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**12<sup>th</sup>**

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**Annual Report  
2006-2007**

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**Board of Directors**

Mr. Bajrang Lal Agrawal	Director
Mr. Gangaram Khandelwal	Director
Mr. Mohan Jhavar	Director
Mrs. Alka Soni	Additional Director
Mr. Sashant Nyati	Additional Director
Mr. Naval Saraf	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**

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

**Registrar and Share Transfer Agent**

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

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**NOTICE**

**NOTICE** is hereby given that the 12<sup>th</sup> Annual General Meeting of the members of **KADAMB CONSTRUCTIONS LIMITED** will be held on Saturday, the 29<sup>th</sup> September, 2007 at 2.30 p.m. at the registered office of the Company situated at B-3, 204, Saket Complex, Thane (West), Mumbai-400 601 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2007 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. Bajranglal Agrawal 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 Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring auditors M/s. Ashok Surjan & Co. have expressed their inability to be re-appointed as auditors. The Board of Directors propose to appoint Mahesh C. Solanki & Co., Chartered Accountants as auditors of the company. The Company has received a Certificate from Mahesh C. Solanki & Co. to the effect that their appointment, if made will be within the limits of Section 224(1B) of the Companies Act, 1956. The following resolution is proposed to be passed as an Ordinary Resolution :

**"RESOLVED THAT** Mahesh C. Solanki & Co., Chartered Accountants be and are hereby appointed as auditors of the Company in place of the retiring auditors M/s. Ashok Surjan & Co. who have expressed their unwillingness for re-appointment, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company."

**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** Mrs. Alka Soni 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."
5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** Mr. Sashant Nyati 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."
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution :  
**"RESOLVED THAT** Mr. Naval Saraf 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 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  
 For Kadamb Constructions Ltd.

sd/-  
**Mohan Jhawar**  
 (Director)

Place : Thane  
 Date : 13/08/2007

**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 24<sup>th</sup> September, 2007 to Saturday, the 29<sup>th</sup> September, 2007 (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 or 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. Mohan Jhavar, 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.

**Additional Information****Brief resume and other information in respect of Directors seeking appointment at the Annual General Meeting:****1. Mrs. Alka Soni :**

Mrs. Alka Soni, aged about 41 is a Bachelor of Arts. years, She is having about seven years of experience in administration activities. She joined the Board of Directors of the Company on 13<sup>th</sup> August, 2007 as an Additional Director.

She does not hold Directorship in any other company.

She holds 1000 shares in the company.

Nature of expertise in specific functional areas Administration

**2. Mr. Sashant Nyati :**

Mr. Sashant Nyati, aged about 31 years is a fellow member of the Institute of Chartered Accountants of India. He is having about 9 years of working experience in the areas of finance, construction business, securities trading, accounts, audit and taxation. He joined the Board of Directors of the company on 13<sup>th</sup> August, 2007 as an Additional Director.

He is also a Director in Samyak Resources Pvt. Ltd.

He does not hold any shares in the company.

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

**3. Mr. Naval Saraf**

Mr. Naval Saraf, aged about 36 years is a Post Graduate in Commerce. He is having about 15 years of working experience in the areas of accounts and taxation. He joined the Board of Directors of the Company on 13<sup>th</sup> August, 2007 as an Additional Director.

He does not hold directorship in any other Company.

He does not hold any shares of the Company.

Nature of expertise in specific functional area Accounts, taxation.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****For Item No. 4 :**

Mrs. Alka Soni was co-opted as an Additional Director of the Company with effect from 13<sup>th</sup> August, 2007, pursuant to Section 260 of the Companies Act, 1956. She 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. Alka Soni for the office of Director under the provisions of Section 257 of the Companies Act, 1956. A brief profile of Mrs. Alka Soni 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.

Mrs. Alka Soni shall be deemed to be interested in the above resolution to the extent of her appointment.



**For Item No. 5 :**

Mr. Sashant Nyati was co-opted as an Additional Director of the Company with effect from 13<sup>th</sup> August, 2007, pursuant to Section 260 of the Companies Act, 1956. He 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. Sashant Nyati for the office of Director under the provisions of Section 257 of the Companies Act, 1956. A brief profile of Mr. Sashant Nyati 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.

Mr. Sashant Nyati shall be deemed to be interested in the above resolution to the extent of his appointment.

**For Item No. 6 :**

Mr. Naval Saraf was co-opted as an Additional Director of the Company with effect from 13<sup>th</sup> August, 2007, pursuant to Section 260 of the Companies Act, 1956. He 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. Naval Saraf for the office of Director under the provisions of Section 257 of the Companies Act, 1956. A brief profile of Mr. Naval Saraf 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. Naval Saraf shall be deemed to be interested in the above resolution to the extent of his appointment.

**For Item No. 7 :**

The Board of Directors propose to offer for re-issue 23,55,200 (Twenty Three Lacs Fifty Five Thousand and Two Hundred) 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 seeks 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. 8 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  
 For Kadamb Constructions Ltd.

sd/-  
**Mohan Jhawar**  
 (Director)

Place : Thane  
 Date : 13/08/2007

**DIRECTORS' REPORT**

To,  
The Shareholders  
Kadamb Constructions Ltd.

