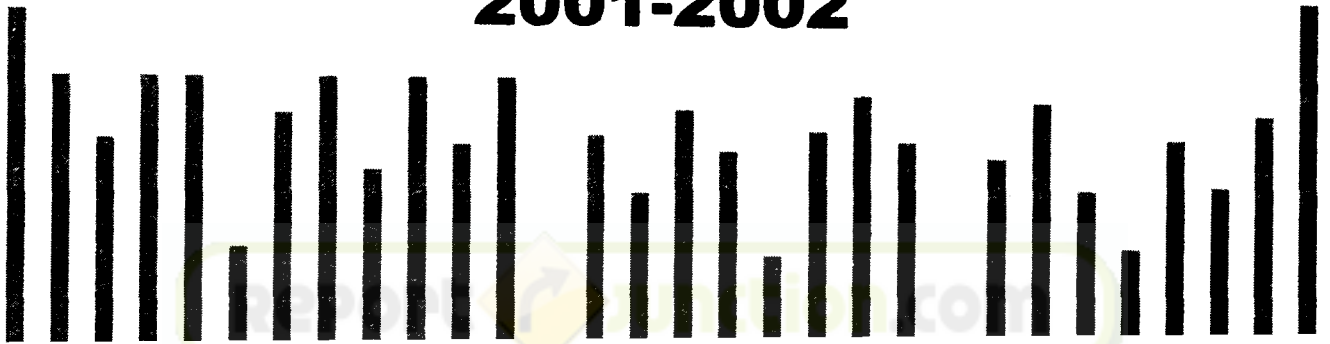


7th

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



KADAMB

CONSTRUCTIONS LIMITED

7th ANNUAL REPORT**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

(Mahesh Kumar Gupta)
Chairman cum Managing Director

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

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.

KADAMB

CONSTRUCTIONS LIMITED

7th ANNUAL REPORT**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.

KADAMB
CONSTRUCTIONS LIMITED**7th ANNUAL REPORT****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 knowledge 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.