

10th

ANNUAL REPORT

2004-2005



KADAMB

CONSTRUCTIONS LIMITED

Registered Office :

211-212, SHALIMAR COMPLEX

CHURCH ROAD, M. I. ROAD

JAIPUR-302 001

BOARD OF DIRECTORS

Mr. Mahesh Kumar Gupta
Mr. Ganga Ram Khandelwal*
Mr. C. P. Goel
Mr. Rajendra Sharma*
Mr. Bajrang Lal Agarwal*
Mr. Raja Mathur*
Mrs. Heeru Gupta
*Independent Directors

Chairman Cum Managing Director
Director
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
Oriental Bank of Commerce, Jaipur

REGISTERED OFFICE :

211-212, SHALIMAR COMPLEX
CHURCH ROAD, M. I. ROAD
JAIPUR - 302001

REGISTRAR & SHARE TRANSFERS :

Beetal Financial & Computer Services (P) Ltd.
321-S, Chirag Delhi
(Near Shahid Bhagat Singh College)
New Delhi - 110017
Tel. : 29251990, 29250390
Fax : 011-29252146

NOTICE

Notice is hereby given that the TENTH Annual General Meeting of KADAMB CONSTRUCTIONS LIMITED, will be held on Thursday the 29th September, 2005, at 10.00 a.m. at Registered Office : 211-212, Shalimar Complex, Church Road, Jaipur to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005, 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 himself for reappointment.
3. To appoint a Director in place of Shri 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.

Date : 29th June, 2005

By Order of the Board

Place : Jaipur

sd/
(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 26th September, 2005 to 29th September, 2005 (both days inclusive).
3. Members are requested to quote their folio numbers in all their correspondence.
4. 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.
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Members who continue to hold shares in physical form are requested to intimate any changes in their address immediately with postal pin code to the Company's Registrars and Share Transfer Agent, viz., Beetal Financial & Computer Services (P) Ltd., 321-S, Chirag Delhi, (Near Shahid Bhagat Singh College), New Delhi-110017 quoting their folio numbers.

FURTHER, please note that in the case of demat shares, any change(s) required in Address, Bank Details, Bank Mandate, ECS Mandate, power of attorney and also requested for registration of nomination, transmission etc. are to be intimate to your DP and not to the company or our Registrar :

Date : 29th June, 2005

By Order of the Board

Place : Jaipur

sd/
(Mahesh Kumar Gupta)
Chairman cum Managing Director

Regd. Office :
211-212, Shalimar Complex
Church Road, Jaipur-302001

DIRECTORS REPORT

Members,
 Kadamb Constructions Limited
 Jaipur

The Directors have pleasure in submitting the TENTH Annual Report ended on 31st March, 2005.

(1) FINANCIAL RESULT :
(Rs. in lacs)

Particulars	For the year ended 31.03.2005	For the year ended 31.03.2004
Sales & Other Income	19.49	15.88
Profit before depreciation & tax	5.94	1.81
Less : Depreciation	1.19	1.46
Profit after Depreciation	4.75	0.35

2. PUBLIC DEPOSITS

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

3. CORPORATE GOVERNANCE

New Corporate Governance regulations can be implemented till December, 2005 by the company, as per SEBI directions. Even then the Corporate Governance Report is attached with this report.

4. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and articles of association of the company Smt. Heeru Gupta & Shri Ganga Ram Khandelwal retire by rotation and being eligible offer themselves for reappointment.

5. AUDITORS

The term of the present Statutory Auditors of the company M/s Maheshwari & Kedawat, Chartered Accountants, Jaipur expires at the conclusion of this Annual General Meeting, being eligible offer themselves for reappointment.

6. 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.

7. 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 directors) Rules, 1986, are not given as the same is either not applicable or nil of the company.

During the year no foreign exchange was earned or spend by the company.

8. DIRECTORS RESPONSIBLYT STATEMENT

The directors confirm :

- 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.
- That they have selected such accounting policies and applied them consistently and made judgements and estimated that are resonable 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.
- 9. Existing promoters of the company have entered into an agreements with Smt. Laxmi Chaudhary & other to sale their a part of Equity shares of the company in accordance with the provisions of SEBI (SAST) Regulation. In this respect necessary papers / documents have already been filed in the office of Security Executive Board of India. Mumbai & Public announcement was also made on 21st April, 2005 in the Financial Express & Pratahkal. Shareholders may after the announcement for the detailed terms & conditions & other details related to the over.

10. ACKNOWLEDGEMENT

Your Directors wish to place on records their sincere appreciation for the bankers, government department and the dedicated employees of the company.

