

25th
Annual Report
2008-09

KAMANWALA HOUSING CONSTRUCTION LIMITED



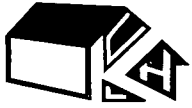
“MANAVSTHAL”- Malad (W), Mumbai.



KAMANWALA HOUSING CONSTRUCTION LIMITED

BOARD OF DIRECTORS	Mr. B. R. Maheshwari : <i>Chairman</i>
	Mr. M. L. Gupta : <i>Vice-Chairman & Managing Director</i>
	Mr. Jaipal Jain : <i>Whole-time Director</i>
	Mr. Atul Jain : <i>Whole-time Director</i>
	Mr. Tarun Jain : <i>Whole-time Director</i>
	Mr. Amit Jain : <i>Whole-time Director</i>
	Mrs. Pushpa Jain : <i>Whole-time Director</i>
	Mr. S. V. Shanbhag : <i>Director</i>
	Mr. Bhanwarlal D. Jogani : <i>Director</i>
	Mr. Ramesh J. Patel : <i>Director</i>
	Mrs. Shobha Jain : <i>Director</i>
	Mr. Sorabh Gupta : <i>Director</i>
AUDITORS	M/s. Vimal Punmiya & Co., Chartered Accountants, Mumbai.
ADVOCATES	Mr. Mukesh Jain, Mumbai, Mrs. S. S. Ayyar, Mumbai.
BANKERS	Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, Corporation Bank.
SHARE TRANSFER AGENTS	M/s. Sharex Dynamic (India) Pvt. Ltd., Unit No.1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072.
REGISTERED OFFICE	405/406, New Udyog Mandir-2, Mogul Lane, Mahim (West), Mumbai-400 016.

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KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Fifth Annual General Meeting of KAMANWALA HOUSING CONSTRUCTION LIMITED will be held on Tuesday, the 29th September, 2009, at 11.30 A.M., at Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (West), Mumbai-400 016, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. B.R. Maheshwari who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Atul Jain who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Bhanwarlal D. Jogani who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. S.V. Shanbhag who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors and to fix their remuneration.
4. Pursuant to Section 154 of the Companies Act, 1956, the Register of Beneficial Owners, the Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2009 to 29th September, 2009 (both days inclusive).
5. If the dividend on Equity Shares as recommended by the Directors is declared at the Meeting, payment of such dividend will be made on or after 4th, October 2009 to the Beneficial Owners of Equity Shares whose names appear in the statement of beneficial ownership furnished by the Depositories as at the end of business hours on 22nd September, 2009. In case of Shares held in physical form, the dividend shall be paid to those Members whose names appear in the Register of Members as on 29th September, 2009.
6. The Corporate Members intending to send their duly authorized representative(s) are requested to send a duly certified copy of the Board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
7. The Members intending to seek any information/clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least Ten days before the date of Annual General Meeting so that the same may be complied within time.
8. Members are hereby requested to notify change in their addresses, make correspondence and send documents of share transfers, etc. either directly to the Company at the Registered Office or to the Office of Share Transfer Agents of the Company, M/s Sharex Dynamic (India) Pvt. Ltd., at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072.
9. The Members who hold shares in electronic form are requested to bring their numbers of DP ID/Client ID for the purpose of proper identification at the Meeting.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective, must be deposited at the Company's Registered Office not less than 48 hours before the time of the Meeting.
3. Details of Directors' appointment/re-appointment pursuant to Clause "49" of the Listing Agreement with the Stock Exchange are annexed hereto.

By Order of the Board

M. L. GUPTA

Vice Chairman & Managing Director

Registered Office:

405/406, New Udyog Mandir-2,
Mogul Lane, Mahim (West),
Mumbai - 400 016.

Dated: 31st July, 2009.

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange:

Name of Director	Date of Birth	Date of Appointment	Special Expertise/ Occupation	Qualification	Directors in other Companies incorporated in India	Chairman/Member of Committee of Companies
Mr. B.R. Maheshwari	27.11.1930	12.04.1984	Practicing Chartered Accountant	B. Com. F.C.A.	M/s. B. R. M. Leasing & Credit Pvt. Ltd. M/s. B. R. Maheshwari Consultants Pvt. Ltd.	1) Chairman of the Audit Committee of M/s. Kamanwala Housing Construction Ltd. 2) Member of Share Allotment Committee of M/s. Kamanwala Housing Construction Ltd.
Mr. Atul Jain	14.02.1957	01.08.1985	Business	B.A. (Hons.)	M/s Attar Construction Co. Pvt. Ltd. M/s. Avoir Finance & Investments Pvt Ltd. M/s. Kerry Packagings Pvt. Ltd.	As Member of : 1) Shareholders' Grievance Committee of M/s. Kamanwala Housing Construction Ltd.
Mr. Bhanwarlal D. Jogani	04.10.1940	12.04.1984	Business	S. S. C	M/s. Premji Sales Pvt. Ltd. M/s. Four Seasons Pvt. Ltd.	As Member of : 1) Audit Committee of M/s. Kamanwala Housing Construction Ltd. 2) Share Allotment Committee of M/s Kamanwala Housing Construction Ltd.
Mr. S.V. Shanbhag	06.08.1923	12.04.1984	Legal & Finance	M.Com., L.L.B., A.C.S.	M/s. Godfrey Philips India Ltd., M/s. Chase Investments Ltd. M/s. Manhattan Credits & Finance Ltd. M/s. City Leasing & Finance Co. Ltd.	As Member of : 1) Audit Committee of M/s. Kamanwala Housing Construction Ltd. 2) Shareholders' Grievance Committee of M/s. Kamanwala Housing Construction Ltd. 3) Share Allotment Committee of M/s. Kamanwala Housing Construction Ltd. 4) Shareholders / Investors Grievance Committee of M/s. Godfrey Philips India Ltd.

By Order of the Board

M.L. GUPTA

Vice Chairman & Managing Director

Place: Mumbai

Dated: 31st July, 2009.



KAMANWALA HOUSING CONSTRUCTION LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Fifth Annual Report on the business and operations of the Company along with the audited Financial Statements of Account for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHTS:

The summarized Financial Highlights of the Company are as follows:

	For the Year ended 31.03.2009 (Rs. in Lacs)	For the Year ended 31.03.2008 (Rs. in Lacs)
Sales and Other Income	5904.27	9723.92
Gross Profit	471.65	3278.20
Less: Depreciation	15.36	17.39
Miscellaneous Expenditure written off.....	1.40	1.40
Profit before Taxation	454.89	3259.41
Provision for Taxation.....	154.62	810.00
Provision for Fringe Benefit Tax.....	7.77	6.60
Provision for Deferred Tax	2.29	0.65
Net Profit/(Loss) for the year.....	290.21	2442.16
Balance brought forward from Previous Year	3258.20	1245.83
Add: Income-tax Refund for earlier Years.....	1.48	—
Less: Provision for Income Tax for earlier years	—	0.38
Less: Provision for Dividend and Tax thereon for earlier year	20.92	—
Profits available for Appropriations	3528.97	3687.61
Appropriations:		
General Reserve	—	244.22
Proposed Dividend	140.93	158.29
Dividend Tax.....	23.95	26.90
Balance carried to Balance Sheet	3364.09	3258.20

DIVIDEND:

In spite of slump in sales turnover and profitability during the year under review, your Directors have recommended a Dividend of Re.1.00 (10%) per Share of Rs.10/- each on the enhanced capital resulting out of 1:1 Bonus Issue, which works out 20% on the old capital as against Rs. 2.50 (25%) per Share in the previous year. The total outgoing on account of Dividend payment will be Rs.1,64,88,293/- inclusive of Dividend Tax as against Rs. 2,06,10,781/- in the previous year. The Dividend if declared, will be free of tax in the hands of the Members of the Company.

REVIEW OF OPERATIONS:

During the year under review, the Company recorded the turnover of Rs. 5,904.27 Lacs as compared to Rs. 9,723.92 Lacs for the previous year. The Company earned profit after tax of Rs. 290.21 Lacs for the year as compared Rs. 2,442.16 Lacs in the previous year.

During the year, the Company's financial performance was adversely affected by the world-wide severe economic downturn and financial crisis. Year 2008-09 began with continuing global inflation and ended with the sharpest decline in trade and GDP that the world has

ever seen since the Great Depression of the 1930s. In this era of globalization, the economies of all countries are interlinked to the extent that if one economy sneezes, other economies catch a cold. This time the US markets were diagnosed with a severe sub-prime chill and other markets around the globe started shivering which caused a severe liquidity problem.

The epicentre of economic earth-quake was in the United States and developed economies of Western Europe and Japan, but the tremors were felt in India and other parts of the world. The sub-prime crisis that has smashed wealth worth trillions of dollars of investors across the world came in the wake of the bursting of the real estate bubble in the United States. Wealthy countries are officially facing severe economic recession and emerging economies including China and India have also been hit hard by the ongoing crisis. All of a sudden, India's real estate sector was caught up in this economic tornado. Almost all the real estate developers thought that ongoing boom in the real estate sector would continue for a long time and as a result they acquired and accumulated land bank at very high cost by heavily borrowing funds from banks and financial institutions at high interest rates. Nobody realized that financial and economic crisis was lurking in the dark. Suddenly, real estate bubble burst brought about slump in demand and decline in sales price. These phenomena eroded the profit margin of all the real estate developers and cash flows came under heavy strain which caused acute liquidity problems. In such turbulent times, many developers have come under heavy debt burden and many of them have been forced to exercise restructuring thereof. All these events have disrupted plans and performance schedules laid down by your Directors to a great extent.

The economic and financial crisis narrated as above, not only had adverse effect on operational performance of real estate sector but all the sectors of the Indian economy and your Company was not an exception. History does not end here. Your Company and entire Indian economy has a long way to go to regain the lost ground.

Economic conditions all over the world remained subdued and GDP growth rates declined. But, it is expected that economic recovery will start faster in India and China than any other economies of the world. India and China, the two giant emerging economies of Asia are considered engine and prime movers of growth and will dominate

the economic scenario of the world economy. For this, a clear and coherent fiscal and monetary policies should be there for well balanced and robust growth of all the sectors of the country's economy.

CORPORATE GOVERNANCE:

The Company has complied with the requirements of Clause 49 of the Listing Agreement regarding Corporate Governance with soul and spirit.

A report on the Corporate Governance practice being followed by the Company along with a Certificate from the Practicing Company Secretary, Mr. Upendra C. Shukla, on compliance of mandatory requirements thereof, Managing Director's Certification and Management Discussion & Analysis are given as Annexures to this Report.

DIRECTORS:

Pursuant to the provisions of the Companies Act, 1956 and relevant Article of the Articles of Association of the Company, Mr. B.R. Maheshwari, Mr. Atul Jain, Mr. Bhanwarlal D. Jogani and Mr. S.V. Shanbhag retire by rotation at the forthcoming Annual General Meeting and being eligible they offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act 1956, your Directors, based on the representations received from operating management and after due enquiry, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have, in the selection of the accounting policies, consulted the statutory auditors and those have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.



KAMANWALA HOUSING CONSTRUCTION LIMITED

PREFERENTIAL ISSUE:

As approved by the Members in their Extra-Ordinary General Meeting held on 15th December, 2006, the Company had issued 19,95,000 Optionally Fully Convertible Warrants (OFCWs) @ Rs.98/- each on Preferential Basis. At the beginning of the year under review 8,15,000 OFCWs were pending for conversion into equal number of Equity Shares of Rs.10/- each. During the year, 7,15,000 OFCWs were converted into 7,15,000 Equity Shares and these Equity Shares have already been listed on the Bombay Stock Exchange Limited. The remaining 1,00,000 OFCWs were forfeited due to non-exercise of right of conversion on or before 22nd June, 2008. The funds generated, by such conversion of OFCWs aggregating to Rs. 6,30,63,000/-, were utilized in the construction of the Projects.

