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KLM AXIVA FINVEST LIMITED

[Formerly Needs Finvest Limited]

Regd Off : Subodh Business Centre, 408, Malik chambers
Hyderabad, Telangana, 500029

Ph : 0484 4281111, 4046766, e-mail : admin@klmgroupp.in
CIN: U65910TG1997PLC026983

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of KLM Axiva Finvest Limited will be held at the Registered Office of the Company on Thursday, 28th September 2017 at 3.00 PM to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2017 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm and ratify the interim dividend @ 50 paise per equity share for the financial year 2016-17.
3. To appoint a Director in place of Mrs. Biji Shibu (DIN: 06484566), who retires by rotation and, being eligible, offer herself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the Annual General Meeting held on 30th September, 2014, the appointment of M/s. Balan & Co., Chartered Accountants, (FRN 000340S), as the auditors of the Company to hold office till the conclusion of the next Annual General Meeting be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration payable to them for the financial year ending 31st March 2018, as may be determined by the Audit Committee in consultation with the auditors.

Special Business

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution: -

“RESOLVED THAT pursuant to the provisions of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the rules framed there under, the consent of the members of the Company be and is hereby accorded to increase the Authorized Share Capital of the Company from existing Rs.40,00,00,000 (Rupees Forty Crore Only) divided into 4,00,00,000 (Four Crore Only) Equity Shares of Rs.10/- each to Rs.45,00,00,000 (Rupees Forty Five Crore Only) divided into 4,50,00,000 (Four Crore Fifty Lakhs Only) Equity Shares of Rs. 10/- each by creation of additional 50,00,000 (Fifty Lakhs Only) Equity Shares of Rs.10/-each ranking pari passu in all respect with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the existing Clause V (a) of the Memorandum of Association of the Company be altered and substituted by the following new Clause:

V.(a) The Authorised Capital of the Company is Rs.45,00,00,000 (Rupees Forty Five Crore Only) divided into 4,50,00,000 (Four Crore Fifty Lakhs Only) Equity Shares of face value of Rs.10 (Rupees Ten only) each with power for the Company to consolidate, convert, subdivide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act, 2013.”

By order of the Board
For KLM Axiva Finvest Limited

Mr. Josekutty Xavier
Managing Director
DIN: 02073994

Mr. Shibu T V
Whole time Director
DIN: 02079917

Place: Kochi
Date: 29.06.2017

Notes :

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 of the Notice, is annexed hereto.

2. **A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. 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.
3. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members will be entitled to vote.
4. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
5. Members/Proxies must bring the original attendance slip sent herewith duly filled in, signed and hand it over at the entrance of the meeting hall.
6. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company.

By order of the Board
For KLM Axiva Finvest Limited

Mr. Josekutty Xavier
Managing Director
DIN: 02073994

Mr. Shibu T V
Whole time Director
DIN: 02079917

Place: Kochi
Date: 29.06.2017

Statement pursuant to Section 102 (1) of the Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No: 5

The authorized capital of the company presently stands at Rs.40,00,00,000/- (Rupees Forty Crores Only) and it is proposed to increase the authorized Share Capital of the company to Rs.45,00,00,000/- (Rupees Forty Five Crores Only). The company is in need of long term resources to meet the requirements of the Company and also to maintain Leverage Ratio and required Capital Adequacy Ratio prescribed the Reserve Bank of India and hence it is proposed to increase the authorized and paid up capital of the company. Therefore, the Board of Directors recommends this ordinary resolution for the consideration and approval of the members.

A copy of Memorandum of Association with the proposed alteration is available for inspection at the registered office of the Company during the working hours of the Company.

None of the directors / Key managerial personnel / their relatives of the Company is concerned or interested in the proposed resolution.

By order of the Board
For KLM Axiva Finvest Limited

Mr. Josekutty Xavier
Managing Director
DIN: 02073994

Mr. Shibu T V
Whole time Director
DIN: 02079917

Place: Kochi

Date: 29.06.2017

DIRECTORS' REPORT

Dear Member,

Your Directors are delighted to present the Twentieth Annual Report along with the audited financial statements for the financial year ended March 31, 2017.

1. FINANCIAL HIGHLIGHTS

(In Rs.)

Particulars	2016-2017	2015-2016
Total Revenue	23,93,74,928	10,81,88,393
Total Expense	20,78,32,378	8,20,75,876
Profit or Loss Before Tax and Extraordinary Items	3,15,42,550	2,61,12,516
Profit or Loss After Tax	2,12,97,726	1,64,22,500

2. STATE OF THE COMPANY'S AFFAIRS

The Company continues to hold the Certificate of Registration granted to the Company by RBI under Section 45-IA of the RBI Act, vide the Certificate of Registration No.B.09.00006, dated 30-12-2007, duly regularized on 26.09.2011. However, the Company is not authorized to accept public deposits and the company should continue to comply with the terms and conditions subject which the Certificate of Registration has been granted.

3. CHANGE IN NATURE OF BUSINESS, IF ANY

During the year there was no change in the nature of the business of the company.

4. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

No material changes or events have occurred since the date of balance sheet that could have any effect on the financial position of the company.

5. RESERVES

Out of the profits generated by the company, the company has transferred Rs. 42,60,000 to Statutory Reserve.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

7. CHANGES IN SHARE CAPITAL DURING THE FINANCIAL YEAR, IF ANY

During the Financial Year 2016-17, Company has allotted 1,51,48,450 shares on 30.06.2016,13.07.2016,31.08.2016,14.11.2016,17.12.2017,07.01.2017,01.03.2017 and 28.03.2017.

As on date of this report, the Authorised share capital of the Company is Rs.40,00,00,000/- (Rupees Fourty Crore Only) divided into 40,00,000 equity shares of Rs. 10/- each. The total issued, subscribed and paid up share capital of the Company as on the date of the report is Rs. 366,790,050/- (Rupees Thirty Six Crore Sixty Seven Lakhs and Ninety Thousand and Fifty Only) divided into 36,679,005 equity shares of Rs. 10/- each.

8. INTERIM DIVIDEND

Interim dividend of Rs.50 paise per equity share was paid on 01st April 2017.

9. DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL RIGHTS

The Company has not issued any equity shares with differential rights during the financial year.

10. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

The Company has not issued any employee stock options during the financial year.

11. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

The Company has not issued any sweat equity shares during the financial year.

12. DIRECTORS

The Board of Directors of the Company is duly constituted and the present structure as on the date of this report is as follows:

Sl. No.	Name	Designation	Date of Appointment	DIN	Category-/Independent Non Independent	Executive / Non Executive
1.	Dr. Alexander John Joseph	Chairman and Director	29/02/2016	00485766	Independent	Non Executive
2.	Mr. Josekutty Xavier	Managing Director	02/12/2014	02073994	Non Independent	Executive
3.	Mr. Shibu Thekumpurathu Varghese	Whole-time director	27/07/2016	02079917	Non Independent	Executive
4.	Mrs .Biji Shibu	Director	09/03/2013	06484566	Non Independent	Non Executive

5.	Mr.James Joseph Arambankudyil	Director	19/05/2013	06566906	Non Independent	Non Executive
6.	Mr.George Kuriape	Director	14/08/2015	02417701	Independent	Non Executive
7.	Mr. Reji Kuriakose	Director	14/08/2015	02168260	Independent	Non Executive

In accordance with provisions of the Companies Act, 2013, Mrs.Biji Shibu (DIN - 06484566) is liable to retire by rotation.