On Order of the Board of Directors

Dated : 29.06.2005

Place : Jaipur

sd /
(Maheesh Kumar Gupta)
Chairman cum Managing Director

sd /
(Heeru Gupta)
Director

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The board has adopted and is committed to adopting its obligations under relevant regulations and laws, as well as any relevant best practices relating to corporate governance. The board believes that good governance is voluntary and self-disciplining with the strongest impetus coming from directors and the management itself, and ultimately leads to enhancement of value for all stakeholders. The management and organisation as Kadamb Constructions Limited aims to be progressive, competent and trustworthy creating and enhancing value for stakeholders and customers, while selecting and respecting the best of Indian values in conduct. The board lays significant emphasis on integrity, transparency and accountability.

1. BOARD OF DIRECTORS

Composition

The board consists of seven directors, of whom four are non-executive and independent directors.

Details of all directors are given below by category, attendance, total directorships and memberships and chairmanships of board committees.

S. No.	Name of Director	Category	Of board Meetings*		Attended last AGM**	No. of outside Directorship
			Held	Attended		
1.	Mr. Mahesh Kumar Gupta	Executive	7	7	Yes	7
2.	Mr. Gangaram Khandelwal	Independent	7	7	Yes	1
3.	Mr. C. P. Goel	Non-Executive	7	—	Yes	1
4.	Mr. Rajendra Sharma	Independent	7	7	Yes	—
5.	Mr. Bajrang Lal Agarwal	Independent	7	7	No	—
6.	Mr. Raja Mathur	Independent	7	7	No	—
7.	Mrs. Heeru Gupta	Executive	7	7	Yes	1

*There were 7 meetings held during the financial year 2004-2005 on 31.05.2004, 29.06.2004, 17.07.2004, 31.07.2004, 28.08.2004, 28.10.2004 and on 28.02.2005

**Last Annual General Meeting (AGM) was held on 29th September, 2004 at Corporate Office : 211-212, Shalimar Complex, Church Road, M. I. Road, Jaipur.

2. AUDIT COMMITTEE

The Informations regarding the Composition of Audit Committee, no. of meetings attended by the members of Audit Committee are as under :—

S. No.	Name of Directors	Position in Committee	No. of Meetings*	
			Held	Attended
1.	Mr. Ganga Ram Khandelwal	Chairman	4	4
2.	Mr. Raja Mathur	Member	4	4
3.	Mr. Bajrang Lal Agarwal	Member	4	4

There were four meetings held during the financial year 2004-2005 on 29.06.2004, 31.07.2004, 28.10.2004 and on 27.01.2005.

3. SHAREHOLDER'S GRIEVANCE COMMITTEE :

There was no pending shareholders grievance, hence no meeting was held during the financial year 2004-2005.

4. REMUNERATION COMMITTEE :

The information regarding the Composition of Remuneration Committee is as under :—

S. No.	Name of Directors	Position in Committee
1.	Mr. Bajrang Lal Agarwal	Chairman
2.	Mr. Raja Mathur	Member
3.	Mr. Ganga Ram Khandelwal	Member

5. GENERAL SHAREHOLDER'S INFORMATION :

- Date of Book closure : 26th September, 2005 to 29th September, 2005 (both days inclusive)
- Date and venue of AGM :
 Date : 29.09.2005
 Day : Thursday
 Time : 10.00 A.M.
 Venue of AGM : Registered Office at 211-212, Shalimar Complex, Church Road, M. I. Road, Jaipur-302001
- Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending June 30, 2005	:	July, 2005
Financial reporting for the second quarter ending Sept. 30, 2005	:	Oct., 2005
Financial reporting for the third quarter ending Dec. 31, 2005	:	Jan., 2005
Financial reporting for the year ending March 31, 2006	:	June, 2006
Annual General Meeting for the year ending March 31, 2006	:	Aug./Sept. 2006

6. Stock Codes

The Stock Exchange, Mumbai
 ISIN No. for NSDL INE 469F01018

The Company has paid the listing fees for the period from 1st April, 2005 to 31st March, 2006.