BONUS ISSUE OF EQUITY SHARES:

As approved by the Members at the 24th Annual General Meeting held on 5th September, 2008, 70,46,580 Bonus Shares of Rs.10/- each were issued during the year in the proportion of 1:1 to the then existing Shareholders of the Company and these Bonus Equity Shares have already been listed on the Bombay Stock Exchange Ltd.

AMALGAMATION OF SUBSIDIARY COMPANY:

During the year, the Scheme of Amalgamation of M/s. Doongursee Diamond Tools Ltd. with the Company was approved by the Hon'ble High Court, Bombay, vide its Order dated 22nd August, 2008. Hence, M/s. Doongursee Diamond Tools Ltd. stands amalgamated with the Company.

DEPOSITS AND LOANS/ADVANCES:

Your Company has not accepted any Deposits from the public or its employees during the year under review and accordingly, there were no outstanding Deposits repayable as on 31st March, 2009.

PARTICULARS OF EMPLOYEES:

The Company did not have any employee who was in receipt of remuneration of Rs. 24,00,000/- or more per annum and/or if employed for a part of the year receiving remuneration at the rate which in aggregate was Rs. 2,00,000/- or more per month.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

In view of the nature of activities which are being carried on by the Company, the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption respectively, are not applicable to the Company.

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

AUDITORS:

M/s. Vimal Punmiya & Co., Chartered Accountants, the Auditors of your Company retire at the forthcoming Annual General Meeting. They are being eligible for re-appointment, the Members are requested to appoint them as the Auditors of the Company for the current year and fix their remuneration.

As required under the provisions of Section 224 (1B) of the Companies Act, 1956, the Company has obtained a written certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said Section.

ACKNOWLEDGEMENTS:

Your Directors would like to express their grateful appreciation for unstinted support and co-operation received during the year from Shareholders, Customers, Suppliers, Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, Corporation Bank, Legal & other Professionals, Mumbai Municipal Corporation and other Local Authorities.

The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of the Board
B.R. Maheshwari
Chairman

Place: Mumbai
Dated: 31st July, 2009.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS :

I. Overall Review:

The real estate is considered to be the best avenues for investment since the risk involved is much less as compared to the investment in stock market, mutual funds, debenture funds, etc. In the case of other investments, one has to act with great caution looking into various parameters affecting the return as well as the safety of capital invested. Investment in real estate gives decent return, if the basic principles on which it works are observed. Till last year, real estate was one of the fastest growing sectors in India. It was growing at an average annual rate of 12% as a result of tremendous upsurge in demand for commercial and residential properties due to Business Process Outsourcing (BPO) boom. The foreign investments in India increased the employment opportunities and consequently the disposable income in the hands of middle class which fuelled the growth of the housing sector.

In a country like India with a population of more than one billion and that too consisting of a large middle class, the demand for real estate would continue to grow. Since the land available for the real estate development is limited, the prices would continue to increase in the long run. Therefore, investment in real estate is likely to fetch good returns in the long term.

The real estate sector plays a significant role in India's economy. Almost 5% of the country's gross domestic product (GDP) is contributed by housing alone and a unit increase in expenditure in this sector has a multiplier effect and the capacity to generate income as high as five times the increase in expenditure. The total value of real estate development in India was estimated to be around \$ 14 billion (Rs. 67480 Crores) growing at an annual pace of 30%. This growth is fuelled by the growth in realty development in organized retail, followed by housing and information technology enabled services. Real estate in India has been characterized by an increasing presence of a large number of public companies along with the opening up of this sector to foreign direct investment (FDI) and private equity firms. This has increased the discipline and accountability of business undertaking large-scale real estate developments.

However, the rising interest rates in India, the problems in the economy of the United States of America due to sub-prime mortgage crisis and consequent global financial crisis and the deepest economic recession since great depression of 1930s,

are creating tremendous pressure on the India's real estate sector causing significant slump in demand and considerable price reduction. Now, therefore, it is an opportunity for everyone to own a roof over his head as the world economy has bottomed out of the current economic crisis and recovery being around the corner, the prevailing scenario is a grand opportunity to realize the gains by making investment in the real estate sector.

India's growing economy, infrastructure growth, booming domestic market, regulatory reforms such as, removal of Urban Land (Ceiling & Regulation) Act, modification in the Rent Control Act, Permission for Foreign Direct Investment (FDI) and setting up of Real Estate Investment Mutual Funds and Real Estate Investment Trust altogether are expected to provide opportunities for building a platform from where real estate developers can draw up robust business plans for the forthcoming boom in the real estate sector in particular and in the overall economy in general.

With a view to put the tottering global economy back on the track, governments all over the world are spending billions of dollars by way of stimulus packages as co-ordinated action. The Central Banks of almost all the countries have cut down interest rates to make money available easily and cheaply. India's Central Bank has also taken the similar steps to safeguard the economy from the global crisis by cutting repo rate from 9% to 4.75%, reverse repo rate from 6% to 3.25%, Cash Reserve Ratio (CRR) from 9% to 5% and Statutory Liquidity Ratio (SLR) from 25% to 24%. All these RBI measures since September, 2008 have collectively released Rs. 5.62 trillions into the banking system which will help to remove the financial problems of the business community in India.

II. Operations Overview:

During the year under review, your Company continued to develop residential and commercial projects. Due to unexpected emergence of global financial and economic crisis, the Company's financial performance was adversely affected on account of which lower volume of sales turnover and net profit have been recorded during the year as compared to previous year. With a view to save the Company from financial troubles and prevailing wait and watch economic scenarios, the Company could not make any addition to its existing portfolio of residential and commercial projects during the year.



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The present position of the projects under progress and on hand is as follows:

(i) PROJECT AT MALAD (WEST), MUMBAI:

This is another highly Growth Oriented Middle Class Residential Project situated at Malad (West), Mumbai, having total value of 33.30 Crores for 2,03,000 sq. ft. F.S.I. It is being developed into attractive flats for those who value space and prefer better quality living. The construction work at the project has already commenced. The project will also be a profitable one which will provide the necessary liquidity to your Company for further progress. The suburban area of Malad being an important location in Mumbai as all B.P.O. Centres and big Commercial Complexes are moving into that area. The Project will take three years to complete.

(ii) PROJECT AT SANTACRUZ (WEST), MUMBAI:

The construction work at the project has already commenced and is going on in full swing. The total area of the project to be developed is 60,000 sq. ft. The project is in the prime location of the City of Mumbai and it is being developed into luxurious residential flats. The project being prestigious one, it will generate a good deal of revenue for the Company and will strengthen the financial position of the Company for further progress. The said Project will get over before 31.03.2010.

(iii) JOINT VENTURE PROJECT AT SANTACRUZ (WEST):

The Company has acquired a plot of land at Santacruz (West) having total cost of Rs. 35.00 Crores admeasuring 67,000 sq. ft. The Company has entered into a Partnership Deed with M/s. Lakshachandi Developers Pvt. Ltd. and M/s. Today's Infrastructure and Construction Limited in the name and style of "M/S. KAMANWALA LAKSHACHANDI TODAY'S DEVELOPERS" for the development of the project in which the Company has 50% share. The project will be developed into a commercial complex. Architectural plans have been finalized and construction work has already commenced. The Project will take two years to complete.

(iv) PROJECT AT TURBHE – NAVI MUMBAI:

The construction work is expected to commence

within short time at the Company's plot of land admeasuring 10,010 sq. mtrs., at Turbhe, Navi Mumbai having total value of Rs.15.25 Crores. The Project being a Commercial Complex is expected to generate a great deal of revenue for the Company, which in turn will help to strengthen the financial position of the Company, so far the Project has not started, but it will take three years to complete.

(v) JOINT VENTURE PROJECT AT HYDERABAD – ANDHRA PRADESH:

The Company has entered into a Joint Venture Agreement having 20% Share with M/s. Prajay Engineers Syndicate Ltd. and Others for the development of a land admeasuring 35 acres at Hyderabad for which the Company has contributed Rs. 8.87 Crores. The said project will take two/three years for planning and development. The funds required for the project shall be substantial and will be mobilized in due course of time. The project being large in size is expected to earn a good deal of revenues for the Company.

III. Opportunities, Threats, Risks and Concern:

A look at the demographic and economic development indices suggest that demand for residential and commercial properties can be expected to remain high in the years to come. Increasing disposable incomes, home loans, urbanization and emergence of a younger earning age group (aged between 25 – 45 years) as the largest constituent of population will sustain demand for housing. If the year 2006 was marked by some of the country's biggest land deals; the future of India is all set to usher in the gold rush of reality. Despite a correction, real estate investing will provide returns and investors need to have a dynamic strategy as the market matures.

Going by both fundamentals and technical dynamics, it would be wrong to write real estate investing off one's portfolio of investments. The real estate market is fairly nascent. And the opportunities are fairly large and the prices of real estate (depending on locations and other parameters) are high mostly due to heavy land cost and interest burden etc. While they will rationalize in some pockets/areas, the market is still far from being overheated. Industry analysts feel that after consolidation of Indian sky; it becomes significant to consolidate the country's real estate sector. In fact,

taking into account the way dynamics have changed in the sector, the optimism could even be justified, the reason being the presence and emergence of cogent factors in the sector.

And hence, considering such factors, the real estate sector is really poised for solid growth on sustained basis. So even though there might be regional blips once in a while, investors can look forward to overall growth by holding on to property investments in the long run. Overall, therefore, the real estate potential is not surreal. In sum, the real estate sector has several exciting things in store and hence, options and choices for growing one's wealth will increase in years to come.

The real estate sector has been featuring on the Reserve Bank of India's radar for a long time. The Central Bank has been concerned about high prices of properties, both commercial and residential and has been issuing directives aimed at easing them. Rising interest rates, increasing risk weights for banks lending to real estate and clamp down on real estate companies borrowing abroad, all these discouraging measures created adverse market conditions which became a cause of concern for the entire real estate sector and that too at the same time when the US sub-prime mortgage crisis resulting into financial and economic crisis was already on the horizon. The RBI did not realize that entire real estate sector and connected sectors would be affected very badly. This has certainly dealt a heavy blow to the entire economy of the country reducing growth prospects to a great extent. Today, almost all, big or small, real estate developers is feeling severe brunt of adverse market conditions and they are crushed under heavy debt burdens. Their business plans remains disturbed and many projects have been halted due to liquidity and cash flow problems.

In spite of these problems, the real estate sector is expected to come out of such turbulent times with positive outlook, optimism and dynamism. But all will depend on fast and green shoots recovery of entire Indian economy in particular and the entire global economy in general. As per behavioural economics, human nature is unpredictable and economic growth has to run through the boom and bust business cycles. It cannot be expected to run on the smooth path.

Your Company has a robust and well defined risk management policy for risk assessment and

mitigation. We treat risk management as a key value creating function which is responsible for bringing about a culture change and protecting organization from the impact of inadequate controls.

The Board of Directors conducts quarterly reviews of major risks and their mitigation measures. These risks relate to : (i) business; (ii) operations; (iii) finance and financial reporting systems; (iv) systems data security and storage; (v) assets; (vi) quality; and (vii) regulatory matters.

Your Company can also combat risks and threats by quick decision making process to help improve overall efficiency in operations, reducing time in completion and marketing of projects, undertaking a proactive approach towards problems resolutions and by upgrading entire set of business organizational process.

IV. Business Outlook and Prospects:

The real estate sector has been facing a liquidity crunch for some time now, but the situation has improved post the election results. Most of the real estate players were unable to raise liquidity to finance their projects, worse was that they had to slash prices due to low demand. Liquidity at least looks better now and some Companies are considering the QIP route to raise finance for immediate requirements. The real estate developers are trying their best to make up for lost time by introducing mid-income housing which accounts for about 90 per cent of the projects. After a prolonged lull in the property market in 2008, which saw sales declining 70 per cent from their peak, the real estate developers are moving into mid-income segment to generate liquidity. With their apartments selling quicker than expected, liquidity constraints with debt roll-overs, the stock market rally and improved bank credit, realtors are now planning to launch more such projects. Currently, average size of apartment is 700 to 800 sq. ft. as against 1,500 sq. ft. a couple of years ago.

