

**12th
Annual Report**

Reg No. : 08/17422

2006-07



M/S 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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1

M/S. KMF BUILDERS AND DEVELOPERS LIMITED

REGD.OFFICE: No.508, Golf Manor Apartments,
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BANGALORE 560 017.

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|------------------------------|---|---|
| 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., ND- 55 |
| 6) DEMAT STOCK CODE | : | INE580H1018 |

CONTENTS

1). NOTICE	:	2
2). DIRECTORS REPORT	:	3
3). AUDITORS REPORT	:	6
4). BALANCE SHEET	:	11
5). PROFIT & LOSS ACCOUNT	:	12
6). SCHEDULES	:	13
7). CASH FLOW STATEMENT	:	

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NOTICE

NOTICE is hereby given that the Twelveth 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 Saturday, 29th September, 2007 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, 2007 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 Smt Snehalata, 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.

Place: Bangalore
Date : 03.09.2007

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

DIRECTOR

NOTES:

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.

KMF BUILDERS AND DEVELOPERS LIMITED

3

M/S. KMF BUILDERS AND DEVELOPERS LIMITED

REGD.OFFICE: No.508, Golf Manor Apartments,
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BANGALORE 560 017.

DIRECTORS' REPORT

TO,

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

Your Directors are pleased to present the Twelveth Annual Report together with the Audited results for the year ended 31st March, 2007.

FINANCIAL RESULTS:

Sales/Income	Rs. 39,62,149.46
Net Profit Before Taxes	Rs. 25,00,521.33
Income Tax	Rs. 3,00,000.00
Deferred Taxation	Rs. 12,707.00
Fringe Benefit Tax	Rs. 75,000.00
Net Profit After Taxes	Rs. 21,12,814.33

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:

Smt Snehalata director, who retires by rotation and being eligible offered himself for re-appointment.

AUDITORS :

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 19 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 2006-07 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
- 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.

KMF BUILDERS AND DEVELOPERS LIMITED

5

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, 2007 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, 2007 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**

Place : Bangalore
Date : 03.09.2007

Chairman

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, 2007 and the Profit and Loss Account and the Cash Flow Statement 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.
 - 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.