amount outstanding as at year end | | Maximum Amount outstanding during the year | |
|---|---|---|---|---|
| | Current Year | Previous Year | This Year | Previous Year |
| Ganganagar Vehicles Private Ltd. | 0.00 | 0.00 | 40.00 | 0.00 |
| Nekub consultancy Limited | 0.00 | 0.00 | 0.00 | 0.00 |
| YYKS Buildcon Limited | 0.00 | 0.00 | 0.00 | 0.00 |

**2.36** The company has complied with prudential norms relating to income recognition, accounting standards, assets 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, during the financial year ended on March 31, 2018.As NBFC activities started during the year initially therefore the guidelines issued by RBI regarding assets and income share of business could not be complied with .

**2.37 Provision for loans:**

| Particulars | % of Provision made | As at 31.03.2017 | As at 31.03.2018 | Total |
|---|---|---|---|---|
| Standard Assets | 0.25 | 3939.00 | 5554.00 | 9493.00 |
| | | | | |
| **Total** | | **3939.00** | **55549.00** | **9493.00** |

**2.38 Previous year figures have been regrouped/ rearranged wherever necessary to facilitate comparison.**

**2.39** Notes 1 & 2 forms an integral part of the Balance Sheet & statement of Profit and Loss and Cash Flow statement has been duly authenticated.

**SIGNED FOR IDENTIFICATION**

For **M. C. BHANDARI & CO**
**CHARTERED ACCOUNTANTS**

**For and behalf of board of director**
**KALYANI COMMERCIALS LIMITED**

| | | | | |
|---|---|---|---|---|
| **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** | **Sd/-** |
| **(CA S.K. MAHIPAL)** | **(S.L. Agarwal)** | **(Mukesh Joshi)** | **(Vikramjit Singh)** | **(SourabhAgarwal)** |
| **PARTNER** | **M. Director** | **Director** | **CS** | **CFO** |
| **38, SHOPPING CENTRE** | **DIN: 01341113** | **DIN: 06697613** | **M. No.:40598** | **DIN: 02168346** |
| **KOTA (RAJ.)** | | | | |

**Date:** 25.05.2018
**Place:** Kota

**Schedule to the Balance Sheet of a Kalyani Commercials Limited**
**Non Systemic Non Deposit Taking Non-Banking Financial Company**
[As required in terms of Paragraph 13 of Non-Banking Financial Companies
Prudential Norms (Reserve Bank) Directions, 2015]
**RBI No. :14.00928**

(Rs.in lakhs)