The Industry analysts, however said that developers had taken huge hits on their margins. Mid-income apartments have a margin of 25 to 30 per cent versus 50 to 70 per cent in premium housing. The days of 70 per cent margins are over. The developers have to be happy with 20 to 25 per cent margins now since liquidity is the bigger issue than profits today.

On demand, Indians have an innate propensity to



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own houses. This with rising income levels following India's rapid growth, has resulted in a phenomenal increase in the demand for homes. Moreover, the country has started reviewing property as a preferred investment option, given that returns are pegged between 11% and 15% compared with bank deposits, which seldom offer returns over 10% a year. Prices of homes, therefore, have increased at a steady pace in the past several years.

Finally, it is important for the policymakers to be vigilant and track the pace and economics driving the evaluation of the real estate sector. There should be adequate supervision to prevent reckless credit growth to fund its expansion. Approximately, US \$ 10 billion of foreign direct investment (FDI) is expected to be injected into the real estate sector by foreign funds. Merrill Lynch forecasts that the Indian realty sector will grow from US \$ 12 billion in 2005 to US \$ 90 billion in 2015. If one has to go by the estimates, over 100 private equity (PE) investors have lined up to invest in the Indian real estate sector.

India's favourable demography, low mortgage penetration, falling interest rates and ongoing infrastructure development will prevent downturn from being protracted in the real estate sector. The fundamentals of the sector are really good and hence its robust and sustainable growth should continue in the foreseeable future.

V. Internal Controls and their Adequacy:

The Company has a strong and proper system of internal controls commensurate with its size and nature of its business operations. All the transactions relating to the Company's business are adequately and properly authorised, recorded and reported in correct and efficient manner. Internal Controls safeguard the assets of the Company and provide protection against their unauthorized use.

The internal audit team is responsible for assessing and improving effectiveness of internal controls and governance. The internal audit activity is conducted by the Company's Internal Auditors, who undertake the internal audit programme in accordance with the guidance of the Audit Committee of the Board of Directors. The reports of the Internal Auditors are extensively reviewed by the Audit Committee along with the Managing Director periodically and

the corrective actions have been taken wherever and whenever needed. The Internal Auditors also extensively interact with the external auditors.

VI. Human Resources Development:

The Company has always viewed its human resources in an integrated manner, that is aligning all the facets of its human capital with business and organizational transformation in realizing its objectives. The Company has created a conducive working environment with prudent knowledge management leading to enhanced skills and capabilities.

The Company has successfully aligned its performance appraisal outcomes with a market benchmarking mechanism to set the remuneration of all the employees. Meritocracy and differentiation, based on consistency of performance and future potential continue to be the guiding force for deciding remuneration.

The Company provides challenging career development opportunities and encourages innovative thinking. It monitors employees' performance to enhance individual and organizational performance.

The employees relations remained cordial and there was nil turnover of the employees during the year. As on 31st March, 2009, the Company had 36 employees on record.

VII. Cautionary Statement:

The Management of the Company has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and therefore, amounts based on informed judgments and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion & Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. The Management has based these forward looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, interest and other costs and may cause actual results to differ materially.

CORPORATE GOVERNANCE REPORT:

1. Company's Philosophy on Corporate Governance:

Your Company is fully committed to the principles of good Corporate Governance and endeavours to implement the Code of Corporate Governance in its true spirit. Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and efficient management of an organization. Good Corporate Governance ensures transparency in operations, makes disclosures and enhances shareholders value without compromising in any way compliance with applicable laws and regulations.

Your Company believes that good governance brings about sustained corporate growth and long term benefits to all stakeholders.

Your Company also believes that Corporate Governance must balance individual interest with corporate goals and must operate within accepted norms of propriety, equity, fair play and sense of justice.

This Chapter, along with the Chapters on Management Discussion & Analysis and Additional Shareholders Information, reports the Company's compliance with Clause 49 of the Listing Agreement with the Stock Exchange.

2. Board of Directors:

The Board of Directors as at 31st July, 2009 consisted of 12 (Twelve) Directors of which six are non-executive Directors. The Company has a non-executive and independent Director as a Chairman and one-third of the total number of Directors is independent. The number of non-executive Directors is 50% of the total number of Directors. The composition of the Board is in conformity with Clause "49" of the Listing Agreement.

(a) Number of Board Meeting:

Six Board Meetings were held during the period 1st April, 2008 to 31st March, 2009 on the following dates:

- (i) 24th April, 2008; (ii) 27th May, 2008; (iii) 24th July, 2008; (iv) 5th September, 2008; (v) 24th October, 2008; and (vi) 29th January, 2009.

(b) Composition, Status and Attendance at the Board Meetings and at the last AGM.

As on 31st July, 2009 the Company's Board comprised of Twelve Members:

Sr. No.	Name of the Director	Status	No. of Board Meetings		Attendance at the last AGM(*)
			Held	Attended	
1.	Mr. B.R. Maheshwari Chairman	Independent Non-Executive	6	6	Yes
2.	Mr. M.L. Gupta Vice Chairman & Managing Director	Non-Independent Executive	6	6	Yes
3.	Mr. Jaipal Jain Whole-time Director	Non-Independent Executive	6	5	Yes
4.	Mr. Atul Jain Whole-time Director	Non-Independent Executive	6	4	Yes
5.	Mr. Tarun Jain Whole-time Director	Non-Independent Executive	6	5	Yes
6.	Mr. Amit Jain Whole-time Director	Non-Independent Executive	6	6	Yes
7.	Mrs. Pushpa Jain Whole-time Director	Non-Independent Executive	6	4	Yes
8.	Mr. S.V. Shanbhag	Independent Non-Executive	6	6	Yes
9.	Mr. B.D. Jogani	Independent Non-Executive	6	6	Yes
10.	Mr. Ramesh J. Patel	Independent Non-Executive	6	6	Yes
11.	Mrs. Shobha Jain(*)	Non-Independent Non-Executive	6	4	Yes
12.	Mr. Sorabh Gupta(*)	Non-Independent Non-Executive	6	4	Yes

(*) The Twenty Fourth Annual General Meeting of the Company was held on 5th, September 2008.

(*) Mrs. Shobha Jain and Mr. Sorabh Gupta were appointed as Directors of the Company on 24th April, 2008.



KAMANWALA HOUSING CONSTRUCTION LIMITED

(c) Details of Directorships/Committee Memberships:

As required by Clause “49” of the Listing Agreement, none of the Directors is a Member of More than 10 Board Level Committees nor is any of them a Chairman of more than five Committees in which they are Members. The number of Directorships and Committees positions held by them in Companies are given below:

Sr. No.	Name of the Director	Director of Public Companies (*)	Membership in Committee	Chairmanship in Committee
1.	Mr. B.R. Maheshwari	1	2	2
2.	Mr. M.L. Gupta	1	2	1
3.	Mr. Jaipal Jain	1	2	—
4.	Mr. Atul Jain	1	2	—
5.	Mr. Tarun Jain	1	1	—
6.	Mr. Amit Jain	1	—	—
7.	Mr. S.V. Shanbhag	5	3	1
8.	Mr. B.D. Jogani	1	2	—
9.	Mr. Ramesh J. Patel	1	3	—
10.	Mrs. Pushpa Jain	1	—	—
11.	Mrs. Shobha Jain	1	1	—
12.	Mr. Sorabh Gupta	1	1	—

(*) including Directorship/Committee Memberships in Kamanwala Housing Construction Ltd., as on 31st March, 2009.

Details of Directors' appointment/re-appointment pursuant to Clause “49” of the Listing Agreement with the Stock Exchange are given in the Annexure - A annexed herewith:

(d) Board Procedure:

A detailed agenda folder is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibility effectively, the Managing Director as a Chief Executive Officer of the Company briefs the Board at every Meeting on the overall performance of the Company. A detailed functional report is also placed at every Board Meeting. Amongst other things, the Board also reviews strategies and business plans, compliance with statutory/regulatory requirements and review of major legal issues, adoption of quarterly/half-yearly/annual results, investors' grievances, minutes, investment and exposure limits, major accounting provisions and write-offs, minutes of Meetings of the Audit Committee and Committee of Directors of the Board, etc.

3. Committees of the Board:

(i) Audit Committee:

The Audit Committee of your Company presently comprises of five Members of which four are Non-Executive & Independent Directors, namely, Mr. B. R. Maheshwari being the Chairman, Mr. S.V. Shanbhag, Mr. Ramesh J. Patel, Mr. B.D. Jogani and one Promoter Non-Executive Director, Namely Mr. Sorabh Gupta.

Five Audit Committee Meetings were held during the period 1st April, 2008 to 31st March, 2009 on the following dates:

(i) 24th April, 2008; (ii) 27th May, 2008; (iii) 24th July, 2008; (iv) 24th October, 2008; and (v) 29th January, 2009.

The status of the attendance of the Meetings of the Members is as under:

Sr. No.	Name of the Member	Status	No. of Meetings	
			Held	Attended
1.	Mr. B. R. Maheshwari	Chairman	5	5
2.	Mr. S. V. Shanbhag	Member	5	5
3.	Mr. B. D. Jogani	Member	5	5
4.	Mr. Ramesh J. Patel	Member	5	5
5.	Mr. Sorabh Gupta*	Member	5	2

* Mr. Sorabh Gupta was appointed as a Member of the Committee on 27th May, 2008.

The terms of reference of the Committee are in accordance with the provisions of Section 292A of the Companies Act, 1956 and the requirements of Clause 49 of the Listing Agreements and *inter alia* includes:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial state is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of their fees.
- Review of the internal control systems with the management, Internal Auditors and Statutory Auditors.
- Review with the Management, the annual financial statements before submission to the Board for approval, with special emphasis on accounting policies and practices, compliance and other legal requirements concerning financial statements.
- Review the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- Review the Management Discussion & Analysis.
- Review material individual transactions with related parties not in normal course of business or which are not on an arms length basis.
- Review the financial statements and investment of unlisted subsidiary companies.

(ii) Shareholders' Grievance Committee:

The Shareholders' Grievance Committee presently comprises of two Non-Executive Directors, namely Mr. S.V. Shanbhag being the Chairman and Mr. Ramesh J. Patel, two Executive Directors, namely Mr. M.L. Gupta and Mr. Atul Jain and a Promoter Non-Executive Director, namely Mrs. Shobha Jain, as Members.

Two Shareholders' Grievance Committee Meetings were held during the period 1st April, 2008 to 31st March, 2009 on the following dates:

- (i) 24th April, 2008; and (ii) 24th July, 2008.

The status of the attendance of the Meetings by the Members is as under:

Sr. No.	Name of the Member	Status	No. of Meetings	
			Held	Attended
1.	Mr. S. V. Shanbhag	Chairman	2	2
2.	Mr. Ramesh J. Patel	Member	2	2
3.	Mr. M. L. Gupta	Member	2	2
4.	Mr. Atul Jain	Member	2	2
5.	Mrs. Shobha Jain *	Member	2	1

*Mrs. Shobha Jain was appointed as a Member of the Committee on 27th May, 2008.



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The Committee's main objective is to attend and expeditiously redress the Shareholders'/ Investors' complaints pertaining to transfers and transmission of Shares, non-receipt of Annual Report, non-receipt of Dividend, non-receipt of Share Certificates, issue of duplicate Share Certificates and other related matters.

For the sake of administrative convenience and smooth functioning, the Committee has authorized Mr. M. L. Gupta, Mr. Atul Jain, Mr. Tarun Jain and Mr. Amit Jain, Executive Directors to look after the day to day matters like transfer of shares, issue of duplicate share certificates, shareholders' complaints etc.

