

**18th  
Annual Report  
2012 - 2013**



**KMF BUILDERS & DEVELOPERS LTD.**

# KMF BUILDERS & DEVELOPERS LIMITED

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## **BOARD OF DIRECTORS**

1. KAVITA CHADHA	- CHAIRPERSON
2. GORVE CHADHA	- MANAGING DIRECTOR
3. PRADEEP KR. MALIK	- WHOLETIME DIRECTOR
4. ANIL RISHIRAJ	- DIRECTOR
5. RAVINDER KR. SHARMA	- DIRECTOR
6. SHYAM SUNDER	- DIRECTOR

## **COMPLIANCE OFFICER**

Ms. Shweta Gupta

## **REGD. OFFICE**

No. 508, Golf Manor Apartments  
Nal Wind Tunnel Road,  
Murugeshplaya, Bangalore-17

## **CORPORATE OFFICE**

1008, Vikram Tower,  
Rajendra Place,  
New Delhi-110008

## **AUDITORS**

B. Sreenivasan & Co.  
Chartered Accountants  
Bangalore

## **SHARE TRANSFER AGENT**

ALANKIT ASSIGNMENTS LIMITED  
RTA Division-KMF Builders & Developers Ltd.  
2E/21, Jhandewalan Extn.  
New Delhi-110 055  
Ph. No. : 011- 42541234  
E-mail: alankit@alankit.com

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# KMF BUILDERS & DEVELOPERS LIMITED

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## NOTICE

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the members of M/s KMF Builders & Developers Limited will be held on Monday, 23<sup>rd</sup> September, 2013 at 10.30 am at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore-560017 to transact the following business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2013 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 place of Mr. Ravinder Kumar Sharma who retires by rotation and being eligible offers himself for reappointment.
3. To appoint the auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and authorize the Board to fix their remuneration. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** M/s B Sreenivasa & Co. Chartered Accountants be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of Annual General Meeting until the conclusion of next AGM for Auditing the accounts of the Company for the financial year 2013-14 and in this regard Board of Directors of the Company be and are hereby authorised to fix the remuneration of the Auditors and such other expenses in connection with statutory audit and also such other remuneration, as may be decided to be paid by the Board of Directors, for performing duties other than those referred to herein above.”

### **SPECIAL BUSINESS**

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** Mr. Gorge Chadha who was appointed as an additional director by the Board of Directors of the Company in its meeting held on 14<sup>th</sup> October, 2012 and who holds office up to the date of this Annual General Meeting, pursuant section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956, be and is hereby appointed as a director of the company, not liable to retire by rotation.”

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** Mr. Shyam Sunder Mittra who was appointed as an additional director by the Board of Directors of the Company in its meeting held on 10<sup>th</sup> December, 2012. and who holds office up to the date of this Annual General Meeting, pursuant section 260 of the Companies Act, 1956 and in respect of whom the company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a director of the company, liable to retire by rotation.”

## KMF BUILDERS & DEVELOPERS LIMITED

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a **Special Resolution**:-

**“RESOLVED THAT** pursuant to provisions of Article 61 of Article of Association of the Company and Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) subject to such other consents, approvals and permissions, if any needed, approval of the member of the company be and is here by accorded to the appointment of Mr. Gorge Chadha as Managing Director of the Company, who has not attained the age of 25 years, for a period of five years with effect from 14.10.2012 on the terms and conditions hereinafter mentioned:-

**Salary:** - Rs. 25,000- 10,000- 70,000/- per month

**In addition to salary, Mr. Gorge Chadha shall be entitled to following Perquisites:-**

Usage of Car for Official Purpose

Reimbursement of Telephone bills whether land line or mobile.

Reimbursement of expenses incurred from time to time for official purposes.

Gratuity

Any other facility(ies) which the board of directors' in their duly convened meeting may decide from time to time as applicable to other officers of the company.

**RESOLVED FURTHER THAT** minimum remuneration inclusive of above mentioned perquisites shall be payable to Mr. Gorge Chadha notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Gorge Chadha, the Company has no profits or the profits of the Company are inadequate, the Company will pay remuneration by way of salary, perquisites and allowances as specified above.