| | Particulars | 31.03.2018 | |
|---|---|---|---|
| | **Liabilities side :** | | |
| 1 | **Loans and advances availed by the NBFCs inclusive of Interest accrued thereon but not paid :** | Amount Outstanding | Amount overdue |
| | (a) Debentures : Secured | 0 | 0 |
| | : Unsecured (other than falling within the meaning of public deposits*) | 0 | 0 |
| | (b) Deferred Credits | | |
| | (c) Term Loans | 0 | 0 |
| | (d) Inter-corporate loans and borrowing | 0 | 0 |
| | (e) Commercial Paper | 0 | 0 |
| | (g) Other Loans (specify nature) | 0 | 0 |
| | *Please see Note I below | 0 | 0 |
| 2 | **Assets side :** | Amount Outstanding | |
| | **Break-up of Loans and Adavnces including bills receivables[other than those Included in (4) below] :** | | |
| | (a) Secured | 0 | |
| | (b) Unsecured | 15.87 | |
| 3 | **Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities** | | |
| | (i) Lease assets including lease rentals under sundry debtors : | | |
| | (a) Financial Lease | 0 | |
| | (b) Operating Lease | 0 | |
| | (ii) Stock on hire including hire charges under sundry debtors : | | |
| | (a) Assets on hire | 0 | |
| | (b) Repossessed Assets | 0 | |
| | (iii) Other loans counting towards AFC activities | | |
| | (a) Loans where assets have been repossessed | 0 | |
| | (b) Loans other than (a) above | 0 | |
| 4 | **Break-up of Investments :** | | |
| | **Current Investments :** | | |
| | **1. Quoted :** | | |
| | (i) Shares : (a) Equity | 0 | |
| | (b) Preference | 0 | |
| | (ii) Debenture and Bonds | 0 | |
| | (iii) Units of Mutual Funds | 0 | |
| | (iv) Governments Securities | 0 | |
| | (v) Others (please specify) | 0 | |
| | **2. Unquoted :** | | |
| | (i) Shares : (a) Equity | 0 | |
| | (b) Preference | 0 | |
| | (ii) Debenture and Bonds | 0 | |
| | (iii) Units of Mutual Funds | 0 | |
| | (iv) Governemts Securities | 0 | |
| | (iii) Others (Please specify) | 0 | |
| | **Long Term Investments :** | | |
| | 1. Quoted : | | |
| | (i) Shares : (a) Equity | 0 | |
| | (b) Preference | 0 | |
| | (ii) Debenture and Bonds | 0 | |
| | (iii) Units of Mutual Funds | 0 | |
| | (iv) Governments Securities | 0 | |
| | (v) Others (please specify) | 0 | |
| | 2. Unquoted : | | |
| | (i) Shares : (a) Equity | 0 | |
| | (b) Preference | 0 | |
| | (ii) Debenture and Bonds | 0 | |
| | (iii) Units of Mutual Funds | 0 | |
| | (iv) Governemts Securities | 0 | |
| | (v) Others (Investment in partnership firm) | 0 | |
| 5 | **Borrower group-wise classification of assets financed as in (2) and (3) above :** | | |
| | **Please see Note 2 below** | | |

| Category | Amount net of provisions | | |
|---|---|---|---|
| | Secured | Unsecured | Total |
| 1. Realted Parties ** | | | |
| (a) Subsidiaries | 0 | 0 | 0 |
| (b) Companies in the same group | 0 | 0 | 0 |
| (c) Other related parties | 0 | 0 | 0 |
| 2. Other than related parties | 0 | 0 | 0 |
| **Total** | | | |

| 6 | Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) : Please see Note 3 below | | |
|---|---|---|---|
| | Category | Market Value / Break-up or Fair value or NAV | Book Value (Net of Provisions) |
| | 1. Related Parties ** | | |
| | (a) Subsdiries | 0 | 0 |
| | (b) Companies in the same group | 0 | 0 |
| | (c) Other related parties | 0 | 0 |
| | 2. Other than related parties | | |
| | Total | | |
| | ** As per Accounting Standard of ICAI (Please see Note 3) | | |

| 7 | Other Information | |
|---|---|---|
| | Particulars | Amount |
| | (i) Gross Non-Performing Assets | |
| | (a) Realted parties | 0 |
| | (b) Other than related parties | 0 |
| | (ii) Net Non-Performing Assets | |
| | (a) Realted parties | 0 |
| | (b) Other than related parties | 0 |
| | (iii) Assets acquired in satisfaction of debt | |

Notes :

1 As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

2 Provisioning norms shall be applicable as precribed in the Non-Systematically Important Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 or Systematically Important Non-Banking (Non-Deposit Accepting or Holding ) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.

3 All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break-up/fair value/ Nav in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in cloumn (4) above.

For M. C. Bhandari & Co.
Chartered Accountants
Firm Reg. No. 303002E

*On behalf of the Board*
For Kalyani Commercials Limited

Sd/-
S. K. Mahipal
Partner
M.No.70366

Sd/-
Shankar Lal Agarwal
Managing Director
DIN: 01341113

Sd/-
Mukesh Joshi
Director
DIN: 06697613

Date: 25.05.2018
Place: Kota

Sd/-
Sourabh Agarwal
Chief Financial Officer
DIN:02168346

Sd/-
Vikramjit Singh
Company Secretary & Compliance Officer
M No. A40598

**Form No. MGT-11**

**Proxy Form**

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

**CIN:** L65923DL1985PLC021453
**Name of the Company:** Kalyani Commercials Limited
**Venue of the Meeting:** BG-223, Sanjay Gandhi Transport Nagar, GT Karnal Road, Delhi-110 042
**Date and Time:** Monday, 06th August, 2018 at 9:00 A.M.

