

**KEDAM**

**CONSTRUCTIONS LTD.**

**14<sup>th</sup> ANNUAL REPORT**

**2008-2009**

**Board of Directors**

Mr. Mohan Jhawar	Director
Mrs. Alka Soni	Director
Mr. Sashant Nayati	Director
Mr. Naval Saraf	Director
Mr. Anurag Innani	Additional Director
Mr. Ayub Aga	Additional Director

**Auditors**

M/s. Mahesh C. Solanki & Co.  
Chartered Accountants  
119, Bansi Trade Centre  
581/5, M.G. Road  
Indore – 452001 (M.P.)

**Registered Office**

B-3, 204, Saket Complex,  
Thane (West)  
Mumbai-400601  
Ph. : 022-32649501

**Registrar and Share Transfer Agent**

Adroit Corporate Services Pvt. Ltd.  
19/20, Jaferbhoy Industrial Estate  
Makwana Road  
Marol Naka  
Andheri (E)  
Mumbai – 400 059  
Ph. : 022- 28594060  
Fax : 022-28594442

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## NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of Kadamb Constructions Limited will be held on Wednesday, the 30th September, 2009 at 11.30 a.m. at the registered office of the Company situated at B-3, 204, Saket Complex, Thane (West) - 400601 to transact the following business :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2009, Profit and Loss Account for the year ended on that date together with the Cash Flow Statement, Schedules, Notes to the accounts, Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sashant Nyati who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Naval Saraf who retires by rotation and is eligible for re-appointment.
4. To appoint auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Mahesh C. Solanki & Co. Chartered Accountants, the retiring auditors are eligible for and have expressed their willingness for re-appointment and have given a certificate to the effect that their re-appointment, if made will be within the limits of Section 224(1B) of the Companies Act, 1956.

### **SPECIAL BUSINESS :**

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

"RESOLVED THAT Mr. Ayub Aga who was appointed as an Additional Director of the Company with effect from 24th August, 2009 at the meeting of the Board of Directors of the Company and who holds office till the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation"

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

"RESOLVED THAT pursuant to the provisions of section 21 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central government, the approval of the Company be and is hereby accorded for change of name of the Company from Kadamb Constructions Ltd. to 'KCL Infra Projects Limited' and that Clause I of the Memorandum of Association relating to name of the Company be and is hereby changed accordingly and that pursuant to Section 31 of the Companies Act, 1956, the name 'Kadamb Constructions Limited' wherever it occurs in the Article of Association of the Company be substituted by the new name 'KCL Infra Projects Limited'."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to make the necessary application to the Central Government (i.e. the Registrar of Companies) for change of name of the Company as mentioned above and to submit all the necessary forms, applications, documents, etc. to the Central Government and also to inform the change in the name of the Company to all the authorities concerned (statutory or otherwise) like Stock Exchanges, Bank, etc. and also authorised do all such acts, deeds and things as may be necessary with regard to giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of section 94, 16, 31 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with the applicable provisions of the Memorandum and Articles of association of the company and subject to the approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, each of the 55,00,000 (Fifty Five Lacs) Equity shares of the nominal value of Rs. 10/- (Rupees Ten only) each comprised in the authorised share capital of Rs. 5,50,00,000/- (Rupees Five Crore Fifty Lacs only) of the Company be splitted and sub-divided into 2,75,00,000 (Two Crore Seventy Five Lacs) Equity shares of Rs. 2/- (Rupees Two only) each and that Clause V of the Memorandum of Association Company relating to share capital be and are hereby changed accordingly."

"RESOLVED FURTHER THAT each of the existing issued, subscribed and paid up 50,50,200 (Fifty Lacs Fifty Thousand and Two Hundred) Equity shares of Rs. 10/- (Rupees Ten only) fully paid up comprised in the paid up share capital of Rs. 5,05,02,000/- (Rupees Five Crore Five Lacs Two Thousand only) be splitted and sub-divided into 2,52,51,000 (Two Crore Fifty Two Lacs and Fifty One Thousand) Equity shares of Rs. 2/- (Rupees Two only) each with effect from such date as may be decided by the Board of Directors or any Committee constituted thereof."

"RESOLVED FURTHER THAT existing clause V of the Memorandum of Association of the Company be substituitul by the following New clause V :

"The Authorised Share capital of the Company is Rs. 5,50,00,000 (Rupees Five Crore Fifty Lacs only) divided into 2,75,00,000 (Two Crore Seventy Five Lacs only) equity shares of Rs. 2/- (Rupees Two only)".

"RESOLVED FURTHER that the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof) be and they are hereby authorised to issue new share certificates representing the sub-divided equity shares with new distinctive numbers, consequent to the sub-division of shares as aforesaid and /or credit the shareholders' accounts maintained with the Depositories, subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960, and the Articles of Association of the Company and to inform the Depositories and the Registrar and Share Transfer Agents of the Company and execute all such documents, instruments and writings as may be required in this connection and to delegate all or any of the powers herein vested in the Board, to any Committee thereof or to any Director(s) and to do all such acts, deeds and things as may be necessary with regard to giving effect to the aforesaid resolution."

By Order of the Board of Directors  
**For Kadamb Constructions Ltd.**  
Sd/-

**Mohan Jhawar**  
Director

Place : Thane  
Date : 05/09/2009

**Notes :**

1. EVERY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM, IN ORDER TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXY FORM IS ENCLOSED HEREWITH.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is attached herewith forming part of this notice.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution authorising their representatives to attend and vote on their behalf at the meeting.
4. Pursuant to the recommendation of SEBI Committee on Corporate Governance for re-appointment of the retiring Directors and appointment of Directors, a statement of the details of the concerned directors is attached hereto.
5. Members / proxies are requested to :
  - (i) Quote their folio numbers in all their correspondence.
  - (ii) Bring their copies of Annual Report, Notice and Attendance Slips duly completed and signed at the meeting.
  - (iii) Deliver duly completed and signed attendance slips at the entrance of the meeting venue as entry to the meeting hall will be strictly on the basis of the entry slip at the counter of the venue.
6. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
7. Members are requested to notify immediately any change of address:
  - (i) To their Depository Participant (DP) in respect of shares held in dematerialized form; and
  - (ii) To the Company at its registered office or to its Registrar in respect of their physical shares, if any quoting their folio number.
8. Members desirous of getting any information on any item of the business of this meeting are requested to address their queries to Mr. Mohan Jhavar, Director of the Company at the registered office at least ten days prior to the date of the meeting so that the information required can be made readily available at the meeting.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Register of Members and Transfer Books will remain closed from Wednesday, the 23rd September, 2009 to Wednesday, the 30th September, 2009 (both days inclusive).
11. The Memorandum and Articles of Association with the proposed alterations are open for inspection by the members at the Registered Office of the Company on all working days between 11.00 a.m. to 2.00 p.m. up to the date of the meeting.

**Additional Information required under clause 49 IV (G) of the Listing Agreement on Directors seeking for appointment or re-appointment at the Annual General Meeting:****1. Mr. Sashant Nyati**

Mr. Sashant Nyati, aged about 33 years is a fellow member of the Institute of Chartered Accountants of India.

Mr. Sashant Nyati is having about 11 years of working experience in the areas of finance, construction business, securities trading, accounts, audit and taxation.

He is a Director in following Companies:

1. **KCL Stock Broking Ltd.**
2. **Samyak Resources Pvt. Ltd.**

He does not hold any shares in the company.

*Nature of expertise in specific functional areas – Finance, Accounts, Audit and Taxation.*

**2. Mr. Naval Saraf**

Mr. Naval Saraf, aged about 38 years, is a Post Graduate in Commerce. He is having about 17 years of working experience in the areas of accounts and taxation.

He does not hold directorship of any other Company.

He does not hold any shares of the Company.

*Nature of expertise in specific functional area – Accounts, Taxation.*

**3. Mr. Ayub Aga**

Mr. Ayub Aga, aged about 42 years, at a very young age started a trading venture in the trading hub of Mumbai. His trading business took him to UAE for the first time in 1987, and from there onwards Mr. Ayub Aga been a resident of Dubai. He continued his trading business in Dubai. In 1994 with the desire to diversify into value added business he started his own contracting business in the name and style of Adnan Contracting L.L.C, which later on was renamed as Adnan & Ashia Cont. L.L.C. With the opening of Dubai real estate market, Mr. Ayub seized the opportunities by starting commercial real estate venture under the name of Adnan Commercial Brokers. Thereafter with a view to capture the opportunities thrown by Dubai Inc, Mr. Ayub floated another venture Adnan Management Consultant, which focused to fulfill Human Resources and other HR related requirement of companies in UAE.