7. Distribution of shareholding as on 31st March, 2005

No. of equity shares held	Folios		Share	
	Number	%	Number	%
Upto 5000	201	70.04	42800	1.74
5001-10000	38	13.24	33500	1.36
10001-20000	12	4.18	18900	0.77
20001-30000	4	1.39	10300	0.42
30001-40000	—	—	—	—
40001-50000	—	—	—	—
50001-100000	13	4.53	115400	4.72
100001 and above	19	6.62	2226600	90.99
Total	287	100.00	2447500	100.00

8. Category of shareholders as on 31st March, 2005

Category	No. of Shares	Voting Strength
A Promoters Holding		
1. Promoters & Relatives (including directors)	2000000	81.71%
Foreign Promoters	Nil	Nil
2. Persons acting in concern#	-	-
Sub Total		
B Non-Promoters Holding	447500	18.28%
3 Institutional Investors	Nil	Nil
b Mutual Funds and UTI	Nil	Nil
Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non Governments Institutions)	Nil	Nil
4. Other		
a Private Corporate Bodies	77200	3.15%
b Indian Public (Resident Individuals)	370300	15.13%
c NRI / OCBs	Nil	Nil
d Any other (Please Specify)	Nil	Nil
Sub Total	Nil	Nil
Grand Total	2447500	100.00%

9. Shareholding of Promoters/Directors their relatives, associate companies, officer of the Company pursuant to SEBI Regulations :

Name	Relation	No. of Shares	% to Total
Shri Mahesh Kumar Gupta	Promoters	378200	15.45%
Smt. Heeru Gupta	Promoters	1061600	43.37%
Smt. Satyawati Gupta	Promoters	85100	3.48%
Mahesh Kumar Gupta (HUF)	Promoters	85000	3.48%
Mansi Gupta	Promoters Relatives	340000	13.89%
Jaipur Sales (P) Ltd.	Associate company	68500	2.80%

To
The Members of
Kadamb Constructions Limited
211-212, Shalimar Complex, Church Road
Jaipur - 302 001

We have examined the compliance of conditions of corporate governance by Kadamb Constructions Limited for the year ended 31st March, 2005 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination conducted in the manner described in the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

Place : Jaipur

Dated : 29.06.2005

For **Maheshwari & Kedawat**
Chartered Accountants


(V. K. Kedawat)
Partner

Membership No. 74211

AUDITOR'S REPORT

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

We have audited the attached Balance Sheet of **KADAMB CONSTRUCTIONS LIMITED**, as at 31st March, 2005 and also the Profit & Loss Account and the 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.

1. 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 misstatements. 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 estimate made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
2. As required by the Companies (Auditors' Report) order, 2003 issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 & 5 of the said Order.
3. Further to our comments in the Annexure referred to 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, proper books of accounts, as required by law, have been kept by the Company, so far appears from our examination of those books;
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors as on March 31, 2005 and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2005 from being appointed as 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 accounts give the information required by the Companies Act, 1956, in the manner so required give a true and fair view in conformity with the accounting principles generally acceted in India:
 - a) In the case of the Balance Sheet, of the state of the affairs of the Company as at 31st March, 2005;
 - b) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
 - c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.

Place : Jaipur

Dated : 29.06.2005

For **Maheshwari & Kedawat**
Chartered Accountants


(V. K. Kedawat)
Partner

Membership No. 74211

ANNEXURE TO THE AUDITOR'S REPORT
[Referred to in paragraph 2 of our report of even date]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, a substantial part of the fixed assets has not been disposed off by the Company during the year and the going concern status of the company is not affected.
2. In respect of its inventories :
 - (a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year.
 - (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. (a) In our opinion and according to the information and explanation given to us, the company has taken unsecured loan, from Director covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount of loan taken during the year was of Rs. 9.29 Lacs.
- (b) In our opinion and according to explanation given to us the Company has granted unsecured loan, aggregating Rs. 87.50 lacs. At the year end, the outstanding balance of such loan aggregated Rs. 78.36 lacs and the maximum amount outstanding during the year amounted to Rs. 89.24.
- (c) In our opinion and according to the information and explanations given to us, the rates of interest and other terms and conditions on which loans have been taken from companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie. Prejudicial to the interest of the company.
- (d) As explained to us, in respect of loans taken there are no stipulation as to repayment and regular in the payment of interest.
- (e) There is no overdue amount of loans, secured or unsecured, taken from companies, firms, or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to explanations given to us, there are no purchases of inventory and fixed assets during the year, hence the question of internal control procedure does not arise with the size of the Company and the nature of its business with regard to the purchases of inventory and fixed assets and however with regards to the sale of construction unit there are adequate internal control procedure commensurate with the size of the company and nature of its business. During the course of audit, we have not observed any major weakness in internal control.
5. In respect of transaction entered in the register maintained in pursuance of section 301 of the companies Act, 1956:
 - (a) In our opinion & according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained 301 of the companies Act, 1956 have been so entered.
 - (b) In our opinion and according to explanation given to us, during the year there were no transaction exceeding of Rs. 5.00 Lacs, made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act. 1956.

