

11th
ANNUAL REPORT
2005-2006

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Regd. Off. : 14, Kasturba Nagar, Jaipur - 302 019

Board of Directors :

Mr. Bajrang Lal Agrawal	Director
Mr. Raja Mathur	Director
Mr. Gangaram Khandelwal	Director
Mr. Mohan Jhavar	Additional Director
Mrs. Laxmi Choudhary	Additional Director
Mr. Anish Surya	Additional Director
Ms. Neetu Yadav	Additional Director

Auditors :

M/s. Ashok Surjan & Co.
 Chartered Accountants
 102, Shree Vardhan Complex
 4, R.N.T. Marg
 Indore 452001 (M.P.)

Registered Office :

14, Kasturba Nagar
 Jaipur-302019 (Rajasthan)

Registrar and Share Transfer Agent :

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

Contents :	Page Nos.
Notice	1
Director's Report	8
Management Discussion & Analysis	12
Report on Corporate Governance	14
Auditors Report	25
Balance Sheet	28
Profit & Loss Account	29
Schedules & Notes to Accounts	30
Cash Flow Statement	39

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the members of **KADAMB CONSTRUCTIONS LIMITED** will be held on Saturday, the 30th September, 2006 at 2.00 p.m. at the registered office of the Company situated at 14, Kasturba Nagar, Jaipur - 302019 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and the Profit & Loss Account for the year ending on that date together with the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Raja Mathur who retires by rotation and has expressed his unwillingness for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Ashok Surjan & Co., retiring Auditors are eligible for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution :
 "RESOLVED THAT Mr. Mohan Jhawar who was appointed as an Additional Director of the Company by the Board of Directors, who holds office under Section 260 of the Companies Act, 1956, up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution :
 "RESOLVED THAT Mrs. Laxmi Choudhary who was appointed as an Additional Director of the Company by the Board of Directors, who holds office under Section 260 of the Companies Act, 1956, up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution :
 "RESOLVED THAT Mr. Anish Surya who was appointed as an Additional Director of the Company by the Board of Directors, who holds office under Section 260 of the Companies Act, 1956, up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution :
 "RESOLVED THAT pursuant to Section 16, 17 and other applicable provisions, if any, of the Companies Act, 1956, Clause III (A) of the Memorandum of Association of the Company relating to the main objects of the company be and is hereby altered by way of substitution of the provisions of existing sub-clause (1) with the following provisions :

1. To carry on business of contractor, clonizers, developers and to undertake all types of civil construction activities and to acquire by purchase, lease, exchange or otherwise deal in India or abroad in land, estates, buildings, hereditaments, flats, garages, houses, halls, godowns, mills, factories, chawls, dwelling houses, bridges, flyovers, roads, colonies, shopping complex, stores, ware housing complex, cold storage, tin shades or other landed properties of any description and any estate or interest therein or right connected therewith and to turn the same to account as may be expedient and particular by laying out and preparing building site by planting, paving, draining and cultivating land and by demolishing, constructing, reconstructing, altering, improving, decorating, furnishing, maintaining, administering, equipping the same and to do construction jobs, works, conveniences of all kinds and by consolidation and connecting and subdividing properties and to enter into contracts and agreements of lands with builders, tenants, occupiers and others, and to provide services as designer, technical advisor, consultant, labour provider and allied services independently or together with any other party for construction activities in India or abroad and to deal in all type of materials required for construction e.g. bricks, sand, stone, cement, iron rods, machines, tools, etc. and to carry on business for development and maintenance of all types of infrastructure for industrial infrastructure, industrial area, industrial parks, civil infrastructure, transportation facilities, constructions of roads, sheds, bridges, dams, canals, industrial sheds, colonies, sites, fire fighting systems, lifts, and to operate trallas, dumpers, trucks, lorries, storage, cultivation, supply and distribution of water.