(iii) Remuneration Committee:

The Board has not appointed Remuneration Committee.

(iv) Remuneration paid to the Directors:

The detailed information of Directors remuneration for the year 2008-09 is set forth below:

(Amount in Rupees)

Name of the Directors	Category	Sitting Fees	Salary and Perquisites	Commission	Superannuation and Provident Fund	Total
Mr. B.R. Maheshwari	Non-Executive	1,44,000	N.A.	N.A.	N.A.	1,44,000
Mr. M.L. Gupta	Executive	N.A.	8,25,240	NIL	92,400	9,17,640
Mr. Jaipal Jain	Executive	N.A.	10,71,045	NIL	1,21,200	11,92,245
Mr. Atul Jain	Executive	N.A.	11,48,000	NIL	92,400	12,40,400
Mr. S.V. Shanbhag	Non-Executive	1,13,000	N.A.	N.A.	N.A.	1,13,000
Mr. Ramesh J Patel	Non-Executive	1,13,000	N.A.	N.A.	N.A.	1,13,000
Mr. B.D. Jogani	Non-Executive	1,04,000	N.A.	N.A.	N.A.	1,04,000
Mr. Tarun Jain	Executive	N.A.	10,67,874	N.A.	86,400	11,54,274
Mrs. Pushpa Jain	Executive	N.A.	10,68,000	NIL	86,400	11,54,400
Mr. Amit Jain	Executive	N.A.	10,08,000	NIL	86,400	10,94,400
Mrs. Shobha Jain	Non-Executive	85,000	N.A.	N.A.	N.A.	85,000
Mr. Sorabh Gupta	Non-Executive	80,000	N.A.	N.A.	N.A.	80,000

In terms of provisions of the Companies Act, 1956, Mr. Jaipal Jain, Mr. Atul Jain, Mr. Tarun Jain, Mr. Amit Jain and Mrs. Pushpa Jain are related to each other.

4. General Shareholders Information:

• **Twenty Fifth Annual General Meeting:**

Day / date : Tuesday, the 29th September, 2009.

Time : 11.30 A.M.

Venue : Tendulkar Hall, Saraswat Bhavan,
Chhatrapati Shivaji Maharaj Marg,
Mogul Lane, Mahim (West),
Mumbai – 400 016.

Details of Annual/Extra-Ordinary General Meetings held during past three years:

YEAR	A.G.M. / E.G.M.	DATE	TIME	VENUE
2006}	E.G.M.	22.05.2006	11.30 A.M.	Registered Office
	22nd A.G.M.	27.09.2006	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
	E.G.M.	15.12.2006	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
2007	23rd A.G.M.	14.07.2007	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
2008}	E.G.M.	22.02.2008	11.00 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
	24th A.G.M.	05.09.2008	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.

- **Details of Special Resolutions passed in Annual Extra Ordinary General Meetings held during the past three years :**

24th A.G.M. held on 5th September, 2008	Special Resolutions passed for: (i) Appointment of Mrs. Pushpa Jain as a Whole-time Director; and (ii) Approval of issue of Bonus Shares.
E.G.M. held on 22nd February, 2008	Special Resolution passed for : (i) Approval and adoption of Scheme of Amalgamation of M/s. Doongursee Diamond Tools Ltd. with the Company.
23rd A.G.M. held on 14th July, 2007	Special Resolutions passed for: (i) Re-appointment of Mr. Jaipal Jain as a Whole-time Director; and (ii) Increasing Authorized Share Capital of the Company from Rs.10.00 crores to Rs.20.00 crores.
E.G.M. held on 15th December, 2006	Special Resolutions passed for Preferential Issue of: (i) 15,84,000 Equity Shares; and (ii) 19,95,000 Optionally Fully Convertible Warrants.
22nd A.G.M. held on 27th September, 2006	Special Resolutions passed for: (i) Re-appointment of Mr. Tarun Jain as a Whole-time Director; (ii) Appointment of Mr. Amit Jain as Whole-time Director; and (iii) Change of Name of the Company.

The Special Resolution was passed by Postal Ballot on 29th, September 2008 for amendment of Object Clause of Memorandum of Association of the Company for commencement of the business as per newly inserted Clause No. 88.

- **Dates of Book Closures: 23rd September, 2009 to 29th September, 2009 (both days inclusive).**
- **Dividend Payment Date: On or after 4th October, 2009.**



KAMANWALA HOUSING CONSTRUCTION LIMITED

- **Financial Calendar of the Company:**

The financial year of the Company covers the period from 1st April to 31st March.

- **Financial reporting for 2009-10 (Tentative):**

The First Quarter Results — 30.06.2009	By end of July, 2009
The Half Yearly Results — 30.09.2009	By end of October, 2009
Third Quarter Results — 31.12. 2009	By end of January, 2010
Fourth Quarter Results — 31.03. 2010	By end of April, 2010

- **Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. Listing Fees have been paid to the Stock Exchange for the year upto 31st March, 2010.

- **KHCL'S Stock Exchange Code:**

BSE Company Code	511131
Demat ISIN in NSDL and CDSL For Equity Shares of the Company	INE 344D01018

- **BSE - Monthly Highs/Lows and Volumes:**

Year	Month	High (Rs.)	Low (Rs.)	Monthly Volume
2008	April	110.65	76.25	183401
2008	May	164.35	108.55	1238435
2008	June	139.90	91.15	332210
2008	July	102.00	80.10	118521
2008	August	114.00	91.15	177521
2008	September	112.90	32.65	334295
2008	October	39.50	18.60	197598
2008	November	26.10	15.75	333718
2008	December	28.30	15.25	1271890
2009	January	25.95	17.30	563397
2009	February	19.90	16.80	360062
2009	March	24.25	16.50	768978

- **Performance in comparison to BSE – 500 Index:**

The comparison of performance with BSE – 500 Index is not given since the Company is not included in the Index.

- **Registrar & Share Transfer Agent:**

M/s. Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road,
Andheri (East), Mumbai-400 072.

Tel. Nos. : 2851 5606 / 2851 5644

Fax No. : 2851 2885

E-Mail : sharexindia@vsnl.com

- **Share Transfer System:**

Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the documents, provided documents sent are valid and complete in all respects. With a view to expediting the process of share transfers any two of the four Directors, namely Mr. M.L. Gupta, Mr. Atul Jain, Mr. Tarun Jain and Mr. Amit Jain are jointly authorized to approve the transfer of Shares.

- **Office of the Company:**

Registered Office:

405/406, New Udyog Mandir-2,
Mogul Lane, Mahim (W), Mumbai-400 016.

Tel. No.: 2445 6029/2445 2559

Fax No.: 2447 4968

Email Address: khdl@mtnl.net.in / kamanwala@gmail.com

Branch Office:

The Company has no branch Office.

- **Shareholders may correspond with the Company at its Registered Office or with the Registrar & Share Transfer Agents, M/s. Sharex Dynamic India Pvt. Ltd.**

- **Compliance Officer:**

Mr. Dhirubhai Gondalia,
Kamanwala Housing Construction Ltd.,
405/406, New Udyog Mandir-2,
Mogul Lane, Mahim (W), Mumbai-400 016.

Tel. No.: 2445 6029 / 2445 2559

Fax No.: 2447 4968

Email Address : khdl@mtnl.net.in/Kamanwala@gmail.com

WEBSITE: www.Kamanwala.com

- **Distribution of Shareholding as on 31st March, 2009:**

No. of Equity Shares	No. of Shareholders	% of Shareholding	No. of Shares Held	% of Shareholding
Upto To 100	1695	27.20	106366	0.76
101 To 200	2061	33.07	400754	2.84
201 To 500	1163	18.66	443995	3.15
501 To 1000	698	11.20	562820	3.99
1001 To 5000	460	7.38	1003418	7.12
5001 To 10000	59	0.95	432596	3.07
10001 To 100000	63	1.01	1872192	13.29
100001 To Above	33	0.53	9271019	65.78
Total	6232	100.00	14093160	100.00



KAMANWALA HOUSING CONSTRUCTION LIMITED

- **Shareholding Pattern as on 31st March, 2009:**

Category	No. of Equity Shares held	% of Shareholding
Promoters	68,21,429	48.40
Insurance Companies & Banks	-Nil-	-Nil-
UTI & Mutual Funds	-Nil-	-Nil-
FIIS	-Nil-	-Nil-
NRIS/OCBS/GDR	1,37,205	0.97
Domestic Companies	19,98,216	14.18
Resident Individuals	51,36,310	36.45
Total	1,40,93,160	100.00

Details of Shares pledged by the Promoters and Promoter Group as on 31st March, 2009 are as under:

a) Pledged/ Encumbered:

Number of Shares:	18,17,000
Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group)	26.64%
Percentage of Shares (as a % of the total Share Capital of the Company).....	12.89%

b) Non-Encumbered:

Number of Shares:	50,04,429
Percentage of Shares (as a % of the total shareholding of a promoter group).....	73.36%
Percentage of Shares (as a % of the total Share Capital of the Company).....	35.51%

- **Dematerialization of Equity Shares as on 31st March, 2009:**

1,35,25,718 Equity Shares (95.97%) of the total Equity Capital were held in electronic Form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares are traded at the Bombay Stock Exchange Limited.

- **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:**

The Company has not issued any GDRs/ADRs. At the beginning of the year, 8,15,000 Optionally Fully Convertible Warrants (OFCWs) were outstanding for conversion into Equity Shares. During the year, 7,15,000 OFCWs were converted into Equity Shares and the remaining 1,00,000 OFCWs were forfeited due to non-exercise of right of conversion for which the last date was 22nd June, 2008.

- **Status of Investors Complaints/Shares transfers received during the period 1st April, 2008 to 31st March, 2009:**

i) Number of Complaints pending at the beginning of the year.	:	Nil
ii) Number of Complaints received during the year.	:	3
iii) Number of Complaints resolved.	:	3
iv) Number of Complaints pending at the end of the year.	:	Nil

5. Disclosure of Accounting Treatment:

The Annual Statements of Account are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles issued by the Institute of Chartered Accountant of India and the provisions of the Companies Act, 1956.

6. Materially Significant Related Party Transactions:

During the year under review, there were no materially significant transactions entered into between the Company and its Promoters, Directors or the Management, Subsidiary or relatives that may have potential conflict with the interest of the Company at large.

7. Other Disclosures:

- **Details of non-compliance relating to Capital Markets:**

The Company has complied with all the requirements of the concerned regulatory authorities. No penalties/strictures were imposed by any authority on any matter relating to Capital Market in the last three years.

- **Code of Conduct:**

The Board of Directors of the Company has laid down two separate Codes of Conduct, one for the Directors and other for Senior Managerial Personnel.

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. The declaration to this effect signed by the Managing Director is annexed to this Report.

- **Code for Prevention of Insider-Trading Practices:**

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees. The Code has laid down guidelines which advise to the designated employees on procedures to be followed and disclosures to be made at the time of dealing in the Company's Shares and making them aware of the consequences of violations.

- **Risk Assessment and Minimization:**

The risk assessment and minimization procedures are in existence and reviewed periodically. All the assets of the Company are adequately insured.

- **Means of Communication:**

The Quarterly, Half-yearly and Yearly results are published regularly in time in the national and local dailies. The Quarterly and Half-yearly results are not sent individually to the Shareholders. The Company also informs The Stock Exchange promptly all price sensitive information or other matters which are material and relevant for the Shareholders.

Mumbai: 31st July, 2009.