6. The Company has not accepted any deposit from public.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records Under Section 209 (1) (d) of the Companies Act, 1956 in respect of the products of the Company.
9. In respect of statutory dues :
According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty and other Statutory Dues whichever is payable by the company have been generally regularly deposited by the company. According to the information and explanation given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as on 31st March, 2005 for a period of more than 6 months from the date of becoming payable.
10. The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
11. According to the information and explanations given to us and the record examined by us, the company has not defaulted in repayment of dues to any financial institution or bank.
12. In our opinion and according to information and explanations given to us, no loans and advance have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. 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 is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in the shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanation given to us, the Company has not given any guarantee for loan taken by others from banks and financial institutions, the terms and conditions whereof are prime facie prejudicial to the interest of the Company.
16. The Company has not obtained any terms loan during the year.
17. In our opinion and explanation given to us, and on an overall examination of the balance sheet of the Company, we report that no fund raised on short term basis have been used for long term investment and vice-versa.
18. The company has not made any preferential allotment of shares during the year.
19. The company has not issued any debenture during the year.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statement to be materially misstated.

For **Maheshwari & Kedawat**
Chartered Accountants


(V. K. Kedawat)
Partner

Membership No. 74211

Place : Jaipur

Dated : 29.06.2005

BALANCE SHEET as on 31st March, 2005

PARTICULARS	SCHEDULE No.	AMOUNT AS ON	
		31.03.2005 Rs.	31.03.2004 Rs.
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	37503000	37503000
Reserve & Surplus	2	<u>2494195</u>	<u>2073624</u>
		39997195	39576624
Loan Funds :			
Secured Loan	3	162697	345762
Unsecured Loan	4	<u>360770</u>	<u>1535730</u>
		523467	1881492
Deferred Tax Liability		197298	181004
TOTAL		<u>40717960</u>	<u>41639120</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	2163959	2163959
Less : Depreciation		<u>723779</u>	<u>604783</u>
Net Block		1440180	1559176
Investments	6	4072100	271200
Current Assets, Loans & Advances			
Inventories	7	5187131	5938876
Sundry Debtors	8	317644	0
Cash & Bank Balances	9	208839	452469
Loans & Advances	10	<u>30324796</u>	<u>34184207</u>
		36038410	40575552
Less : Current Liabilities & Provisions	11	<u>996203</u>	<u>1094404</u>
		35042207	39481148
Net Current Assets		163473	327596
Miscellaneous Expenditure (to the extent not yet w/off/adjusted)	12		
TOTAL		<u>40717960</u>	<u>41639120</u>

Significant Accounting Policies

& Notes on Accounts 18

Schedule 1 to 12 and 18 attached to the Balance Sheet are an integral Part thereof

As per our report of even date annexed

For and on behalf of the Board

 For **MAHESHWARI & KEDAWAT**
Chartered Accountants

 sd/-
V. K. Kedawat
Partner

Membership No. 74211

 sd/-
M. K. Gupta
Chairman cum
Mg. Director

 sd/-
Ganga Ram Khandelwal
Director

 sd/-
Heeru Gupta
Director

Place : Jaipur

Dated : 29.06.2005

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED as on 31st March, 2005

PARTICULARS	SCHEDULE No.	AMOUNT AS ON 31.03.2005 Rs.	AMOUNT AS ON 31.03.2004 Rs.
INCOME			
Sale of Constructed Units		1100000	495000
Sale of Building Matrials		29000	
Profit on sale of Investment	13	361048	-
Other Income	14	458731	1093476
Increase/(decrease) in Stock	15	(722745)	(286305)
		<u>1226034</u>	<u>1302171</u>
EXPENDITURES			
Cost of Building			
Materials Consumed/Sale	16	29000	-
Office, Administration			
Selling & Distribution Exp.	17	390488	802363
Miscellaneous Exp. written off		164123	164123
		<u>583611</u>	<u>966486</u>
Profit Before Interest			
Depreciation & Tax		642423	335685
Interest		48814	150837
Depreciation		118996	145418
Expenses Related to earlier year		-	3973
Profit After Interest & Depreciation		474613	35457
Income Tax Related to eariler Year		-	-
Provision for Income Tax			
- For Current Year		37748	3037
- For Deffered Tax		16294	21130
		<u>54042</u>	<u>24167</u>
Profit/(Loss) for the year		420571	11290
Less : Transfer to General Reserve		-	-
Balance Carried to Balance sheet		420571	11290
Significant accounting policies and notes on accounts.	18		

Schedule 13 to 18 attached to the Profit & Loss Account are an integral Part thereof

