

7th

ANNUAL REPORT
2001-2002



BOARD OF DIRECTORS

Mr. Mahesh Kumar Gupta
Mr. Ganga Ram Khandelwal
Mr. C.P. Goel
Mr. Rajendra Sharma
Mrs. Heeru Gupta

Chairman Cum Managing Director
Director
Director
Director
Director

AUDITORS

M/s. Maheshwari & Kedawat
Chartered Accountants.
104, Navjeevan Chambers,
Vinoba Marg, C-Scheme,
JAIPUR - 302001

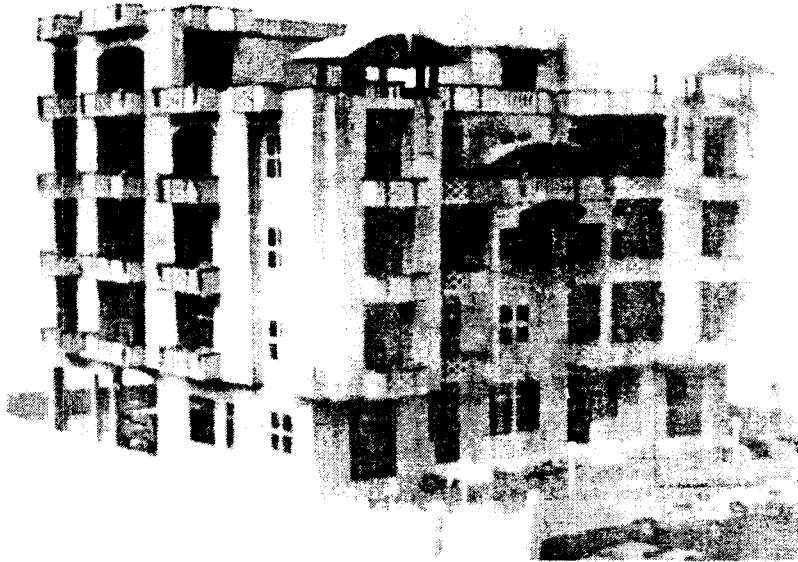
BANKERS

UCO - Bank, Jaipur
GLOBAL TRUST Bank Ltd., Jaipur

REGISTERED OFFICE :

A-27, AMBA BARI JAIPUR -12.

CORPORATE OFFICE : 211-212, SHALIMAR COMPLEX
OPP. CHURCH ROAD, M.I. ROAD, JAIPUR- 302001



NOTICE

Notice is hereby given that the **SEVENTH** Annual General Meeting of KADAMB CONSTRUCTIONS LIMITED, will be held on Thursday the 29th August, 2002 at 10.30 a.m. at Corporate Office : 211-212, Shalimar Complex, Church Road, M.I. Road, Jaipur to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2002, and the Profit & Loss Account for the year ended on that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Heeru Gupta, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. Ganga Ram Khandelwal, who retires by rotation and being eligible offers himself for reappointment.
4. To reappoint Auditors to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass, with or without modification(s) the following resolution as a Special Resolution :-
"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Article of Association of the Company be and are hereby amended to the extent and to the manner as set out hereunder and all activities carried out by the board of directors of your company relating to dematerialisation in pursuance of the Listing Agreement be rectified and approved :-

- i) After Article 17 the following new Articles 17 A be inserted under the heading "DEMATERIALISATION OF SECURITIES"

The provision of 'Beneficial Owner', 'Depository', 'Member', 'Dematerialisation of Securities', 'Option to hold securities in physical form or depository', 'Beneficial Owner may opt out of a depository', 'Securities in Depositories to be in fungible form', 'Right of depository and beneficial owners', 'transfer of securities', 'Register and index of beneficial owners', 'Nomination and securities', will be same as defined in the Depositories Act, 1996 and the Companies Act, 1956'.

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 Section 372A of the Companies Act, 1956 and all other applicable provisions of the Companies Act, 1956 including any statutory modification(s) or re-enactments(s) thereof subject to other approvals, permission(s) and sanction(s) as may be necessary and imposed while granting such approval(s), permission(s) and sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the Board, the consent of the company be and is hereby accorded to the Board to give guarantee(s) and/or provide security(ies) in connection with a loan made by any other person to, or to any other person by, any body corporate, and/or to make any loan from time to time and or to acquire from time to time by way of subscription, purchase or otherwise shares, up to the aggregate amount of Rs. 350 lacs.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and to settle all questions and matters arising out of or incidental to the proposed guarantees/securities / loan as may be desirable or expedient for implementing the above resolutions.

RESOLVED FURTHER that Shri Mahesh Kumar Gupta, Chairman cum Managing Director be and is hereby authorised to file the necessary papers with the concerned authorities for effecting the above resolution.