I/We, being the member(s) of ……. shares of the above named company, hereby appoint

1. Name: _____ Address: _____
E-mail ID: _____ Signature: _____, or failing him/her

2. Name: _____ Address: _____
E-mail ID: _____ Signature: _____, or failing him/her

3. Name: _____ Address: _____
E-mail ID: _____ Signature: _____, or failing him/her

as my/our Proxy to attend vote (for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, 06th August, 2018 at 9:00 A.M. at BG-223, Sanjay Gandhi Transport Nagar, GT Karnal Road, Delhi-110 042 and at any adjournment thereof) in respect of such resolutions as are indicated below:

| S. No. | Resolution | Number of shares held | For | Against |
|---|---|---|---|---|
| **ORDINARY BUSINESS:** | | | | |
| 2. | Adoption of Consolidated/ Standalone Audited Financial Statements of the Company for the financial year ended 31st March, 2018 and the Reports of the Board of Directors and Auditors thereon. | | | |
| 2. | Appointment of Director in place of Ms. Manushree Agarwal (DIN: 06620217), who retires by rotation and, being eligible, offers herself for re-appointment. | | | |

** This is optional. Please put a tick mark (√) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he/she should write "Abstain" across the boxes against the Resolution.

Signed this …… Day of …… 2018

Signature of shareholder……

Signature of Proxy holder(s) ……

Affix One Rupee Revenue Stamp

**Note:**

a. 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.

**ELECTRONIC VOTING PARTICULARS**

| EVEN(Electronic Voting Event Number) | PASSWORD | USER ID | NO. OF SHARES |
|---|---|---|---|
| | | | |

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

| | |
|---|---|
| **Commencement of e-voting** | **From 09.00 A.M. on 03rd August, 2018** |
| **End of e-voting** | **Up to 05.00 P.M. on 05th August, 2018** |

**The cut-off date for the purpose of e-voting is 31st July, 2018.**

## ATTENDANCE SLIP

| |
|---|
| **Registered Folio / DP ID & Client ID** |
| **Name and Address of the Shareholder** |

1. I hereby record my presence at the 33rd Annual General Meeting of the Company being held on Monday, 06th August, 2018 at the registered office of the company, at BG-223, Sanjay Gandhi Transport Nagar, GT Karnal Road, Delhi-110 042

2. Signature of the Shareholder/Proxy Present

3. Shareholder/Proxy holder desiring to attend the meeting must bring the Attendance Slip to the meeting and handover at the entrance duly signed.

4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of the Annual Report for reference at the meeting.