KAMANWALA HOUSING CONSTRUCTION LIMITED

APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange Annexure - A to the Corporate Governance Report:

Name of Director	Date of Birth	Date of Appointment	Special Expertise/ Occupation	Qualification	Directors in other Companies incorporated in India	Chairman/Member of Committee of Companies
Mr. B.R. Maheshwari	27.11.1930	12.04.1984	Practicing Chartered Accountant	B. Com. F.C.A.	M/s. B. R. M. Leasing & Credit Pvt. Ltd. M/s. B. R. Maheshwari Consultants Pvt. Ltd.	1) Chairman of the Audit Committee of M/s. Kamanwala Housing Construction Ltd. 2) Member of Share Allotment Committee of M/s. Kamanwala Housing Construction Ltd.
Mr. Atul Jain	14.02.1957	01.08.1985	Business	B.A. (Hons.)	M/s Attar Construction Co. Pvt. Ltd. M/s. Avoir Finance & Investments Pvt Ltd. M/s. Kerry Packagings Pvt. Ltd.	As Member of : 1) Shareholders' Grievance Committee of M/s. Kamanwala Housing Construction Ltd.
Mr. Bhanwarlal D. Jogani	04.10.1940	12.04.1984	Business	S. S. C	M/s. Premji Sales Pvt. Ltd. M/s. Four Seasons Pvt. Ltd.	As Member of : 1) Audit Committee of M/s. Kamanwala Housing Construction Ltd. 2) Share Allotment Committee of M/s Kamanwala Housing Construction Ltd.
Mr. S.V. Shanbhag	06.08.1923	12.04.1984	Legal & Finance	M.Com., L.L.B., A.C.S.	M/s. Godfrey Philips India Ltd., M/s. Chase Investments Ltd. M/s. Manhattan Credits & Finance Ltd. M/s. City Leasing & Finance Co. Ltd.	As Member of : 1) Audit Committee of M/s. Kamanwala Housing Construction Ltd. 2) Shareholders' Grievance Committee of M/s. Kamanwala Housing Construction Ltd. 3) Share Allotment Committee of M/s. Kamanwala Housing Construction Ltd. 4) Shareholders / Investors Grievance Committee of M/s. Godfrey Philips India Ltd.

Mumbai: 31st July, 2009.

MANAGING DIRECTOR'S CERTIFICATION

I, Mr. M.L.Gupta, Managing Director of Kamanwala Housing Construction Ltd., to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet and Profit & Loss Account of the Company and all the relevant Schedules and Notes to the Accounts, as well as the Cash Flow Statement and the Directors' Report.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
3. Based on my knowledge and information, the financial statements, and other financial information included in this Report, present in all material respect, a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards and/or applicable laws and regulations.
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. I am responsible for establishing and maintaining internal controls over financial reporting for the Company, and I have:
 - a) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
 - b) evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting; and
 - c) disclosed in this Report any change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. I have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
 - a) deficiencies in the design or operation of internal control and steps taken/proposed to be taken to rectify these deficiencies;
 - b) significant changes in internal controls over financial reporting, if any, during the year covered by this Report;
 - c) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - d) instances of significant fraud of which I am aware, that involves management or other employees who have a significant role in the Company's internal controls system over financial reporting.

M. L. GUPTA
Managing Director

Place: Mumbai

Dated: 31st July, 2009.



KAMANWALA HOUSING CONSTRUCTION LIMITED

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of the Listing Agreement, the Managing Director's Declaration on compliance of the Code of Conduct is given below:

To
The Members of
Kamanwala Housing Construction Limited.

I, M. L. Gupta, Managing Director of the Company, hereby declare that all Board Members and Senior Managerial Personnel have affirmed their compliance with the Code of Conduct.

For KAMANWALA HOUSING CONSTRUCTION LIMITED

M. L. GUPTA

Managing Director

Place: Mumbai

Dated: 31st July, 2009.

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CONDITIONS ON CORPORATE GOVERNANCE:

I have examined the compliance of the conditions of Corporate Governance by KAMANWALA HOUSING CONSTRUCTION LIMITED for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

UPENDRA C. SHUKLA

Company Secretary

C. P. No. 1654

Place: Mumbai

Dated: 31st July, 2009.

AUDITORS' REPORT TO THE MEMBERS OF KAMANWALA HOUSING CONSTRUCTION LIMITED

We have audited the attached Balance Sheet of KAMANWALA HOUSING CONSTRUCTION LIMITED as at 31st March, 2009 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in paragraph above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books;

- (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account; and
- (d) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

3. Director's Disqualification:

On the basis of written representations received from the Directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009, from being appointed as a Director in terms of Clause (g) of Sub-sections (1) of Section 274 of the Companies Act, 1956.

4. Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009; and
 - (ii) in the case of the Profit and Loss Account, of the Profit of the Company or the year ended on that date.

For VIMAL PUNMIYA & CO.,
Chartered Accountants,

VIMAL C. PUNMIYA
Proprietor.
M. No. 16574

Place: Mumbai
Dated: 28th May, 2009.



KAMANWALA HOUSING CONSTRUCTION LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (ii) (a) As explained to us, the inventories have been physically verified by the management at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancy noticed on physical verification of inventories as compared to the book record.
- (iii) (a) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion and according to the explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the loans granted, other than as mentioned in Clause iii (a), the payment of principal amount and interest are regular.
- (d) There is no overdue amount in respect of loans taken by the Company. In respect of loans given by the Company, these are repayable on demand and therefore, takes reasonable steps where over dues are more than rupees one lac.
- (iv) In our opinion and according to the explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of flats. During the course of our audit, we have not observed any major weakness in internal controls.
- (v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
- (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
- (b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and material of special nature for which alternate quotations are not available, where each of such transactions is in excess of Rs. 5.00 lacs in respect of any part, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956, and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

- | | |
|---|---|
| <p>(viii) As information given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.</p> | <p>institutions, the terms and conditions, whereof, in our opinion, are prima facie, prejudicial to the interest of the Company.</p> |
| <p>(ix) (a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, E.S.I., Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.</p> <p>(b) According to the records of the Company and information and explanations given to us, there are no dues to Sales Tax, Customs Duty, Wealth Tax, Excise Duty or Cess outstanding.</p> | <p>(xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.</p> <p>(xvii) According to the information and explanations given to us, the funds raised on short-term basis have not been used for long-term investment and vice versa.</p> <p>(xviii) At the beginning of the year 8,15,000 Optionally Fully Convertible Warrants (OFCWs) were pending for conversion into equal number of Equity Shares. During the year, the Company has allotted on Preferential Basis 1,80,000 Equity Shares on conversion of 1,80,000 (OFCWs) to parties and companies not covered in the Register maintained under Section 301 of the Companies Act, 1956 and 5,35,000 Equity Shares on conversion of 5,35,000 (OFCWs) to parties covered in the said Register. And the balance 1,00,000 OFCWs were forfeited due to non-exercise of right of conversion.</p> |
| <p>(x) The Company has not accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.</p> | <p>(xix) The Company has not created any securities in respect of debentures as no debentures have ever been issued by the Company.</p> |
| <p>(xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.</p> | <p>(xx) The Company has not raised money by any public issues during the year and, hence, the question of disclosure and verification of end use of such money does not arise.</p> |
| <p>(xii) In our opinion and according to the information and explanations given to us, no loans has been granted by the Company on the basis by way of pledge of shares, debentures or other securities.</p> | <p>(xxi) In our opinion and according to the explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statement to be materially misstated.</p> |
| <p>(xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, Clause 4(xiii) of the Companies (Auditors Report) Order, 2003, is not applicable to the Company.</p> | |
| <p>(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.</p> | |
| <p>(xv) The Company has not given any guarantees for loans taken by others from banks or financial</p> | |

For VIMAL PUNMIYA & CO.,
Chartered Accountants,

VIMAL C. PUNMIYA
Proprietor.
M. No. 16574

Place: Mumbai
Dated: 28th May, 2009.



KAMANWALA HOUSING CONSTRUCTION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	Rupees	As At 31.03.2009 Rupees	As At 31.03.2008 Rupees
I. SOURCES OF FUNDS:				
1. SHAREHOLDERS FUNDS:				
(a) Share Capital	1	14,09,31,600		5,65,15,800
(b) OFCWs Application Money		-		79,87,000
(c) Reserves & Surplus	2	<u>61,06,52,001</u>		<u>59,73,41,619</u>
			75,15,83,601	66,18,44,419
2. LOAN FUNDS:				
(a) Secured Loans	3	92,97,59,325		85,00,89,744
(b) Unsecured Loans		<u>27,71,05,440</u>		<u>12,01,60,953</u>
			1,20,68,64,765	97,02,50,697
3. DEFERRED TAX LIABILITIES (NET)				
Total	4		<u>89,48,206</u>	<u>87,18,551</u>
			<u>1,96,73,96,572</u>	<u>1,64,08,13,667</u>
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS:				
(a) Gross Block	5	2,72,34,373		2,64,80,237
(b) Less: Depreciation		<u>60,45,803</u>		<u>45,10,005</u>
			2,11,88,570	2,19,70,232
2. INVESTMENTS				
	6		22,86,42,498	20,49,73,471
3. A. CURRENT ASSETS, LOANS & ADVANCES:				
(a) Inventories	7	1,01,09,82,521		86,73,74,641
(b) Sundry Debtors	8	85,32,84,927		74,88,05,926
(c) Cash & Bank Balances	9	35,34,143		56,05,402
(d) Loans & Advances	10	<u>45,28,53,898</u>		<u>44,33,20,607</u>
		<u>2,32,06,55,489</u>		<u>2,06,51,06,576</u>
B. Less: CURRENT LIABILITIES & PROVISIONS				
(a) Current Liabilities	11	37,98,00,224		40,40,46,817
(b) Provisions		<u>22,37,09,761</u>		<u>24,77,49,795</u>
		<u>60,35,09,985</u>		<u>65,17,96,612</u>
Net Current Assets (A-B)			1,71,71,45,504	1,41,33,09,964
4. MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)	12		4,20,000	5,60,000
Total			<u>1,96,73,96,572</u>	<u>1,64,08,13,667</u>
Notes to the Accounts	19			

As per our report of even date

For VIMAL PUNMIYA & CO.,
Chartered Accountants

VIMAL C. PUNMIYA
(Proprietor)
M. No.16574

Mumbai: 28th May, 2009.

DHIRUBHAI GONDALIA
Manager secretarial

JANARDHAN SONAWANE
Manager accounts

Mumbai: 28th May 2009.

M. L. GUPTA

JAIPAL JAIN

ATUL JAIN

AMIT JAIN

S. V. SHANBHAG

RAMESH J. PATEL

B.D. JOGANI

SORABH GUPTA

Vice Chairman & Managing Director

Whole-time Director

Whole-time Director

Whole-time Director

Director

Director

Director

Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	For the year ended 31.03.2009 Rupees	For the year ended 31.03.2008 Rupees
I. INCOME:			
Sales.....	13	58,16,45,000	96,12,03,070
Other Income.....	14	87,82,228	1,11,88,716
Total		<u>59,04,27,228</u>	<u>97,23,91,786</u>
II. EXPENDITURE:			
Cost of Sales	15	44,88,00,468	50,18,46,861
Interest & Other Financial Expenses	16	6,14,38,805	8,71,27,296
Selling, Distribution & Administrative Expenses.....	17	3,30,22,865	5,55,97,897
Depreciation.....	5	15,35,798	17,38,906
Miscellaneous Expenditure Written off	18	1,40,000	1,40,000
Total		<u>54,49,37,936</u>	<u>64,64,50,960</u>
Profit/Loss Before Taxation (I-II)		4,54,89,292	32,59,40,826
Provision for Taxation			
Current Tax		1,54,61,810	8,10,00,000
Fringe Benefit Tax.....		7,77,039	6,60,000
Deferred Tax		2,29,655	65,136
Profit/loss after Taxation		2,90,20,788	24,42,15,690
Balance brought forward from earlier years.....		32,58,19,811	12,45,82,930
Add: I.Tax Refund for earlier years		1,48,202	-
Less: Provision for I.Tax earlier years		-	37,729
Less: Provision for Dividend & Dividend Tax for earlier years		20,91,701	-
Total		<u>35,28,97,100</u>	<u>36,87,60,891</u>
III. APPROPRIATIONS:			
General Reserve		-	2,44,22,000
Proposed Dividend.....		1,40,93,160	1,58,28,950
Dividend Tax		23,95,133	26,90,130
Balance carried to Balance Sheet		<u>33,64,08,807</u>	<u>32,58,19,811</u>
Total		<u>35,28,97,100</u>	<u>36,87,60,891</u>
Earning per Equity Share of Rs. 10/- each:			
Basic.....		2.84	46.37
Diluted.....		2.77	43.63
Notes to the Accounts.....	19		

As per our report of even date

For VIMAL PUNMIYA & CO.,
Chartered Accountants

VIMAL C. PUNMIYA
(Proprietor)
M. No.16574

Mumbai: 28th May, 2009.