By Order of the Board

Regd. Office
A-27, Amba Bari,
Jaipur (Rajasthan)
Dated : 29.06.2002

(Mahesh Kumar Gupta)
Chairman cum Managing Director

Notes :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and such proxy need not be a member. however, Proxy form must be deposited at the Registered Office of the Company not later than 48 hours before commencement of the meeting.
2. The Register of Members and Share Transfer books of the company will remain closed from 26.08.2002 to 29.08.2002 (both days inclusive).
3. Shareholders are requested to advise the company immediately of any change in their addresses.
4. Members are requested to quote their folio numbers in all their correspondence.
5. The shareholders desiring any information as regards accounts are requested to write to the company at an early date, so as to enable the management to keep information ready.
6. Members are requested to bring their copies of Annual Report to the Meeting.
7. Members are requested to bring with them the attendance slip and hand it over at entrance duly signed by them.
8. The Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 is enclosed.
9. The Postal Ballot Form with self addressed (postal stamps affixed) is enclosed with this notice.

Regd. Office :
A-27, Amba Bari,
Jaipur (Rajasthan)
Dated : 29.06.2002

By Order of the Board

(Mahesh Kumar Gupta)
Chairman cum Managing Director

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 5 : The share of your company has got the connectivity from NSDL in pursuance of the provisions of the Listing Agreement, which provided for a compulsory dematerialisation. Hence it is necessary to amend the provisions of the Articles of Association accordingly.

With the introduction of Depositories Act, 1996 and the depository system, some of the provisions of the Companies Act, 1956 in relation to the issue, holding, transfer and transmission of shares, debentures and other securities have been amended to facilitate the implementation of the new system. The depository system is safe and convenient method to hold and trade in the securities of the company.

The Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 has provided to every holder of Shares of Debentures or other securities and option to nominate a person to whom his/her shares or debentures of the company shall vest in the event of his/her death.

Further, it is proposed to amend the Articles of Association of the company suitably incorporating therein necessary provisions relating to the implementation of the depository system and providing nomination facility in conformity with the Depositories Act, 1996 and Companies Act, 1956, respectively as amended from time to time.

The resolution is accordingly recommended for approval of the members by mean of Special Resolution as required under Section 31 of the Companies Act, 1956.

None of the director of the company is deemed to be concerned or interested in the said resolution.

Copy of the Memorandum and Articles of Association of the company together with the proposed alteration(s) shall be open for inspection of the members at the Registered Office of the company on any working day during the business hours and at the Annual General Meeting.

Your directors recommend the resolution for your approval.

Item No. 6 : The board wants to increase the limit of loan / investment / guarantee etc. up to Rs. 350 lacs under the provisions of Section 372A of the Companies Act, 1956. Previously this limit was Rs. 1 crore under the provisions of Section 372, which was given by the members of the company in the EGM dt. 27th September, 1995. The provisions of Section 372 has been made ineffective by the amendment in the Companies Act, 1956 in 1999.

For this purpose shareholders approval is required by passing a Special Resolution. Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 requires the consent of shareholders for giving power to directors under Section 372A through postal ballot. The Postal Ballot Form are being sent with this notice of AGM, as per the Government of India's General Circular No. 16/2001 dt. July, 24, 2001 issued by the Dept. of Company Affairs. The Chairman of the AGM shall declare the results of the Postal Ballot in the General Meeting.

None of the directors of the company is concerned or interest in the item.

DIRECTOR'S REPORT

To,

The Members
Kadamb Constructions Limited

Your Directors take, great pleasure in presenting the Seventh Annual Report of the company together with the Audited Accounts for the year ended on 31st March, 2002.

FINANCIAL HIGHLIGHTS.

	FINANCIAL YEAR 2001-02 (Rs. in Lacs)	FINANCIAL YEAR 2000-2001 (Rs. in Lacs)
Total Income	44.82	68.18
Profit (Loss) before Depreciation Interest and Tax	10.54	7.13
Less : Interest	0.00	0.00
Less : Depreciation	0.72	0.72
Profit (Loss) before Tax	9.82	6.43
Provision for tax	2.80	0.55
Deferred tax assets / Liabilities	0.50	0.00
Profit / (Loss) after tax for the year	6.52	5.88
Add (Less) profit/loss B/f from the previous year	3.54	(2.35)
Less : Deferred tax till 01.04.82	0.82	0.00
Profit / (Loss) Carried over to balance sheet	9.24	3.53
Transfer to General	Nil	Nil

OPERATIONS & FUTURE PROSPECTS :

This year too, the real estate market could not pick up & there has been very low demand of flats in the market. The availability of flats has been very high but the demand is low. The company hopes that condition in the forth coming year will improve.

CONNECTIVITY WITH NSDL:

The shares of your company has been connected with NSDL. Now the shares of your company can be traded in demat form. The Company has appointed M/s. Beetal Financial & Computer Services Pvt. Ltd., New Delhi as the Registrar of the Company.

PUBLIC DEPOSITS :

During the year the company has not accepted any deposit from the public.

CORPORATE GOVERNANCE:

The paid-up share capital of your company is Rs. 3,75,03,000/-, and according to the provisions of the Listing Agreement your company is required to implement the provisions of the Corporate Governance with in the financial year 2002-2003, but not later than March 31, 2003. The board of directors of your company is in the process of implementing the above with in the schedule time.