Mr. Shibu Thekumpurathu Varghese [DIN:02079917] was appointed as Additional Director on 27.07.2016 and was reappointed as Wholetime Director of the company on 30.08.2016. Mr. Varghese Maniyattu Jijo (DIN:06484572) and Dr.K.R. Viswambaran(DIN:07603053), Directors of the Company resigned from the Board on 21.06.2016 and 16.09.2016 respectively.

13. THE DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Sl. No.	DIN/PAN	Name	Designation	Date of Appointment	Date of Resignation
1	06484572	Varghese Maniyattu Jijo	Director	09.03.2013	21.06.2016
2	02079917	Shibu Thekumpurathu Varghese	Wholetime Director	27.07.2017	-
3	07603053	K.R. Viswambaran	Director	30.08.2016	16.09.2016

14. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met 15 times on 01.04.2016, 25.04.2016, 26.05.2016, 21.06.2016, 27.06.2016, 14.07.2016, 27.07.2016, 30.08.2016, 06.09.2016, 16.09.2016, 25.09.2016, 26.10.2016, 19.12.2016, 22.01.2017 and 10.03.2017 during the financial year. The intervening gap between two meetings was within the period prescribed by the Companies Act, 2013. Details meeting attended by each director are as follows;

SI No	Name of director	No of meetings Attended
1	Dr. Alexander John Joseph	4
2	Mr. Josekutty Xavier	15
3	Mr. Shibu Thekumpurathu Varghese*	7
4	Mrs .Biji Shibu	15
5	Mr. James Joseph Arambankudyil	15
6	Mr. George Kuriape	15

Sl No	Name of director	No of meetings Attended
7	Mr. Reji Kuriakose	4
8	Mr. Varghese Maniyattu Jijo	0
9	Mr. K.R. Viswambaran	0

*Mr. Shibu Thekumpurathu Varghese was appointed as Director on 27.07.2016.

15. AUDIT COMMITTEE

As on 31.03.2017 Audit Committee comprised of 3 Directors; Mr. Josekutty Xavier [Chairman], Mr. George Kuriape and Mr. Reji Kuriakose as members.

16. NOMINATION AND REMUNERATION COMMITTEE

As on 31.03.2017 Nomination and Remuneration Committee comprised of 4 Directors; Mrs. Biji Shibu [Chairperson] Mr. George Kuriape, Mr. Reji Kuriakose and Mr. James Joseph Arambankudiyil as members.

17. FINANCE COMMITTEE

Finance Committee was reconstituted on 22.01.2017 comprising of Mr. Shibu Thekkumpurathu Varghese(Chairman), Mr. Josekutty Xavier, Mrs. Biji Shibu, and Mr. James Joseph Arambankudiyil as members.

18. MANAGEMENT COMMITTEE

As on 31.03.2017 Management Committee comprised of 4 Directors; Mr. Josekutty Xavier(Chairman), Mrs. Biji Shibu, Mr. James Joseph Arambankudiyil and Mr. George Kuriape as members..

19. STAKEHOLDERS RELATIONSHIP COMMITTEE

Stakeholders Committee was constituted on 31.03.2017 comprising of Mr. George Kuriape(Chairman), Mrs. Biji Shibu and Mr. James Joseph Arambankudiyil as members.

20. COMPANY'S POLICY ON DIRECTOR'S, KMPS & OTHER EMPLOYEES APPOINTMENT & REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATION, ATTRIBUTES, INDEPENDENCE, ETC

Based on the recommendation of Nomination and Remuneration Committee (NRC) of the Board, the Board has adopted the Remuneration Policy for Directors, KMP and other Employees. NRC has also formulated the criteria for determining qualifications, positive attributes and independence of director as well as criteria for evaluation of individual Directors and the Board.

21. DISCLOSURE ON REAPPOINTMENT OF INDEPENDENT DIRECTOR

Pursuant to Section 149(7) of the Companies Act, 2013, the Company has received declarations from Dr. Alexander John Joseph, Mr. Reji Kuriakose and Mr. George Kuriape, Independent Directors confirming that they meet the criteria of independence as specified in Section 149(6) of the Act.

22. SUBSIDIARIES/JOINT VENTURE/ASSOCIATE COMPANY

The Company has no subsidiary/joint venture/associate company and hence consolidation and applicable provision under the Companies Act, 2013, and Rules made thereunder are not applicable to the Company.

23. MATERIAL CHANGES AND COMMITMENTS, AFFECTING FINANCIAL POSITION OF THE COMPANY, OCCURRING AFTER BALANCE SHEET DATE

No material changes or events have occurred since the date of the Balance Sheet that could have any effect on the financial position of the Company except allotment of equity shares on private placement basis.

24. RAISING OF ADDITIONAL CAPITAL

During the year your company raised funds through private placement of Equity shares, and Secured Non-Convertible Debentures. The company has not issued shares with differential rights, sweat equity, ESOS etc. Further, the Company has not bought back any securities during the year under review.

25. ISSUE OF SECURED NON-CONVERTIBLE DEBENTURES

The company has issued Secured, Redeemable, Non-Convertible Debentures [NCD] during the financial year under review with maturity period ranging from 12 months to 60 months and the issue of such debentures is in compliance with provisions issued by Reserve Bank of India including the revised guidelines issued vide Notification No. DNBR. (PD) 006 /GM (MSG)-2015 dated February 20, 2015. Further the assets of the company which are available by way of security are sufficient to discharge the claims of debenture holders as when become due.

26. ISSUE OF UNSECURED SUBORDINATED DEBTS

The company has issued subordinated instruments which are unsecured, subordinated to the claims of other creditors with a minimum maturity of over 5 years. Subordinated Debt Instruments are considered as Tier II Capital.

27. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS, TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANYS OPERATIONS IN FUTURE

During the year under review, no material orders were passed by the Regulators/Courts/Tribunals/impacting the company's going concern and future operations.

28. RISK MANAGEMENT

The Company is engaged in the business of Finance. In the opinion of the Board, there are no foreseeable risks which could impact the existence of the Company or its business operations.

29. CREDIT RATING

The Company has complied with all the regulatory provisions of the Reserve Bank of India applicable to Non-Banking Financial Companies as on March 31, 2017. The Company has not obtained any credit rating during the year under review.

30. FAIR PRACTICES CODE

The Company has framed Fair Practices Code as per the latest guidelines issued by Reserve Bank of India in this regard.

