

FIFTEENTH ANNUAL REPORT

REG.NO: L45203KA1995PLC017422

2009-10

M/S. KMF BUILDERS AND DEVELOPERS LIMITED

REGD.OFFICE: No.508, Golf Manor Apartments,
NAL Wind Tunnel Road, Murgeshpalya,
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, 4 TH 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 |

C O N T E N T S

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KMF BUILDERS AND DEVELOPERS LIMITED
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NOTICE

NOTICE is hereby given that the Fifteenth 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, 21st August, 2010 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, 2010 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. Snehlata, 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

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as on Ordinary Resolution :-
"RESOLVED THAT subject to the approval of the members of the company and pursuant to section 16,94 and 97 of the Companies Act 1956 and other applicable provisions, if any of the said Act, (including any statutory modification or reenactment thereof for the time being in force) and Clause 3CA of the Articles of Association of the company the Authorized share capital of the company be and is hereby increased from Rs. 7Crore divided in to 70,00,000 equity shares of Rs. 10/- each to Rs. 20 crore divided in to 200,00,000 equity share of Rs. 10/- each by crating 130,00,000 new equity share of Rs. 10/- each ranking pari passu with the existing shares
RESOLVED THAT FURTHER the existing clause V of the memorandum of Association of the company as to share capital be and is hereby deleted and in its place the following clause be substituted
V. The Authorized share capital of the company is Rs. 20,00,00,000/- (Rupees Twenty crore only) divided in to 200,00,000(Two Crore) equity shares of Rs. 10/-
5. To consider, and if, thought fit, to pass with or without modification(s) the following as a special resolution

"Resolved that subject to approval of the members of the company Pursuant to the provisions of section 81(1) of the companies Act,1956, including any amendment(s) or re-enactment (s) thereof, (referred to as "the Act") provisions of the memorandum and Articles of Association of the company, Rules, Regulations and Guidelines of the Securities and Exchange Board of India, Regulations or Guidelines issued by the Reserve Bank of India and subject to consent(s) /approval(s)/ permission(s)/ sanction(s), if any from Government of India SEBI, Stock Exchange(s) Reserve Bank of India, Institutions

or Bodies under applicable laws and subject to such term(s) & condition(s) and modification(s) as may be prescribed or imposed by any such statutory governmental or other authority(ies) while granting such consent(s), approval(s) permission(s) and sanction(s) which may be agreed to by the Board of Directors of the company (here after referred to as " the Board" which terms shall deem include any committee constituted/ to be constituted by the Board, of which Managing Director is a member) the consent of the shareholders be and is hereby accorded to the Board to create offer issue and allot equity shares to the existing shareholders of the company in such ratio and price as may be the decided by the Board on the record date as fixed by the Board in compliance with the act and regulations, for an aggregate amount not exceeding Rs. 7 crores.

Resolved further that the Board and is hereby authorized to do all such acts, matters deeds and things as may be necessary for the purpose of the rights issue as aforesaid including but not limited to the following:

1. To fix record date(s) for the purpose of the rights issue for ascertaining the names of members who will be entitled to the aforesaid offer of equity shares in consultation with the stock exchange with which the company's shares are listed.
2. To decide and determine the final size of the rights issue the price per share either prior to or after filing the draft letter of offer with SEBI and the rights entitlement ratio for equity shares including terms of the rights issue.
3. To decide the opening and closing dates for the rights issue and to extend vary or alter the same as it may deem fit at its absolute discretion or as may be suggested or stipulated by SEBI , stock exchange or other authorities from time to time.
4. To appoint lead managers to the Right Issue, Bankers, Registrar, Legal advisors, Printer and such other agencies as may be desired and to remunerate such agencies in relation to the issue of securities and other expenses if any.
5. To decide the mode and manner of allotment of shares if any not subscribed and left/ remaining after allotment of right shares and additional shares applied by the shareholders and renounces:
6. To file necessary returns make declaration/ announcements, furnish information etc, to the concerned authorities in connection with the Right Issue.
7. To take all such other steps as may be necessary in connection with this Right Issue.

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

Place : Bangalore

Date: 30.07.2010

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 on 21st Aug, 2010. The dividend on equity shares, if declared will be paid to, the members whose name appear in the Register of members as on 21st August, 2010 after considering all physical share certificates lodged for transfer.

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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 31st March, 2010.

FINANCIAL RESULTS:

Sales/Income	Rs. 6,72,20,000.00
Net Profit Before Taxes	Rs. 58,54,865.65
Income Tax	Rs. 20,60,000.00
Deferred Taxation	Rs. 69,241.00
Net Profit After Taxes	Rs. 38,64,106.65

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 Snehlata, 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 31st March, 2010 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, 2010 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 : 31.07.2010

Chairman

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 1st April, 2009 to 31st March, 2010 :

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:

- a. Transparency - To maintain the highest standards of transparency in all aspects of our interactions and dealing.
- b. Disclosures - To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.
- c. Empowerment and Accountability - To ensure the good level of accountability and to ensure that employees consistently pursue excellent in everything they do.
- d. Ethical Conducts - To conduct the affairs of the company in ethical manner.
- e. 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 company grows from strength to strength and create wealth for stakeholders.

2. 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 31st March, 2010 was as under.

CATEGORY	PARTICULARS OF DIRECTORS
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 1st April, 2009 to 31st March, 2010.

During the year ended 31st March, 2010 the company had five Board meetings. These were on 30th April 2009; 31st July 2009; 30th Sept 09; 30th Oct 2009; 30th Nov, 2009; 30th Jan 2010; 30th Mar. 2010.

3. 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.

4. 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 31st March, 2010

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

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