"RESOLVED FURTHER THAT pursuant to Section 16, 17 and other applicable provisions, if any, of the Companies Act, 1956, Clause III (A) of the Memorandum of Association of the Company relating to the main objects of the company be and is hereby altered by way of substitution of the provisions of existing sub-clause (2) with the following provisions:

2. To carry on business to generate, control, supply, distribute all types of power, power systems, and to run, maintain and operate wind, solar energy systems, hydro power system, thermal power systems, their machineries, plants and to provide consultancy, expert services, advises, designs, drawings for development of infrastructure and power in India and abroad.

"RESOLVED FURTHER THAT pursuant to Section 16, 17 and other applicable provisions, if any, of the Companies Act, 1956, Clause III (A) of the Memorandum of Association of the Company relating to the main objects of the company be and is hereby altered by way of addition of the following sub-clauses (3), (4) and (5) after the amended sub-clause no. (2) of Clause III (A):

3. To do farming, harvesting, process and manufacture, import, export, buy, sell or otherwise deal in all types of agriculture crops, products, including of the food grains, oil seeds, oil, tea, coffee, products of the ayurvedic medicines, flowers etc, dairy business and to process and manufacture, import, export, buy, sell or otherwise deal in all types of precious and semi-precious metals, jewellery of all kinds, diamonds, precious and semi-precious stones of all varieties, items of handicrafts, garments, carpets, durries, rugs, paintings, brassware, leather wares, wood wares, and to process and manufacture, import, export, buy, sell or otherwise deal in all types of petroleum and energy products, by-products thereof, and to carry on the business of all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities and to act as brokers, sub brokers, market makers, arbitrageurs, investors and / or hedgers in agricultural products, metals including precious metals, precious stones, diamonds, petroleum and energy products and all other commodities and securities, in spot markets and in futures and all kinds of derivatives of all the above commodities and securities in India or any part of the world.

4. To act as a financial consultants, advisors and counselors in investment and capital market, to manage portfolio investments, to acquire or hold one or more membership / sub-broker ship in stock/ security and or commodity exchanges including the Bombay Stock Exchange, Mumbai, National Stock Exchange, commodity exchanges including of NCDEX and or sub-broker thereof, clearing houses or associations or otherwise in India or any part of the world to act as brokers, dealers and agents in connection with the securities, bullion, commodities, any kind of precious metals or otherwise syndicate any financial arrangements whether in domestic market or in international market or whether by way of loans or guarantees or export and yard credits and to acquire and hold membership of any associations of bankers, merchant bankers, insurance companies, broker, security dealers or commodity dealer or any other associations, membership of which will or is likely in any way to facilitate the conduct of the company's business and participate in trading, settlement and other activities of commodity exchange/s (including national multi commodity exchange/s) facilitating, for itself or for clients, trades and clearing / settlement of trades in spots, in futures and in derivatives of all the above commodities permitted under the laws of India.
5. To act as management consultant, financial consultant, information technology consultant, technical consultants, project consultants, agents, managers and provide advice, service, consultancy on the matter relating to administration, management, investments, organizational structure, commercial, legal, economic, labour, industrial, technical, material, statistical, accounts, internal checks, direct or indirect taxes, man power planning, selection, training of personnel, marketing, advertising, market research and survey, getting foreign collaboration and technical collaboration, and to undertake the work of BPO, KPO, Service provider in India and or any part of the world and to render other services as may be ancillary or incidental to any of the foregoing matters and problems.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to file necessary returns, forms, documents with the Registrar of Companies and other concerned authorities for recording the alteration of the Objects Clause of the Company and also to do all such acts, deeds and things as may be necessary with regard to giving effect to the above resolution."