31. SECRETARIAL STANDARDS OF ICSI

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) which came into effect from 1 July 2015.

32. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Directors further state that during the year under review, there were no cases filed and there were no cases pending for disposal pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

33. DEPOSITS

The Company has not accepted any public deposits during the year under review.

34. EXTRACT OF ANNUAL RETURN

Pursuant to Sections 92(3) and 134(3)(a) of the Companies Act, 2013, read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form No MGT-9 is enclosed as Annexure I to the Report.

35. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Sub-section (3)(m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, are not applicable to the company because the Company is engaged in the business of finance. Further, there are no foreign exchange earnings and outgo during the year under review.

36. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Pursuant to the clarification dated February 13, 2015 issued by the Ministry of Corporate Affairs and Section 186(11) of the Companies Act, 2013, the provision of Section 134 (3)(g) of the Companies Act, 2013 requiring disclosure of particulars of the loans given, investments made or guarantees given or securities provided is not applicable to the Company.

37. PARTICULARS OF RELATED PARTY TRANSACTION

There was no related party transaction during the year under review.

38. PARTICULARS OF EMPLOYEES

During the year under review, no employee of the Company was in receipt of remuneration requiring disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

39. STATUTORY AUDITORS

M/s. Balan & Co., Chartered Accountants, Aluva, Ernakulam, Chartered Accountants have pursuant to section 139 of the Companies Act, 2013, given their consent for appointment and furnished a certificate confirming that their appointment would be in accordance with the conditions prescribed in the Act. M/s. Balan & Co., Chartered Accountants retire at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the rules framed thereunder, the Board proposes re-appointment of M/s. Balan & Co., Chartered Accountants as Statutory Auditors of the company from conclusion of this AGM till the conclusion of next AGM. The Auditors' Report does not contain any qualification, reservation or adverse remark.

40. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a. In the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to

the Act, have been followed and there are no material departures from the same;

- b. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. The Directors have prepared the annual accounts on a going concern basis.
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

41. ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere gratitude especially to Bankers, Government Authorities, other statutory authorities, customers, and shareholders. Your Directors also wish to thank all the employees for their co-operation.

For and on behalf of the Board of Directors

Mr. Josekutty Xavier
Managing Director
DIN: 02073994

Mr. Shibu T V
Whole time Director
DIN: 02079917

Place: Kochi

Date: 29.06.2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

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

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U65910TG1997PLC026983
2	Registration Date	28/04/1997
3	Name of the Company	KLM Axiva Finvest Limited
4	Category/Sub-category of the Company	Company limited by Shares Non-govt company
5	Address of the Registered office & contact details	Subodh Business Centre, 408, Malik Chambers, Hyderguda, Hyderabad, Telangana, 500029 admindvn@klmgroun.in
6	Whether listed company	Unlisted
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Non Banking Financial Services (Lending)	649	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares	Applicable Section
NIL					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		8,067,500	8,067,500	37.47%		5,307,450	5,307,450	14.47%	-34.21%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt (s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	-	8,067,500	8,067,500	37.47%		5,307,450	5,307,450	14.47%	-34.21%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	8,067,500	8,067,500	37.47%		5,307,450	5,307,450	14.47%	-34.21%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual share holders holding nominal share capital upto Rs.1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual share holders holding nominal share capital in excess of Rs 1 lakh		13,463,055	13,463,055	62.53%		31,371,555	31,371,555	85.53%	133.02%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies-D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	13,463,055	13,463,055	62.53%		31,371,555	31,371,555	85.53%	133.02%
Total Public (B)	-	13,463,055	13,463,055	62.53%		31,371,555	31,371,555	85.53%	133.02%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	21,530,555	21,530,555	100%	-	36,679,005	36,679,005	100%	98.81%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2016]			Shareholding at the end of the year [As on 31-March-2017]			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	Shibu Thekkumpurathu-Varghese	1,271,200	5.90 %		1,271,200	3.47%		0.00%
2	Unni S Kappen	295,000	1.37%		420,000	1.15%		42.37%
3	Aleena James	255,000	1.18 %		380,000	1.04%		49.02%
4	Abin James	-	-		220,000	0.60%		0.00%
5	Biji Shibu	440,300	2.05%		440,300	1.20%		0.00%
6	Aleyamma Varghese	1,208,000	5.61%		1,576,450	4.30%		30.50%
7	Princy Josekutty	47,000	0.22%		47,000	0.13%		0.60%
8	Ann Jose	90,000	0.42%		222,500	0.61%		147.22%
9	Xavier Jose	-	-		200,000	0.55%		0.55%
10	Philomina James	-	-		120,000	0.33%		0.33%
11	Anil James	100,000	0.46%		310,000	0.85%		210.00%
12	Thomas Joseph/Achamma Joseph	100,000	0.46 %		100,000	0.27%		0.00%

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

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Shibu Thekkumpuram Varghese						
	At the beginning of the year			1,271,200	5.90%	1,271,200	3.47%
	Changes during the year						
	At the end of the year					1,271,200	3.47%

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
2	Unni S Kappen						
	At the beginning of the year			295,000	1.37%	295,000	0.80%
	Changes during the year	30.06.2016	Allot	125,000	0.58%	420,000	1.15%
	At the end of the year					420,000	1.15%
3	Aleena James						
	At the beginning of the year			255,000	1.18%	255,000	0.70%
	Changes during the year	30.06.2016	Allot	125,000	0.58%	380,000	1.04%
	At the end of the year					380,000	1.04%
4	Abin James						
	At the beginning of the year		-	0.00%		-	0.00%
	Changes during the year	13.07.2016	Allot	220,000	1.02%	220,000	0.60%
	At the end of the year					220,000	0.60%
5	Biji Shibu						
	At the beginning of the year			440,300	2.05%	440,300	1.20%
	Changes during the year						
	At the end of the year					440,300	1.20%
6	Aleyamma Varghese						
	At the beginning of the year			1,208,000	5.61%	1,208,000	3.29%
	Changes during the year	13.07.2016	Allot	333,450	1.55%	1,541,450	4.20%
		17.12.2016	Allot	145,000	0.67%	1,686,450	4.60%
		13.03.2017	Transfer	(30,000)	-0.14%	1,656,450	4.52%
		16.03.2017	Transfer	(60,000)	-0.28%	1,596,450	4.35%

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		24.03.2017	Allot	80,000	0.37%	1,676,450	4.57%
		31.03.2017	Transfer	(100,000)	-0.46%	1,576,450	4.30%
	At the end of the year					1,576,450	4.30%
7	Princy Josekutty						
	At the beginning of the year			47,000	0.22%	47,000	0.13%
	Changes during the year						0.00%
	At the end of the year					47,000	0.13%
8	Ann Jose						
	At the beginning of the year			90,000	0.42%	90,000	0.25%
	Changes during the year	30.06.2016	Allot	132,500	0.62%	222,500	0.61%
	At the end of the year					222,500	0.61%
9	Xavier Jose						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	30.06.2016	Allot	200,000	0.93%	200,000	0.55%
	At the end of the year					200,000	0.55%
10	Philomina James						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	13.07.2016	Allot	120,000	0.56%	120,000	0.33%
	At the end of the year					120,000	0.33%
11	Anil James						
	At the beginning of the year			100,000	0.46%	100,000	0.27%
	Changes during the year	13.07.2016	Allot	210,000	0.98%	310,000	0.85%