As per our Separate Report even date
Annexed hereto

For and on behalf of the Board

For **MAHESHWARI & KEDAWAT**
Chartered Accountants

Sd/-
V. K. Kedawat
Partner

Membership No. 74211

Sd/-
M. K. Gupta
Chairman cum
Mg. Director

Sd/-
Ganga Ram Khandelwal
Director

Sd/-
Heeru Gupta
Director

Place : Jaipur
Dated : 29.06.2005

Schedule attached to and forming an Integral Part of the Balance Sheet as at 31.03.2005.
SCHEDULE 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Opening Balance as on 31.3.04	Add/(Del.) During the Year	As on 31.3.05	Upto 31.3.04	For the Year	Upto 31.3.05	As on 31.3.05	As on 31.3.04
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Office Premises	564000	0	564000	75914	9193	85107	478893	488086
Plant & Machinery	70850	0	70850	25749	3365	29114	41736	45101
Office Equipment	121302	0	121302	28726	5762	34488	86814	92576
Computer, Printer & Software	188460	0	188460	188460	0	188460	0	0
Vehicle	741038	0	741038	77921	70399	148320	592718	663117
Furniture & Fixture	478309	0	478309	208013	30277	238290	240019	270296
Total	2163959	0	2163959	604783	118996	723779	1440180	1559176
Previous Year	2163959	0	2163959	459365	145418	604783	1559176	1704594

SCHEDULE 6 : INVESTMENTS

	Amount		Amount	
	No(s) of share	31.3.2005	No(s) of share	As on 31.3.2004
Investment in Shares				
(Quoted and valued at cost)				
Union Bank of India		-	10700	171200
(Aggregate Market Value in (Previous year Rs. 5564000)				
Total (A)		-		171200
Non Trade (At Cost) Unquoted				
1. Roop Beauty Care (P) Ltd.	406710	4067100	10000	100000
of Rs. 10/- each fully paid up for cash at par (Mr. M.K. Gupta M.D. is director of the aforesaid company)				
2. Sidhi Ganesham Realestate Pvt. Ltd.	500	5000	-	-
Mr. M. K. Gupta M.D. is director of the aforesaid company)				
Total (B)		4072100		100000
Grand Total (A + B)		4072100		271200

SCHEDULE 7 : INVENTORIES

(VALUED & CERTIFIED BY THE MANAGEMENT OF THE COMPANY)	Amount		Amount	
	As on 31.3.2005		As on 31.3.2004	
Building Materials (Raw Materials)	-		29000	
(Valued at cost)				
Unallocated land / Land Related Exp.	745714		745714	
(Valued at cost)				
Work in Progress (Flats/Shops)	622131		622131	
(Valued at estimated cost)				
Flats (Finished)	3819286		4542031	
	5187131		5938876	

SCHEDULE 8 : SUNDARY DEBTORS

	Amount		Amount	
	As on 31.03.2005		As on 31.03.2004	
Sundry Debtors				
(Unsecured and considered good)				
Exceeding six month	227644		-	
Other debts	90000		-	
	317644		-	

Schedule attached to and forming an Intergral Part of the Balance Sheet as at 31.03.2005.
SCHEDULE 9 : CASH & BANK BALANCES

(Certified by Directors)

	Amount As on 31.3.2005	Amount As on 31.3.2004
Cash / Cheques in Hand	33795	143653
Balance with Scheduled Bank (Subject to reconciliation & Confirmation)		
(a) In Current Account		
With UCO Bank	30000	10166
With Oriental Bank of Commerce	<u>145044</u>	<u>298650</u>
	<u>208839</u>	<u>452469</u>

SCHEDULE 10 : LOANS & ADVANCES

	Amount As on 31.3.2005	Amount As on 31.3.2004
Advances Recoverable in cash or in kind or for value to be received	556605	824921
Prepaid Expenses	16317	16525
Advances to Suppliers	-	91009
Advances to Staff	-	10600
Other Loans & Advances	9776845	1284023
Security Deposits with Govt./others	25029	25029
Equity Share Application Money pending for Allotment (out of the above application)	19950000	31932100
1. Eq. Share app. money in Siddhi Ganesham Realestate (P) Ltd.	17000000	
2. Eq. Share app. money in Roop Beauty Care (P) Ltd. in which Mr. M. K. Gupta CMD is also director	2950000	
	<u>30324796</u>	<u>34184207</u>

