

**14<sup>th</sup>**

**FOURTEENTH ANNUAL REPORT**

**REG.NO: U45203KA1995PLC017422**

**2008-09**



**M/S. KMF BUILDERS AND DEVELOPERS LIMITED**

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

**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, 4<sup>TH</sup> 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

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KMF BUILDERS AND DEVELOPERS LIMITED  
REGD.OFFICE: No.508, Golf Manor Apartments,  
NAL Wind Tunnel Road, Murgeshpalya,  
BANGALORE - 560 017.

## NOTICE

NOTICE is hereby given that the Fourteenth 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 Wednesday, 30th September, 2009 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, 2009 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 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.

Place: Bangalore  
Date : 07.09.2008

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. The Register of members and the share transfer Books will remain closed from 30<sup>th</sup> September, 2009 to 30<sup>th</sup> September, 2009 (both days inclusive). The dividend on equity shares, if declared will be paid to, the members whose name appear in the Register of members as on 30<sup>th</sup> September 2009 after considering all physical share certificates lodged for transfer.

**KMF BUILDERS AND DEVELOPERS LIMITED**  
 REGD.OFFICE: No.508, Golf Manor Apartments,  
 NAL Wind Tunnel Road, Murgeshpalya,  
 BANGALORE - 560 017.

**DIRECTORS' REPORT**

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

Your Directors are pleased to present the Thirteenth Annual Report together with the Audited results for the year ended 31<sup>st</sup> March, 2008

**FINANCIAL RESULTS:**

Sales/Income	Rs. 12,47,141.25
Net Profit Before Taxes	Rs. 1,92,662.96
Income Tax	Rs. 19,000.00
Deferred Taxation	Rs. 49,101.00
Fringe Benefit Tax	Rs. 61,203.00
Net Profit After Taxes	Rs. 1,61,560.96

**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:**

S.K.CHADHA 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 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 not been suspended for any reason during the period under review.

c) Listing Fees:

The listing fees payable for the year 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.

**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 31<sup>st</sup> March, 2009 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 31<sup>st</sup> March, 2009 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 : 07.09.2009

### **CORPORATE GOVERNANCE REPORT**

As per the Clause 49 of the Listing Agreement of the stock Exchanges, here is the Corporate Governance Report for the year under review i.e. from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009 :

#### **1. Corporate Governance Philosophy :**

The Company's philosophy on Corporate Governance is driven by the desire towards attainment of the highest level of transparency, accountability and equity, in all its interactions with its stakeholders, including shareholders, employees, the government and the society. The Company policies are drawn keeping in mind the interest of all its stakeholders and with an ultimate objective of creation of wealth for its stakeholder. In our commitment to practice sound governance principles, we are guided by the following core principles:

Transparency - To maintain the highest standards of transparency in all aspects and dealing.

Disclosures - To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.

Empowerment and Accountability - To ensure the good level of accountability and to ensure that employees consistently pursue excellent in everything they do.

Ethical Conducts - To conduct the affairs of the company in ethical manner.

Stakeholders' Interest - To promote the interest of all stakeholders including of customers, shareholders, employees vendors and the community.

The company emphasizes on effective and efficient accounting system, internal control mechanism and planning process. The practices adopted by the company emphasizes that all the resources are utilized optimally and effectively so that the co. grows from strength to strength and create wealth.

#### **Board of Directors :**

The current strength of the Board of Directors of the company is four. None of the Directors on the Board are member in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are director. The composition of and the category of Directors on the Board of the Company as on 31<sup>st</sup> March, 2009 was as under.

<b>CATEGORY</b>	<b>PARTICULARS OF DIRECTORS</b>
Promoter Non Executive	Mr. S.K. Chadha, Chairman
Whole Time Director	Mr. Pradeep Kumar Malik
Independent Director	Mr. Pradeep Gupta
Independent Director	Ms. Sneh Lata

The company has complied with the provisions with regard to holding of Board meetings during the period under review, i.e. from 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009.

During the year ended 31<sup>st</sup> March, 2009 the company had five Board meetings. These were on 30<sup>th</sup> April 2008; 31<sup>st</sup> July 2008; 30<sup>th</sup> Sept 2008; 31<sup>st</sup> Oct 2008; 30<sup>th</sup> Jan 2009; 30<sup>th</sup> April 2009.

#### **Directors' Interest in the Company :**

For the sake of transparency Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors and particulars of contracts, if any, entered with companies in which directors are directly or indirectly concerned or interested in the Register of contracts.