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the end of the year					3,10,000	0.85%
12	Thomas Joseph/Achamma Josph						
	At the beginning of the year			100,000	0.46%	100,000	0.27%
	Changes during the year						0.00%
	At the end of the year					100,000	0.27%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 share holders	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Jose Sebastian Nalpat						
	At the beginning of the year			1,500,000	6.97%	1,500,000	4.09%
	Changes during the year			-	-	-	-
	At the end of the year					1,500,000	4.09%
2	Baby Mathew						
	At the beginning of the year			760,000	3.53%	760,000	2.07%
	Changes during the year	30.06.2016	Allot	740,000	3.44%	1,500,000	4.09%
	At the end of the year					1,500,000	4.09%
3	Joby George						
	At the beginning of the year			1,000,000	4.64%	1,000,000	2.73%
	Changes during the year						
	At the end of the year					1,000,000	2.73%

SN	For each of the Top 10 share holders	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4	George Jacob A K/Majie George						
	At the beginning of the year			900,000	4.18%	900,000	2.45%
	Changes during the year						
	At the end of the year					900,000	2.45%
5	Lissy Ittoop						
	At the beginning of the year			720,000	3.34%	720,000	1.96%
	Changes during the year						
	At the end of the year					720,000	1.96%
6	Ittoop K.O.						
	At the beginning of the year			680,000	3.16%	680,000	1.85%
	Changes during the year						
	At the end of the year					680,000	1.85%
7	Bindu Peeyus						
	At the beginning of the year			422,000	1.96%	422,000	1.15%
	Changes during the year	30.06.2016	Allot	150,000	0.70%	572,000	1.56%
	At the end of the year					572,000	1.56%
8	Sabu Paul						
	At the beginning of the year		-	450,000	2.09%	450,000	1.23%
	Changes during the year						0.00%
	At the end of the year					450,000	1.23%

SN	For each of the Top 10 share holders	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
9	P J George						
	At the beginning of the year			170,000	0.79%	170,000	0.46%
	Changes during the year	13.07.2016 01.03.2017	Allot Allot	100,000 130,000	0.46% 0.60%	270,000 400,000	0.74% 1.09%
	At the end of the year					400,000	1.09%
10	Devassy Varuthunni						
	At the beginning of the year			400,000	1.86%	400,000	1.09%
	Changes during the year			-	-	-	-
	At the end of the year					400,000	1.09%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Alexander John Joseph						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
2	Josekutty Xavier						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
3	Reji Kuriakose						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year	30.06.2016	Allot	350,000	1.63%	350,000	0.95%
	At the end of the year			-	0.00%	350,000	0.95%
4	George Kuriape						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
5	Biji Shibu						
	At the beginning of the year			440,300	2.05%	440,300	1.20%
	Changes during the year						
	At the end of the year					440,300	1.20%
6	Shibu Thekkumpurathu Varghese						
	At the beginning of the year			1,271,200	5.90%	1,271,200	3.47%
	Changes during the year				0.00%		0.00%
	At the end of the year					1,271,200	3.47%
7	James Joseph Arambankudiyil						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	-	-	-
	At the end of the year			-	0.00%	-	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(Amt. in Rs.Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	30,620,000.00	-	30,620,000.00
ii) Interest due but not paid	-		-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	-	30,620,000.00	-	30,620,000.00
Change in Indebtedness during the financial year				
* Addition	214,890,000.00	106,114,000.00	-	321,004,000.00
* Reduction	-	-	-	-
Net Change	214,890,000.00	106,114,000.00	-	321,004,000.00

Indebtedness at the end of the financial year

i) Principal Amount	214,890,000.00	136,734,000.00	-	351,624,000.00
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-			
Total (i+ii+iii)	214,890,000.00	136,734,000.00	-	351,624,000.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL - NIL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Josekutty Xavier	Shibu Thekkumpurathu Varghese	(Rs/Lac)
	Designation	Managing Director	Whole-time Director	
1	Gross salary			-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,000,000.00	900,000.00	1,900,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-		-

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	Josekutty Xavier	Shibu Thekkumpurathu Varghese	(Rs/Lac)
	Designation	Managing Director	Whole-time Director	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-		-
2	Stock Option	-		-
3	Sweat Equity	-		-
4	Commission - as % of profit - others, specify	- - -		- - -
5	Others, please specify	-		-
	Total (A)	10,00,000	9,00,000.00	19,00,000.00
	Ceiling as per the Act			

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
					(Rs/Lac)
1	Independent Directors	Alexander John Joseph	Reji Kuriakose	George Kuriape	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	
2	Other Non-Executive Directors	Biji Shibu	James Joseph Arambankudyil	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
					(Rs/Lac)
	Name				
	Designation	CEO	CFO	CS	
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify -	-	-	-	-
	Total		-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : **NIL**

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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

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)
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Mr. Josekutty Xavier
 Managing Director
 DIN: 02073994

Mr. Shibu T V
 Wholetime Director
 DIN: 02079917

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KLM AXIVA FINVEST LIMITED

(Formerly known as NEEDS FINVEST LIMITED)

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 matters specified in paragraphs 3 and 4 of the Order.

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

- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act

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**”.

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

i. The Company does not have any pending litigations which would impact its financial position.

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

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

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that disclosures are in accordance with books of account maintained by the company and as provided by the management – Refer Note no. 23.

For and on behalf of

Balan & Co.

Chartered Accountants
(FRN 000340S)

P. Mohandas, FCA

Partner (M.No.021262)
29.06.2017

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

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

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company;

2) In our opinion and according to the information and explanations given to us, the nature of the Company’s business is such that it is not required to hold any inventories.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The company has not accepted any public deposit from the public within the meaning of section 73 to 76 of the companies Act,2013 and the Rules framed there under to the extent notified

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing

undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions or debenture holders.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has complied with the requirements of section 42 of the Companies Act, 2013 and the amount raised by preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review have been used for the purposes for which the funds were raised.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and has obtained the registration.

For and on behalf of

Balan & Co.

Chartered Accountants
(FRN 000340S)

P. Mohandas, FCA

Partner (M.No.021262)
29.06.2017

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of KLM Axiva Finvest Limited, Secunderabad (Formerly known as NEEDS FINVEST LIMITED)

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

We have audited the internal financial controls over financial reporting of **KLM Axiva Finvest Limited** (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an

understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 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 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

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on 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.

For and on behalf of

Balan & Co.

