

11th
Annual Report
Reg No. 08/17422

2005-06



KMF BUILDERS AND DEVELOPERS LIMITED

REGD. OFFICE : No.508, Golf Manor Apartments,
NAL Wind Tunnel Road, Murgeshpalya,
BANGALORE - 560 017.

KMF BUILDERS AND DEVELOPERS LIMITED

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M/S. KMF BUILDERS AND DEVELOPERS LIMITED

REGD.OFFICE: No.508, Golf Manor Apartments,
NAL Wind Tunnel Road, Murgeshpalya, BANGALORE - 560 017.

- 1) **DIRECTORS** : 1) SRI. S.K. CHADHA
2) SRI. MALIK PRADEEP KUMAR
3) SMT. SNEHALATA
4) SRI. PRADEEP GUPTA
- 2) **AUDITORS** : M/S. B. SREENIVASA & CO.,
CHARTERED ACCOUNTANTS,
#2/2, 4TH MAIN, N.T.PET,
BANGALORE - 560 002.
- 3) **REGISTERED OFFICE** : No.508, Golf Manor Apartments,
NAL Wind Tunnel Road, Murgeshpalya,
BANGALORE - 560 017.
- 4) **CORPORATE OFFICE** : 1003, VIKRAM TOWERS, RAJENDRA PLACE
NEW DELHI - 110 008.
- 5) **REGISTRAR TRANSFER AGENTS** : ALANKIT ASSIGNMENTS LTD.
2E/21, JHANDEWALAN EXTN., N. D. - 55
- 6) **DEMAT STOCK CODE** : INE580H1018

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**KMF BUILDERS AND DEVELOPERS LIMITED
NOTICE**

NOTICE is hereby given that the Eleventh Annual General Meeting of the company will be held at Registered Office No.508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore - 560 017, on 15th September, 2006 at 10.00 a.m to transact the following business.

ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2006 and profit and Loss Account for the year ended on that date together with the reports of the Auditors and Directors thereon.
2. To appoint a director in the place of Sri. S.K. Chadha, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. B. Sreenivasa & Co., Chartered Accountants as Auditors 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.

SPECIAL BUSINESS:

Resolved that Mr. Pardeep Gupta who was appointed as an additional director of the Company under section 260 of the companies Act 1956 and who hold the office up to the date of the Annual General Meeting and in respect of whom notice under section 257 of the Company Act had been received in writing proposing his candidature for the office of the director be and is hereby appointed as a director of the Company subject to retirement by rotation as per the provision of the Article of Association.

Place: Bangalore
Date : 21.08.2006

On behalf of the Board
For **KMF Builders and Developers Ltd**

DIRECTOR

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that the proxy need not be a member of the company. The Instrument of Proxy must reach the registered office of the company duly completed not less than 48 hours before commencement of the meeting.
2. **Explanatory Statement:** under section 173 (2) of the Companies Act 1956. in view of best interest the Company Mr. Pardeep Gupta who was appointed as an additional Director of the Company under section 260 of the Company Act 1956 and who holds the office up to the date of this Annual General Meeting and in respect of whom notice in writing had been received under section 257 of the Companies Act, 1956 proposing his candidature for the office of the director be and is hereby appointed as a director of the Company subject to retirement by rotation as per the Provision of Article of association.

Your director recommends the above resolution for share holder's approval None of the director are in any way interested in the above said resolution.

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DIRECTORS' REPORT

TO,

Dear Shareholders,
M/s. **KMF BUILDERS AND DEVELOPERS LIMITED**
Bangalore.

Your Directors are pleased to present the Eleventh Annual Report together with the Audited results for the year ended 31st March, 2006

FINANCIAL RESULTS:

Sales/Income	Rs. 884.99 Lacs
Net Profit Before Taxes	Rs. 74.47 Lacs
Income Tax	Rs. 17.26 Lacs
Deferred Taxation	Rs. 1.23 Lacs
Fringe Benefit Tax	Rs. 0.35 Lacs
Net Profit After Taxes	Rs. 55.62 Lacs

DIVIDENDS:

Your Directors regret their inability to recommend any dividend on equity shares for the year.

ACCEPTANCE OF PUBLIC DEPOSITS:

During the year under review the company has neither accepted nor renewed deposits according to the provisions of Sec. 58(A) of the Companies Act, 1956, outstanding fixed deposits at the year end is Nil.

DEBT SERVICING:

During the year under review, your company has met all its obligations towards repayment of principal and interest on the loans availed except Inter Corporate Loans.

DIRECTORS:

Sri. S K Chadha director, who retires by rotation and being eligible offered himself for re-appointment.