Adnan & Ashia, the flagship company of Mr. Ayub Empire, mainly undertakes projects in Infrastructure & related space. Mr. Ayub, has build this company from Dhs 6 million turnover in the first year of operations to current turnover of Dhs 50 million, and an order book of Dhs 250 mn. Some prestigious projects completed by Adnan & Ashia include hospital projects, residential & mixed use mega townships in UAE. In addition to undertaking turnkey projects, Adnan & Ashia also undertakes infrastructure / facility management related work for projects completed by them as well as other projects, thereby providing an end to end solution for infrastructure projects.

The Company will grow leaps and bounds under the guidance of Mr. Ayub Aga.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

Mr. Ayub Aga was co-opted as an Additional Director of the Company with effect from 24th August, 2009 pursuant to section 260 of the Companies Act, 1956. He holds office of Director upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing under the provisions of section 257 of the Companies Act, 1956 from a member along with the required deposit, proposing the candidature of Mr. Ayub Aga for the office of Director. A brief profile of Mr. Ayub Aga is given hereto under the head "Additional Information".

Your Directors recommend the resolution set out at item no. 5 of the notice for your approval.

Mr. Ayub Aga shall be deemed to be interested in the above resolution to the extent of his appointment.

**Item No. 6**

The Company is making plans to expand and diversify its business. For this purpose the Company is considering the proposal to make expansion and diversification through the medium of subsidiary companies. Therefore, it is proposed to incorporate / acquire subsidiaries and thereby make a group of companies under the umbrella of your company. Till date the Company is known by Kadamb Constructions Ltd. (KCL) Now, in order to give recognition to the proposed group of companies by way of some brand name in which your company will be the umbrella company, it is proposed to use the brand name as "KCL" and therefore, it is now proposed to change the name of your company from "Kadamb Constructions Limited" to KCL Infra Projects Ltd. The proposed new name has been made available for adoption by the Registrar of Companies, Maharashtra (ROC) its approval dated 5th September, 2009. The change in the name of the Company will involve consequent alteration to Clause I of the Memorandum of Association and wherever the name occurs in the Articles of Association of the Company.

Your Director therefore seek the approval of members for change of the name of the Company and consequent alteration to Memorandum and Articles of Association of the Company as above and recommend to pass the resolution set out at item no. 6 of the notice as a Special Resolution.

After receiving the members' approval, necessary application will be made to the Central Government for change of name.

None of the Directors of the Company is in any way concerned or interested in the resolution except to the extent of their shareholding, if any in the Company.

The abovementioned approval of the ROC for availability of name and the Memorandum and Articles of Association of the Company containing the abovementioned alteration in name are available for inspection of members at the registered office of the Company between 11.00 a.m. to 2.00 p.m. till the date of the meeting.

**Item no. 7**

At present the authorised share capital of your company is Rs. 5,50,00,000/- (Rupees Five Crore Fifty Lacs only) divided into 55,00,000 (Fifty Five Lacs only) Equity shares of Rs. 10/- (Rupees Ten only) each and the issued, subscribed and paid share capital is Rs. 5,05,02,000/- (Rupees Five Crore Five Lacs and Two Thousand only) divided into 50,50,200 (Fifty Lacs Fifty Thousand and Two Hundred) Equity shares of Rs. 10/- (Rupees Ten only) each.

The equity shares of your Company are listed on the Bombay Stock Exchange Ltd. (BSE) and the Delhi Stock Exchange Association Ltd. (DSE). The market price of the shares of the Company has witnessed significant spurt over the last 10 months. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company (the Board) at their meeting held on 24th August, 2009, considered it desirable to sub-divide the nominal value of the equity shares from Rs. 10/- per share to Rs. 2/- per share. After such split and sub-division, the authorised share capital of Rs. 5,50,00,000/- (Rupees Five Crore Fifty Lacs only) will get divided into 2,75,00,000 (Two Crore Seventy Five Lacs) Equity shares of Rs. 2/- (Rupees Two only) each and the present issued, subscribed and paid up capital of Rs. 5,05,02,000 (Five Crore Five Lacs and Two Thousand only) will get divided into 2,52,51,000 (Two Crore Fifty Two Lacs and Fifty One Thousand) Equity shares of Rs. 2/- (Rupees Two only) each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval, which will be notified through the Stock Exchanges.

The above sub-division of shares will involve alteration to Clause V of the Memorandum of Association of the Company.

Your Directors therefore seek the approval of members of the Company for sub-division of the face value of shares from Rs. 10/- per share to Rs. 2/- per share as above and consequent alteration to Memorandum of Association of the Company and commend to pass the resolution set out at item no. 7 of the notice as a Special Resolution.

After getting the approval of the members, the company will get the setps to inform the stock exchanges and issue new share certificates / credit increased number of shares of changed face value to the demat account of shareholders.

None of the Directors of the Company is in any way concerned or interested in the resolution except to the extent of their shareholding, if any in the Company.

The Memorandum and Articles of Association of the Company alongwith the proposed alterations are available for inspection of members at the registered office of the Company between 11.00 a.m. to 2.00 p.m. till the date of the meeting.

By Order of the Board of Directors  
**For Kadamb Constructions Ltd.**

Sd/-

**Mohan Jhawar**  
Director

Place : Thane  
Date : 05/09/2009



### DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the 14th Annual Report along with the Audited Annual Accounts for the year ended 31st March 2009.

#### FINANCIAL RESULTS :

(Rs. In Lacs)

Particulars	Year ended 31/03/2009	Year ended 31/03/2008
Income / Turnover	931.14	4548.70
Total Expenditure	924.15	4536.08
Profit/(Loss) before interest and depreciation	6.99	12.62
Interest	0.24	0.06
Depreciation	2.75	2.69
Profit/(Loss) before tax	4.00	9.87
Provision for taxation/Deferred tax	1.02	5.56
Profit/Loss after tax	2.98	4.31

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

Management Discussion & Analysis Report, as required under the Listing agreement with the Stock Exchanges is enclosed at Annexure 'A'.

#### CHANGES IN THE CAPITAL STRUCTURE :

##### Re-issue of Forfeited Shares :

During the year under review, the company had re-issued 23,55,200 Forfeited Equity Shares with a Face Value of Rs. 10/- each on a proportionate basis to existing Equity Shareholders of the Company offered through Letter of offer dated 26th day of December, 2008.

The date wise details of the re-issue of the forfeited shares are as :

Date of Board Meeting	No. of Shares Re-issued
22.01.2009	10,28,300
22.01.2009	60,500
04.02.2009	7,43,500
16.02.2009	5,22,900
<b>Total</b>	<b>23,55,200</b>

The reissued forfeited Equity shares have been listed at the Bombay Stock Exchange Ltd. and started trading w.e.f. Thursday, April 9, 2009.

#### Dividend :

In view of requirement of funds for expansion of the business activities, your Directors regret their inability to recommend any dividend for the year under review.

**Public Deposits :**

During the year under review the company has neither accepted nor invited any public deposits within the meaning of section 58A of the Companies Act, 1956 read with the Companies' (Acceptance of Deposits) Rules, 1975. Also there are no outstanding public deposits at the end of the year.

**Directors :**

Mr. Sashant Nyati and Mr. Naval Saraf retires by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. Mr. Anurag Innani was appointed as on 5th December, 2008 as an Additional Director of the Company. He holds office upto the date of the forthcoming Annual General Meeting. Mr. Ayub Aga was also appointed as an Additional Director of the Company w.e.f. 24th August, 2009. He hold office upto the date of the forthcoming Annual General Meeting. The Company has received notice under section 257 of the Companies Act, 1956 from a member of the Company proposing the candidature of Mr. Ayub Aga for being appointed as Director of the Company at the ensuing Annual General Meeting. Your Directors recommend to appoint him as a Director at the Annual General Meeting.

A Brief note on Directors seeking for appointment / re-appointment as required under Clause 49 of the Listing Agreement is furnished under head 'Additional Information' in the Notice to the Shareholders.

**Auditors and Audit Report:**

The statutory auditors of the company, M/s. Mahesh C. Solanki & Co., Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment / reappointment within the meaning of Section 226 of the said Act.

The Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

**Directors' Responsibility Statement :**

In compliance with the provisions of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors hereby confirm that –

- i) In the preparation of the annual accounts for financial year ended 31st March, 2009 the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any.
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at the end of the financial year and the profit of the Company for that period.
- iii) The Directors have taken proper and sufficient care 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.
- iv) The Directors have prepared the annual accounts for the year ended 31st March 2009 on a going concern basis.