Chartered Accountants

(FRN 000340S)

P. Mohandas, FCA

Partner (M.No.021262)

29.06.2017

Balance Sheet as at 31st March, 2016

PARTICULARS	Note no:	31.03.2017 Rs.	31.03.2016 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	366,790,050	215,305,550
(b) Reserves and Surplus	4	93,511,648	50,405,235
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	351,624,000	146,710,000
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long term provisions	6	6,766,596	3,136,355
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables		-	-
(c) Other current liabilities	7	269,259,034	2,130,835
(d) Short-term provisions	8	1,871,786	7,892,303
Total		1,089,823,114	425,580,278
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	62,921,498	21,968,575
(ii) Intangible assets		1,235,114	1,376,027
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred Tax Asset (Net)	10	3,805,890	835,840
(d) Long term loans and advances-Financing Activity	11	319,748,626	70,597,244
(e) Long term loans and advances	12	12,370,524	7,403,700
(f) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	13	62,194,867	7,774,843
(e) Short-term loans and advances-Financing Activity	11	593,818,877	299,253,182
(e) Short-term loans and advances	14	801,692	384,380
(f) Other current assets	15	32,926,026	15,986,486
Total		1,089,823,114	425,580,278

In terms of our report attached.

For **Balan & Co.**
Chartered Accountants**P.Mohandas, FCA**
Partner (M.No.21262)Place: Aluva
Date: 29.06.2017

For and on behalf of the Board of Directors

Josekutty Xavier
Managing Director**Biji Shibu**
Director**Shibu Thekkumpurathu Varghese**
Wholetime DirectorPlace: Ernakulam
Date: 29.06.2017

Profit and Loss statement for the year ended 31st March, 2017

PARTICULARS	Note no:	31.03.2017 Rs.	31.03.2016 Rs.
INCOME			
Revenue from operations	16	238,922,710	107,795,552
Other Income	17	452,218	392,841
TOTAL REVENUE		239,374,928	108,188,393
EXPENSES			
Employee benefit expenses	18	72,000,929	33,102,339
Financial costs	19	39,482,277	1,345,246
Depreciation and amortization expense	20	10,657,146	4,943,997
Other expenses	21	85,692,027	42,684,295
TOTAL EXPENSES		207,832,378	82,075,876
Profit before tax and Extra ordinary Items		31,542,550	26,112,516
Tax expense:			
(1) Income Tax		13,214,874	10,016,456
(2) Deferred Tax		(2,970,050)	(326,440)
Profit/(Loss) for the period		21,297,726	16,422,500
Earnings Per Equity Share (Basic and Diluted)	22	0.73	0.85
Notes are an integral part of the financial statements			

In terms of our report attached.

For and on behalf of the Board of Directors

For **Balan & Co.**
Chartered Accountants**Josekutty Xavier**
Managing Director**Biji Shibu**
Director**P.Mohandas, FCA**
Partner (M.No.21262)**Shibu Thekkumpurathu Varghese**
Wholetime DirectorPlace: Aluva
Date: 29.06.2017Place: Ernakulam
Date: 29.06.2017

Cash Flow Statement for the year ended 31st March 2017
In terms of AS - 3 on Cash Flow Statement under Indirect Method

	PARTICULARS	2016-17		2015-16	
		Rs.	Rs.	Rs.	Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net profit Before Taxation	31,542,550		26,112,516	
	Adjustments for:				
	Depreciation	10,657,146		4,943,997	
	Interest Debited in P & L	38,601,187		1,224,800	
	Interest on Income Tax	881,090		111,146	
	Provision for Standard asset	1,933,948		437,249	
	NPA provision	1,696,293		974,452	
	Operating Profit before Working Capital Changes	85,312,213		33,804,160	
	(Increase)/Decrease in Loans & Advances - financing activity	(543,717,076)		(256,283,890)	
	(Increase)/Decrease in Short term Loans & Advances	(417,312)		(12,078)	
	(Increase)/Decrease in Current Assets	(16,939,540)		(11,453,123)	
	Increase/(Decrease) in Other current liabilities	267,128,199		724,134	
	Cash from operations	(208,633,516)		(233,196,641)	
	Income Tax Paid	(20,116,482)		(3,306,590)	
	Net Cash From Operating Activities		(228,749,998)		(236,503,231)
B	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of Fixed Assets	(50,991,289)		(17,057,127)	
	Purchase of Intangible Assets	(477,867)		(716,800)	
	(Increase)/ Decrease in Deposits	(4,966,824)		(5,008,700)	
	Increase in Long term Borrowings				
	Net Cash From Investing Activities		(56,435,980)		(22,782,627)
C	CASH FLOW FROM FINANCING ACTIVITIES:				
	Proceeds from issuance of equity shares	151,484,500		93,172,550	
	Share Premium on issue of shares	21,808,688		10,092,819	
	(Decrease)/ Increase in share money	-		(12,430,000)	
	Issue of Debentures	98,800,000		115,090,000	
	Issue of Bonds	106,114,000		1,000,000	
	Interest Paid	(38,601,187)		(1,224,800)	
	Net Cash From Financing Activities		339,606,001		205,700,569
	NET INCREASE / DECREASE IN CASH AND CASHEQVALENTS		54,420,024		(53,585,289)
	OPENING CASH AND CASHEQVALENTS		7,774,843		61,360,132
	CLOSING CASH AND CASHEQVALENTS		62,194,867		7,774,842

In terms of our report attached.

For and on behalf of the Board of Directors

For **Balan & Co.**
Chartered Accountants

Josekutty Xavier
Managing Director

Biji Shibu
Director

P.Mohandas, FCA
Partner (M.No.21262)

Shibu Thekkumpurathu Varghese
Wholetime Director

Place: Aluva
Date: 29.06.2017

Place: Ernakulam
Date: 29.06.2017

Notes to the Financial statements for the year ended March 31, 2016

1. COMPANY INFORMATION

The Company is a non-systemically important Non-Banking Financial Company (“NBFC”) registered with the Reserve Bank of India (RBI) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. Klm Axiva Finvest Limited is a Public limited company incorporated on 28 April 1997. The Company has received the certificate of registration 09.00006 on 13th December, 1997 enabling the Company to carry on business as Non-Banking Financial Company.

The Company offers broad suite of lending and other financial products such as mortgage loan, gold loan, loan against securities etc.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and the Accounting Standards specified under section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended).

All assets and liabilities have been classified as current and non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

Prudential norms: The Company Complies all the material aspect, with the prudential norms relating to the income recognition, asset classification and provisioning for bad and doubtful debts and other matters ,specified in the direction issued by the Reserve Bank of India in terms of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (“RBI Directions, 2007) , as applicable to the company.

2.2. Uses of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period.

Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3. Revenue recognition

General: Revenue is recognised as earned and accrued when it is reasonably certain that its ultimate collection will be made and the revenue is measureable.

Income from loans:

Interest income from loan transactions is accounted for by applying the interest rate implicit in such contracts.

Service charges, documentation charges and other fees on loan transactions are recognised at the commencement of the contract.