KMF BUILDERS AND DEVELOPERS LIMITED

AUDITORS :

The notes to the accounts appearing in Schedule 18 & 19 referred to in the Auditors Report are self-explanatory, and therefore do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Your Company's Auditors M/S. B Sreenivasa & Co., Chartered Accountants, Bangalore, retire at the ensuing Annual General Meeting, and are eligible for re-appointment.

COPORATE GOVERNANCE:

Your company has already implemented the code of Corporate Governance as required by the Listing Agreement introduced by Securities & Exchange Board of India.

The report of Directors on the practices prevalent on Corporate Governance in the Company is produced as annexure..... to this report.

The Company is required to employ a Company Secretary on whole-time basis. The company has been taking steps to appoint a Company Secretary.

INFORMATION UNDER THE LISTING AGREEMENT:

The statement containing details as required under Clause 49 of the Listing Agreement with Stock Exchange is appended hereto.

a) De-Listing:

No application for de-listing the company's securities has been made to any of the Stock-Exchanges.

b) Suspension in Trading:

Trading in the Company's Securities had been suspended for any reason during the period under review.

c) Listing Fees:

The listing fees payable for the year 2005-06 has been paid.

STATUTORY INFORMATION :

a) Conservation of energy and technology absorption :

Your company has taken due care and importance to the conservation and improvement of the environment

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b) Particulars of Employees:

The information required u/s 217(2A) of the Companies Act, 1956, read with companies (Particulars of employees) rules 1975 is not applicable in view that no employee was in receipt of remuneration exceeding the limits prescribed under the said section during the year under review.

c) During the Year the company had not earned nor spent any foreign currency.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements U/s 217(2AA) of the Companies Act, 1956 with respect to directors responsibility Statement, it is hereby confirmed:

- a. That in the preparation of the accounts of the financial year ended 31st March, 2006 the applicable accounting standard have been followed along with proper explanation relating to material departures, if any;
- b. Directors have selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the company at the end of the year and the profit and loss account of the company for that period;
- c. 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 your Company and for preventing and detecting fraud and other irregularities;
- d. Directors have prepared the accounts for the financial year ended 31st March, 2006 on going concern basis.

ACKNOWLEDGEMENT :

Your Directors would like to place on record their deep appreciation for co-operation and whole hearted support received from Company's Bankers, Advisors, Consultants, Government Authorities and Members. Your Directors also wish to express their appreciation for the dedicated service rendered by the staff of the Company.

For and on behalf of the Board
For KMF Builders and Developers Ltd
Chairman

Place : Bangalore
Date : 21.8.2006

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AUDITORS' REPORT

To,
The Members of
M/s. KMF BUILDERS & DEVELOPERS LTD.,
Bangalore.

1. We have audited the attached Balance Sheet of M/s. KMF BUILDERS & DEVELOPERS LTD., as on 31st March, 2006 and the Profit and Loss Account of the Company for the year ended as on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express our 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 test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. 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 paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph above, We report that:
 - a) We have obtained all the information and explanations to the best of our knowledge and belief that were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books of the company.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account of the Company.

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- d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the Accounting standard referred to in sub-section (3c) of Section 211 of the Companies Act, 1956. Except as mentioned in Note No. 8 of Schedule No. 18 & 19 in respect of deferred taxes.
- e) As per the information furnished to us, none of the directors of the company is disqualified from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the accounts together with the notes, thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
- i) In the case of Balance Sheet, of the State of Affairs of the Company as on 31st March, 2006, and
 - ii) In the case of Profit and Loss Account, of the **PROFIT** for the year ended on that date.
 - iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report Junction For **B SREENIVASA & CO**
CHARTERED ACCOUNTANTS

BSREENIVASASETTY
PROPRIETOR

PLACE: BANGALORE
DATED: 21.8.2006.

KMF BUILDERS AND DEVELOPERS LIMITED

ANNEXURE TO AUDITORS REPORT

(Referred to in paragraph - 3 of our report of even date on the accounts of M/S. KMF BUILDERS & DEVELOPERS LTD. For the year ended 31st March, 2006)

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed records.
b) All the assets have been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
c) In our opinion, the company has not disposed of substantial part of the fixed assets during the year.
- 2 a) According to the information and explanations given to us, the stocks of building materials, spare parts and the materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
b) The Procedures 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 is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3 The Company has taken/granted unsecured loans (ICD) from Companies listed in the registered maintained under section 301 of the Companies Act, 1956. According to the information and explanations furnishing to us, the above mentioned ICD loans are interest free apart from the above no other loans are availed by the company.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- 5 a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
b) In opinion and according to the information and explanations given to us, there are no transactions of purchase and sale of goods and materials made in