**RESOLVED FURTHER THAT** Mr. Gorge Chadha shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized jointly and/or severally to take steps as may be necessary for obtaining approvals statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign, execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

7. To consider and if thought fit to pass with or without modification(s) the following resolution as an **Special Resolution**:-

**“RESOLVED THAT** pursuant to the provisions of Section 314 (1) and other applicable provisions, if any, of the Companies Act, 1956 ( including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government, if any and subject to such other consents, approvals, permissions as may be required, the appointment of Mrs. Kavita Chadha, Director of the Company, to hold an office or place of profit under the Company as Project Consultant with effect from 01.10.2013 on such terms & conditions as set out below :

## KMF BUILDERS & DEVELOPERS LIMITED

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- 1) Salary Rs. 30000- 10000-50000 per month
- 2) Reimbursement of expenses incurred during the course of business

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized jointly and/or severally to take steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign, execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

By order of the Board of Directors

Place: Bangalore  
Dated: 14<sup>th</sup> Aug, 2013

Sd/-  
Shweta Gupta  
(Company Secretary)

### NOTES

**A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote on a poll in the meeting instead of him. The proxy need not be a member.**

1. The instrument appointing a proxy should be deposited at the company's registered office, not less than 48 hours before the time for holding the aforesaid meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. All documents referred to, in the accompanying notice and explanatory statement, are open for inspection at the registered office of the company on all working days, during regular business hours and shall also be available at the meeting.
6. The register of members and share transfer books of the company will remain closed from Thursday 19<sup>th</sup> September, 2013 to Monday 23<sup>rd</sup> September, 2013, both days inclusive for the purpose of Book Closure.
7. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the

## KMF BUILDERS & DEVELOPERS LIMITED

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Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.

8. Members are requested to notify immediately any change in their address along with pin code numbers to the company or the Share Transfer Agent of the company (M/s Alankit Assignments Limited, 2E/21, Jhandewalan Extension, New Delhi – 110055).
9. Individual shareholders can take the facility of nomination. For further detail in this regard shareholders may contact Share Transfer Agent of the company.
10. Members are requested to quote their demat account/ folio no. in all correspondence with the company.
11. Members attending the Annual General Meeting are requested to bring along their copies of the annual report, as the same will not be distributed at the meeting.

### **Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956** **Explanatory Statement to Item No. 4**

Mr. Gorge Chadha, who was appointed as an additional director by the Board of Directors of the company in its meeting held on 14<sup>th</sup> October, 2012. According to the provisions of the Section 260 of the Companies Act, 1956, he holds the office up to the date of ensuing Annual General Meeting.

The Company has received a notice in writing from members under section 257 of the Companies Act, 1956, signifying their intention to propose the name of Mr. Gorge Chadha as a candidate for the office of director.

Mr. Gorge Chadha is a Bachelor in Business Economics with major in international understanding of Economic study. He has done schooling from Science background with incredible with incredible track record in Physics. He has undertaken several projects relating to technology & engineering during his school & college as a part of his curriculum and otherwise as well. He has undergone internship with reputed corporations of the country, where he came across latest trends in engineering & technology. He has keen interest in acquiring knowledge relating to new developments in to technology & engineering

None of the directors of the Company are in any way interested in the Resolution, except Mr. Gorge Chadha himself & Ms. Kavita Chadha, being mother of Mr. Gorge Chadha.

The Board recommends the resolution for your approval.

### **Explanatory Statement to Item No. 5**

Mr. Shyam Sunder Mittra who was appointed as an additional director by the Board of Directors of the company in its meeting held on 10<sup>th</sup> December, 2012. According to the provisions of the Section 260 of the Companies Act, 1956. He holds the office up to the date of ensuing Annual General Meeting.

## KMF BUILDERS & DEVELOPERS LIMITED

The Company has received a notice in writing from members under section 257 of the Companies Act, 1956, signifying their intention to propose the name of Mr. Shyam Sunder Mittra as a candidate for the office of director.

Mr. Shyam Sunder Mittra is a Bachelor in Commerce. He has over 25 years of experience in purchase of raw materials in the manufacturing field.

None of the directors of the Company are in any way interested in the Resolution, except Mr. Shyam Sunder Mittra himself.

The Board recommends the resolution for your approval.