FORFEITURE OF SHARES :

The board of directors of your company has forfeited partly paid up equity shares of Rs. 1,30,28,000/-. And the company has complied all the legal compliances in this regard.

DIRECTORS :

Smt. Heeru Gupta, Mr. Ganga Ram Khandelwal retire by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

AUDITORS :

M/s. Maheshwari & Kedawat, Chartered Accountants, Jaipur Auditors of the Company will retire at the conclusion of ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment. The Company has received a certificate from the auditors to the effect that their re-appointment, if made, would be in accordance with Section 224(1B) of the Companies Act, 1956. The Board recommends their re-appointment.

INFORMATION REQUIRED UNDER SECTION 2(A) OF SECTION 217 :

None of the employee of your company is covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1956. as amended.

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

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of director) Rules, 1988, are not given as the same is either not applicable to the company.

DIRECTORS RESPONSIBILITY STATEMENT :

To the best of their know ledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956 :

- A. That in preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure have been made from the same.
- B. That they have selected such account in policies and applied them consistently and made judgements and estimated that are reasonable and prudent so as to give true and fair view of the state of affairs of the company at the end of the financial year and of the profits or loss of the company for that period.
- C. That they 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, irregularities.
- D. That they have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENT :

Your Director wish to place on records their sincere appreciation for the bankers and the dedicated employees of the company.

On Order of the Board of Directors

Place : Jaipur
Dated : 29.06.2002

Sd/-
(Mahesh Kumar Gupta)
Managing Director

AUDITOR'S REPORT

To,
The Members of **KADAMB CONSTRUCTIONS LIMITED**
Jaipur

1. We have audited the attached Balance Sheet of **KADAMB CONSTRUCTIONS LIMITED**, as at 31st March, 2002 and the relative Profit & Loss Account for the year ended on that date, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. 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 disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluation the over all presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required under the manufacturing and other companies (Auditors' Reports) order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure a statement on the matters referred to in paragraph 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 purpose of the audit.
 - ii) In our opinion, the company has kept proper books of account as required by law so far, as appears from our examination of such books.
 - iii) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
 - iv) In our opinion, the Balance Sheet and Profit & Loss Account comply with Accounting standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable.
 - v) On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors 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 explanations given to us, the said Balance Sheet and Profit & Loss read together with the significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in so far as it related to the Balance Sheet of the state of affairs as at 31.03.2002, and
 - b) in so far as it relates to the Profit & Loss Account of the profit of the company for the year ended on that date.

104, Navjeevan Chambers
Vinoba Marg, C-Scheme
Jaipur

For Maheshwari & Kedawat
Chartered Accountants

Dated : 29.06.2002

B.K. Parwal
Partner

ANNEXURE TO THE AUDITOR'S REPORT

**Annexure referred to in paragraph 3 to our Report of even date to the members of
Kadamb Constructions Limited.**

1. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. In our opinion and according to the information and explanations given to us the fixed assets have been physically verified by management of the company at reasonable intervals and no discrepancies have been noticed on such verification.
2. The fixed assets have not been revalued during the period under report.
3. Physical verification has been conducted by the management at reasonable period in respect of stores, spares and construction material.
4. In our Opinion and according to information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
5. As per the information and explanations given to us, no discrepancies were noticed on physical verification of stock as compared to book records.
6. On the basis of our examinations of stocks records and according to information and explanations given by management of the Company, we are of the opinion that the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the previous year.
7. As per information and explanations given by the management, the Company has not taken any loan secured or unsecured from Companies, Firms or other parties listed in the Register maintained under section 301 of Companies Act, 1956 and/ or from the Companies under the same management as defined under sub section (1-B) of section 370 of the Companies Act, 1956.
8. The Company has not granted any loans except from time to time advances made for supply of building materials and lease deposits against land, to companies firm of other parties listed in the register maintained under sub section (1-B) of section 370 of the Companies Act, 1956 and / or to companies under the same management as defined under sub Section (1-B) of Section 370 of the Companies Act, 1956.
9. In respect of Loans and Advances given, including to the employees, principal and interest instalments are being generally recovered according to stipulation.
10. In our opinion and according to the information and 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 building materials and stores, plant and machinery, equipments and other assets.
11. In our opinion and according to the information and explanations given to us, no transactions of purchases of goods and materials and sale of goods in pursuance of contract or agreement entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party have been made.
12. According to information and explanations given to us, there were no unserviceable or damaged stores and construction materials.

13. The Company has not accepted any deposits from public.
14. According to the information and explanation given to us, the Company's Construction activity does not generate any by product. Hence no record for sale and disposal of realisable by products and scarp have been maintained by the company.
15. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.
16. As informed 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 for the products manufactured by the Company.
17. According to the information and explanation given to us, Provident Fund and E.S.I. are not applicable to the Company during the year.
18. According to the information and explanations given to us and the books and records examined by us, there are no undisputed amounts payable in respect of Income-tax, wealth tax, sales tax, customs duty and excise duty outstanding as at 31.03.2002 for the period exceeding six months from the date they become payable.
19. According to the information and explanations given to us and records of the Company examined by us, no personal expenses have been charged to the Revenue Account, other than those payable under the contractual obligations or in accordance with the generally accepted business practices.
20. The Company is not a sick industrial company with in the meaning of clause (o) of Section 3(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.
21. As per the information and explanation given to us, no damaged goods of significant value has been determined during the year in respect of its trading activity.