SCHEDULE 11 : CURRENT LIABILITIES AND PROVISIONS

	Amount As on 31.3.2005	Amount As on 31.3.2004
CURRENT LIABILITIES		
Creditors for Goods	-	86670
Creditors for Expenses	318219	251455
Advances from customers	-	8380
Against Flats / Shop booking	500000	500000
TDS Payable	5654	13963
Unearned Interest	-	-
Outstanding Expenses	134582	230899
Sub Total	<u>958455</u>	<u>1091367</u>
PROVISIONS		
Provision for Income Tax	37748	3037
Sub Total	<u>37748</u>	<u>3037</u>
Total Current Liabilities & Provisions	<u>996203</u>	<u>1094404</u>

SCHEDULE 12 : MISCELLANEOUS EXPENDITURES	Amount	Amount
(To the extent not written off / adjusted)	As on 31.3.2005	As on 31.3.2004
Preliminary Expenses	—	650
Public Issue Expenses	163473	326946
	<u>163473</u>	<u>327596</u>

SCHEDULE 13 : PROFIT ON SALE OF INVESTMENTS	Amount	Amount
(To the extent not written off / adjusted)	As on 31.3.2005	As on 31.3.2004
Sale of Shares of :		
Union Bank of India	532248	
Gajanand Build Estate Pvt. Ltd.	<u>100000</u>	632248
		—
Less : Cost of Shares of :		
Union Bank of India	171200	
Gajanand Build Estate Pvt. Ltd.	<u>100000</u>	271200
		—
Profit on sale of Investments	<u>361048</u>	<u>—</u>

SCHEDULE 14 : OTHER INCOME	Amount	Amount
	As on 31.3.2005	As on 31.3.2004
Interest	261281	859206
Rent	180000	180000
Dividend	17450	43870
Interest related to Pre. Year	—	10400
	<u>458731</u>	<u>1093476</u>

SCHEDULE 15 : INCREASE / (DECREASE IN STOCK)	Amount	Amount
	As on 31.3.2005	As on 31.3.2004
Closing Stock	5187131	5909876
Less : Opening Stock	5909876	6196181
Increase/(-Decrease) in stock	<u>-722745</u>	<u>-286305</u>

SCHEDULE 16 : BUILDING MATERIAL CONSUMED/SALES	Amount	Amount
	As on 31.3.2005	As on 31.3.2004
Opening Stock	29000	29000
Add : Purchases	—	—
Sub : Total	<u>29000</u>	<u>29000</u>
Less : Closing Stock	—	29000
	<u>29000</u>	<u>—</u>

**SCHEDULE 17 : OFFICE, ADMINISTRATION AND SELLING
 & DISTRIBUTION EXPENSES**

	Amount As on 31.3.2005	Amount As on 31.3.2004
Advertisement Expenses	26116	23038
AGM Expenses	1200	2200
Bank Charges	365	660
Books & Periodicals Expenses	-	250
Directors Remuneration	1200000	120000
Electricity & Water Expenses	22121	24453
Internal Audit Expenses	-	64500
Insurance	18590	2034
Legal & Professional Charges	99000	149006
Repairs & Maintanance Expenses	9844	39177
Bad debts	8023	-
Office Expenses	1623	7055
Postage & Telegram Expenses	2501	3026
Printing & Stationery Expenses	5276	16435
Salary & Wages	18000	242740
Staff Welfare Expenses	-	14778
Telephone Expenses	14709	38876
Travelling & Conveyance Expenses	-	13012
Vehicle Repairs & Maint Expenses	2960	1623
Auditor's Remuneration		
Audit fee	30000	30000
In Other Capacity	7100	7100
Re-imbrushment of Expenses	3060	2400
	390488	802363

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2006

Rs. in Lacs

PARTICULARS	31.03.2005	31.03.2004
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before Tax	4.75	0.39
Adjustment for :		
Depreciation	1.19	1.45
Misc. Exps. Written off	1.64	1.64
Operating profit before Working Capital Change (a)	<u>7.58</u>	<u>3.48</u>
Adjustment for :		
a) Inventories	7.52	2.86
b) Trade and Other Receivable	(3.18)	(14.31)
c) Other current assets	38.59	-
d) Trade Payables and other Liabilities	(0.82)	(7.72)
Total (B)	<u>42.12</u>	<u>(19.20)</u>
Cash Generated from Operation (a+b)	49.69	(15.72)
Direct Tax paid	0.54	(0.03)
Net Cash generated (used) from Operating Activities	49.15	(15.75)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
a) Purchase of Fixed Assets	-	-
b) Investment in Shares	38.01	-
Net Cash used in Investment Activity	38.01	-
C. CASH FLOW FROM FINANCING ACTIVITIES :		
a) Net Proceeds from Share Capital	-	-
b) Working Capital loan / repayment	-	-
c) Other Loan	13.58	13.64
d) Dividend Paid	-	-
Net Cash generated (used) in finance activities	13.58	13.64
Net increase/(decrease) in cash and cash equivalent (A+B+C)	(2.44)	(2.11)
Opening Balance of cash and cash equivalent	4.52	6.63
Closing Balance of cash and equivalent of cash	2.08	4.52