DHIRUBHAI GONDALIA
Manager secretarial

JANARDHAN SONAWANE
Manager accounts

Mumbai: 28th May 2009.

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S. V. SHANBHAG

RAMESH J. PATEL

B.D. JOGANI

SORABH GUPTA

Vice Chairman & Managing Director

Whole-time Director

Whole-time Director

Whole-time Director

Director

Director

Director

Director



KAMANWALA HOUSING CONSTRUCTION LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 1 : SHARE CAPITAL		
Authorised:-		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
Issued:-		
1,42,05,580 (57,64,000) Equity Shares of Rs.10/- each	<u>14,20,55,800</u>	<u>5,76,40,000</u>
Subscribed and paid-up:-		
1,40,93,160 (56,51,580) Equity Shares of Rs.10/- each fully paid-up.....	<u>14,09,31,600</u>	<u>5,65,15,800</u>
Total	<u>14,09,31,600</u>	<u>5,65,15,800</u>
(1) Of the above, 55,500 Equity Shares of Rs.10/- each were allotted as fully paid-up pursuant to contracts without payments being received in cash.		
(2) 50,000 Equity Shares of Rs.10/- each were allotted as fully paid up to the Shareholders of the erstwhile Shree Saibaba Castings Pvt. Ltd. on its amalgamation with the Company for consideration other than cash.		
(3) 6,80,000 Equity Shares of Rs.10/- each were allotted as fully paid-up to the Shareholders of the erstwhile Doongursee Diamond Tools Ltd. on its amalgamation with the Company for consideration other than cash.		
SCHEDULE 2 : RESERVES & SURPLUS		
(a) General Reserve	3,54,77,524	3,54,77,524
(b) Securities Premium	23,56,86,200	24,32,32,000
(c) Capital Reserve	1,04,60,143	1,92,957
(d) Profit & Loss Account:		
Surplus as per Profit & Loss Account	<u>33,64,08,807</u>	<u>32,58,19,811</u>
	<u>61,80,32,674</u>	<u>60,47,22,292</u>
Less:Deferred Tax Liability arising on account of opening balance	<u>73,80,673</u>	<u>73,80,673</u>
Total	<u>61,06,52,001</u>	<u>59,73,41,619</u>
SCHEDULE 3 : LOAN FUNDS		
A. Secured Loans:		
(a) Indian Overseas Bank		
(i) Term Loan - Limit Sanctioned Rs. 35.00 Crores	31,12,66,892	35,40,93,944
(ii) Cash Credit - Limit Sanctioned Rs. 15.00 Crores	9,25,95,768	12,38,51,943
(Secured by hypothecation of materials at site, equitable mortgage of land and proposed building to be constructed at Bandra Kurla Complex, Bandra, Mumbai)		
(b) Oriental Bank of Commerce		
(i) Term Loan - Limit Sanctioned Rs. 20.40 Crores	13,12,83,307	11,54,60,220
(ii) Cash Credit - Limit Sanctioned Rs. 19.50 Crores	1,21,20,180	-
(Secured by hypothecation of materials at site, equitable mortgage of land and proposed building to be constructed at Village Malvani, Malad)		

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 3 : LOAN FUNDS (Contd.)		
(iii) Term Loan - Limit Sanctioned Rs. 8.27 Crores (Secured by hypothecation of materials at site, equitable mortgage of land and proposed building to be constructed at Turbhe, Navi Mumbai)	8,36,53,795	-
(c) Punjab National Bank		
(i) Term Loan - Limit Sanctioned Rs. 22.05 Crores.....	22,28,41,649	22,30,28,199
(ii) Cash Credit - Limit Sanctioned Rs. 7.30 Crores..... (Secured by hypothecation of materials at site, equitable mortgage of land and proposed building to be constructed at Santacruz)	7,21,83,372	2,72,23,140
(d) ICICI Bank Ltd. (Secured by hypothecation of cars) (Term Loans from banks are also secured by the personal guarantee of the Managing Director and the Whole-time Directors)	38,14,362	64,32,298
Total	<u>92,97,59,325</u>	<u>85,00,89,744</u>
B. Unsecured Loans:		
(a) Inter-Corporate Deposits	22,06,53,244	11,73,26,841
(b) Other Loans and Advances: From Directors	5,64,52,196	28,34,112
Total	<u>27,71,05,440</u>	<u>12,01,60,953</u>
 SCHEDULE 4 : DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability:		
Deferred Tax Liability arising on account of opening balance difference in fixed assets	78,27,986	78,27,986
Add/(Less): Revised due to change in rate structure of Income Tax from 35.875% to 33.66%	(4,47,313)	(4,47,313)
	<u>73,80,673</u>	<u>73,80,673</u>
Add: Deferred Tax Liability upto year ended 31-03-2008	13,37,878	12,72,742
	87,18,551	86,53,415
Deferred Tax Liability arising on account of Current Year difference in depreciation	2,29,655	65,136
Total	<u>89,48,206</u>	<u>87,18,551</u>



KAMANWALA HOUSING CONSTRUCTION LIMITED

SCHEDULE 5 : FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1.4.2008	Addition during the year	Deductions during the year	As at 31.03.2009	As at 1.4.2008	For the year	Deductions	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Office Premises.....	1,12,67,660	1,34,358	-	1,14,02,018	13,92,300	1,85,308	-	15,77,608	98,24,410	98,75,360
Plant & Machinery	47,235	-	-	47,235	47,203	32	-	47,235	-	32
Furniture & Fixture.....	2,13,785	30,125	-	2,43,910	1,88,018	10,791	-	1,98,809	45,101	25,767
Office Equipment.....	5,60,410	4,55,025	-	10,15,435	2,73,373	40,279	-	3,13,652	7,01,783	2,87,037
Air Conditioners	3,70,580	13,000	-	3,83,580	1,62,447	17,872	-	1,80,319	2,03,261	2,08,133
Vehicles	1,29,82,802	-	-	1,29,82,802	17,13,104	12,01,992	-	29,15,096	1,00,67,706	1,12,69,698
Computer	10,37,765	1,21,628	-	11,59,393	7,33,560	79,524	-	8,13,084	3,46,309	3,04,205
Total.....	2,64,80,237	7,54,136	-	2,72,34,373	45,10,005	15,35,798	-	60,45,803	2,11,88,570	2,19,70,232
Previous Year.....	3,39,54,941	1,26,81,698	2,01,56,402	2,64,80,237	1,59,32,159	17,38,906	1,31,61,060	45,10,005	2,19,70,232	

SCHEDULE 6 : INVESTMENTS

Unquoted:

Long Term Investments:

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
4,500 Equity Shares of Rs.100/- each fully paid-up in M/s. Shakun Gases Pvt. Ltd.....	4,50,000	4,50,000
12%, 250 Cumulative Preference Shares of Rs.100/- each fully paid-up in M/s. Jivan Builders Pvt. Ltd.....	25,000	25,000
750 Equity Shares of Rs.100/- each fully paid-up in M/s. Jivan Builders Pvt. Ltd.....	75,000	75,000
5 Equity Shares of Rs.50/- each fully paid-up in Kamanwala Chambers Premises Co-op. Society Ltd.....	250	250
Hermitage Villa Co-op. Housing Society Ltd.	501	501

Investment in Subsidiary Company:

Nil (89,100) Equity Shares of Rs.10/- each fully paid-up in M/s. Doongursee Diamond Tools Ltd.	-	1,49,01,852
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Investment in a Partnership Firms:

M/s. Diamond Builders.....	8,50,000	8,50,000
M/s. Kamanwala Lakshachandi Todays Developers.....	10,71,04,186	15,00,00,000
M/s. Kamanwala Lakshachandi Todays Construction	3,14,37,561	3,86,70,868
M/s. Prajay Kamanwala Developers	8,87,00,000	-
Total.....	<u>22,86,42,498</u>	<u>20,49,73,471</u>

	Rupees	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 7 : INVENTORIES			
Stocks *:			
Land (at cost).....		1,66,69,893	1,66,54,893
Raw Materials (at cost).....		2,08,139	11,31,267
Work-In-Progress (at cost).....		99,41,04,489	82,70,88,481
Residential Flat at Astoria (at cost).....		-	2,25,00,000
Total		<u>1,01,09,82,521</u>	<u>86,73,74,641</u>
* As valued and certified by the Management			
SCHEDULE 8 : SUNDRY DEBTORS, CONSIDERED GOOD			
Debts outstanding for a period more than six months :			
Secured.....	-		5,26,250
Unsecured.....	<u>15,90,903</u>		<u>10,64,653</u>
		15,90,903	15,90,903
Debts outstanding for a period less than six months:			
Secured.....	85,16,94,024		74,72,15,023
Unsecured.....	-		-
		<u>85,16,94,024</u>	<u>74,72,15,023</u>
Total.....		<u>85,32,84,927</u>	<u>74,88,05,926</u>
SCHEDULE 9 : CASH AND BANK BALANCES			
(a) Cash Balance on hand.....		3,32,487	9,00,470
(b) Balance with Scheduled Banks:			
On Current Accounts.....		<u>32,01,656</u>	<u>47,04,932</u>
Total		<u>35,34,143</u>	<u>56,05,402</u>



KAMANWALA HOUSING CONSTRUCTION LIMITED

	As at 31.03.2009 Rupees	As at 31.03.2008 Rupees
SCHEDULE 10 : LOANS AND ADVANCES		
Unsecured and Considered Good:		
Advances for Properties	16,65,41,200	16,00,00,000
Advances for Joint Ventures	2,02,64,165	10,87,64,165
Advances recoverable in cash or in kind or for value to be received	13,90,34,908	6,34,02,622
Income Tax paid	12,47,28,094	10,91,56,493
Deposits with Government Departments and others.....	14,41,448	13,83,448
Loans to Staff.....	8,44,083	6,13,879
[Including Rs. Nil (Rs. Nil) due from Directors, maximum amount due at any time during the year Rs. Nil (Rs. Nil)]		
Total	45,28,53,898	44,33,20,607
SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities:		
Sundry Creditors.....	13,90,18,187	20,98,53,350
Advances/Deposits from Customers	15,40,96,466	15,30,15,986
Advances for Properties	8,00,00,000	3,25,00,000
Other Liabilities	66,85,571	86,77,481
Total	37,98,00,224	40,40,46,817
B. Provisions:		
Provision for Expenses.....	57,12,974	1,90,33,241
Provision for Taxation	11,82,36,810	10,28,10,000
Provision for Cost of Construction of Flats/Offices.....	8,32,71,684	10,73,87,474
Proposed Dividend.....	1,40,93,160	1,58,28,950
Dividend Tax	23,95,133	26,90,130
Total	22,37,09,761	24,77,49,795
Total (A + B)	60,35,09,985	65,17,96,612
SCHEDULE 12 : MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	4,20,000	5,60,000
Total	4,20,000	5,60,000