**Corporate Governance:**

As per the requirement of the Listing agreement with stock exchange, your Directors reaffirm their commitment to these standards. A report on Corporate Governance along with a certificate from the Statutory Auditors of the Company form part of this report.

**Listing At Stock Exchanges :**

The equity shares of the company continue to be listed at Bombay Stock Exchange Ltd. (BSE) and Delhi Stock Exchange Association Ltd., Delhi. The Company has paid the annual Listing fee for the financial year 2009-10 to Bombay Stock Exchange Ltd. and the Delhi Stock Exchange Association Ltd.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:**

The particulars relating to conservation of energy and technology absorption as stipulated in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable to the company.

There was no foreign exchange earning and outgo during the year under review.

**Particulars of Employees :**

There was no employee during the period drawing remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

**Audit Committee :**

As per the provisions of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges, the Audit Committee comprising three Members two of them are independent Directors viz. Mr. Sashant Nayati and Mr. Naval Saraf and one is Promoter and non executive director viz. Mr. Mohan Jhavar. Mr. Sashant Nayati is the Chairman of the Committee.

**Acknowledgement :**

Your Directors acknowledges their sincere appreciation for the support extended by the statutory authorities, banks the stock exchanges, advisors, Clients, Customers, shareholders and staff of the Company for the valuable assistance, support and co-operation extended to the Company and continuous support and faith reposed in the Company.

By Order of the Board of Directors  
**For Kadamb Constructions Ltd.**

Sd/-

**Mohan Jhavar**

Director

Place : Thane

Date : 05/09/2009

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****A. INDUSTRY STRUCTURE & DEVELOPMENT**

The continuing high growth in India and other parts of the world has underlined the need for all round development in the construction/ Infrastructure industry resulting in significant changes with emphasis on international standards of execution, size of projects, timely completion, quality and safety. Private sector participation is increasingly being encouraged in all sectors of infrastructure and is now an integral part of the business model of the company.

**B. OUTLOOK****Construction business**

With the construction sector being so diverse, it offers many opportunities in specialist fields, not just the better-known areas. The following provide some idea of the scope of, and specialist fields within, the construction industry:

- Civil and structural engineering - coastal and marine; environmental; geotechnical; structural; highways; bridges; rail; tunneling; power; water; risk management; and public health.
- Construction and building services - construction management; design and build; facilities management; and maintenance management.
- Surveying - building surveying; land surveying; quantity surveying; rural practice; urban general practice; and hydrographic surveying.
- Architecture - new builds; regeneration; conservation; commercial; and redevelopment.
- Engineering construction - air; power; water; oil and gas facilities; chemical process plants; and infrastructure.

**Commodities Business**

In addition to precious and base metals, which are witnessing a bull run, agricultural commodities are also seen attracting the attention of tactical investors.

Globally, there is lot more caution in investing in commodities, whose prices are seen peaking, as the perceived level of downside risk is high.

On the other hand, agricultural goods - whose prices are much below their historical peaks - are seen turning speculators' favorites.

With cyclical earnings and a slow of external risks to their earnings numbers, these stocks are certainly not the kind that one can invest in and then forget about, secure in the belief that they will deliver attractive returns over the long term.

Earnings of agri-commodity companies are transparently linked to commodity prices, which are easy to track.

There are several money-making opportunities in commodity stocks, even if the Company enters the cycle late in the day.

**Equity and derivatives Business**

Derivative are financial contracts structured on an underlying asset, which can be commodity, stock, index, loan, bond etc. The derivatives trading started 2000 years ago. But the current form derivative trading was started with the establishment of Chicago Board of Exchange in 1848. The derivatives were in existence in India from the ancient times onwards. The forward trading in commodities and stock markets were in existence in India. However, the organized form of trading in derivatives was started in 2000 at National Stock Exchange. The trading in the F&O segment is much higher than that in BSE. The F&O segment assumes a prominent place in the NSE capital market turnover whereas it is quite insignificant in the case of BSE.

**C. RISK & CONCERNS**

The all round development and growth has led to manpower and input material shortage, which remained an area of concern throughout the period under review. To retain human resource is the biggest challenge facing the industry. Your company is not an exception to this phenomenon. A major problem is the shortage of experienced/skilled personnel.

Stringent Government regulations and policies have also become an area of concern with uncertainty prevailing in the official circles and clarifications on crucial issues not forthcoming creating an atmosphere of confusion.

In construction business, the opportunities are dependent on Government policies profits are dependent on cost of materials, etc. The risk of doing proposed business in NCDEX/NBOT is because of fluctuations in rates of commodities depending upon unforeseen market conditions.

**D. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The revenue of the Company for the year under review was Rs. 931.14 Lacs as compared to Rs. 4548.70 Lacs for the previous year. The net profit of the year under review was Rs. 2.98 Lacs as against Rs. 4.31 Lacs of net profit in the previous year.

**E. INTERNAL CONTROL AND ADEQUACY**

Your company lays great importance on internal control systems across the organization. It maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respect and of providing protection against significant misuse or loss of company assets.

A strong internal audit function and effective Audit Committee of the Board have strengthened the Internal Control within the organization.

**F. MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED**

The key functional area of the company has been on developing functional competencies among human resources. Key organization initiatives have gone a long way in infusing new skills and fostering a climate of learning and collaboration. There is a continuous drive to develop and deploy people practices to improve business results through improved employee engagement.

Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management and human asset refreshable are corner stones of the organization.

As in the past relation of the company with its employees throughout the organization remained cordial. There are around nine employees in the company.

**G. CAUTIONARY STATEMENT**

Statements in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations are "forward looking statements". Actual results might differ from those anticipated because of changing ground realities, government policies, economic and political developments, market conditions, etc.

## CORPORATE GOVERNANCE REPORT

Pursuant to Clause 49 of the Listing agreement, a Report on Corporate Governance is given below:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on corporate governance is aimed at the efficient conduct of its business and in meeting its obligation to shareholders. The company has adopted a codified Corporate Governance Charter, inter alia, to fulfill its corporate responsibilities and achieve its financial objectives.

The company believes in and has consistently practiced good Corporate Governance. The company creates an environment for the efficient conduct of the Business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which the company operates along with fulfillment of its objectives.

### 2. BOARD OF DIRECTORS :

#### A. Composition :

The Board comprised of 6 (Six) Directors, whose composition and the category are as under:

Particulars of Directors	Category
Mr. Mohan Jhawar	Promoter and Non-Executive Director
Mrs. Alka Soni	Promoter and Non-Executive Director
Mr. Naval Saraf	Non-Executive and Independent Director
Mr. Shashant Nayati	Non-Executive and Independent Director
Mr. Anurag Innani	Additional, Non-Executive and Independent Director*
Mr. Ayub Aga	Additional, Non-Executive and Independent Director**
Mr. Gangaram Kahndelwal	Non-executive and Independent Director***

All the Directors are liable to retire by rotation. The Chairman of the Board is not an executive Director. There is no institutional or nominee or Government Director on the Board.

The composition of the board is in accordance with the relevant provisions mandated in clause 49 of the listing agreement.

\* Mr. Anurag Innani was appointed as an Additional Director with effect from 5<sup>th</sup> December, 2008 and he holds office of Director upto the date of the ensuing Annual General Meeting.

\*\*Mr. Ayub Aga was appointed as an Additional Director with effect from 24<sup>th</sup> August, 2009 and he holds office upto the date of the ensuing Annual General Meeting. The company has received notification under section 257 of the Companies Act, 1956 for appointment of Mr. Ayub Aga as Director of the Company at the ensuing Annual General Meeting.

\*\*\*Mr. Gangaram Khandelwal resigned from the Directorship of the Company with effect from 30<sup>th</sup> September, 2008.

#### Board Procedure

During the financial year 2008-09, nine meetings of the Board of Directors were held on 30.04.2008, 30.06.2008, 31.07.2008, 30.10.2008, 05.12.2008, 22.01.2009, 31.01.2009, 04.02.2009 and 16.02.2009.

The gap between any two meetings did not exceed four months, as mandated in Clause 49. The dates of the meetings were generally decided in advance. Key information was placed before the Board of Directors to comply with Corporate Governance practices.