For Maheshwari & Kedawat
Chartered Accountants

Place : Jaipur
Dated : 29.06.2002

B.K. Parwal
Partner

BALANCE SHEET as on 31st March, 2002

PARTICULARS	SCHEDULE No.	AMOUNT AS ON	
		31.03.2002 Rs.	31.03.2001 Rs.
A. SOURCES OF FUNDS			
Shareholder' Funds			
Share Capital	1	37503000	37503000
Reserve & Surplus	2	924174	353998
	Sub Total	<u>38427174</u>	<u>37856998</u>
Loans Funds :			
Secured Loan		0	0
Unsecured Loans		0	0
	Total (A)	<u>38427174</u>	<u>37856998</u>
B. APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	1399236	1362136
Less : Depreciation		<u>374390</u>	<u>1024846</u>
			302644
			1059492
Investments	4	1500000	8200000
Current Assets, Loans & Advances			
Accrued Interest		64010	
Inventories	5	6390856	8713082
Sunday Debtors	6	29500	98250
Cash & Bank Balances	7	157796	86418
Loans & Advances	8	<u>30928826</u>	<u>20458874</u>
Sub Total		37570988	29356624
Less : Current	9		
Liabilities & Provisions		<u>2192960</u>	<u>1579082</u>
Net Current Assets		35378028	27777542
Deffered Tax Liability (Net)		(131542)	0
Miscellaneous Expenditures 10 (to the extent not written off/adjusted)		655842	819964
	Total (B)	<u>38427174</u>	<u>37856998</u>

Accounting Polices & Notes on Accounts 16

Schedule (1) to (10) &(16) forming an integral part of the Balance Sheet.

As per our report of even date
For **MAHESHWARI & KEDAMAT**
Chartered Accountants

For and on behalf of the Board

B.K. Parwal
Partner

M.K. Gupta
Chairman cum
Mg. Director

Ganga Ram Khandelwal
Director

Heeru Gupta
Director

Place : Jaipur
Dated : 29.06.2002

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED as on 31st March, 2002

PARTICULARS	SCHEDULE No.	AMOUNT AS ON	
		31.03.2002 Rs.	31.03.2001 Rs.
INCOME			
Sale of Construction Units		2395000	5995500
Other Income	11	2034731	822088
Increase/(decrease) in Stock	12	(2322226)	(3083832)
	Total	<u>2107505</u>	<u>3733756</u>
EXPENDITURES			
Building			
Materials Consumed	13	0	923960
Constructions Expenses	14	0	519923
Office, Administrations & Selling Expenses	15	939760	1413233
Miscellaneous Exps. written off		164123	164123
	Sub Total	<u>1103883</u>	<u>3021239</u>
Profit Before Interest, Depreciation & Income Tax		1003622	712517
Interest		0	0
Depreciation		71746	71530
Profit for the year		931876	640987
Expenses Related to earlier year		2000	0
Income Related to earlier year		51925	1861
Profit Before Tax		981801	642848
Provision for Income Tax			
- For Current Year	280083		54480
- For Deffered	<u>49457</u>	<u>329540</u>	<u>0</u>
Profit after Tax		652261	588368
Accounting Policies & Notes on Accounts 16 Schedule 11 to 16 forming an integral part of the Profit & Loss Account.			

As per our report of even date
For **MAHESHWARI & KEDAMAT**
Chartered Accountants

For and on behalf of the Board

B.K. Parwal
Partner

M.K. Gupta
Chairman cum
Mg. Director

Ganga Ram Khandelwal
Director

Heeru Gupta
Director

Place : Jaipur
Dated : 29.06.2002

**SCHEDULES ANNEXED TO AND FORMING AN INTEGRAL PART OF THE ACCOUNTS
FOR THE YEAR ENDED as on 31 st March, 2002**
SCHEDULE 1: SHARE CAPITAL

		Amount As on 31.03.2002	Amount As on 31.03.2001
Authorised Share Capital			
5500000	Equity Share Capital of Rs. 10/- each	55000000	55000000
Issued, Subscribed and Paid Up Share Capital			
2447500	Equity Share Capital of Rs. 10/- each issued for cash at per (Previous year 5050000 Equity Shares)	24475000	50500000
Less :	Calls In Arrears	0	12997000
Add:	Shares Forefeiture Account	13028000	0
		<u>37503000</u>	<u>37503000</u>

SCHEDULE 2 : RESERVE & SURPLUS

	Amount			
	Op. Balance	Additions	Deductions	Balance As on 31.03.2002
General Reserve	0	0	0	0
(PREVIOUS YEAR)	0	0	0	0
Profit & (Loss) Account	353998	652261	82085	924174
(PREVIOUS YEAR)	(234370)	588368	0	353998
TOTAL	353998	652261	82085	924174
(PREVIOUS YEAR)	(234370)	(652261)	(0)	(353998)