#### **Audit Committee :**

Terms of reference of Audit committee are as per Sec 292A of the companies Act, 1956 and the guidelines set out in the Listing Agreements with the stock Exchanges that inter-alia, includes overseeing financial reporting process, reviewing periodic financial results, financial statements and adequacy of internal control system with the Management and discussions with auditors about the scope of audit including the observation of auditors. The committee also review all the matters and information required to be reviewed, discussed or investigation as per the provision of Corporate Governance clause.

#### **Composition of Audit Committee as on 31<sup>st</sup> March, 2009**

During the year under review the composition of the Audit Committee of the Board comprised of following :

<b>S.NO.</b>	<b>NAME OF MEMBERS</b>	<b>STATUS</b>
1.	Mr. Pradeep Kumar Malik	Member
2.	Mr. Pradeep Gupta	Chairman
3.	Ms. Sneh Lata	Member

During the period under review, four meeting of the Audit Committee were held on the following dates: 30<sup>th</sup> April, 2008; 31<sup>st</sup> July 2008; 31<sup>st</sup> Oct 2008; 30<sup>th</sup> Jan 2009

## **2. Shareholders/ Investor' Grievance Committee :**

This committee comprises of Mr. Pradeep Kumar Malik, Mr Pradeep Gupta and Ms. Sneh Lata. The committee oversees the redressal of complaints of the shareholders and investors in relation to transfer of shares, non-receipt of annual report, shares pending for dematerialization, etc. and also approves split/ consolidation of shares, issue of duplicate share certificate etc.

## **3. General Body Meeting :**

The last three Annual General Meetings were held at per the details given below :

YEAR	DATE	VENUE	TIME	SPECIAL RESOLUTION PASSED	
2008	30 <sup>th</sup> Sept, 2008	Registered Office of the company	10.00 a.m.	None	
2007	29 <sup>th</sup> Sept, 2007	Registered Office of the company	10.00a.m.	None	
2006	15 <sup>th</sup> Sept, 2006	Registered Office of the company	10.00a.m.	None	

## **4. Postal Ballot :**

During the year, no special Resolution were passed through Postal Ballots.

## **5. Disclosures :**

- i) The company has got revoked its share trading which was suspended earlier due to non payment of listing fees and ensures timely compliance will all other provisions of listing agreement.
- ii) The company is in the process of appointing the whole time Company Secretary for the company. The request for appropriate candidate has been forwarded to ICSI and the candidature will be confirmed soon.
- iii) The company has complied to its best with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement, Regarding non-mandatory requirements:
  - Remuneration committee has been constituted to approve remuneration of Executive Directors.
  - The Board Members are having adequate experience and expertise to deal with business matters.

## **6. Means of Communication :**

- i) Quarterly Results are published in newspapers. The Annual Reports are posted to every shareholder of the company.
- ii) Management Discussion and Analysis forms a part of this Annual Report, Which is also being posted to all the shareholders of the company.
- iii) The company's website at [www.kmfbuilders.com](http://www.kmfbuilders.com) is regularly updated.

## **7. General Shareholder Information :**

- i) Annual General Meeting Date & Time : Please refer to Notice of the Annual General Meeting being sent along with Annual Report. Venue : Regd. Office
- ii) The company has furnished information required by Clause 49 (iv) of the Listing Agreement, relating to appointment and re-appointment of Directors.

## **8. Date of Book Closure :**

Please refer to Notice of the Annual General Meeting being sent alongwith the ANL RPT.

## **9. Listing of Equity shares on stock Exchanges :**

The company's Shares are listed on Delhi, Mumbai, Bangalore, Ahmedabad Stock Exchanges.

## **10. Share Transfer Agent :**

The Company has engaged the services of M/s Alankit Assignments Ltd., 2E/21. Jhandewalan Extn., New Delhi-110055., a SEBI resisted Registrar, as their Share Transfer Agents, for processing the transfers, sub-division, consolidation, splitting of securities etc. For the request for demat or remat should be sent through DP to our Share Transfer Agents at their address mentioned above.

## **14 Management Responsibility Statement :**

The Management confirms that the financial statements are in full conformity with requirements of the Companies Act, 1956 and the generally accepted Accounting Principles in India. The Management accept the responsibilities for the integrity and the objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the period end.

## 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 31<sup>st</sup> March, 2009 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.
  - a) On the basis of written representation received from the directors, as on 31<sup>st</sup> March, 2009 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
  - b) 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 31<sup>st</sup> March, 2009, 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.

sd/  
CA B Sreenivasa Setty  
Proprietor  
Membership No. 205645  
For and on behalf of  
M/s B Sreenivasa & Co.,  
Chartered Accountants

PLACE: BANGALORE  
dated : 07-09-2009