The details of the Board of Directors, their position, attendance record for the financial year ended 31<sup>st</sup> March, 2009 and other Directorships (*excluding alternate directorships, directorships in private limited companies and foreign companies*) and the membership of Board Committees other than your Company has been given as follows:

Name of Director	Position	No. of Board meetings held during tenure of director	No. Of Board meetings attended	Attendance at the last AGM	Member of other Board Committees		No. of other Directorships in other Boards excluding private companies
					Memb-ership	Chairmanship	
Mr.Mohan Jhawar	NED	9	9	Yes	—	—	—
Mr.Gangaram Khandewal*	ID	3	0	No	—	—	—
Mrs.Alka Soni	NED	9	9	Yes	—	—	—
Mr.Sashant Nyati	ID	9	9	Yes	—	—	—
Mr.Naval Saraf	ID	9	9	Yes	—	—	—
Mr.Anurag Inani**	ID	4	4	NO	—	—	—

NED–Non-executive Director

ID — Independent Director

\*Mr. Gangaram Khandelwal resigned as Directorship of the company on 30<sup>th</sup> September 2008.

\*\* Mr. Anurag Inanni hold office upto the date of the ensuing Annual General Meeting.

### 3. AUDIT COMMITTEE

#### Composition:

The Board has constituted Audit Committee comprising three Members, two of them are independent Directors viz. Mr. Sashant Nayati and Mr. Naval Saraf and one is Promoter and non executive director viz. Mr. Mr. Mohan Jhawar. Mr. Sashant Nayati is the Chairman of the Committee.

#### Meetings:

Five meetings of the Committee were held during the financial year under review on 30.04.2008, 30.06.2008, 31.07.2008, 31.10.2008 and 31.01.2009 and all the meetings held were attended by all the members during their tenure as a member of the Committee.

S. No.	Name of Director	No. of Meetings	
		Held	Attended
1.	Mr. Sashant Nyati	5	5
2.	Mr. Naval Saraf	5	5
3.	Mr. Mohan Jhawar	5	5

#### Terms of Reference:

The terms of reference / powers of the Audit Committee has been specified by the Board of directors as under:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.

3. To obtain outside legal or other professional advise.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

All the members of the Audit Committee possess financial / accounting expertise. The constitution of the audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The Chairman of the Audit Committee, Mr. Sashant Nayati, was present at the Thirteenth Annual General Meeting.

Executives of Finance Department, Secretarial Department, Head of Internal Audit and representatives of the Statutory Auditors are invited to attend the Audit Committee Meetings.

### **Objective**

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

### **Information for review:**

- i. Management discussion and analysis of financial condition and results of operations.
- ii. Statement of significant related party transactions (as may be defined by the audit committee), submitted by management.
- iii. Management letters / letters of internal control weakness issued by the statutory auditors and internal audit reports relating to internal control weaknesses.
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

## **4. REMUNERATION COMMITTEE**

### **Composition, Meeting and Terms of reference:**

The Remuneration Committee comprised of Mr. Naval Saraf, Mr. Shashant Nyati and Mrs. Alka Soni as its members and Mr. Sashant Nyati as its Chairman.

The Committee met once during the financial year 2008-09 and was attended by all the Committee Members.

The terms of reference / powers of the Remuneration Committee are as under:

- Administration and superintendence of Employee Stock Option Scheme (ESOS).
- Formulation of the detailed terms and conditions of the ESOS.
- Grant of stock options.
- Recommendation for fixation and periodic revision of compensation of the Executive Directors to the Board for approval.
- Review and approve compensation policy (including performance bonus, incentives, perquisites and benefits) for senior management personnel.

### **Remuneration Policy**

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria :

- Performance of the Company.
- Track record, potential and performance of individual managerial personnel.
- External competitive environment.



**Remuneration of Directors**

Remuneration of Executive Directors is decided by the Board, based on the recommendations of the Remuneration Committee as per the remuneration policy of the Company, within the ceilings fixed by the shareholders. During the financial year 2008-09, no remuneration was paid to any Director.

The Company has not introduced any stock option scheme for any of its Director.

**Remuneration to Non-Executive Directors**

During the year ended 31<sup>st</sup> March, 2009, the Company has not paid any remuneration either in the form of commission or sitting fee to its non-executive Directors.

**5. SHAREHOLDERS' AND INVESTORS' GRIEVANCE COMMITTEE**

The Committee has the mandate to look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, etc. In addition, the Committee also looks into matters, which can facilitate better investor services and relations.

The shareholders'/Investors' Grievance Committee of KCL comprised of Mr. Sashant Nyati, Mr. Mohan Jhavar as its chairman and Mr. Naval Saraf as Compliance Officer.

The Committee meets regularly for redressing shareholders' / investors' complaints like non-receipt of Balance Sheet transfer of shares, etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated power for approving transfer of securities to Directors. The Committee focuses primarily on strengthening investor relations and ensuring rapid resolution of any shareholder or investor concerns. The Committee also monitors implementation and compliance of the Company's code of conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

During the year ended 31<sup>st</sup> March, 2009, no investor complaint was received and no complaint was pending for redressed.

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days, except in case of dispute over facts or other legal constraints.

The Shareholders' / Investors' Grievance Committee reviews the complaints received and action taken.

No requests for share transfers are pending except those that are disputed or sub-judice.

**Compliance Officer**

Mr. Naval Saraf, Director is the Compliance Officer for complying with the requirements of the Listing agreement with the stock Exchanges and for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992.

**Exclusive E-Mail Id for Investor's Grievances: [kclindia@yahoo.co.in](mailto:kclindia@yahoo.co.in)**

**6. GENERAL BODY MEETINGS:**

i. The last three Annual General Meetings of the company were held at the venue and time as under:

AGM No.	Date	Time	Venue	Special Resolution Passed
11 <sup>th</sup>	30.09.2006	2.00 p.m.	14, Kasturba Nagar, Jaipur	1. Approval for re-issue of 23, 55,200 forfeited equity shares.  <b>Postal ballot voting process :</b> 2. Alteration of Objects clause of the Memorandum of Association
12 <sup>th</sup>	29.09.2007	2.30 p.m.	B-3, 204, Saket Complex, Thane (West), Mumbai-400601	Approval for re-issue of 23,55,200 forfeited equity shares on a pro-rata basis.
13 <sup>th</sup>	30.09.2008	2.30 p.m.	B-3, 204, Saket Complex, Thane (West), Mumbai-400601	No Special Resolution passed.

All resolutions moved at the last AGM were passed by show of hands by requisite majority of members who attended the Meeting.

- ii. Whether any Special Resolution passed in the three AGMs?  
Yes.
- iii. Whether any Special Resolution passed last year through postal Ballot?  
No
- iv. Whether any Special Resolution is proposed to be conducted through Postal Ballot?  
Yes, the Special Resolution for alteration of Objects Clause is proposed to be passed through Postal Ballot for which ballot papers have already been dispatched to the shareholders and its result will be declared at the ensuing Annual General Meeting.
- v. Who will conduct the postal ballot?  
Ms. Priya Nagmoti, Company Secretary.
- vi. The company has complied with the procedures for the postal ballot in terms of the companies (Passing of resolution by postal ballot), Rules 2001 and amendments thereto made from time to time.

**7. DISCLOSURES:****Related Party Transactions and Pecuniary Relationship of Directors**

There have been no materially significant related party transactions, pecuniary relationship or transactions between the Company and its Directors for the year ended 31<sup>st</sup> March 2009.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

The related party transactions are entered into based on considerations of professional expertise, to meet exigencies, better negotiation, etc.

All related party transactions are negotiated on arms length basis and are only intended to further the interests of the Company.

**Compliance by the Company**

The Board periodically reviews at its meetings compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No Penalties, strictures have been imposed on the Company by any stock exchange or SEBI or any other authorities relating to capital and commodities markets.

**Code of Conduct**

The Company is committed to conduct business in accordance with the highest standards of Business ethics and complying with applicable laws, rules and regulations.

The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

**Risk Management**

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

**8. MEANS OF COMMUNICATION**

The quarterly, half yearly and annual financial statements prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of India are generally published in well circulated newspapers i.e. Financial Express and Navshakti . Besides, all the financial, vital and price sensitive official news releases are also properly communicated to the concerned stock exchanges.