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the year ended 31.03.2009 Rupees	<i>For the year ended 31.03.2008 Rupees</i>
SCHEDULE 13 : SALES		
Sale of Flats/Office Premises	58,16,45,000	95,60,90,390
Sale of Parking Space.....	-	14,76,000
Electricity Meters	-	90,000
Society Room	-	75,000
Sale of TDRs	-	34,71,680
Total	58,16,45,000	96,12,03,070
SCHEDULE 14 : OTHER INCOME		
Rent Received.....	3,14,772	4,57,801
Miscellaneous Income.....	5,75,000	70,000
Sundry Balances Written Back	9,89,100	33,87,853
Profit on Sale of Flat at Astoria.....	35,00,000	42,45,382
Interest Received	34,03,356	30,27,680
Total	87,82,228	1,11,88,716
SCHEDULE 15 : COST OF SALES		
A. Opening Stock:		
1. Land (at cost)	1,66,54,893	34,84,68,003
2. Raw Materials (at cost).....	11,31,267	-
3. Work-In-Progress (at cost)	82,70,88,481	34,12,06,027
4. Completed Flats (at cost)	-	7,06,74,100
Total	84,48,74,641	76,03,48,130
B. Additions during the year:		
1. Land Cost	16,75,26,300	32,56,77,200
2. Cost of Construction	10,72,99,676	4,98,81,200
3. Cost of Finance	9,66,88,872	3,00,71,422
4. Repurchase.....	24,33,93,500	18,07,43,550
Total	61,49,08,348	58,63,73,372
C. Closing Stock:		
1. Land (at cost)	1,66,69,893	1,66,54,893
2. Raw Materials (at cost).....	2,08,139	11,31,267
2. Work-In-Progress (at cost)	99,41,04,489	82,70,88,481
Total	1,01,09,82,521	84,48,74,641
D. Cost of Sales = (A+B) - C	44,88,00,468	50,18,46,861



KAMANWALA HOUSING CONSTRUCTION LIMITED

SCHEDULE 16 : INTEREST & OTHER FINANCIAL EXPENSES

Interest Paid (Including Interest on Term Loan Rs. 2,72,71,713/- (Rs. 4,83,02,074/-))	
Car Finance Charges	
Commitment Charges	
Total	

For the
year ended
31.03.2009
Rupees

2,87,75,754
4,55,438
3,22,07,613
6,14,38,805

For the
year ended
31.03.2008
Rupees

6,33,97,453
3,26,189
2,34,03,654
8,71,27,296

SCHEDULE 17 : SELLING, DISTRIBUTION & ADMINISTRATIVE EXPENSES

(I) SELLING & DISTRIBUTION EXPENSES:

Advertisement Expenses	
Brokerage	
Sales Promotion Expenses	
Total	

8,66,607
30,57,600
8,10,115
47,34,322

23,66,067
50,42,381
6,16,475
80,24,923

(II) ADMINISTRATIVE EXPENSES:

Salaries and Bonus [Including P. F. of Directors Rs.5,65,200/- (Rs. 3,90,000/-)]	
Directors' Remuneration	
Directors' Commission	
Directors' Sitting Fees	
Staff Welfare Expenses [Including Rs.1,07,372/- (Rs. 1,00,674/-) for Directors]..	
Gratuity	
Rent Paid	
Repairs & Maintenance	
Printing & Stationery	
Electricity Charges	
Listing Fees	
Travelling Expenses	
Vehicle Expenses	
Telephone & Trunk Call Charges	
Postage & Telegrams	
Donation	
Insurance Charges	
Statutory Audit Fees [Including Rs. Nil (Rs. 2,131/-) Out of Pocket Expenses]..	
Legal & Professional Charges	
Rates & Taxes	
Maharashtra Value Added Tax	
Maharashtra Labour Welfare Fund	
Miscellaneous Expenses	
Total	

76,52,648
61,88,159
-
6,39,000
3,83,472
10,35,904
15,20,000
20,35,904
6,56,914
10,79,831
3,33,834
13,47,044
12,67,534
12,03,342
4,04,009
5,000
2,58,674
82,725
13,53,163
8,000
30
3,007
8,30,349
2,82,88,543

74,58,283
35,77,837
2,08,04,730
1,26,000
3,59,550
36,21,660
16,56,000
14,35,117
6,29,883
9,42,720
1,24,831
13,02,466
12,46,056
12,07,069
2,13,550
16,000
69,914
41,415
18,23,520
1,00,066
100
-
8,16,207
4,75,72,974

Grand Total (I + II)

3,30,22,865

5,55,97,897

SCHEDULE 18 : MISCELLANEOUS EXPENDITURE WRITTEN OFF

Preliminary Expenses Written off	
Total	

140000
140000

140000
140000

SCHEDULE 19: NOTES TO THE ACCOUNTS

1. Accounting Policies:
 - (a) System of Accounting:
The Company adopts the accrual basis in the preparation of the accounts.
 - (b) Sales:
Sales of Flats/ Shops/ Office Premises are accounted for at full value in the year in which the agreements were entered into irrespective of the stage of completion of the projects for the project continued Pinnaacle Corporate Park at BKC and Savoy Residency at Santacruz (west).
During the year for Project Savoy Residency at Santacruz (West), the Company has recorded the sale, 70% on Agreement Value on the basis of percentage completion method as per Architects' Certificate.
 - (c) Fixed Assets:
Fixed Assets are stated at cost.
 - (d) Depreciation:
Depreciation on Fixed Assets has been provided on Straight Line Method at the current effective rates prescribed under Schedule XIV to the Companies Act, 1956.
 - (e) Investments:
Long Term Investments are stated at cost of acquisition.
 - (f) Gratuity/Retirement Benefits:
Provision for Gratuity has been made and determined the liability for gratuity of eligible employees upto March, 2009.
 - (g) Stock:
Inventories are valued at cost.
 - (h) Contingent Liabilities:
These are disclosed by way of Notes to the Accounts.
2. Contingent liabilities not provided for in respect of :
Stamp Duty of **Rs. 3,48,750/-** (Rs. 3,48,750/-) on purchase of office premises at Hermitage Villa.
3. Additional information required under Schedule VI to the Companies Act, 1956 (to the extent applicable):
 - I. (a) Remuneration paid to the Directors:

	For the year ended 31.03.2009 Rupees	<i>For the year ended 31.03.2008 Rupees</i>
(A) Managing Director:		
(i) Remuneration	7,70,000	6,20,000
(ii) Medical Expenses	55,240	52,933
(iii) Company's contribution to Provident Fund	92,400	74,400
(iv) Other Perquisites	—	60,144
(iv) Commission	—	34,67,455
(B) Whole-time Directors:		
(i) Remuneration	51,12,000	26,30,000
(ii) Medical Expenses	2,50,919	7,760
(iii) Company's contribution to Provident Fund	4,72,800	3,15,600
(iv) Other Perquisites	—	2,07,000
(iv) Commission	—	1,73,37,275
(C) Sitting Fees paid to other Directors	6,39,000	1,26,000
Total	73,92,359	2,48,98,567



KAMANWALA HOUSING CONSTRUCTION LIMITED

I. (b) Computation of Net Profit in accordance with Section 349 read with Section 309(5) of the Companies Act, 1956:

	(Rupees in Lacs)	
	For the year ended 31.03.2009	For the year ended 31.03.2008
Profit before Taxation	454.89	3259.41
Add: (i) Managerial Remuneration	67.53	37.61
(ii) Commission payable to Directors	—	208.05
(iii) Directors' Sitting Fees	6.39	1.26
	528.81	3506.33
Less: Profit on Sale of Fixed Asstes	—	42.45
Net Profit as per Section 349 read with Section 309 (5) of the Companies Act, 1956	528.81	3463.88

II. (a) Cost of Materials Consumed (Indigenous):

	For the year ended 31.03.2009		For the year ended 31.03.2008	
	Quantity (M.T.)	Amount Rupees	Quantity (M.T.)	Amount Rupees
Cement	2804.350	1,37,28,524	1018.800	47,99,548
Steel	941.511	3,53,50,409	808.392	2,68,52,388
Others		3,05,14,721		—
Total		7,95,93,654		3,16,51,936

(b) The value of consumption of construction materials have been arrived at on the basis of reconciliation of opening stock plus purchases less closing stock. The consumption, therefore, includes adjustments for shortages/excesses.

(c) In view of a large number and types of materials involved, it has not been considered necessary to furnish separately the respective quantitative information for other materials.

III Quantitative Information of Flats/Office Premises:

	No. of of Units	Area of (Sq.ft.)	Value Rupees
1. Opening Stock of Work-in-Progress as on 1.4.2008.....	196	3,22,330	82,70,88,481
	(35)	(76,845)	(47,28,83,945)
2. Constructed / Additions during the year	Nil	Nil	37,24,22,976
	(232)	(3,73,300)	(67,53,07,847)
3. Repurchase during the year	8	21,080	24,33,93,500
	(5)	(14,580)	(18,07,43,550)
4. Cost of Sales during the year	11	34,580	44,88,00,468
	(76)	(1,42,395)	(50,18,46,861)
5. Closing Stock of Work-in-Progress as on 31.3.2009 (1+2+3) – (4)	193	3,08,830	99,41,04,489
	(196)	(3,22,330)	(82,70,88,481)

IV. Transactions in Foreign Currency:

Foreign Exchange expenses **Rs. – NIL** - (Rs. NIL)

Foreign Exchange earned **Rs. – NIL** - (Rs. NIL)

4. The Company has entered into Joint Venture Agreements for construction and development of various projects, brief particulars of which are as under :

Joint Venture Agreements for which the Company has made contributions:

Sr. .	Name of Project	Name of the Co-venturer	Contribution Rupees	Share of Profit	Status of Project	Month of Agreement
1.	Goregaon Project	Aspen Property Pvt. Ltd.	45.12 Lacs	33%	Not Commenced	Nov. 1988
2.	Hyderabad Project	Prajay Engineers Syndicate Ltd. & M/s. Namita Builders & Developers Pvt. Ltd.	887.00 Lacs	20%	Not Commenced	May 2006

5. RELATED PARTIES DISCLOSURES:

- a) List of Related Parties:

Parties with whom the Company has entered into transactions during the year.

Associates: 1)	Key Management Personnel: 2)	Relatives of Key Management Personnel: 3)
M/s. Attar Construction Co. Pvt. Ltd.	Mr. M.L. Gupta	Shri Atul Jain (HUF)
M/s. Ritika Steel & Scraps Pvt. Ltd.	Mr. Jaipal Jain	Shri Tarun Jain (HUF)
M/s. A.S. Jain & Sons (Prop. Concern of Jaipal Jain)	Mr. Atul Jain	Shri Murarilal Ramswarup Khandelwal (HUF)
M/s. Hatimi Steels (Prop. Concern of Amit Jain)	Mr. Tarun Jain	Mrs. Sudha Gupta
	Mr. Amit Jain	Mrs. Neena Jain
	Mrs. Pushpa Jain	Ms. Ritika Jain
	Mrs. Shobha Jain	Mrs. Rashmi Jain
	Mr. Sorabh Gupta	Mr. Vaibhav Jain
		Mrs. Tulika Gupta
		Mrs. Saroj Jain
		Ms. Shikha Jain

- b) Related Parties transactions during the year:

(All Amount in Rupees)

Nature of Transactions	Associates	Key Management Personnel	Relatives of Key Managerial Personnel	Total as on 31.03.2009	Total as on 31.03.2008
Sales	-	-	3,09,50,000	3,09,50,000	2,40,00,000
Rent Paid	7,68,000	4,04,000	3,08,000	14,80,000	15,36,000
Remuneration	-	61,88,159	-	61,88,159	39,67,837
Commission Paid	-	-	-	-	2,08,04,730
Inter-Corporate Deposits	11,33,56,000	-	-	11,33,56,000	65,00,000
Repayment of Inter-Corporate Deposits	9,29,41,233	-	-	9,29,41,233	1,08,57,357
Interest Paid on Inter-Corporate Deposits	30,39,929	-	-	30,39,929	13,58,677
Loans & Advances from Directors	-	2,54,07,000	-	2,54,07,000	67,72,000
Repayment of Loans & Advances	-	2,26,65,000	-	2,26,65,000	69,45,837
Interest Paid on Loans & Advances	-	7,99,250	-	7,99,250	4,42,655
Advances/Deposits from Customers	-	-	1,98,32,000	1,98,32,000	7,32,28,000
Repayment of Advances/Deposits from Customers	-	-	81,36,252	81,36,252	8,26,86,785
Interest Paid on Advances/Deposits from Customers	-	-	8,38,508	8,38,508	59,69,583
Issue of Equity Shares including Securities Premium and Share Application Money	-	4,70,40,000	53,90,000	5,24,30,000	2,45,00,000