As per our Separate Report of even dated

Annexed hereto

 For **MAHESHWARI & KEDAWAT**
 Chartered Accountants


V. K. Kedawat
 Partner
 Membership No. 74211

For and on behalf of the Board


M. K. Gupta
 Chairman cum
 Mg. Director


G. R. Khandelwal
 Director


Heeru Gupta
 Director

Place : Jaipur

Dated : 29.06.2005

Auditor's Certificate

We have examined the attached cash flow statement of KADAMB CONSTRUCTIONS LIMITED for the year ended March 31, 2005. The statement has been prepared by the company in accordance with requirement of clause 32 of the 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 : 29.06.2005

V. K. Kedawat
 Partner
 Memcership No. 74211

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**SCHEDULE 18 :****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 on accrual basis, unless otherwise stated.

B) REVENUE RECOGNITION :

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

C) FIXED ASSETS AND DEPRECIATION :

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

D) INVENTORIES AND WORK IN PROGRESS :

- i) Construction Material (Raw Material) are valued at cost.
- ii) Work in progress is stated at estimated cost. The cost include land and land development, if any allocated land cost, construction and development expenses etc.
- iv) Land and land related expenses valued at cost.
- v) Finished Stock (Flats/commercial unit) are stated at estimated cost.

E) MISCELLANEOUS EXPENDITURE :

- i) Preliminary Expenditure shown under the head Miscellaneous Expenditures, written off over a period of 10 years in equal instalment.
- ii) Public Issue Expenses shown under the head Miscellaneous Expenditure, written off over a period of 10 years in equal instalments.

F) INVESTMENTS :

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

G) TAXATION :

The provision for taxation is ascertained on the basis of assessable profit computed in accordance with provisions of 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. 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.
3. No provision has been made for liability on account of gratuity, as none of the employee of the Company is eligible for gratuity under the relevant law on the subject.
4. Balance in respect of sundry creditors, loans and advances (including interest thereon) are subject to confirmation from respective parties.
5. Previous year's figures have been regrouped and rearranged wherever deemed necessary.
6. Figures are taken to the nearest of Rupee
7. As the Company's business activity falls within a single primary business segment viz. construction of flats the disclosure requirements of Accounting Standards (AS-17) "Segment Reporting", issued by The Institute of Chartered Accounts of India are not applicable.
8. "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The deferred tax charge of Rs. 21130/- for the year has been recognized in the profit and loss account as per Accounting Standard - 22.

	Deferred Tax Assets (Liability) As at 01.04.2003	Current Year (Changes) Credit	Deferred Tax Assets (Liabilities) As at 31.03.2004
Difference between Book & Tax Depreciation	(181004)	(16294)	(197298)
Total	(181004)	(16294)	(197298)

9. 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 documents / informations available with the company regarding their status of the small scale undertaking.
10. There is no contingent liability except otherwise stated elsewhere in this schedule.
11. A. Related party disclosures under Accounting Standard 18
 - A) Associates
 - Jaipur Sales Pvt. Ltd.
 - Mansi Sales Pvt. Ltd.
 - Kadamb Builders
 - Ashi Bricks Industries
 - Jaipur Bricks Industries
 - City Times
 - City Steps

Sidhi Vinayak Build Estate Pvt. Ltd.
 Gajanan Enclave Pvt. Ltd.
 Sidhi Vinayak Estate Pvt. Ltd.
 Roop Beauty Care (P) Ltd.
 Sidhi Ganesham Real Estate Pvt. Ltd.

B) Key Managerial Personnel

1. Mr. M. K. Gupta
 2. Mrs. Heeru Gupta

Chairman and Mg. Director
 Director

C) Transaction during the year with related parties (Amount in Rs. Lacs)

	Associates As at 31st March		Key Managerial Personnel As at 31st March		Total As at 31st March	
	2005	2004	2005	2004	2005	2004
Investment, sundry Debtors & Loans and Advances	291.04	303.22	—	—	291.04	303.22
Current Liabilities	—	—	—	—	—	—
Income						
Rent	1.80	1.80	—	—	1.80	1.80
Interest	2.34	—	—	—	2.34	
Expenses						
Interest	—	—		1.51	—	1.51
Director Remuneration			1.20	1.20	1.20	1.20

10. Earning per Shares

	Current Year	Previous Year
Profit After tax as per Profit & Loss Account (Rs.)	420571	11290
No of equity shares (after forfeitures)	2447500	2447500
Basic and diluted earning per shares in rupee (face value Rs. 10/- per shares)	0.17	0.01

QUANTITATIVE AND VALUE ANALYSIS
A. Sales of Construction Unit

(Amount in Rs.)