**9. GENERAL SHAREHOLDER INFORMATION :**

Annual General Meeting: Date, Time and Venue	Wednesday, the 30 <sup>th</sup> September, 2009 at 11.30 a.m. at the registered office of the Company at B-3, 204, Saket Complex, Thane (West), Mumbai-400601
Tentative Financial Calendar (subject to change) for the financial year 2009-10 : First Quarter ending 30 <sup>th</sup> June, 2009 Second Quarter ending 30 <sup>th</sup> Sept. 2009. Third Quarter ending 31 <sup>st</sup> Dec., 2009. Fourth Quarter ending 31 <sup>st</sup> March, 2010	End of July, 2009 End of October, 2009 End of Jan., 2010 End of April, 2010
Date of Book Closure	Wednesday, the 23 <sup>rd</sup> September, 2009 to Wednesday, the 30 <sup>th</sup> September, 2009 (both days inclusive)
Listing on Stock Exchanges	1. Bombay Stock Exchange Ltd., Mumbai. 2. Delhi Stock Exchange Association Ltd., Delhi.
Stock Code	The Stock Exchange, Mumbai-531784
Dematerialization of Shares	The shares of the Company are traded in dematerialized form under the depository system of the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Company's electronic Connectivity  Registrar is Adroit Corporate Services Ltd. 19/20, Jaferbhoy Industrial Estate Makwana Road Marol Naka Andheri (E) Mumbai - 400 059
ISIN Number	INE 469F01018
Dematerialization of shares and Liquidity	92.28 % of the paid up capital of the company has been dematerialized as on 31.03.2009.
Registrar and Share Transfer Agents	Adroit Corporate Services Pvt. Ltd. 19/20, Jaferbhoy Industrial Estate Makwana Road, Marol Naka Andheri (E) Mumbai - 400 059 Ph. : 022- 28594060 Fax : 022-28594442
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agents and approved by the Share Transfer Committee
Dividend Payment for financial year 2008-09	Nil
Outstanding ADR/GDR/warrants or any convertible instruments, conversion date and likely impact on equity.	Not Issued
Address for correspondence	Kadamb Constructions Ltd. B-3, 204, Saket Complex, Thane(west), Mumbai-400601 Or Shareholders may correspond to the Registrar and Transfer Agents.

**Stock Price Data**

The following table gives the monthly high and low of Company's share price on the Stock Exchange, Mumbai.

Month	Company's share price on BSE		BSE Sensex	
	Monthly High (in Rs.)	Monthly Low (in Rs.)	Monthly High (in Rs.)	Monthly Low (in Rs.)
April, 2008	41.45	28.50	17480.74	15297.96
May, 2008	45.00	31.05	17735.70	16196.02
June, 2008	40.00	28.45	16632.72	13405.54
July, 2008	35.00	26.10	15130.09	12514.02
August, 2008	34.35	25.85	15579.78	14002.43
September, 2008	27.85	22.50	15107.01	12153.55
October, 2008	24.70	16.85	13203.86	7697.39
November, 2008	18.50	12.55	10945.41	8316.39
December, 2008	15.00	12.70	10188.54	8467.43
January, 2009	20.66	14.00	10469.72	8631.60
February, 2009	37.50	21.65	9724.87	8619.22
March, 2009	43.50	32.35	10127.09	8047.17

**Shareholding Pattern as on 31<sup>st</sup> March, 2009**

	Category	No. of Shares Held	Percentage of Shareholding
<b>A.</b>	<b>Promoter's Holding</b>		
1.	Promoters :		
	Indian Promoters	432509	8.56
	Foreign Promoters	Nil	Nil
2.	Persons acting in concert	Nil	Nil
	Sub-total	432509	8.56
<b>B.</b>	<b>Non-Promoter's Holding</b>		
1.	Institutional Investors	Nil	Nil
a.	Mutual Funds and UTI	Nil	Nil
b.	Banks, Financial Institutions, Insurance Companies [Central / State Govt. Institutions / Non-government Institutions]		
c.	FIIS	Nil	Nil
	Sub-Total	Nil	Nil
<b>C.</b>	<b>Others</b>		
a.	Private Corporate Bodies	941418	18.64
b.	Indian Public	3667373	72.62
c.	NRIs / OCBs	Nil	Nil
d.	Any other (Clearing Members)	8900	0.18
	Sub-total	4617691	91.44
	<b>Grand Total</b>	<b>5050200</b>	<b>100.00</b>

**Distribution of Shareholding as on 31<sup>st</sup> March, 2009**

No. of Equity shares	No. of Shareholders	% of Total	No. of Shares	% of Total
Up to 500	380	53.60	69025	1.37
501 to 1000	60	8.46	53399	1.06
1001 to 2000	36	5.08	55417	1.10
2001 to 3000	25	3.53	62124	1.23
3001 to 4000	25	3.53	97065	1.92
4001 to 5000	30	4.23	142164	2.82
5001 to 10000	56	7.90	399796	7.92
1,00,01 and above	97	13.68	4171210	81.59
<b>Total</b>	<b>709</b>	<b>100</b>	<b>5050200</b>	<b>100</b>

**Auditor's Certificate on Corporate Governance**

The Company has obtained a certificate from its statutory auditors M/s. Mahesh C. Solanki & Co., Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. This Certificate is annexed to the Directors' Report for the year 2008-09. This certificate will be sent to the stock exchanges along with the annual report to be filed by the Company.

**DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT:**

In terms of the requirements of the amended clause 49 of the Listing agreement, this is to confirm that all the members of the Board and the senior management personnel have affirmed compliance with the code of conduct for the Year ended 31<sup>st</sup> March, 2009.

**For Kadamb Constructions Ltd.**

Place : Thane  
Date : 05/09/2009

**Alka Soni**  
(Director)

**Mohan Jhawar**  
(Director)

**AUDITOR'S CERTIFICATE**

We have examined the compliance of the conditions of the Corporate Governance by Kadamb Constructions Ltd. for the year ended 31<sup>st</sup> March, 2009 as stipulated in Clause 49 of the Listing agreement of the Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As informed to us, the records relating to investor grievances pending against the Company, if any, is maintained by the Registrar and Share Transfer Agent of the Company, who have certified that as at 31<sup>st</sup> March, 2009, no grievance was unattended / pending for more than 30 days.

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

**For Mahesh C. Solanki & Co.**  
Chartered Accountants

Place : Thane  
Date : 05.09.2009

Sd/-  
**Mahesh Solanki**  
(Partner)  
M.No. 074991

**CERTIFICATE**

We, Mrs. Alka Soni and Mr. Mohan Jhavar, Directors of the Company hereby certify to the Board of Directors of the Company that: -

1. We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2009 and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee:
  - (a) Significant changes in internal control over financial reporting during the year;
  - (b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Kadamb Constructions Ltd.**

Place : Thane  
Date : 05.09.2009

**Alka Soni**                      **Mohan Jhavar**  
(Director)                              (Director)

**AUDITORS REPORT****To the Members of**

Kadamb Constructions Limited

1. We have audited the attached Balance Sheet of **Kadamb Constructions Limited** as at **31<sup>st</sup> March, 2009** and also the Profit & Loss account & Cash Flow statement 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.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report)(Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - i. 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;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance Sheet and Profit and Loss account & Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;
  - iv. In our opinion the Profit and Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 to the extent they are applicable to the Company.
  - v. On the basis of written representation received from the directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors of the Company we report that none of directors are disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements with the notes thereon and attached thereto gives in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India :-
- (a). in the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2009 and
- (b). in the case of Profit and Loss Account of the profit for the year ended on that date.
- (c). in case of cash flow statement, of the cash flows for the year ended on that date.

**For Mahesh C. Solanki & Co.**  
Chartered Accountants

Place: Thane  
Date: 30<sup>th</sup> June, 2009

**Mahesh Solanki**  
Partner  
M. No. - 074991



**Annexure**

**Kadamb Constructions Limited** Referred to in paragraph 3 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. *The same are in the process of being updated.*
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) In respect of the Inventories the provisions of clause 4 (ii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company. So there are no matters which arise to be reported in the aforesaid order.
- (iii) (a) In our opinion and according to the information and explanation given to us, the Company has not taken any loan secured or unsecured from the firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanation given to us, the Company has not granted any loan secured or unsecured from the firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for purchases of inventory and fixed assets. Further, on the basis of our examination of the books of account and according to the information and explanations given to us, we have not come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
- (v) (a) According to the information and explanation given to us, we are of the opinion that particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, required to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) According to the information and explanation given to us, we are of the opinion that the transactions made during the year in pursuance of such contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956, and exceeding the value of Five Lacs Rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA and any other relevant provisions of the Act and the rules framed there under. Therefore, the provisions of the clause (vi) of the said Order is not applicable to the Company

- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to the information and explanation given to us, the Central Government has not prescribed for the maintenance of cost records under Section 209(1)(d) of the Act in respect of the products of the company.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including investor education and protection fund, Employee's state insurance, income-tax, wealth-tax, service-tax, sales-tax, custom duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities during the year, and there were no such outstanding dues as at 31<sup>st</sup> March, 2009 for a period exceeding six months from the date they become payable.
- (b) According to the information and explanations given to us, the dues of income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty and cess, which have not been deposited on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount involved (Rs.)	Period to which the amount relates	Forum where dispute is pending
- NIL -				

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per information and explanation given by the management, the Company has not obtained any borrowings from any Financial Institution or by way of debentures.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of the transactions and contracts in respect of trading in securities, derivatives and other investments during the year and timely entries have been made therein. Further, such securities, derivatives and other investments have been held by the Company in its own name, except to the extent of exemption granted under section 49 of the Companies Act, 1956.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loan taken by other from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, on an overall basis, no term loans have been acquired during the year.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.