SCHEDULE 3 : FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Opening Balance as on 1.4.01 Rs.	Add./ (del.) During the Year Rs.	As on 31.3.02 Rs.	Upto 31.3.01 Rs.	For the Year Rs.	Upto 31.3.02 Rs.	As on 31.3.02 Rs.	As on 31.3.01 Rs.
Office Premises	564000	0	564000	48335	9193	57528	506472	515665
Plant & Machinery	70850	0	70850	15654	3365	19019	51831	55196
Office Equipment Computer, Printer & Software	104677	0	104677	12778	4973	17751	86926	91899
	147650	33750	181400	108624	24009	132633	48767	39026
Furniture & Fixtures	474959	3350	478309	117253	30206	147459	330850	357706
Total	1362136	37100	1399236	302644	71746	374390	1024846	1059492
Previous Year	1362136	0	1362136	231114	71530	302644	1059492	1131022

SCHEDULE 4 : INVESTMENTS

	No (s) of share	Amount	No(s) of share	Amount
		31.3.2002		As on 31.3.2001
Investment in Shares				
Short Term (Unquoted, Valued at Cost)				
NATL Power Limited	0	0	580000	5800000
Vardhman Resorts Pvt Ltd	150000	1500000	150000	1500000
Indo Bharat	0	0	90000	900000
	<u>150000</u>	<u>1500000</u>	<u>820000</u>	<u>8200000</u>

SCHEDULE 5 : INVENTORIES

	Amount	Amount
	As on 31.3.2002	As on 31.3.2001
STOCK IN HAND		
(AS VALUED & CERTIFIED BY THE MANAGEMENT OF THE COMPANY)		
Building Materials (Raw Materials (Valued at cost)	29000	29000
Unallocated Land/ Land Retated Exps. (Valued at cost)	1037037	1688771
Work In Progress (Flats /Shops) (Valued at estimated cost)	832788	1057788
Flats(Finished)	4492031	5937523
	<u>6390856</u>	<u>8713082</u>

SCHEDULE 6 : SUNDRY DEBTORS

	Amount As on 31.3.2002		Amount As on 31.3.2002	
Sundry Debtors (Unsecured, subject to confirmation/ verifications and considered good)				
Exceeding Six Months	9000		51250	
Other	<u>20500</u>	<u>29500</u>	<u>47000</u>	<u>98250</u>
		<u>29500</u>		<u>98250</u>

SCHEDULE 7 : CASH & BANK BALANCES

	Amount As on 31.3.2002		Amount As on 31.03.2001	
(A) Cash/Cheques in Hand		44140		55448
(B) Balance in Scheduled Bank In Current Account with				
(i) UCO Bank	10306		276	
(ii) Global Trust Bank Limited	<u>103350</u>	<u>113656</u>	<u>30694</u>	<u>30970</u>
		<u>157796</u>		<u>86418</u>

**SCHEDULE 8 : LOANS & ADVANCES
(UNSECURED AND CONSIDERED GOOD)**

	Amount As on 31.03.2002		Amount As on 31.03.2001	
Advances Recoverable in cash or in kind or for value to be received		1196954		626892
Lease Deposit against Land (Given to Directors of the Co., against land)		4244380		15287380
Advances to Suppliers		84619		84619
Advances to Employees		1600		2170
Other Loans & Address		18778244		4134784
Security Deposits		23029		23029
Equity Share Application Money		6600000		300000
		<u>30928826</u>		<u>20458874</u>

SCHEDULE 9: CURRENT LIABILITIES AND PROVISIONS	Amount As on 31.03.2001	Amount As on 31.03.2002
(A) CURRENT LIABILITIES		
Sundry Creditors		
i) For Goods	339469	636303
(ii) For Expenses	140933	306925
(iii) For Capital Goods	33750	
Advance from Customers against flats/Shop booking	1220000	463770
Outstanding Expenses	142494	106808
Security Deposit Against Rent/Lease Money	18500	8500
Unearned Interest	15495	
TDS Payable	2236	2296
Sub Total (A)	<u>1912877</u>	<u>1524602</u>
(B) PROVISIONS		
Provision for Income Tax	280083	54480
Sub Total (B)	<u>280083</u>	<u>54480</u>
Grand Total (A+B)	<u>2192960</u>	<u>1579082</u>

SCHEDULE 10 : MISCELLANEOUS EXPENDITURES (to the extent not written off adjusted)	Amount As on 31.03.2002	Amount As on 31.03.2001
Preliminary Expenses	1950	2600
Public Issue Expenses	653892	817364
	<u>655842</u>	<u>819964</u>

SCHEDULE 11: OTHER INCOME	Amount	Amount
	As on 31.03.2002	As on 31.03.2001
Interest	1842833	681421
Rent	147400	95517
Maintenance Charges	43500	45000
Other Income	998	150
	<u>2034731</u>	<u>822088</u>

