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13th

**Annual Report
2007-2008**

Board of Directors

Mr. Mohan Jhawar	Director
Mr. Gangaram Khandelwal	Director
Mrs. Alka Soni	Director
Mr. Sashant Nyati	Director
Mr. Naval Saraf	Director

Auditors

M/s. Mahesh C. Solanki & Co.
 Chartered Accountants
 119, Bansi Trade Centre
 581/5, M.G. Road
 Indore 452001 (M.P.)

Registered Office

B-3, 204, Saket Complex,
 Thane (West)
 Mumbai-400601

Registrar and Share Transfer Agent

Adroit Corporate Services Pvt. Ltd.
 19/20, Jafarbhoy Industrial Estate
 Makwana Road
 Marol Naka
 Andheri (E)
 Mumbai 400 059

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NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of the members of **KADAMB CONSTRUCTIONS LIMITED** will be held on Tuesday, the 30th September, 2008 at 2.30 p.m. at the registered office of the Company situated at B-3, 204, Saket Complex, Thane (West), Mumbai-400601 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 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. Mohan Jhawar who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr. Gangaram Khandelwal who retires by rotation and has expressed his unwillingness for re-appointment.
4. To re-appoint the 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. Mahesh C. Solanki & Co, Chartered Accountants have expressed their willingness for re-appointment and have given a certificate to the effect that their re-appointment, if made will be within the limits of Section 224(1B) of the Companies Act, 1956.

By order of the Board
For Kadamb Constructions Ltd.

Sd/-
Mohan Jhawar
 (Director)

Place : Thane
 Date : 30/06/2008

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 Thursday, the 25th September, 2008 to Tuesday, the 30th September, 2008 (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. 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 re-appointment at the Annual General Meeting:

Mr. Mohan Jhavar :

Mr. Mohan Jhavar, aged about 41 years, is a Fellow member of the Institute of Chartered Accountant of India. He is having more than 18 years of rich experience in the areas of accounts, auditing, finance, capital markets, etc.

He is a Director of KCL Stock Broking Ltd.

He holds 700 shares in the company.

Nature of expertise in specific functional areas- Accounts, audit, finance.

By order of the Board
For Kadamb Constructions Ltd.

Place : Thane
 Date : 30/06/2008

Sd/-
Mohan Jhavar
 (Director)

DIRECTORS' REPORT

To,
 The Shareholders
 Kadamb Constructions Ltd.

Dear Shareholders,

Your Directors are pleased to present the Thirteenth Annual Report along with the audited annual accounts for the year ended 31st March 2008.

Financial Review:

(Rs. In Lacs)

	Year ended 31/03/2008	Year ended 31/03/2007
Income / Turnover	4548.70	2143.99
Total Expenditure	4535.88	2138.88
Profit / (Loss) before interest and depreciation	12.82	5.11
Interest	0.26	0.24
Depreciation	2.69	2.09
Profit/(Loss) before tax	9.87	2.77
Provision for taxation/Deferred tax	5.56	0.83
Profit/Loss after tax	4.31	1.95

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.

Directors:

In accordance with the provisions of the Sec. 255 and 256 of the Companies Act, 1956 and Articles of Association of the Company, Mr. Mohan Jhawar and Mr. Gangaram Khandelwal retire by rotation at the forthcoming Annual General Meeting. Mr. Mohan Jhawar, being eligible, offers himself for re-appointment and Mr. Gangaram Khandelwal has expressed his unwillingness for re-appointment at the forthcoming Annual General Meeting. The Directors place on record their appreciation for the services rendered by Mr. Gangaram Khandelwal during his association with the Company.

Information on the details of director seeking re-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. Mahesh C. Solanki & Co., Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-

appointment. 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:

In compliance with the provisions of Section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, your Directors hereby confirm that

- i) In the preparation of the annual accounts for financial year ended 31st March, 2008 the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any..
- ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at the end of the financial year and the profit of the Company for that period.
- iii) The Directors 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 and other irregularities.
- iv) The Directors have prepared the annual accounts for the year ended 31st March 2008 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 Company has paid the Annual Listing Fee for the financial year 2008-09 to the 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, Mr. Anish Surya and Mr. Bajranglal Agrawal. On 13th August, 2007, Mr. Anish Surya resigned from the Directorship of the Company and 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

Place : Thane
 Date : 30/06/2008

Sd/-
 Mohan Jhavar
 (Chairman)

Annexure A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**A. INDUSTRY STRUCTURE & DEVELOPMENT**

The continuing high growth in India and other parts of the world has underlined the need for all round development in the construction/ Infrastructure industry resulting in significant changes with emphasis on international standards of execution, size of projects, timely completion, quality and safety. Private sector participation is increasingly being encouraged in all sectors of infrastructure and is now an integral part of the business model of the company.