- (xviii) According to the records of the Company and the information and explanation provided by the management, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act. Therefore the clause whether the prices at which shares have been issued is not prejudicial to the interest of the Company is not applicable to the Company.
- (xix) According to the information and explanation given to us during the period covered by our audit report, the Company has not issued any debentures.
- (xx) The Company has not raised any money through public issues. Therefore the clause of verification of end use of money raised by public issues as disclosed in the notes to the financial statement is not applicable to the company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For Mahesh C. Solanki & Co.**  
Chartered Accountants

Place: Thane  
Date : 30<sup>th</sup> June, 2009

**Mahesh Solanki**  
Partner  
M. No. - 074991

**BALANCE SHEET AS AT 31ST MARCH, 2009**

Amount in Rs.

PARTICULARS	SCHEDULE	As At 31st March, 2009	As At 31st March, 2008
<b>SOURCES OF FUNDS :</b>			
<b>Shareholders Funds:</b>			
Share Capital	01	50,502,000	38,740,500
Reserves & Surplus	02	48,387,280	12,746,892
<b>Loan Funds:</b>			
Secured Loans	03	2,035,023	210,664
<b>Deferred Tax Liability</b>		453,643	477,715
	<b>TOTAL</b>	<b><u>101,377,946</u></b>	<b><u>52,175,771</u></b>
<b>APPLICATION OF FUNDS :</b>			
<b>Fixed Assets:</b>			
Gross Block	04	3,343,184	3,336,184
Less: Depreciation		1,019,587	745,217
Net Block		<b><u>2,323,597</u></b>	<b><u>2,590,967</u></b>
<b>Investements :</b>	05	27,692,000	18,582,000
<b>Current Assets, Loans &amp; Advances</b>			
Inventory	06	404,763	82,394
Sundry Debtors	07	9,771,375	4,356,280
Cash & Bank Balances	08	13,605,936	861,180
Loans & Advances	09	47,966,438	31,829,002
		<b><u>71,748,512</u></b>	<b><u>37,128,856</u></b>
<b>Less: Current Liabilities &amp; Provisions</b>			
Current Liabilities	10	226,493	5,772,372
Provisions		159,670	353,680
		<b><u>386,163</u></b>	<b><u>6,126,052</u></b>
<b>Net Current Assets</b>		<b><u>71,362,349</u></b>	<b><u>31,002,804</u></b>
	<b>TOTAL</b>	<b><u>101,377,946</u></b>	<b><u>52,175,771</u></b>

**NOTES TO ACCOUNTS**

17

The schedules referred to above and statement on significant accounting policies form an Integral part of the Balance Sheet.

*As per our attached report of even date*
**For Mahesh C. Solanki & Co.**  
 Chartered Accountants

For and on behalf of the Board of Director

**Mahesh Solanki**  
 Partner  
 M.No. 074991  
 Place: Thane  
 Date : 30th June, 2009

**Mohan Jhavar**  
 Director

**Alka Soni**  
 Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2009**

Amount in Rs.

PARTICULARS	SCHEDULE	Year Ended March, 2009	Year Ended March, 2008
<b>INCOME:</b>			
Sales	11	90,180,092	454,503,604
Other Income	12	2,933,703	366,840
		<b>93,113,795</b>	<b>454,870,444</b>
<b>EXPENDITURE</b>			
Purchases	13	90,808,849	451,497,405
Operational & Administrative Expenses	14	825,688	1,477,925
Salaries & Employees Benefits	15	780,392	632,350
Interest and Other Finance Charges	16	24,281	6,176
Depreciation		274,370	269,167
		<b>92,713,580</b>	<b>453,883,023</b>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		400,215	987,421
Prior Period Items (Net)		-	-
Less: Provision for Current Tax	144,800		334,940
Earlier Year Tax	(33,271)		529
Deferred Tax Liabilities(Net of Assets)	(24,073)	87,456	201,756
Fringe Benefit Tax	14,870	102,326	18,740
<b>Net Profit after Tax For The Year</b>		<b>297,888</b>	<b>431,456</b>
Add: PROFIT AND LOSS ACCOUNT, beginning of Year		3,084,392	2,652,936
<b>Profit Available for Appropriation</b>		<b>3,382,280</b>	<b>3,084,392</b>
Appropriations:		-	-
<b>PROFIT AND LOSS ACCOUNT, end of year</b>		<b>3,382,280</b>	<b>3,084,392</b>
<b>Notes to Accounts</b>	17		

The schedules referred to above and statement on significant accounting policies form an Integral part of the Profit & Loss A/c.

*As per our attached report of even date*

**For Mahesh C. Solanki & Co.**

Chartered Accountants

For and on behalf of the Board of Directors

**Mahesh Solanki**

Partner

M.No. 074991

Place: Thane

Date : 30th June, 2009

**Mohan Jhawar**

Director

**Alka Soni**

Director

**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2009**  
 (Amount in Rs.)

PARTICULARS	As at 31st March, 2009	As at 31st March, 2008
<b>Schedule - 01 Share Capital</b>		
<b>Authorised :</b>		
5,500,000 Equity Shares of Rs.10/- each	55,000,000	55,000,000
	<b>55,000,000</b>	<b>55,000,000</b>
Issued & Subscribed :		
5,050,200 Equity Shares of Rs 10/- each Paid Up	50,502,000	50,502,000
5,050,200 Equity Shares of Rs 10/- each fully paid up (Prev. Year 2,695,000 Equity Shares of Rs 10/- each fully paid up)	50,502,000	26,950,000
Add: Re-issue of forfeited shares account 2,355,200 Equity Shares of Rs 10/- forfeited for non payment of call money	-	11,790,500
	<b>50,502,000</b>	<b>38,740,500</b>
<b>Total</b>	<b>50,502,000</b>	<b>38,740,500</b>
<b>Schedule - 02 Reserves &amp; Surplus</b>		
Capital Reserve	13,028,000	1,237,500
Share Premium	30,977,000	7,425,000
General Reserve	1,000,000	1,000,000
Profit & Loss Account	3,382,280	3,084,392
<b>Total</b>	<b>48,387,280</b>	<b>12,746,892</b>
<b>Schedule - 03 Secured Loans</b>		
<b>Over Draft Facility</b>		
- From Citi Bank Ltd.	1,991,035	-
[Secured against Term Deposit]		
<b>Vehicle Finance</b>		
- From HDFC Bank Ltd.	43,988	210,664
[Secured by hypothecation of vehicle]		
<b>Total</b>	<b>2,035,023</b>	<b>210,664</b>

**Schedule-04**
**FIXED ASSETS**

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As On 01/04/2008	Addition during the year	Deduction/ Adjustment During the Period	As On 31/03/2009	UP TO 31/03/2008	For the year	Deduction/ Adjustment During the Year	UP TO 31/03/2009	As On 31/03/2009	As On 31/03/2008
Office Premises	911,000	-	-	911,000	50,750	30,427	-	81,177	829,823	860,250
Plant and Machinery	145,700	-	-	145,700	15,561	6,921	-	22,482	123,218	130,139
Furniture & Fittings	261,500	-	-	261,500	40,524	16,553	-	57,077	204,423	220,976
Office Equipments	116,298	3,500	-	119,798	13,731	7,387	-	21,118	98,680	102,567
Motor Vehicle	1,425,474	-	-	1,425,474	476,194	135,420	-	611,614	813,860	949,280
Computer	476,212	3,500	-	479,712	148,457	77,662	-	226,119	253,593	327,755
<b>TOTAL</b>	<b>3,336,184</b>	<b>7,000</b>	<b>-</b>	<b>3,343,184</b>	<b>745,217</b>	<b>274,370</b>	<b>-</b>	<b>1,019,587</b>	<b>2,323,597</b>	<b>2,590,967</b>
Previous Year	3,263,936	72,248	-	3,336,184	476,050	269,167	-	745,217	2,590,967	2,787,886

**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2009**

(Amount in Rs.)