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

"RESOLVED THAT pursuant to the provisions of the Listing Agreement of the Company with the Stock Exchange(s) and all other applicable provisions, if any, of the Companies Act, 1956, rules / regulations / guidelines issued by the Securities and Exchange Board of India (including any amendment thereto or re-enactment thereof) read with the Articles of Association of the Company and subject to the approval of Stock Exchange(s) and such other approvals, permissions, sanctions and consents as may be necessary and required under the applicable laws, rules, regulations and contract, and on such terms, conditions, alterations, modifications, corrections, changes and variations, if any, that may be stipulated under such approvals, permission, sanctions and consents (which may be accepted by the Board of Directors of the Company) as the case may be, the consent of the Company be and is hereby accorded for re-issue of 23,55,200 (Twenty Three Lacs Fifty Five Thousand and Two Hundred only) Equity shares of Rs. 10/- each (fully called up) which have been forfeited by the Board of Directors for non-payment of call to the existing shareholders of the Company on the Register of Members on a record date to be fixed by the Board of Directors in proportion to their existing shareholding in the Company with a right to renounce the offer in favour of any other person, at a price at or near about the market price or such other price as the Board of Directors shall determine in the best interest of the Company and that such re-issued shares shall rank pari passu with the existing equity shares of the Company in all respects."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to re-issue the shares to any person if such shares are not accepted by the existing shareholders within the time to be prescribed by the Board of Directors as they may deem fit in the best interest of the Company."

"RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and are hereby authorized to take such steps and do all such other acts, deeds, matters and things as they may deem fit and appropriate and take any decision, action, etc. as may be necessary to settle any question, difficulty or doubt that may arise in re-issue of forfeited shares and also to seek the listing of such securities in the Stock Exchange(s)."

By order of the Board

Place : Jaipur
 Date : 30/06/2006

Anish Surya
 (Director)

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy(ies) to attend and vote instead of himself and such proxy(ies) need not be a member of the company. Proxy form should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 25th September, 2006 to Saturday, the 30th September, 2006 (both days inclusive).
3. Members/proxies are requested to:
 - i) Quote their folio numbers in all their correspondence.
 - ii) bring their copies of Annual Report, Notice And Attendance Slips duly completed and signed at the meeting.
 - iii) deliver duly completed and signed attendance slips at the entrance of the meeting venue as entry to the meeting hall will be strictly on the basis of the entry slip at the counter of the venue.
4. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
5. Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of the retiring Directors and appointment of Directors, a statement of the details of the concerned directors is attached hereto.
6. Members are requested to notify immediately any change of address:
 - i) To their Depository Participant (DP) in respect of shares held in dematerialized form, and
 - ii) To the company at its Registered Office or to its Registrar in respect of their physical shares, if any, quoting their folio number.
7. Members desirous of getting any information on any items of the business of this meeting are requested to address their queries to Mr. Anish Surya, Director of the company at the registered office of the company at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
8. All documents referred to in the accompanying notice are open for inspection at the registered office of the company on all working days between 11:00 a.m. to 1:00 p.m. prior to the Annual General Meeting.
9. The Company proposes to seek the approval of the members by way of postal ballot for Item No. 7 of the Notice of Annual General Meeting dealing with the alteration of objects clause of the Memorandum of Association of the Company under section 17 of the Companies Act, 1956. This item require approval by way of postal ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

The Board of Directors have appointed Mr. Sanjay Godha, Chartered Accountant, as the scrutinizer (the "Scrutinizer") for conducting this postal ballot voting process in a fair and transparent manner. Mr. Anish Surya, Mrs. Laxmi Choudhary and Mr. Mohan Jhawar, Directors of the Company are made responsible by the Board for the entire process of postal ballot.

The Resolutions at item No. 7 of the Notice being Special Resolutions shall be declared as duly passed if the votes cast in favour of the Resolutions are three times greater in number than the votes cast against the Resolutions.

The results of the Postal Ballot will be declared at the Eleventh Annual General Meeting scheduled on Saturday, 30th September, 2006 at 2.00 p.m. at the registered office of the Company. The results of the postal ballot will also be published in the newspapers.

Additional Information

Brief resume and other information in respect of Directors seeking appointment at the Annual General Meeting:

1. Mr. Mohan Jhawar :

Mr. Mohan Jhawar, aged about 39 years, is a fellow member of the Institute of Chartered Accountants of India. He joined the Board of Directors of the Company on 6th October, 2005 as an Additional Director.

Mr. Mohan Jhawar is a practicing Chartered Accountant. He has rich experience of about 15 years in the field of stock market, accounts, audit, taxation, finance, etc.

He does not hold any shares in the company.

Nature of expertise in specific functional areas Accounts, audit, taxation, capital markets, finance, etc.