B. OUTLOOK**Construction business**

With the construction sector being so diverse, it offers many opportunities in specialist fields, not just the better-known areas. The following provide some idea of the scope of, and specialist fields within, the construction industry:

- **Civil and structural engineering** - coastal and marine; environmental; geotechnical; structural; highways; bridges; rail; tunneling; power; water; risk management; and public health.
- **Construction and building services** - construction management; design and build; facilities management; and maintenance management.
- **Surveying** - building surveying; land surveying; quantity surveying; rural practice; urban general practice; and hydrographic surveying.
- **Architecture** - new builds; regeneration; conservation; commercial; and redevelopment.
- **Engineering construction** - air; power; water; oil and gas facilities; chemical process plants; and infrastructure.

Commodities Business

In addition to precious and base metals, which are witnessing a bull run, agricultural commodities are also seen attracting the attention of tactical investors.

Globally, there is lot more caution in investing in commodities, whose prices are seen peaking, as the perceived level of downside risk is high.

On the other hand, agricultural goods - whose prices are much below their historical peaks are seen turning speculators' favorites.

With cyclical earnings and a slew of external risks to their earnings numbers, these stocks are certainly not the kind that one can invest in and then forget about, secure in the belief that they will deliver attractive returns over the long term.

Earnings of agri -commodity companies are transparently linked to commodity prices, which are easy to track.

There are several money-making opportunities in commodity stocks, even if the Company enter the cycle late in the day.

C. RISK & CONCERNS

The all round development and growth has led to manpower and input material shortage, which remained an area of concern throughout the period under review. To retain human resource is

the biggest challenge facing the industry. Your company is not an exception to this phenomenon. A major problem is the shortage of experienced/skilled personnel.

Stringent Government regulations and policies have also become an area of concern with uncertainty prevailing in the official circles and clarifications on crucial issues not forthcoming creating an atmosphere of confusion.

In construction business, the opportunities are dependent on Government policies, profits are dependent on cost of materials, etc. The risk of doing proposed business in NCDEX/NBOT is because of fluctuations in rates of commodities depending upon unforeseen market conditions.

D. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The revenue of the Company for the year under review was Rs. 4548.70 Lacs as compared to Rs. 2143.99 Lacs for the previous year. The net profit of the year under review was Rs. 4.31 Lacs as against Rs. 1.95 Lacs of net profit in the previous year.

E. INTERNAL CONTROL AND ADEQUACY

Your company lays great importance on internal control systems across the organization. It maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respect and of providing protection against significant misuse or loss of company assets.

A strong internal audit function and effective Audit Committee of the Board have strengthened the Internal Control within the organization.

F. MATERIAL DEVELOPMENT IN HUMAN RESOURCES, INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

The key functional area of the company has been on developing functional competencies among human resources. Key organization initiatives have gone a long way in infusing new skills and fostering a climate of learning and collaboration. There is a continuous drive to develop and deploy people practices to improve business results through improved employee engagement.

Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management and human asset refreshal are corner stones of the organization.

As in the past relation of the company with its employees throughout the organization remained cordial. There are around nine employees in the company.

G. CAUTIONARY STATEMENT

Statements in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations are "forward looking statements". Actual results might differ from those anticipated because of changing ground realities, government policies, economic and political developments, market conditions, etc.

CORPORATE GOVERNANCE REPORT

1. Corporate Governance - The Philosophy

Corporate Governance is the set of policies, processes and practices by which a company conducts its affairs in pursuit of its business goals. It encompasses everyone connected or affected by the activities of the company from the Board room to senior management to employees to all other stake holders which includes shareholders, clients, suppliers, etc. In fact good governance practices or their lack, can have an impact on even the environment and community at large.

Corporate Governance, though multifaceted, rests on the following main pillars :

1. Transparency
2. Accountability
3. Fair and equal treatment of all shareholders
4. Compliance with regulations
5. Sustainable value creation for all shareholders
6. Ethical practices

In this background the Board of Directors and the senior management have a special responsibility to ensure that the principles of Corporate Governance such as transparency, accountability, discharge of fiduciary duties, compliance requirements and above all, shareholder interest are always at the center of the company's activities. Good governance can be achieved only if it is embedded as part of corporate life in the DNA of the organization.

Kadamb Constructions Limited (KCL) is committed to implement best Corporate Governance practices. The Company's governance is based on the following main principles :

- Constitution of a Board of Directors of appropriate composition, size and commitment to discharge their responsibilities and duties
- Ensuring timely flow of information to the Board and its Committees to enable them to discharge their functions effectively.
- Independent verification and safeguarding integrity of the Company's financial reporting.
- A sound system of risk management and internal control.
- Timely and balanced disclosure of all material information concerning the Company to all stakeholders.
- Transparency and accountability.
- Compliance with all the rules and regulations.
- Fair and equitable treatment of all its stakeholders including employees, customers, shareholders and investors.

The Company recognises that good Corporate Governance is a continuing exercise and is committed to follow the best international practices in every respect of its corporate endeavour and has decided to have its Corporate Governance policies and practices in line with international trends in the overall interest of the stakeholders.

In accordance with Clause 49 of the Listing agreement with the Stock Exchanges, the details of governance systems and processes are as under :

1. Company's philosophy on Code of Governance

The Company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, lenders and the Government. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.