PARTICULARS	As at 31st March, 2009	As at 31st March, 2008
<b>Schedule - 05 Investments</b>		
<i>Long Term Investments</i>		
(At Cost/Carrying Amount unless otherwise stated)		
1. In Equity Shares		
Madhya Pradesh Stock Exchange Ltd.	2,592,000	2,592,000
<i>(86,400 Equity shares of Rs. 1/- each fully paid up)</i>	<u>2,592,000</u>	<u>2,592,000</u>
(Share Application Money Pending for Allotment)		
Bagree Alloy Pvt. Ltd.	500,000	500,000
CEE - CEE Engineerings Industries Pvt. Ltd.	2,500,000	-
Deepakmal Multitrade Pvt. Ltd.	-	1,000,000
Dilip Buildcon Pvt. Ltd.	15,500,000	-
Kunjit Impex Pvt. Ltd.	-	1,500,000
Manoram Computers Pvt. Ltd.	1,600,000	0
NIOL Impex Ltd.	1,000,000	1,000,000
Rajratan Resources Pvt. Ltd.	3,000,000	-
Samyak Resources Pvt. Ltd.	-	6,000,000
Satyaman Impex Pvt. Ltd.	-	5,990,000
Shubh - Laabh Real Estate Pvt. Ltd.	1,000,000	-
	<u>25,100,000</u>	<u>15,990,000</u>
<b>Total</b>	<u>27,692,000</u>	<u>18,582,000</u>
<b>Schedule - 06 Inventory</b>		
(As valued and certified by the management)		
Equity Shares	404,763	82,394
<b>Total</b>	<u>404,763</u>	<u>82,394</u>
<b>Schedule - 07 Sundry Debtors</b>		
(Unsecured Considered Good)		
Debts Outstanding for a period exceeding six months		
Considered Good	-	-
Considered Doubtful	-	-
Other Debts		
Considered Good	9,771,375	4,356,280
Considered Doubtful	-	-
	<u>9,771,375</u>	<u>4,356,280</u>
<b>Total</b>	<u>9,771,375</u>	<u>4,356,280</u>

**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2009**

(Amount in Rs.)

PARTICULARS	As at 31st March, 2009	As at 31st March, 2008
<b><u>Schedule - 08</u>    <u>Cash &amp; Bank Balances</u></b>		
Cash and Cheques on hand	961,821	835,333
Balance with Scheduled Bank on		
- Current Accounts	-	25,847
- Term Deposit Accounts	12,644,115	-
<b>Total</b>	<b><u>13,605,936</u></b>	<b><u>861,180</u></b>
<b><u>Schedule - 09</u>    <u>Loans &amp; Advances</u></b>		
(Unsecured and considered good)		
Advance recoverable in cash or in kind	189,647	162,187
Advance Tax & TDS	232,798	329,129
Deposits	25,029	25,029
Prepaid Expenses	2,630	4,087
Other Advances	47,516,334	31,308,570
<b>Total</b>	<b><u>47,966,438</u></b>	<b><u>31,829,002</u></b>
<b><u>Schedule - 10</u>    <u>Current Liabilities &amp; Provisions</u></b>		
<b>A) Current Liabilities</b>		
Sundry Creditors		
Dues of small scale Industrial Undertakings	-	-
Other Trade Creditors	141,600	5,739,689
Creditors for Expenses	79,213	27,091
Other Liabilities	5,680	5,592
<b>Total</b>	<b><u>226,493</u></b>	<b><u>5,772,372</u></b>
<b>B) Provisions</b>		
Current Tax	144,800	334,940
Fringe Benefit Tax	14,870	18,740
<b>Total</b>	<b><u>159,670</u></b>	<b><u>353,680</u></b>
<b><u>Schedule - 11</u>    <u>Sales</u></b>		
Sales - F&O & Equity	90,180,092	454,503,604
<b>Total</b>	<b><u>90,180,092</u></b>	<b><u>454,503,604</u></b>
<b><u>Schedule - 12</u>    <u>Other Income</u></b>		
Accounts Forfeited	1,337,898	-
Interest	1,595,804	617,140
Profit/(Loss) in Real Estate Transactions	-	(250,300)
<b>Total</b>	<b><u>2,933,703</u></b>	<b><u>366,840</u></b>



**SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2009**

(Amount in Rs.)

PARTICULARS	As at 31st March, 2009	As at 31st March, 2008
<b><u>Schedule - 13 Purchases</u></b>		
Purchases - F&O & Equity	90,808,849	451,497,405
<b>Total</b>	<b><u>90,808,849</u></b>	<b><u>451,497,405</u></b>
<b><u>Schedule - 14 Operational &amp; Administrative Expenses</u></b>		
Auditors Remuneration	55,150	11,236
Electricity Expenses	16,238	30,895
Hire Charges	11,848	25,758
Insurance Expenses	17,237	18,708
Legal & Professional Charges	280,900	135,393
Office Expenses	47,920	302,249
Postage & Telegrams	45,293	51,699
Rent Rates & Taxes	134,053	179,607
Repair & Maintenance	22,250	147,306
Stationery & Printing	53,588	178,740
Telephone & Trunkcalls	30,953	63,136
Trading Expenses	18,056	92,558
Travelling Expenses	67,357	218,610
Vehicle Repair & Maintenance	24,845	22,030
<b>Total</b>	<b><u>825,688</u></b>	<b><u>1,477,925</u></b>
<b><u>Schedule - 15 Salaries &amp; Employee Benefits</u></b>		
Salaries and Allowances	780,392	632,350
<b>Total</b>	<b><u>780,392</u></b>	<b><u>632,350</u></b>
<b><u>Schedule - 16 Interest &amp; Other Financial Charges</u></b>		
Interest to Bank	19,544	5,666
Interest to Others	4,737	510
<b>Total</b>	<b><u>24,281</u></b>	<b><u>6,176</u></b>

**Schedule 17****A Significant Accounting Policies**

Significant accounting policies adopted in the preparation and presentation of the accounts are as under:

**1. Nature of Operations**

Kadamb Constructions Limited ("the Company") was incorporated on 21<sup>st</sup> July, 1995 at Jaipur, India. The Company is engaged in business of Construction Activities and also in dealings of Shares & securities, derivatives and other investments.

**2. Basis of Accounting**

The financial statements have been prepared and presented under the historical cost convention on accrual basis of accounting, in accordance with the accounting principals generally accepted in India and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 1956, to the extent applicable. Except where otherwise stated, the accounting principles have been consistently applied.

**3. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation. Depreciation is provided on Straight Line method on prorata basis at the rates, which are prescribed in Schedule XIV of the Companies Act, 1956.

**4. Investments**

Long term investments are stated at cost and provision is made to recognize any diminution in value, other than that of a temporary nature.

**5. Inventories**

Inventories are valued as follows:

**■ Equity Shares**

Equity Shares are valued at Cost or realizable value, whichever is lower. Cost is determined on a First in First out Basis.

**6. Revenue recognition**

The Company is carrying on business in Derivative segment. The Company has recorded the turnover on the basis of Contract Notes of Purchase & Sell.

**7. Income taxes**

Tax expense comprises both current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

**8. Earnings per Share**

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

**9. Provisions and Contingent Liabilities**

The Company recognizes a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount

of the obligation. Disclosures for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**B Notes Forming Part of the Accounts**
**1. Auditor's Remuneration**

(Amount in Rs.)

	2008-09	2007-08
Audit Fees	50,000	10,000
In other capacity	35,925	34,500
Service Tax	9,590	5,500
	<b>95,515</b>	<b>50,000</b>

**2. Taxation**

(Amount in Rs.)

	2008-09	2007-08
<b>A. Deferred Tax Liabilities</b>		
Tax impact of difference between Depreciation as per Company Law and as Depreciation as per Income Tax Act	(4,53,642)	(4,77,715)
<b>Net Deferred Tax Liability</b>	<b>(4,53,642)</b>	<b>(4,77,715)</b>

3. The amount due to Small Scale Industrial Undertakings (SSIs) is furnished under the relevant head, on the basis of information available with the Company regarding small scale industry status of the service provider.

**4. Calculation of Earnings per Share [EPS]**

(Amount in Rs.)