Delayed payment charges, fee based income and interest on trade advances are recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

Income on business assets classified as Non-performing Assets, is recognized strictly in accordance with the guidelines issued by The Reserve Bank of India for Non-Banking Financial Companies.

Dividend income: Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. Dividend income is recognised when the right to receive payment is established.

Income from investments: Profit earned from sale of securities recognised on trade date basis .The cost of securities is computed on weighted average basis

Other Income: In respect of the other heads of income, the Company accounts the same on accrual basis.

2.4. Tangible assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment losses if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The cost of fixed assets comprises of its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Capital work-in-progress”. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation is provided on a pro-rata basis on the Written down Value method at the rates prescribed under Schedule II to the Companies Act, 2013.

2.5. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life.

2.6. Depreciation and Amortisation

Depreciation on tangible fixed assets is provided using the Written down value Method based on the useful life of the asset and is charged to the Statement of Profit and Loss in the manner prescribed in Schedule II to the Companies Act, 2013.

Intangible Assets are amortised on a Straight Line basis over the estimated useful economic life. Computer Software which is not an integral part of the related hardware is classified as an intangible asset, and amortised over a period of five years, being its estimated useful life.

2.7. Impairment

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the Company’s assets. If any such indication exists, the asset’s recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

An assessment is also done at each Balance Sheet date whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. If any such indication exists, the asset’s recoverable amount is estimated. The carrying amount of the fixed asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in the Statement of Profit and Loss for the year.

After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the fixed asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on written down value basis over its remaining useful life.

2.8. Investments

Investments are classified into current and non-current investments. Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made, are classified as Current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Investment in subsidiary company is stated at cost.

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

2.9. Employee Benefits

Short Term Employee Benefits: All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense)

Post-employment benefits:

- 1. Defined contribution plans:** Defined contribution plans are employee state insurance scheme and employee pension scheme all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.
- 2. Defined benefit plans:** Eligible Employees receives benefit from the provided fund, which is a defined benefit plan. Both the employee and company make monthly contribution to provided fund plan equal to a specified percentage of covered employee's salary.

The Company makes specified monthly contributions towards to the government administrated pension fund. The Company has no obligation other than the contribution payable to provident fund authorities.

2.10. Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost

Borrowing costs, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized. All other borrowing costs are expensed in the period they occur.

2.11. Income taxes

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.12. Cash and Cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

2.13. Earnings per share

The basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.14. Provisions and Contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions .These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Notes on Financial Statements for the year ended 31st March 2016

Note - 3
SHARE CAPITAL

Particulars	31 st March 2017	31 st March 2016
Authorised 40000000 (March 31, 2016: 30000000) equity shares of Rs. 10 each	400,000,000	300,000,000
Issued, Subscribed & Fully Paid Up 36679005 (March 31, 2016: 21530555) Equity Shares of Rs. 10 each	366,790,050	215,305,550
TOTAL	366,790,050	215,305,550

i. Reconciliation statement of shares

Particulars	31 st March 2017		31 st March 2016	
	No .	Amount	No .	Amount
No: of shares at the beginning of the year	21,530,555	215,305,550	12,213,300	122,133,000
Shares Issued during the Year	15,148,450	151,484,500	9,317,255	93,172,550
Bonus Issue				
Less: shares bought back				
Outstanding at the end of the year	36,679,005	366,790,050	21,530,555	215,305,550

ii. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ' 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii. Details of Shareholders holding more than 5% Shares

Name of shareholder	31 st March 2017		31 st March 2016	
	No: of shares	% of Holding	No: of shares	% of Holding
Equity shares of '10 each fully paid				
Jose Sebastian	1500000	4.09%	1,500,000	6.97%
Aliyamma Varghese	1576450	4.30%	1,208,000	5.61%
Shibu Theekumpuram	1271200	3.47%	1,271,200	5.90%

Note - 4
RESERVES & SURPLUS

Reserves & Surplus	31st March 2017	31st March 2016
(a) Statutory Reserve		
Amount as per Last Balance Sheet	5,665,500	2,381,500
(+) Additions/ transfers during the Year	4,260,000	3,284,000
Closing Balance	9,925,500	5,665,500
(b) Share Premium Account:		
As Per last balance sheet	25,965,319	15,872,500
(+) Additions during the Year	21,808,688	10,092,819
Closing Balance	47,774,007	25,965,319

Reserves & Surplus	31st March 2017	31st March 2016
(c) General Reserve		
Amount as per Last Balance Sheet	408,000	408,000
(+) Additions/ transfers during the Year	-	-
Closing Balance	408,000	408,000
(d) Surplus		
Balance as per last financial statements	18,366,416	5,227,916
(+) Net profit/(net loss) for the current year	21,297,726	16,422,500
(-) Transfer to Statutory Reserve	4,260,000	3,284,000
(-) Transfer to General Reserve	-	-
(-) Final dividend(Proposed) on equity shares	-	-
(-)Tax on Dividend	-	-
(-) Adjustment relating to Fixed Assets (Refer Note No. 10.1)	-	-
Balance as at the end of the year	35,404,141	18,366,416
TOTAL	93,511,648	50,405,235

Note - 5

LONG TERM BORROWINGS

Particulars	31st March 2017	31st March 2016
SECURED		
Non Convertible debentures	214,890,000	115,090,000
Debenture application money pending allotment	-	1,000,000
UNSECURED		
From Directors	30,620,000	30,620,000
Subordinate Debts	106,114,000	-
TOTAL	351,624,000	146,710,000

Debentures are secured by Pari - pasu floating charge on the Book debts of the company on loan receivables and other current.

Note - 6

LONG TERM PROVISIONS

Particulars	31st March 2017	31st March 2016
(a) Provision Others:		
Contingent Provision against Standard Assets	2,621,820	687,872
Contingent Provision for NPA on Gold Loan & Business Loan	3,910,350	2,348,899
Contingent Provision for NPA on Hire Purchase	234,427	99,584
TOTAL	6,766,596	3,136,355

Note - 7

OTHER CURRENT LIABILITIES

Particulars	31st March 2017	31st March 2016
(a) Current maturities of long-term debt		
Term Loan	-	-
Non Convertible debentures	223,470,000	-
(b) Other payables		
(i) Statutory remittances (Refer note(i) below)	3,724,935	603,979
(ii) Salaries and Wages Payable	-	-
(iii) Expenses Payable	23,824,099	1,526,856
(iv) Others	18,240,000	-
TOTAL	269,259,034	2,130,835

(i) Statutory dues includes provident fund, employees state insurance, professional tax, withholding taxes and indirect tax payable.