SCHEDULE 12 : INCREASE/(DECREASE) IN STOCK	Amount	Amount
	As on 31.03.2002	As on 31.03.2001
Closing Stock	6361856	8684082
Less : Opening Stock	8684082	11767914
Decrease in Stock	<u>2322226</u>	<u>3083832</u>

SCHEDULE 13 : BUILDING MATERIAL CONSUMED	Amount	Amount
	As on 31.03.2002	As on 31.03.2001
Opening Stock of Materials	29000	12634
Add : Purchases during the year	0	940326
Sub Total	29000	952960
Less : Closing Stock	29000	29000
	<u>0</u>	<u>923960</u>

SCHEDULE 14 : CONSTRUCTIONS EXPENSES	Amount	Amount
	As on 31.03.2002	As on 31.03.2001
Labour Cost	0	485271
Electricity Fitting & Water Exps.	0	12652
Architect Expenses	0	22000
Misc Expenses	0	0
	<u>0</u>	<u>519923</u>

SCHEDULE 15: OFFICE, ADMINISTRATION AND SELLING EXPENSES

	Amount As on 31.03.2002	Amount As on 31.03.2001
Advertisement Expenses	23962	20404
AGM Expenses	7500	0
Bank Charges	1191	731
Bad - Debts	21250	0
Books & Periodicals Expenses	1022	2175
Brokerage	157500	306525
Directors' Remuneration	120000	120000
Electricity & Water Expenses	23891	19222
Legal & Professional Charges	107050	87945
Maintenance Charges of Office	9129	7739
Maintenance Expenses of Tilak Nagar Project	64454	114486
Membership & Subscription Expenses	0	21000
Miscellaneous Expenses	412	2532
Office Expenses	7890	1486
Postage & Telegram Expenses	11491	4063
Printing & Stationery Expenses	18595	16977
Repairs & Maintenance Expenses	20924	22264
Research & Development Exps.	0	250000
Salary & Wages	269818	284621
Staff Welfare Expenses	10918	16164
Telephone Expenses	17503	14851
Directors' Travelling Expenses	0	46374
Travelling & Conveyance Expenses	6660	15074
Auditors Remuneration		
Audit Fee	30000	25000
Tax Audit Fee	0	5000
In Other Capacity	7100	7100
Re-imbrushment of Expenses	1500	1500
	38600	38600
	939760	1413233

Schedule 16 : NOTES FORMING PART OF ACCOUNTS.**1. SIGNIFICANT ACCOUNTING POLICIES****A) BASIS OF ACCOUNTING :**

The accounts are prepared on the basis of historical cost convention and on the accounting principles of a going concern. All expenses and income to the extent ascertainable with reasonable certainty, considered payable and receivable, are accounted for an accrual basis, unless otherwise stated.

B) REVENUE RECOGNITION :

The Company followed completed contract method of accounting in respect of its construction activities. Under this method the turnover and profit on sale of residential and commercial units is effected only when the units are sold out.

C) FIXED ASSETS :

Fixed Assets are stated at cost of acquisition less accumulated depreciation.

D) DEPRECIATION :

- i) Depreciation on fixed assets has been provided on straight line method at the rates prescribed under Schedule XIV to the Companies Act, 1956.
- ii) Depreciation on the fixed assets has been charged from the date they were first put to use.

E) INVENTORIES AND WORK IN PROGRESS :

- i) Construction material (Raw Material) are valued at estimated.
- ii) Work in progress is stated at estimated. The cost includes land and development, if any, allocated land cost, construction and development expenses etc.
- iii) Finished Stock (Flats) is stated at estimated cost.

F) MISCELLANEOUS EXPENDITURE :

- i) Preliminary expenditure shown under the head Miscellaneous Expenditure written off over a period of 10 years in equal instalment.
- ii) Deferred revenue expenditure shown under the head Miscellaneous Expenditure written off over a period of 5 years in equal instalment.
- iii) Public issue expenses shown under the head Miscellaneous Expenditure written off over a period of 10 years in equal instalments.

G) INVESTMENTS :

Investments are stated at cost. No adjustment is made in carrying cost for temporary decline in the value of investments.

H) TAXATION :

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of the Income Tax Act, 1961.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2. Lease outstanding on the date of Balance Sheet is receivable by the company alongwith interest from the Directors. The company submitted the township plan in the office of local authority but could not get it approved. The interest on the amount will be taken in the accounts in the year in which it is received by the company.
3. Remuneration paid to Managing Director as per schedule XIII of the Companies Act, 1956 is Rs.120000/- (Previous year Rs. 120000/-). Computation of net profit for the purpose of managerial remuneration, in accordance with the Companies Act, 1956 has not made since the terms of appointment do not envisage any payment by way of commission.
4. No provision has been made for liability on account of gratuity as non of the employee of the Company is eligible for gratuity under the relevant law on the subject.
5. Balance in respect of sundry creditors, loans and advances (including interest thereon) are subject to confirmation from respective parties.
6. Previous year's figures have been regrouped and rearranged wherever deemed necessary.
7. Figures are taken to the nearest of Rupee
8. As the Company's business activity falls within a single primary business segment viz. construction of flats the disclosure requirements of .ccounting Standards (AS-17) "Segment Reporting", issued by The Institute of Chartered Accounts of India are not applicable.
9. During the year, the Company has implemented Accounting Standard-22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. Consequently, the Company has recognised the cumulative net deferred tax liabilities as at March 31, 2001 of Rs. 82025/- as a deduction from Profit & Loss Account as on April 1, 2001. Further, the deferred tax charge of Rs. 49457/- for the year has been recognized in the profit and loss account.
10. There was no amount due to Small scale undertaking exceeding Rs. 1 lac each outstanding for more than 30 days at the close of the year. This disclosure is based on the document / information available to the company regarding their status of the small scale undertaking.
11. There is no contingency liability.
12. Related party disclosures under Accounting Standard 18