### **Explanatory Statement to Item No. 6**

The Board, subject to the approval of shareholders in the General Meeting, appointed Mr. Gorge Chadha as a Managing Director of the Company with effective from 14<sup>th</sup> October, 2012 for a period of 5 years on terms & conditions set out in the Resolution.

Mr. Gorge Chadha has not attained the age of 25 years, therefore approval of the shareholders by way of special resolution is required for his appointment as a Managing Director as per provisions of Schedule XIII of the Companies Act, 1956.

This is for the information of the members of the Company, in a very short span of time Mr. Gorge Chadha, Managing Director has taken various initiatives to strengthen the existing business of the Company. He frequently visits the sites of construction at Vrindavan & Bangalore and keeps a vigilant eye on the progress of the projects. As a result of the aforesaid performance, the total sales and profitability of the Company are expected to grow significantly in coming years.

After Considering his dedication, knowledge and contribution, Remuneration committee recommend to provide increment in remuneration payable to Mr. Gorge Chadha, Managing Director. Thereafter remuneration committee & the Board of Directors of the Company at their respective meeting held on 14.08.2013 have also approved, increment in the remuneration from Rs. 25000/- to Rs. 50000/- per month to Mr. Gorge Chadha, Managing Director for remaining tenure.

Apart from remuneration, all other terms & condition of the appointment of Mr. Gorge Chadha, Managing Director will remain same.

The Remuneration set out in the resolution is in accordance with the provisions of schedule XIII to the Companies Act, 1956.

None of the directors of the Company are in any way interested in the Resolution, except Mr. Gorge Chadha himself & Ms. Kavita Chadha, being mother of Mr. Gorge Chadha.

The Board recommends the resolution for your approval.

### **Explanatory Statement to Item No. 7**

The Company needs to appoint a Project consultant for taking advice regarding successful implementation of the present projects and acquiring new contracts. Therefore Board of Directors proposed the name of Mrs. Kavita Chadha who has a rich experience of more than 10 years in construction field and is fit for the post.

## KMF BUILDERS & DEVELOPERS LIMITED

Thus, Mrs. Kavita Chadha, director of the Company, was appointed as a Project Consultant by the Board of Directors of the company in its meeting held on.14.08.2013, subject to the approval of the members. The Remuneration Committee discussed and fixed the remuneration to be paid to her at Rs. 30000 per month. The Directors therefore, recommend the passing of the Special resolution as mentioned in Item no. 8 of the Notice.

The Board recommends the resolution for your approval.

### **Information to Shareholders in pursuance of Clause 49 (IV) (G) of Listing Agreement with reference to appointment/ reappointment of Directors (item no. 2, 4, 5)**

Director	Brief Resume	Hold Directorship in other	Membership in Committees	No. of shares held As on (31.03.2013)	Relationship between directors inter-se
Mr. Gorve Chadha	Bachelor of Business Economics	NIL	None	3,73,400	Son of Mrs. Kavita Chadha, Director of the company
Mr. Shyam Sunder Mittra	Bachelor in Commerce. Has over 25 years of experience in purchase of raw materials in the manufacturing field.	Hansaflon Platochem Limited	None	NIL	NIL
Ravinder Kumar Sharma	Bachelor of Arts and he have rich experience in the field of cost reduction & finance for more than 20 years.	NIL	Audit Committee, Remuneration Committee, Shareholders Grievance Committee	NIL	NIL

Place: Bangalore  
Dated: 14<sup>th</sup> Aug, 2013

By order of the Board of Directors  
Sd/-  
Shweta Gupta  
(Company Secretary)

### **GREEN INITIATIVE IN CORPORATE GOVERNANCE**

As the Members are aware, the Ministry of Corporate Affairs ("MCA") vide its Circular nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has undertaken "Green Initiative in Corporate Governance" by allowing companies to send various communications/documents (including notice of general meetings, annual report, etc.) to its Members through electronic mode, to the registered e-mail address of the Members. Accordingly, the Company requests the Members to take part in this initiative by extending their support which would go a long way in protecting the environment and also reducing costs.

In view of the above, the Members who hold share(s):

- a. In electronic form and have not registered their e-mail address with the depository participant, are hereby requested to promptly register their e-mail address for serving of documents by the Company in electronic mode.
- b. In physical form and have not registered their e-mail address with the Company/Registrar and Share Transfer Agent (RTA) of the Company, are hereby requested to register their e-mail address with the Company by sending an e-mail to shweta@kmfbuilder.com.