Particulars	Unit	Qty. in sq. ft.	Value
Flat	1	1250	1100000
(Previous year)	(1)	(406)	495000

 As at 31st March
2005

 As at 31st March
2004

B. Building Material Consumption

Nil

Nil

C. Quantitative and Value analysis of Closing Stock
i) Construction Material

	Qty.	Amount	Qty.	Amount
Cement Bags	Nil	Nil	200	29000
Other Material	Nil	Nil	Nil	Nil

**ii) Work in Progress
Construction and development
of residential flats/shops**

622131

622131

Un allocated land/Land development Exp.

745714

754714

D. Completed Unit

3896286

4542031

Earning in foreign currency

Nil

Nil

Balance sheet Abstract and Companies General profile :
1. Registration Details

Registration No.	010435
State Code	017
Balance sheet Date	31.03.2005

(Amount in Rs. Lacs)

2. Capital Raised during the Year

Public Issue	Nil
Right Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

3. Position of Mobilisation and Deployment of Funds :

Total Liabilities	427.34
Total Assets	427.34

Sources of Fund

Paid-up Capital	375.03
Reserve & surplus	24.94
Secured Loan	1.63
Unsecured Loan	3.61
Deferred Tax Liabilities (Net)	1.97

Application of Fund

Net Fixed Assets	14.40
Investment	40.72
Net Current Assets	350.42
Misc. Expenditures	1.63

4. Performance of the Company

Turnover / other income	19.49
Total Expenditure	14.74
Profit Before Tax	4.75
Profit After Tax	4.20
Earning Per Shares (Rs.)	0.17

5. Generic Terms of Three principal Products / Services of company (as per monetary terms)

Item Code No. (ITC Code) : Not Available


Products Description : Construction

As per our report of even date annexed

For and on behalf of the Board

For **MAHESHWARI & KEDAWAT**
Chartered Accountants


V. K. Kedawat
Partner
Membership No. 74211


M. K. Gupta
Chairman cum
Mg. Director


Ganga Ram Khandelwal
Director


Heeru Gupta
Director

Place : Jaipur
Dated : 29.06.2005

KADAMB CONSTRUCTIONS LIMITED

Regd. Off. : 211-212, Shalimar Complex, Church Road, Jaipur - 302 001

L. F. No. :

No. of Shares held :

ATTENDANCE CARD

I/We hereby record my/our presence at the TENTH Annual General Meeting of the Company held at Registered office 211-212, Shalimar Complex, Church Road, Jaipur on Thursday 29th September, 2005 at 10.00 A.M.

Name of the Shareholder
(in block letters)

Signature of the Shareholder

Name of the Proxy (in block letters)

Signature of the Proxy

- Notes :
1. Please sign and hand this over at the entrance.
 2. If you appoint a proxy to attend the meeting, instead of yourself, the proxy must be deposited at the Registered Office of the Company at 211-212, Shalimar Complex, Church Road, Jaipur not less than 48 hours before the meeting is scheduled to commence.

(tear here)

KADAMB CONSTRUCTIONS LIMITED

Regd. Off. : 211-212, Shalimar Complex, Church Road, Jaipur - 302 001

L. F. No. :

No. of Shares held :

FORM OF PROXY

I/We.....of.....in the district of.....being member/members of the above named Company hereby appoint.....of.....in this district of.....or, failing him.....for me/us on my/our behalf at the TENTH Annual General Meeting of the Company to be held on Thursday 29th September, 2005.
Signed this.....day of.....2004.

Rs 1/-
Revenue
Stamp

Signature

Please strike out whatever is not applicable.

- Notes :
1. The proxy must be deposited at the Registered office of the Company at 211-212, Shalimar Complex, Church Road, Jaipur - 302 001 not less than 48 hours before the meeting is scheduled to commence.
 2. This form is to be used in favour of/against the resolution(s) coming up for consideration of the Meeting. Unless otherwise directed, the proxy will vote at it thinks fit.

PRINTED MATTER
BOOK-POST

To,

If Undelivered please return to :

KADAMB CONSTRUCTIONS LIMITED

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