Dear Shareholders,

Your Directors are pleased to present the Twelfth Annual Report along with the audited annual accounts for the year ended 31<sup>st</sup> March 2007.

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

	<b>Year ended 31/03/2007</b>	<b>Year ended 31/03/2006</b>
Income / Turnover	2143.99	225.63
Total Expenditure	2138.88	212.50
Profit / (Loss) before interest and depreciation	5.11	13.13
Interest	0.24	0.17
Depreciation	2.09	1.19
Profit/(Loss) before tax	2.74	11.77
Provision for taxation/Deferred tax	0.83	1.82
Profit/Loss after tax	1.95	9.95

**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 14, Kasturba Nagar, Jaipur 302019 (Rajasthan) to B-3, 204, Saket Complex, Thane (West), Mumbai-400 601 w.e.f. 22<sup>nd</sup> December, 2006 after obtaining the order of the Company Law Board, Northern Region Bench, New Delhi dated 26.09.2006

**Directors :**

Mrs. Alka Soni, Mr. Sashant Nyati and Mr. Naval Saraf have been co-opted as Additional Directors of the Company w.e.f. 13<sup>th</sup> August, 2007. They hold office upto the date of the forthcoming Annual General Meeting. The Company has received notices from members of the Company proposing the candidature of Mrs. Alka Soni, Mr. Sashant Nyati and Mr. Naval Saraf for being appointed as Directors of the Company at the forthcoming Annual General Meeting.



Mr. Anish Surya and Mrs. Laxmi Choudhary have resigned from the Directorship of the Company w.e.f. 13<sup>th</sup> August, 2007 due to their preoccupations. The Board expresses its gratitude to the outgoing directors for their services to the company during their tenure.

In accordance with the provisions of the Sec. 254 and 255 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Bajranglal Agrawal retire by rotation at the forthcoming Annual General Meeting. Mr. Bajranglal Agrawal has informed his unwillingness to be re-appointed as a Director of the company.

Information on the details of directors seeking appointment as required under Clause 49 of the Listing Agreement has been given under the Notice to Shareholders under the head 'Additional Information'.

#### **Auditors:**

The statutory auditors of the company, M/s. Ashok Surjan & Co., Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting. They have expressed their unwillingness for reappointment at the ensuing Annual General Meeting.

The Board of Directors therefore propose to appoint Mahesh C. Solanki & Co., Chartered Accountants as the auditors of the Company at the ensuing Annual General Meeting in the vacancy to be caused by retirement of M/s. Ashok Surjan & Co., Chartered Accountants. The company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment / reappointment within the meaning of Section 226 of the said Act.

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

#### **Directors' Responsibility Statement:**

Your Directors affirm that the audited accounts containing financial statements for the financial year 2006-07 are in full conformity with the requirements of the Companies Act, 1956. They believe that the financial statements reflect fairly, the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operation. These statements are audited by the statutory auditors M/s. Ashok Surjan & Co.

Your Directors further confirm that:

- i) That in the preparation of the annual accounts for financial year ended 31<sup>st</sup> March 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31st March, 2007 and of the profit of the Company for the year ended on that date.
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors have prepared the annual accounts on a going concern basis.

#### **Management Discussion and Analysis Report:**

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

**Corporate Governance:**

The Securities and Exchange Board of India (SEBI) has prescribed certain corporate governance standards. Your Directors reaffirm their commitment to these standards and this Annual Report carries a section on Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement.

**Listing At Stock Exchanges:**

The equity shares of the company continue to be listed at Bombay Stock Exchange Ltd. (BSE) and Delhi Stock Exchange Association Ltd., Delhi. The shares of the Company have been delisted from Jaipur Stock Exchange Ltd. with effect from 21<sup>st</sup> March, 2007 and also delisted from Ahmedabad Stock Exchange w.e.f. 2<sup>nd</sup> February, 2007. The Company has paid the annual Listing fee for the financial year 2007-08 to Bombay Stock Exchange Ltd. and the Delhi Stock Exchange Association Ltd.

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

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

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

**Particulars of Employees:**

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

**Audit Committee:**

As per the provisions of the Companies Act, 1956 and Listing Agreement with the Stock Exchanges, the Audit Committee of the company comprised of three non-executive independent Directors viz., Mr. Gangaram Khandelwal, Raja Mathur and Mr. Bajranglal Agrawal. On retirement of Mr. Raja Mathur with effect from 30<sup>th</sup> September, 2006, the Audit Committee was reconstituted by introduction of Mr. Anish Surya in the vacancy caused by the retirement of Mr. Raja Mathur.

Again on 13<sup>th</sup> August, 2007 the Audit Committee was reconstituted with Mr. Sashant Nyati, Mr. Naval Saraf and Mr. Gangaram Khandelwal as its members and Mr. Sashant Nyati as its Chairman.

**Acknowledgements:**

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

**For and on behalf of the Board**

sd/-

**Mohan Jhawar**  
**(Chairman)**

Place : Thane  
 Date : 13/08/2007