Note - 8

SHORT TERM PROVISIONS :

Particulars	31st March 2017	31st March 2016
(a) Provision for employee benefits:	-	-
(b) Provision - Others:		
(i) Provision for Income Tax (Refer note(i) below)	1,871,786	7,892,302
(ii) Proposed dividend on equity shares	-	-
(iii) Tax on Proposed Dividend	-	-
TOTAL	1,871,786	7,892,302

(i) Net of Advance Tax Rs. 1,00,00,000, TDS Rs.13,39,163 and TCS Rs.3439.46 PY Advance Tax Rs.20,00,000 and TDS Rs.1,24,154)

Note - 10

DEFERRED TAX (LIABILITY) / ASSET :

Particulars	31st March 2017	31st March 2016
Deferred Tax Assets		
Others	2,162,600	466,710
Deferred Tax Assets/(Liabilities)		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortisation charged for the financial reporting	1,643,290	369,130
Net Deferred Tax (Liability) / Asset	3,805,890	835,840

Note - 11

LOANS AND ADVANCES- FINANCING ACTIVITIES

Particulars	31st March 2017	31st March 2016
(a) NON CURRENT		
(i) Secured, considered good		
Gold Loan	131,545,807	35,644,544
Vehicle Loan	5,256,362	2,940,016
Personal Loan	44,107,348	25,586,297
Business Loan	138,839,109	6,426,386
	319,748,626	70,597,244
(b) CURRENT		
(i) Secured, considered good		
Gold Loan	244,299,356	127,887,046
Vehicle Loan	9,761,816	10,423,694
Personal Loan	81,913,645	90,715,053
Business Loan	257,844,059	70,227,390
	593,818,877	299,253,182
TOTAL	913,567,503	369,850,426

Note - 12

LOANS AND ADVANCES - OTHERS

Particulars	31st March 2017	31st March 2016
(a) Security Deposits		
Unsecured, considered good	12,370,524	7,403,700
TOTAL	12,370,524	7,403,700

Note - 13

CASH AND BANK BALANCES :

Particulars	31st March 2017	31st March 2016
Cash and Cash Equivalents		
(a) Cash in hand	17,237,370	2,386,545
(b) Balance with banks		
(i) In Current Accounts	44,957,497	5,388,299
Other Bank Balances		
(i) In Deposit Accounts	-	-
(ii) In Earmarked Accounts	-	-
TOTAL	62,194,867	7,774,843

Note - 14

SHORT TERM LOANS AND ADVANCES :

Particulars	31st March 2017	31st March 2016
Unsecured, considered good		
Loans and advances to related parties	-	-
Other Loans and Advance		
(i) Balances with government authorities		
Unsecured, considered good	657,462	5,850
(ii) Loans and advances to employees	-	19,100
(iii) Advances for land	144,230	144,230
(iv) Others	-	215,200
TOTAL	801,692	384,380

Advances recoverable in cash or in kind or for value to be received

Note - 15

OTHER CURRENT ASSETS :

Particulars	31st March 2017	31st March 2016
(a) Accruals		
Interest accrued on deposits/Securities	-	-
(b) Others		
Stock of Stationery	12,500	12,500
Interest Receivable	31,697,556	15,409,614
Other Receivables	1,215,970	564,372
PF, ESI Employee contribution Receivable	-	-
TOTAL	32,926,026	15,986,486

Note - 16

REVENUE FROM OPERATIONS :

Particulars	31st March 2017	31st March 2016
(a) Financing Activities		
Interest on Vehicle Loan	5,280,900	1,650,751
Interest on Gold Loan	59,585,848	23,878,681
Personal Loan Interest	105,327,174	72,496,320
Business Loan Interest	68,728,788	9,769,800
TOTAL	238,922,710	107,795,552

Note - 17**OTHER INCOME :**

Particulars	31st March 2017	31st March 2016
(a) Interest Income	150,189	-
(b) Other non-operating income (net of expenses directly attributable to such income)		
Notice Charge	4,125	376,410
Commision on money transfer	297,904	12,479
Miscllaneous Income		3,952
TOTAL	452,218	392,841

Note - 18**EMPLOYEE BENEFIT EXPENSES**

Particulars	31st March 2017	31st March 2016
Salaries & Wages	67,664,866	31,200,890
Contributions to provident and other funds	4,336,063	1,901,449
TOTAL	72,000,929	33,102,339

Note-19**FINANCE COST :**

Particulars	31st March 2017	31st March 2016
(a) Interest expense on :		
(i) Borrowings		
Interest on Directors Deposits		1,224,800
(ii) Others		
Interest on delayed payment of income tax	881,090	111,146
Interest on Bond	4,416,210	-
Interest on Debenture	34,184,977	9,300
TOTAL	39,482,277	1,345,246

Note-20**DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	31st March 2017	31st March 2016
Depreciation.	10,038,365	4,420,790
Amortisation	618,780	523,207
TOTAL	10,657,146	4,943,997

Note-21**OTHER EXPENSES :**

Particulars	31st March 2017	31st March 2016
Advertisement	28,534,869	11,622,216
Audit fee	236,000	172,500
Audit expenses	17,650	-
Meeting Expenses	853,477	748,879

Note-21

OTHER EXPENSES :

Particulars	31st March 2017	31st March 2016
Business Promotion	2,696,750	1,483,267
Customer meeting expenses	472,678	871,785
Collection Expenses	1,476,279	756,572
Canvassing Expenses	28,200	61,104
Celebration Expense	221,463	388,014
Computer Expenses	86,827	137,694
Discount on Prompt Payment	-	868,715
Bonus on Prompt Payment	63,000	-
Donation	69,771	25,188
Electricity charges & Water charges	1,964,840	1,267,267
Inaugural Expense	130,447	515,218
Incentive	6,807,359	1,040,047
Insurance charges	212,417	131,922
Interest & Bank charges	171,429	197,924
Internet charges	238,285	-
Labour Charges	-	38,000
License Fees	6,000	-
Legal Expense	774,813	447,894
Staff Training Expense	126,325	68,687
Membership Fee	72,114	-
Miscellaneous Expense	7,908	-
Newspaper & Periodicals	69,401	40,928
Office Expense	5,141,586	2,631,900
Postage	567,300	239,842
Printing & Stationery	2,955,551	2,250,241
Professional Fee	283,369	688,556
Provision for Standard assets	1,933,948	437,249
Provison for NPA	1,696,293	974,452
Diminishment in Value of Gold	202,431	426,161
Rates & Taxes	370,359	69,400
Refreshments	-	1,238,025
Repairs and Maintenance	1,980,719	269,493
Rent	16,121,373	7,771,252
ROC Filing Charge	1,316,841	1,000,381
Vat Paid	83,014	-
Service Tax Paid	95,543	-
Telephone charges	2,781,048	1,431,218
Travelling expenses	4,609,487	2,250,784
Vehicle Maintenance	147,650	80,500
Water Charges	67,214	41,019
TOTAL	85,692,027	42,684,295

Note - 21.1

Payment to the auditors comprises :	31st March 2017	31st March 2016
As auditors - statutory audit	153,400	115,000
For taxation matters	82,600	57,500
TOTAL	236,000	172,500

Note - 22**Earnings per share (basic & diluted) :**

Particulars	31st March 2017	31st March 2016
Profit after tax	21,297,726	16,422,500
Weighted average number of shares	29,359,885	19,279,228
Nominal value of shares (Rs.)	10	10
Basic and diluted earnings per share (Rs.)	0.73	0.85

Note:23

Pursuant to Notification No. G.S.R. 308 (E) dated March 30, 2017 issued by the Ministry of Corporate Affairs requiring the Companies to disclose the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the Company provides here below the required details.