a)	Enterprises in which the Company has control	Nil
b)	Parties in respect of which the Company is a joint venture	Nil
c)	Key management personnel	
	Mr. M.K. Gupta	Chairman and Mg. Director
	Mrs. Heeru Gupta	Director
d)	Enterprises over which key management personnel and their relatives are able to exercise significant influence.	
	Jaipur Sales Pvt. Ltd., Mansi Sales Pvt. Ltd., Kadamb Builders, Ashi Brichs Industries, Jaipur Brichs Industries, City Time, City Steps, Smt. Heeru Gupta.	

Transaction with related parties during the year**Rs.**

a) Enterprises in which the Company has control	Nil
b) Parties respect of which the Company is a Joint Venture	Nil
c) Key Management Personnel	
Remuneration	Rs. 1.20 Lacs
Commission	Nil
d) Enterprises over which key management personnel and their relatives are able to exercise significant influence	
Purchase of raw materials and components	Nil
Sale of components	Nil
Sales of fixed assets	Nil
Rent and other services	Nil
Guarantees given by the Company	Nil
Balance outstanding at the year end	
- Receivables (Lease Money)	4244380
- Payable	

10. Earning per Share

	<u>This Year</u>	<u>Previous Year</u>
Profit after taxation as per profit and loss account (Rs.)	652261	588368
Weighted average number of equity shares outstanding	3748850	3748850
Basic and diluted earnings per share in rupees (face value Rs. 10 per share)	0.17	0.16

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No. - State Code

Registration Date
Date Month Year

Balance Sheet Date 31.03.2002

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

Public Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Right Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
Bonus Issue <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Private Placement <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

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

Total Liabilities <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="0"/>	Paid-Up Capital* <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="3"/>	Total Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="0"/>
Source of Funds	Secured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Reserve and Surplus <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="4"/>
Application of Funds	Net Fixed Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="5"/>	Unsecured Loans <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>
	Net Current Assets <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="1"/>	Investments <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="1"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>
	Accumulated Losses <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>	Misc. Expenditure <input type="text" value=""/> <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="6"/>

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

Turnover (including other income)** <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="8"/> <input type="text" value="2"/>	Total Expenditure*** <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="5"/> <input type="text" value="0"/> <input type="text" value="0"/>
<input checked="" type="checkbox"/> <input type="checkbox"/> Profit/Loss Before Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="9"/> <input type="text" value="8"/> <input type="text" value="2"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Provision for Income Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="3"/> <input type="text" value="3"/> <input type="text" value="0"/>
(Please tick Appropriate box + for Profit, - for Loss)	Profit After Tax <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="6"/> <input type="text" value="5"/> <input type="text" value="2"/>
Earning per share in Rs. <input type="text" value=""/> <input type="text" value=""/> <input type="text" value="0"/> <input type="text" value="2"/> <input type="text" value="7"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	Dividend <input type="text" value="N"/> <input type="text" value="I"/> <input type="text" value="L"/>

V. Generic Names of Three Principal Products/Services of Company (As per monetary Terms)

Product Description

* including share forfeited account.
** Turnover also includes the amount of other income.
*** including of depreciation & miscellaneous exps. w/off.

CASH FLOW STATEMENT

	As on 31.03.2002 Rs. in Lacs	As on 31.03.2001 Rs. in Lacs
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax and extra-ordinary items	6.52	5.88
Adjustment for :		
a) Depreciation	0.72	0.71
b) Misc. Exps. Written off	1.64	1.64
c) Deferred tax	0.50	-
Operating profit before working capital change	<u>9.38</u>	<u>8.23</u>
Adjustment for :		
a) Inventories	23.22	30.67
b) Trade and Other receivables	(104.65)	51.80
c) Other current assets	-	-
d) Trade Payables and other current liabilities	6.14	(1.73)
Net Cash flow from operating activities :	(75.29)	80.74
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
a) Purchase of fixed assets	(01.37)	-
b) Investment in Shares	67.00	(82.00)
Net Cash flow from investing & other activities	<u>66.63</u>	<u>(82.00)</u>
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
a) Proceeds from share capital (Including application money)	-	-
b) Working capital loan / repayment	-	-
c) Other Loan	-	(10.86)
d) Dividend Paid	-	-
Net Cash flow from financing activities	<u>-</u>	<u>(10.86)</u>
(D) NET INCREASE / DECREASE IN CASH + CASH EQUIVALENTS (A+B+C)	0.72	(3.89)
Cash & Cash equivalents as at 01.04.2001 (Opening Balance)	0.86	4.75
Cash and cash equivalent as at 31.03.2002 (Closing Balance)	<u>1.58</u>	<u>0.86</u>