		2008-09	2007-08
<b>A.</b> Net Profit for the year attributable to Shareholders	Rupees	2,97,888	4,31,356
<b>B.</b> Basic and weighted average number of Equity Shares outstanding during the year	Nos.	22,32,716	26,95,000
<b>C.</b> Nominal Value of Equity Shares	Rupees	10	10
<b>D. Basic and Diluted EPS</b>	Rupees	<b>0.13</b>	<b>0.16</b>

5. The business of the Company is under two segments i.e. in constructions and the other relating to Derivatives trading. However, no activity has been carried on during the year for the construction segment. The above Financial Statements relate only to the segment relating to Shares & securities, derivatives and other investments. In view of this, separate segments are not reported as per AS - 17.

6. In the opinion of the Board of Directors, the current assets, Loans & Advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated.

**7. Related Party Disclosure (As identified & certified by the management)**

- (a) Associates: Samyak Resources Pvt. Ltd.  
 (b) Key Management Personal: Mrs. Alka Soni  
 (c) Transaction during the year with related parties.

(Rs in Lacs)

	Associates As at 31 <sup>st</sup> March		Key Managerial Personnel As at 31 <sup>st</sup> March		Total As at 31 <sup>st</sup> March	
	2009	2008	2009	2008	2009	2008
Investment, Sundry Debtors & Loans and Advances	(60.00)	60.00	-	-	(60.00)	60.00
Current Liabilities	-	-	-	-	-	-
<b>Income</b>	-	-	-	-	-	-
Rent	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Director Remuneration	-	-	-	-	-	-

**8. International Financial Reporting Standards**

Convergence with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) is gaining the attention of companies, regulators and investing communities across the globe. Many countries have adopted IFRS and some of them, including India, are in the process of adopting the same. The Institute of Chartered Accountants of India (ICAI) has issued a roadmap for convergence of Indian GAAP with IFRS by April 1, 2011.

Currently, we report our financials under the Accounting standards and Principles generally accepted in India. We will adopt IFRS for our financial statements as per the roadmap issued by ICAI. We have commenced preparations for the conversion to IFRS.

9. Previous year's figures have been re-grouped/re-arranged and re-classified wherever necessary.  
 10. Balances in respect of sundry creditors, Loans and advances (including interest thereon) are subject to confirmation from respective parties.  
 11. As per the clause 22 of chapter V of MSMED Act, 2006

	Amounts
The principal amount and interest remaining unpaid to any supplier	Nil
The amount of interest paid by the buyer along with the payments made to the suppliers	Nil
The amount of interest due and payable for the period of delay in making payment	Nil
The amount of interest accrued and remaining unpaid at the end of the year	Nil
The amounts of interest remaining unpaid and payable even in the succeeding years, until such date are actually paid to the small enterprise.	Nil

On the basis of information available with the company no such delay in payment to Micro/ Small Enterprises occurs.

**For Mahesh C. Solanki & Co.**  
 Chartered Accountants

For and on behalf of the Board of Directors

**Mahesh Solanki**  
 Partner  
 M.No. 074991  
 Place: Thane  
 Date : 30th June, 2009

**Mohan Jhawar**  
 Director

**Alka Soni**  
 Director

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

(Amount in Rs. Lacs)

	Year Ended 31/03/2009	Year Ended 31/03/2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before Tax & Extraordinary Items	4.00	9.87
Adjustments for :		
Depreciation	2.74	2.69
Interest Income	(15.96)	(6.17)
Interest Expenditure	0.24	(3.42)
	<u>(8.97)</u>	<u>6.46</u>
Operating Profit before Working Capital Changes		
Adjustments for :		
Trade & Other Recievables	(216.21)	56.71
Inventories	(3.22)	(0.82)
Trade Payables	(55.46)	46.38
	<u>(274.90)</u>	<u>102.26</u>
Cash generated from Operations	(283.87)	108.72
Income Tax Paid	(2.52)	(3.29)
	<u>(286.38)</u>	<u>105.43</u>
Cash flow before Extraordinary Items		
Extraordinary items	--	--
Net Cash flow from Operating Activities	<u>(286.38)</u>	<u>105.43</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	(0.07)	(0.72)
Purchases of Investments	(91.10)	(103.42)
Interest paid	(0.24)	(0.06)
Interest received	15.96	6.17
	<u>(75.45)</u>	<u>(98.03)</u>
Net Cash flow from / Used in Investing Activities		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Re-Issue of Share Capital	471.04	-
Proceeds from Bank Overdraft	19.91	-
Repayment of Vehicle Loans	(1.67)	(1.53)
	<u>489.28</u>	<u>(1.53)</u>
Net Cash flow from / Used in Financing Activities		
Net Decrease / Increase in Cash or Cash Equivalents	127.45	5.87
Opening Cash & Cash Equivalents	8.61	2.75
Closing Cash & Cash Equivalents	136.06	8.61
<b>Cash &amp; Cash Equivalents comprises :</b>		
Cash & Bank Balances	136.06	8.61

As per our attached report of even date

**For Mahesh C. Solanki & Co.**  
 Chartered Accountants

For and on behalf of the Board of Directors

**Mahesh Solanki**  
 Partner  
 M.No. 074991  
 Place: Thane  
 Date : 30th June, 2009

**Mohan Jawar**  
 Director

**Alka Soni**  
 Director

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI OF COMPANIES ACT, 1956**  
**Balance Sheet Abstract and Companies General Business Profile**

**I Registration Details** (Rupees in '000)

Registration No.	10435	State Code	11
Balance Sheet Date	31-Mar-09		

**II Capital Raised During the Year**

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
Reissue of forfeited shares	23,552		

**III Position of Mobilisation & Deployment of Funds**

Total Liabilities	101,378	Total Assets	101,378
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**Sources of Funds**

Paid Up capital	50,502	Reserve & Surplus	48,387
Share Application Money	Nil	Secured Loans	2,035
Unsecured Loans	Nil	Deferred Tax Liabilities	454

**Application of Funds**

Net Fixed Assets	2,324	Investment	27,692
Net Current Assets	71,362	Misc. Expenditure	Nil
Accumulated Losses	Nil		

**Performance of the Company**

Turnover	90,180	Total Expenditure	92,714
Other Income	29,34	Profit After Tax	298
Profit Before Tax	400	Dividend Rate %	Nil
Earning Per Share	0.13		

**Generic Names of the Products of the Company**

Item Code	Not Available	Not Available
Product Description	Construction	Equity Shares & Derivatives

As per our attached report of even date

**For Mahesh C. Solanki & Co.**  
 Chartered Accountants

For and on behalf of the Board of Directors

**Mahesh Solanki**  
 Partner  
 M.No. 074991  
 Place: Thane  
 Date :30th June, 2009

**Mohan Jhawar**  
 Director

**Alka Soni**  
 Director

**KADAMB CONSTRUCTIONS LIMITED**

Regd. office : B-3, 204, Saket Complex, Thane (West), Mumbai - 400601

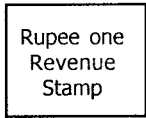
**Proxy Form**

Regd. Folio No./DP Client ID

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I / We \_\_\_\_\_ of \_\_\_\_\_ in the district \_\_\_\_\_ being a member/members of the Company hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the district \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ in the district \_\_\_\_\_ as my/ our proxy to vote for me/ us on my/our at the FOURTEENTH ANNUAL GENERAL MEETING of the Company at B-3, 204, Saket Complex, Thane (West), Mumbai - 400601 at 11.30 a.m. on Wednesday, the 30<sup>th</sup> September, 2009 and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009.



Signature \_\_\_\_\_

Note:- This form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

..... Please tearhere.....

**KADAMB CONSTRUCTIONS LIMITED**

Regd. office: B-3, 204, Saket Complex, Thane (West), Mumbai - 400601

**ATTENDANCE SLIP**

Fourteenth Annual General Meeting –September 30, 2009

Name of the attending member (in block letters)	
Folio Number	
*DP ID No.	
*Client No.	
No. of shares held	
Name of proxy (to be filled in if the proxy attends instead of the member)	

I hereby record my presence at the 14<sup>th</sup> Annual General Meeting of Kadamb Constructions Ltd. at B-3, 204, Saket Complex, Thane (West), Mumbai - 400601 at 11.30 a.m. on Wednesday, the 30<sup>th</sup> September, 2009.

\* Applicable in case of shares held in Electronic Form

Signature of Member/Proxy

\_\_\_\_\_

Book - Post

To,

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*If undelivered, Please return to :*  
**KADAMB CONSTRUCTIONS LIMITED**  
Regd. Office : B-3, 204, Saket Complex, Thane (West), Mumbai-400601