2. Mrs. Laxmi Choudhary :

Mrs. Laxmi Choudhary, aged about 38 years is a L.I.C. agent. She joined the Board of Directors of the company on 6th October, 2005 as an Additional Director.

She is also a Proprietor of Laxmi Commodities, a member of NCDEX. She is also a member of Multi Commodities Exchange of India.

She holds 500200 (i.e. 18.56%) equity shares of the Company.

3. Mr. Anish Surya

Mr. Anish Surya, aged about 31 years is a graduate of commerce and master of Business Economics. He has also done NCFM certificate course of National Stock Exchange of India. He joined the Board of Directors of the Company on 6th October, 2005 as an Additional Director.

He does not hold directorship of any other Company.

He holds 2500 (i.e. 0.09%) equity shares of the Company.

Nature of expertise - Experience in commodities market, capital market, f & o segment, etc.

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

For Item No. 4 :

Mr. Mohan Jhawar was co-opted as an Additional Director of the Company with effect from 6th October, 2005, pursuant to Section 260 of the Companies Act, 1956. Mr. Mohan Jhawar holds office of Director up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member along with required deposit, proposing the candidature of Mr. Mohan Jhawar for the office of Director under the provisions of Section 257 of the Companies Act, 1956. A brief profile of Mr. Mohan Jhawar is given hereto under the head "additional information".

Your Directors recommend the resolution as set out at item no. 4 of the notice for your approval.

Mr. Mohan Jhawar shall be deemed to be interested in the above resolution to the extent of his appointment.

For Item No. 5 :

Mrs. Laxmi Choudhary was co-opted as an Additional Director of the Company with effect from 6th October, 2005, pursuant to Section 260 of the Companies Act, 1956. Mrs. Laxmi Choudhary holds office of Director up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member along with required deposit, proposing the candidature of Mrs. Laxmi Choudhary for the office of Director under the provisions of Section 257 of the Companies Act, 1956. A brief profile of Mrs. Laxmi Choudhary is given hereto under the head "additional information".

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

Mrs. Laxmi Choudhary shall be deemed to be interested in the above resolution to the extent of her appointment.

For Item No. 6 :

Mr. Anish Surya was co-opted as an Additional Director of the Company with effect from 6th October, 2005, pursuant to Section 260 of the Companies Act, 1956. Mr. Anish Surya holds office of Director up to the date of ensuing Annual General Meeting. The Company has received a notice in writing from a member along with required deposit, proposing the candidature of Mr. Anish Surya for the office of Director under the provisions of Section 257 of the Companies Act, 1956. A brief profile of Mr. Anish Surya is given hereto under the head "additional information".

Your Directors recommend the resolution as set out at item no. 6 of the notice for your approval.

Mr. Anish Surya shall be deemed to be interested in the above resolution to the extent of his appointment.

For Item No. 7 :

The Company has already obtained the approval of the shareholders by Special Resolution passed by way of postal ballot voting process for alteration of Objects Clause of the Memorandum of Association of the Company thereby authorizing the Company to do business of dealings in commodities, derivatives in NCDEX. Due to the introduction of MCA-21 e-filing system, the formats of forms prescribed in the Companies (Central Government) General Rules and Forms, 1956 were amended. The day on which the Company presented Form 23 intimating alteration of Objects Clause with the Registrar of Companies, was the effective date of the new forms coming into effect. Therefore, even though the Form was presented to ROC, ROC did not accepted it for filing and thus because of the provisions of sections 18 and 19 of the Companies Act, 1956, the Form was deemed to be not filed and the resolution passed has become void. Therefore, the Company is once again seeking the approval of shareholders for doing such business as set out in the resolution by way of insertion of sub-clauses (3), (4) and (5) after the sub-clause (2) of Clause III(A) of the Memorandum of Association. Your Directors also propose to amend the existing sub clause (1) of Clause III (A) of

the Memorandum of Association relating to main objects of the Company so as to make it wider. The existing sub clause (1) permits the Company to carry on construction of buildings, offices, flats etc. It does not specifically provide for construction of roads, dams, bridges, flyovers, etc. which business now a days is being offered by various State Governments on Built Operate and Transfer (BOT) basis as a part of infrastructure development programmed envisaged through five year plans. The return on such business seems attractive. Since the Company is already in construction business, the Company also want to explore the business opportunities of construction of roads, bridges, etc. The Company therefore, seek the approval of shareholders for alteration and amendment of existing sub clause (1) of Clause III(A) of Memorandum of Association.