As per our report of even date
For **MAHESHWARI & KEDAMAT**
Chartered Accountants

For and on behalf of the Board

B.K. Parwal
Partner

M.K. Gupta
Chairman cum
Mg. Director

Ganga Ram Khandelwal
Director

Heeru Gupta
Director

Place : Jaipur
Date : 29.06.2002

Auditor's Certificate

We have examined the attached cash flow statement of KADAMB CONSTRUCTIONS LIMITED for the year ended March 31,2002. The statement has been prepared by the company in accordance with requirements of clause 32 of Listing Agreement and is based on and in agreement with the Profit & Loss account and balance sheet of the company.

For Maheshwari & Kedawat
Chartered Accountants

Place : Jaipur
Dated : 29.06.2002

B.K. Parwal
Partner

QUANTITATIVE AND VALUE ANALYSIS :

(A) Sales of Construction Units			(Amount in Rs.)
Particulars	Unit	Quantity Sq Ft.	Value
Residential Flats	3	4302	2395000
	(6)	(7281)	(5995500)

(B) Building Material Consumptions			
Particulars	Unit	Quantity	Value
Cement	Bags	Nil (2914)	Nil (361717)
Steel	Tonnes	Nil (Nil)	Nil (Nil)
Other Material		Nil (Nil)	Nil (Nil)

(C) Quantitative and Value analysis of Closing stock			
(a) Construction Material			
Cement	Bags	200 (200)	29000 (29000)
Steel		-	-
Other Material		-	-
Sub Total (A)			29000 (29000)
(b) Work in progress			
Construction and development of residential flats/shops			832788 (1057788)
Unallocated land / Land development expenses			Nil (Nil) 1037037 (1688771)
Sub Total (b)			1869825 (2746559)
Total (a+b)			1898825 (2775559)
(D) Completed Residential Units			
Earning in Foreign Currency	Nil	Nil	Nil
Expenses in Foreign Currency	Nil	Nil	Nil

Figures in brackets pertain to the Accounts for the previous year.
Signature to Schedule 1 to 16.

As per our report of even date
For **MAHESHWARI & KEDAMAT**
Chartered Accountants

For and on behalf of the Board

B.K. Parwal
Partner

M.K. Gupta
Chairman cum
Mg. Director

Ganga Ram Khandelwal
Director

Heeru Gupta
Director

Place : Jaipur
Dated : 29.06.2002

POSTAL BALLOT FORM
KADAMB CONSTRUCTIONS LIMITED

Regd. Office : A-27, Amba Bari, Jaipur.

1. Name(s) of shareholder (s)
(in block letter)
(including joint holders, if any).....
2. Registered address of the sole/first named shareholder
.....
.....
3. Registered folio No. / DP ID No. / Client ID No. *.....
(* Applicable to investors holding shares in dematerialized form)
4. Number of shares held.....
5. I/We hereby exercise my / our vote in respect of the Special Resolution to be passed through postal ballot for the business stated in the notice of the AGM dt. 29.06.2002 (Item No. 6) by sending my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below.

Item No.	No. of share		
6		I/We assent to the resolution	
6		I/We dissent to the resolution	

Date :

Place :

.....
(Signature of the Shareholder)

Instructions :

1. A member desiring to exercise vote by postal ballot may complete this Postal Ballot Form and sent it to the company in the attached self addressed envelope. Postage will be borne and paid by the company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted.
2. The self-addressed envelope bears the address of the scrutineer appointed by the Board of Directors of the Company.
3. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the company) by the first named shareholder and in his absence, by the next named shareholder.
4. Unsigned Postal Ballot Form will be rejected.
5. Duly completed Postal Ballot Form should reach the company not later than the close of working hours on 28th August, 2002 Wednesday. Postal Ballot Form received after this date will be strictly treated as if the reply from the members has not been received.
6. Voting rights shall be reckoned on the paid up value of shares registered in name of the shareholders on the date of despatch of the notice.

TO OPEN CUT HERE

BUSINESS REPLY INLAND

To

B.K. Parwal
(Chartered Accountant)
104, Navjeevan Chamber,
Vinoba Marg,
C-Scheme, Jaipur
Ph. No.: 367291, 360042

FIRST FOLD

SECOND FOLD

THIRD FOLD

SENDER'S NAME AND ADDRESS:

PIN

PRINTED MATTER
BOOK-POST

To,

If Undelivered please return to:

KADAMB CONSTRUCTIONS LIMITED

Registered Office : A-27, AMBA BARI, JAIPUR-12

Corporate Office : 211-212, Shalimar Complex, Church Road, JAIPUR-01