# KMF BUILDERS & DEVELOPERS LIMITED

## DIRECTORS' REPORT

Dear Shareholders

Your directors have pleasure in presenting the 18<sup>th</sup> Annual Report together with the audited statement of accounts for the financial year ended 31st March, 2013

### **FINANCIAL REVIEW:**

<b>FINANCIAL PERFORMANCE :</b>	<b>(Fig in Rs.) 2012-13</b>	<b>(Fig in Rs.) 2011-12</b>
Income from Operation (net of excise)	104,388,204	206,096,571
Other Income	-	-
Profit (before financial charges ,depreciation and tax)	11,474,643	13,989,606
Financial charges (Net Off)	(332,285)	(376,292)
Depreciation	879,927	810,206
Profit before tax	10,927,000	13,555,692
Provision for tax (after adjustment of deferred tax)	4,066,902	4,785,549
Profit after tax	<b>6,860,100</b>	<b>8,770,143</b>

### **FUTURE OUTLOOK**

The real estate sector is quite promising with various advantages like Construction of the multi building projects on the feasible location in the country, good structured national network facilities the boom of construction industry. Real estate development is on high and it is attracting the focus of the industry towards construction.

Our running projects are Residential Apartments "Gokul Dham" at Mathura and "Purab Manor" at Bangalore.

Yours Directors are quite hopeful for the success of both the projects as well and will earn excellent earning out of it.

### **DIVIDEND**

Your Directors do not recommend any dividend for the Financial Year 2012-13

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with Section 217(2AA) of the Companies Act, 1956 as amended by the Companies Amendment Act, 2000, the directors of your company subject to notes appended to accounts and auditor's report, confirm:

that in preparation of annual accounts for the financial year ended 31<sup>st</sup> March'2013, the applicable accounting standards have been followed and that there are no material departures.

that such accounting policies have been selected and applied consistently and such judgements and estimates made are reasonable and prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year as at 31.03.2013 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2013.

that proper and sufficient care has been taken 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.  
that the annual accounts have been prepared on a going concern basis.

**ANNUAL REPORT 2012-13**

# KMF BUILDERS & DEVELOPERS LIMITED

## **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Ravinder Kumar Sharma, Director retires by rotation and being eligible offers himself for reappointment.

## **LISTING**

The Equity shares of your company are listed at Bombay Stock Exchange & Delhi Stock Exchange. The Company has paid listing fees to the Bombay Stock Exchange for the year 2012-13.

## **AUDITORS**

M/s B. Sreenivasa & Co., Chartered Accountants, the statutory auditors of the company retire at the conclusion of ensuing Annual General Meeting of the company and being eligible, offer themselves for reappointment.

## **AUDITORS' REPORT**

The observation of the auditors is self-explanatory and/or is suitably explained in the notes to the accounts.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Reports on Corporate Governance and Management Discussion & Analysis Report have been included in this annual report as separate section (forming part of Directors' Report) along with the Auditors' Certificate.

## **DEPOSITS**

Your company has not accepted any deposit u/s 58A of the Companies Act, 1956 & rules made there under.

## **PARTICULARS OF EMPLOYEES**

None of the employee of the Company is falling under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2002 for the FY 2012-13.

## **ADDITIONAL INFORMATION**

Information pursuant to section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is furnished hereunder:

### **A. CONSERVATION OF ENERGY**

Your Company being a real estate company, Form A for Conservation of Energy is not applicable to it.

### **B. TECHNOLOGY ABSORPTION**

No such activity has been took place during the year under review

### **C. FOREIGN EXCHANGE EARNING & OUTGO**

Fig in Rs.

Total foreign exchange earnings

---NIL----

Total foreign exchange outgo

---NIL----

### **D. ENVIRONMENT**

The Company is not involved in any type of activity hazardous to environment and does not discharge any trade effluents (solid, liquid or gaseous) causing pollution.

## **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to gratefully acknowledge the valuable co-operation and assistance extended by all of its Government of India, Government of Karnataka, Government of Uttar Pradesh and the company's bankers for their continued support and guidance. Yours directors also wish to place on record their sincere appreciation of the dedication and effort