KAMANWALA HOUSING CONSTRUCTION LIMITED

6. Preferential Issue of Equity Shares and Warrants:

At the beginning of the year 8,15,000 Optionally Fully Convertible Warrants (OFCWs) were pending for conversion out of which 7,15,000 OFCWs were converted into equal number of Equity Shares and balance 1,00,000 OFCWs were forfeited due to non-exercise of right of conversion. Evolution of Paid-up Capital of the Company is as under:

	No. of Equity Shares
– As on 01.04.2008.....	56,51,580
– Allotted on 20.05.2008 on Preferential Basis on conversion of 3,15,000 OFCWs.....	3,15,000
– Allotted on 24.06.2008 on Preferential Basis on conversion of 4,00,000 OFCWs.....	4,00,000
– Allotted on 18.09.2008 on Amalgamation of Doongursee Diamond Tools Ltd.....	6,80,000
– Allotted on 25.09.2008 as Bonus Shares.....	70,46,580
– As on 31.03.2009.....	1,40,93,160

7. The Computation of Earnings per Share:

	Current year	(Rupees in Lacs) Previous year
Profit after Tax.....	290.20	2,442.16
Earning per Share – Basic.....	2.84	46.37
Earning per Share – Diluted.....	2.77	43.63
Nominal Value per Share.....	10.00	10.00
Weighted average number of Equity Shares for.....		
Basic EPS (denominator).....	Nos. 1,02,24,996	52,67,017
Weighted average number of Equity Shares for.....		
Diluted EPS (denominator).....	Nos. 1,04,73,760	55,97,956

8. Balances in various accounts included in Sundry Debtors, Sundry Creditors, Advances Recoverable, Deposits/Advances from Customers and Joint Venture Accounts are subject to confirmation.
9. In the opinion of the Board, the aggregate value of current assets (including stock) and loans and advances on realisation in the ordinary course of business will not be less than the amount at which these are stated in the Balance Sheet.
10. During the year M/s Doongursee Diamond Tools Ltd., Subsidiary was amalgamated with the Company vide Order dated 22nd August, 2008 issued by the Hon'ble High Court, Bombay after complying with all the formalities and all the Returns have already been filed with the Registrar of Companies, Maharashtra. Pursuant to the Scheme of Amalgamation, the Company has issued 6,80,000 Equity Shares of Rs. 10/- each to the minority Shareholders of the amalgamated Company in the ratio of 1:10.
11. All lands/development rights/premises are purchased on agreement basis and conveyance in respect of the same will be executed directly in favour of Co-operative Societies whenever they are formed.
12. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.
13. As dispute between the Company and M/s. Kamani Tubes Ltd. in connection with carrying out the terms and conditions of KTL-Kamanwala Joint Venture Agreement dated 22nd April, 1995 for development and upliftment of Kamani Chambers, situated at Ballard Estate, Mumbai, is still pending with the Arbitrators and the award for the same is awaited. With a view to safeguard the interest of the Company, the Company has also filed a petition before the Board for Industrial and Financial Reconstruction (BIFR). But the BIFR has directed that amount of deposit lying with Company is to be treated as unsecured creditors and Arbitration proceeding may continue. So Company is waiting for Arbitration award. The Company has made the total expenses of Rs. 157.52 lacs for the project which includes the deposit money paid to the M/s Kamani Tubes Ltd.
14. The Company has no information as to whether any of its suppliers constitute small-scale undertakings and therefore, the amount due to such suppliers have not been separately identified..

As per our report of even date

For VIMAL PUNMIYA & CO.,
Chartered Accountants

DHIRUBHAI GONDALIA
Manager secretarial

VIMAL C. PUNMIYA
(Proprietor)
M. No.16574

JANARDHAN SONAWANE
Manager accounts

Mumbai: 28th May, 2009.

Mumbai: 28th May 2009.

M. L. GUPTA Vice Chairman & Managing Director
JAIPAL JAIN Whole-time Director
ATUL JAIN Whole-time Director
AMIT JAIN Whole-time Director
S. V. SHANBHAG Director
RAMESH J. PATEL Director
B.D. JOGANI Director
SORABH GUPTA Director

INFORMATION REQUIRED AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
(Balance Sheet Abstract and Company's Business Profile)

I. Registration Details

Registration No.	3	2	6	5	5			
State Code	1	1						
Balance Sheet Date	3	1	0	3	2	0	0	9
	Date			Month	Year			

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	N	I	L	Rights Issue	N	I	L	
Bonus Issue	N	I	L	Private Placement	7	1	5	0

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	1	9	6	7	3	9	6	Total Assets	1	9	6	7	3	9	6					
Sources of Funds								Reserves & Surplus	6	1	0	6	5	2						
Paid-Up Capital	1	4	0	9	3	2								Unsecured Loans	2	7	7	1	0	5
Secured Loans	9	2	9	7	5	9								Investments	2	2	8	6	4	2
Deferred Tax Liabilities (Net)	8	9	4	8								Misc. Expenditure	4	2	0					
Applications of Funds								Net Fixed Assets	2	1	1	8	9							
Net Current Assets	1	7	1	7	1	4	5													

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	5	9	0	4	2	7	Total Expenditure	5	4	4	9	3	8		
+/- Profit/Loss Before Tax	+	4	5	4	8	9	+/- Profit/Loss After Tax	+	2	9	0	2	0		
(Please Tick Appropriate box + for profit - for Loss)															
Earning Per Share								Diluted	2	.	7	7	Dividend Rate %	1	0
Basic	2	.	8	4											

V. Generic Names of three Principal Products/Services of Company (As per monetary terms):

Item Code No. (ITC Code) :	N	I	L	Product Description	N	I	L

As per our report of even date

For VIMAL PUNMIYA & CO.,
Chartered Accountants

VIMAL C. PUNMIYA
(Proprietor)
M. No.16574

Mumbai: 28th May, 2009.

DHIRUBHAI GONDALIA
Manager secretarial

JANARDHAN SONAWANE
Manager accounts

Mumbai: 28th May 2009.

M. L. GUPTA	Vice Chairman & Managing Director
JAIPAL JAIN	Whole-time Director
ATUL JAIN	Whole-time Director
AMIT JAIN	Whole-time Director
S. V. SHANBHAG	Director
RAMESH J. PATEL	Director
B.D. JOGANI	Director
SORABH GUPTA	Director



KAMANWALA HOUSING CONSTRUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Year ended 31-03-2009 Amount Rupees		Year ended 31-03-2008 Amount Rupees	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax and extraordinary items.....		4,54,89,292		32,59,40,826
Adjustment for:				
Depreciation.....	15,35,798		17,38,906	
Preliminary Expenses written off.....	1,40,000		1,40,000	
Interest Received.....	(34,03,356)		(30,27,680)	
Interest and Financial Expenses.....	6,14,38,805		8,71,27,296	
Profit on Sale of Fixed Assets.....	-	5,97,11,247	(42,45,382)	8,17,33,140
Operating Profit before Working Capital Changes.....		10,52,00,539		40,76,73,966
Adjustment for:				
Trade & Other Receivables.....	(9,84,40,690)		(23,65,64,760)	
Inventories.....	(14,36,07,880)		(10,70,26,511)	
Trade Payables & Other Liabilities.....	(7,92,99,456)	(32,13,48,026)	(19,25,58,911)	(53,61,50,182)
Cash generated from operations.....		(21,61,47,487)		(12,84,76,216)
Taxes paid.....		(1,92,29,414)		(9,03,19,268)
Net Cash from Operating Activities.....		(23,53,76,901)		(21,87,95,484)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets/Capital Expenditure.....	(7,54,136)		(1,26,81,698)	
Investments made.....	(2,36,69,027)		(18,86,70,868)	
Sales/Decapitalisation of Fixed Assets.....	-		69,95,342	
Interest Received.....	34,03,356		30,27,680	
Profit on Sale of Investments.....	1,60,87,186		42,45,382	
Net Cash from Investing Activities.....		(49,32,621)		(18,70,84,162)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Preferential Issue of Equity Shares.....	6,30,63,000		6,04,17,000	
Secured Loans.....	7,96,69,581		38,08,37,679	
Unsecured Loans.....	15,69,44,487		5,63,06,424	
Interest & Financial Expenses.....	(6,14,38,805)		(8,71,27,296)	
Net Cash from Financing Activities.....		23,82,38,263		41,04,33,807
Net Increase(Decrease) in Cash & Cash.....				
Equivalents (A+B+C).....		(20,71,259)		45,54,161
Opening Balance of Cash & Cash Equivalents.....		56,05,402		10,51,241
Closing Balance of Cash & Cash Equivalents.....		35,34,143		56,05,402

Figures in brackets represent outflows.

DHIRUBHAI GONDALIA Manager secretarial	M. L. GUPTA JAIPAL JAIN ATUL JAIN AMIT JAIN	Vice Chairman & Managing Director Whole-time Director Whole-time Director Whole-time Director
JANARDHAN SONAWANE Manager accounts	S. V. SHANBHAG RAMESH J. PATEL B.D. JOGANI SORABH GUPTA	Director Director Director Director

Mumbai: 28th May 2009.

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Kamanwala Housing Construction Limited for the year ended 31st March, 2009. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with the Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of 28th May, 2009 to the Members of the Company.

For VIMAL PUNMIYA & CO.,
Chartered Accountants,

VIMAL C. PUNMIYA
Proprietor
M. No. 16574

Mumbai: 28th May, 2009.

NOTES

NOTES

KAMANWALA HOUSING CONSTRUCTION LIMITED

Regd. Office: 405/406, New Udyog Manair-2, Mogul Lane, Mahim (West), Mumbai-400 016.

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company at Tendulkar Hall, Saraswat Shavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (W), Mumbai - 400 016, at 11.30 A.M., on Tuesday, the 29th September, 2009.

.....
Full name of the Shareholder Signature
(in block capitals)

Folio No. / DP ID No.* & Client ID No.*

* Applicable for Members holding Shares in electronic form.

.....
Full name of the Proxy Signature
(in block capitals)

KAMANWALA HOUSING CONSTRUCTION LIMITED

Regd. Office: 405/406, New Udyog Manair-2, Mogul Lane, Mahim (West), Mumbai-400 016.

PROXY

I/We of
in the district of being a Member / Members of the above named Company, hereby
appoint of in the district of or
failing him of in the district of as
my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY FIFTH ANNUAL GENERAL MEETING
of the Company to be held on Tuesday, the 29th day of September, 2009 and at any adjournment thereof.

Signed this day of 2009.

Folio No. / DP ID No.* & Client ID No.*

* Applicable for Members holding Shares in electronic form.

Affix Re. 1
Revenue
Stamp

.....
Signature

No. of Shares held:

This form is to be used @ in favour of the resolution. Unless otherwise instructed, the Proxy will act as he/she thinks fit.
@ against.

@ Strike out whichever is not desired.

NOTES: (i) The proxy must be deposited so as to reach the Registered Office of the Company at 405/406, New Udyog Mandir-2, Mogul Lane, Mahim (West), Mumbai-400 016, not less than FORTY-EIGHT HOURS before the time for holding the Meeting.

(ii) Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy.



“SAVOY RESIDENCY”- Santacruz (W), Mumbai.



KAMANWALA HOUSING CONSTRUCTION LIMITED

405/406, New Udyog Mandir No. 2, Mogul Lane, Mahim (West), Mumbai 400 016.

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