The Board of Directors of the Company after conducting a thorough market survey have found the business of power generation especially wind power generation to be more rewarding with less operation cost. The Company also seeks the approval of members for doing such business. Such business under existing circumstances can advantageously and conveniently be combined and carry on with the existing business of the Company.

Your Directors therefore seek the approval of shareholders for carrying on the abovementioned business and commend to pass the resolution set out at item no. 8 of the Notice as a Special Resolution. The resolution set out at item no. 8 of the notice requires the approval of shareholders by postal ballot voting process pursuant to the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. The ballot papers are being sent herewith alongwith pre-paid postage self addressed envelope of the Company. The members are requested to send the ballot papers on or before 29th September, 2006.

None of the Directors of the Company is concerned or interested in the resolution except as members of the Company.

For item no. 8

The Board of Directors have re-issued 2,47,500 forfeited equity shares (out of the total 26,02,700 forfeited shares forfeited on 25th March, 2002) at a price of Rs. 40/- per share on a preferential basis after obtaining the approval of shareholders at the Extra ordinary General Meeting held on 18th February, 2006. As per the requirements of the Bombay Stock Exchange Ltd. the said re-issued shares are subject to lock in for a period of one year from the date of re-issue since they were allotted on a preferential basis.

Now, the Board of Directors propose to offer for re-issue the balance 23,55,200 forfeited equity shares to the existing shareholders on a proportionate basis at or near about the market price or such other price as the Board of Directors will determine in the best interest of the Company. These shares will not be subject to lock-in since they will be offered on a proportionate basis to all the existing shareholders. The Board therefore seek the approval of shareholders for such re-issue of shares to the existing shareholders on a proportionate basis and commend to pass the resolution set out at item no. 9 of the notice as a special resolution.

After getting the approval of members, the Company will take steps to obtain the approval of stock exchanges for their listing.

None of the Directors of the Company is concerned or interested in the resolution except to the extent of the number of shares, which will be re-issued to them pursuant to this resolution.

By order of the Board

Place : Jaipur
 Date : 30/06/2006

Anish Surya
 (Director)

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Eleventh Annual Report along with the audited annual accounts for the year ended 31st March 2006.

Financial Review:**(Rs. In Lacs)**

	Year ended 31/03/2006	Year ended 31/03/2005
Income / Turnover	225.63	19.49
Total Expenditure	212.50	13.07
Profit / (Loss) before interest and depreciation	13.13	6.42
Interest	0.17	0.49
Depreciation	1.19	1.19
Profit/(Loss) before tax	11.77	4.75
Provision for taxation/Deferred tax	1.82	0.54
Profit/Loss after tax	9.95	4.21

Dividend:

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

Public Deposits:

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

Change of Registered Office :

The registered office of the Company was changed from 211-212, Shalimar Complex, Church Road, M.I. Road, Jaipur 302 001 (Rajasthan) to 14, Kasturba Nagar, Jaipur 302019 (Rajasthan) w.e.f. 7th October, 2005.

Commencement of Business stated in Other Objects :

During the year under review, the Company has commenced the business as stated in sub-clause no. (5) of Clause III(C) of the Memorandum of Association of the Company. The said business is relating to dealing in oil, seeds, wheat, rice and other agricultural products. The Company has taken the approval of shareholders for commencement of such business by way of special resolution passed at the Extra ordinary General Meeting held on 28th November, 2005.

Alteration of Objects Clause of the Memorandum of Association of the Company and shifting of registered office of the Company.

During the year under review, the approval of the shareholders was obtained by Special Resolution passed by way of postal ballot voting process for alteration of Objects Clause of the Memorandum of Association of the Company thereby authorizing the Company to do business of dealings in commodities, derivatives in NCDEX, etc. However, the day on which the Company presented Form