Particulars	SBNs	Other Denomination	Total
Closing cash in hand as on November 8, 2016	21,637,500	1,145,300	22,782,800
Add : Permitted Receipts		343,258,630	343,258,630
Less : Permitted Payments		305,647,087	305,647,087
Less : Amount deposited in Banks	21,637,500	28,554,300	50,191,800
Closing cash in hand as on December 30, 2016	-	10,202,543	10,202,543

Note - 24**Related party transactions :**

Details of Related Parties :

Description of Relationship	Names of Related Parties
Associates Key Management Personnel	Biji Shibu James Joseph Arambankudyil Josekutty Xavier Shibu Thekkumpurathu Varghese
Entities in which KMP / Relatives of KMP can exercise significant influence	KLM Fincorp Ltd KMLM Financial services Ltd KMLM Chits India Ltd.

Details of Related Party Transactions :

Particulars	KMP	Entities in which KMP/Relatives of KMP can exercise significant influence	Relatives of KMP	Total
Deposits Accepted During The Year	-	-	-	-
<i>Deposits Accepted During The Year (Previous Year)</i>	-	-	-	-
Deposits Withdrawn During The Year	-	-	-	-
<i>Deposits Withdrawn During The Year (Previous Year)</i>	-	-	-	-
Interest Paid	-	-	-	-
<i>Interest Paid (Previous Year)</i>	1,224,800	-	-	1,224,800
Remuneration Paid	1,900,000	-	-	1,900,000
<i>Remuneration Paid (Previous Year)</i>	600,000	-	-	600,000

Note: Figures in italics relates to the previous year

In terms of our report attached.

For and on behalf of the Board of Directors

For **Balan & Co.**

Josekutty Xavier

Chartered Accountants

Managing Director

Biji Shibu

Director

P.Mohandas, FCA

Partner (M.No.21262)

Shibu Thekkumpurathu Varghese

Wholetime Director

Place: Aluva

Place: Ernakulam

Date: 29.06.2017

Date: 29.06.2017

Note - 9 Fixed Asset Schedule

Particulars	Gross Block			Acc Depre			Net Block		
	As on 01/04/2016	Additions	Deletions	As on 31/03/2017	As on 01/04/2016	Additions	Deletions	As on 31/03/2017	As on 31/03/2016
Land, Kumaly	-	3,389,230	-	3,389,230	-	-	-	3,389,230	-
Land, Puthencruz	-	3,501,500	-	-	3,501,500	-	-	3,501,500	-
Land Kuthukkuzhy	-	17,760,000	-	17,760,000	-	-	-	17,760,000	-
Tangible Assets	-	24,650,730	-	24,650,730	-	-	-	24,650,730	-
Computers and data processing units	2,812,943	3,414,144	-	6,227,087	1,263,959	1,776,508	-	3,186,620	1,548,984
Electrical Installations and Equipment	2,496,773	2,519,210	-	5,015,983	568,138	854,209	-	3,593,636	1,928,635
Furniture and furnishings	19,303,965	14,567,502	-	33,871,467	2,992,854	5,573,846	-	25,304,766	16,311,111
Office Equipments	3,327,050	5,839,703	-	9,166,753	1,147,205	1,833,802	-	6,185,746	2,179,845
Total	27,940,731	26,340,559	-	54,281,289	5,972,156	10,038,365	-	38,270,768	21,968,575
Intangible Assets									
Compuer Software	2,206,538	477,867	-	2,684,405	830,511	618,780	-	1,235,114	1,376,027
Total	30,147,269	26,818,426	-	56,965,694	6,802,667	10,657,146	-	39,505,882	23,344,602

Dear Sir/Madam

Pursuant to the green initiative in the Corporate Governance initiated by the Ministry of Corporate Affairs, our company has proposed to send the Notice / Annual Report / documents through electronic mode to the shareholders.

This, you will appreciate, would facilitate fast, secured communication and contribute towards improved environment.

Shareholders, who are holding the shares in Physical Form, are requested to send the following details to our Company for sending the future communication through Email

Folio Number	
Email ID	
Mobile Number	
PAN	

In case you wish to get the Hard copies of Notices/Documents/Reports, you need not send the above details. Company will send the Notices/Documents/Reports to the Registered address of the shareholders.

KLM AXIVA FINVEST LIMITED

[Formerly Needs Finvest Limited]

Regd Off : Subodh Business Centre, 408, Malik chambers
Hyderabad, Telangana, 500029

Ph : 0484 4281111, 4046766, e-mail : admin@klmgroupp.in
CIN: U65910TG1997PLC026983

ATTENDANCE SLIP

Folio No.:		Representing no. of Shares:
Attending as Share Holder/ Proxy:		

I hereby record my presence at the 20th Annual General Meeting of the Company to be held at the Registered Office of the Company on Thursday, September 28, 2017, at 3.00 P.M. and at any adjournment thereof.

Name of the Share Holder/ Proxy
(IN BLOCK LETTERS)

.....
Signature of the Share Holder/ Proxy

Notes: Please fill the admission slip and hand it over at the entrance of the hall.
Please strike out whichever is not applicable.

KLM AXIVA FINVEST LIMITED

[Formerly Needs Finvest Limited]

Regd Off : Subodh Business Centre, 408, Malik chambers
Hyderabad, Telangana, 500029

Ph : 0484 4281111, 4046766, e-mail : admin@klmgroup.in
CIN: U65910TG1997PLC026983

Proxy form

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

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./ Client ID	

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

2 Name	
Address	
E-mail ID	
Signature	

Or failing him

3 Name	
Address	
E-mail ID	
Signature	

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual General Meeting of the Company to be held on Thursday, September 28, 2017, at 3.00 P.M. at the Registered Office and at any adjournment thereof in respect of such resolutions as are indicated below:

KLM AXIVA FINVEST LIMITED

[Formerly Needs Finvest Limited]

Regd Off : Subodh Business Centre, 408, Malik chambers
Hyderabad, Telangana, 500029

Ph : 0484 4281111, 4046766, e-mail : admin@klmggroup.in
CIN: U65910TG1997PLC026983

Resl. No	Particulars	Tick
1	To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2017 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.	
2	To confirm and ratify the interim dividend @ 50 paise per equity share for the financial year 2016-17.	
3	To appoint a Director in place of Mrs. Biji Shibu (DIN: 06484566), who retires by rotation and, being eligible, seeks re-appointment.	
4	To appoint Auditors and fix their remuneration	
5	To increase the Authorized capital of the Company to 45 Crores.	

Signed this.....day of.....2017.

Affix Re.1/- Revenue Stamp

Signature of Share Holder:

Signature of Proxy holder(s):

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