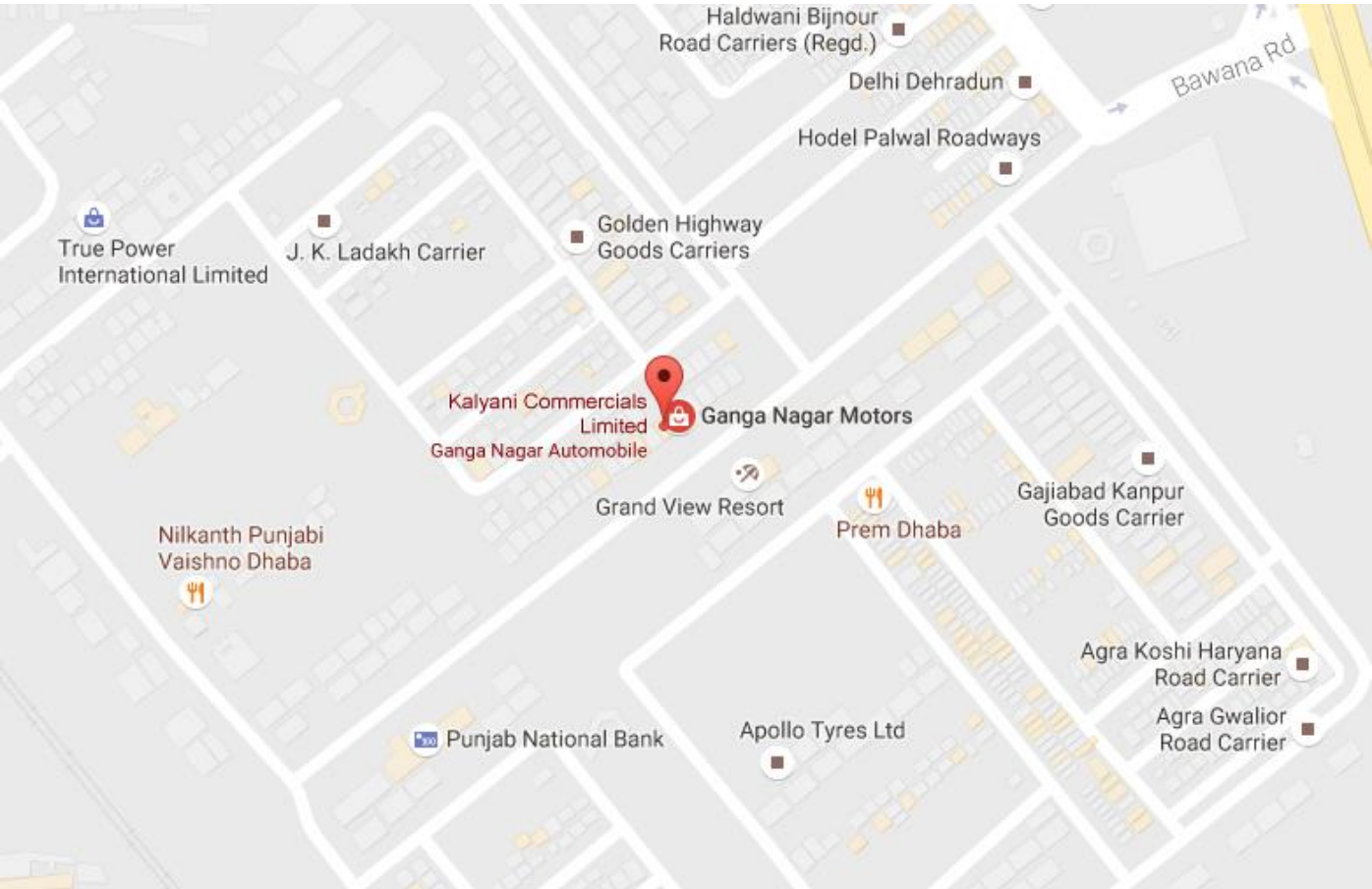
*NOTE: PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING.*

**ELECTRONIC VOTING PARTICULARS**

| EVEN (E Voting Event Number) | User ID | Password / PIN |
|---|---|---|
| | | |

**Note:** Please read the instructions printed under the Note to the Notice dated 09th July, 2018 of the 33rd Annual General Meeting of the Company. The E-Voting period starts from 9:00 A.M on Friday, 03rd August, 2018 and ends at 5:00 P.M on Sunday, 05th August, 2018. The e-Voting module shall be disabled by NSDL for voting thereafter.

**Route Map for AGM of Kalyani Commercials Limited to be held on Monday, 06th August, 2018 at 9:00 A.M.**




If undelivered please return to:

**KALYANI COMMERCIAL LIMITED**
**Regd. Office:** BG-223, Sanjay Gandhi Transport Nagar,
GT Karnal Road, Delhi-110042
**E-mail:** kalyanicommercialslimited@gmail.com