

"MANAVSTHAL", Malad (W), Mumbai

27th Annual Report
2010-11



KAMANWALA HOUSING CONSTRUCTION LIMITED



KAMANWALA HOUSING CONSTRUCTION LIMITED

BOARD OF DIRECTORS

Mr. B.R. Maheshwari	: <i>Chairman</i>
Mr. M.L. Gupta	: <i>Vice-Chairman & Managing Director</i>
Mr. Jaipal Jain	: <i>Whole-time Director</i>
Mr. Atul Jain	: <i>Whole-time Director</i>
Mr. Tarun Jain	: <i>Whole-time Director</i>
Mr. Amit Jain	: <i>Whole-time Director</i>
Mrs. Pushpa Jain	: <i>Whole-time Director</i>
Mr. Bhanwarlal D. Jogani	: <i>Director</i>
Mr. Ramesh J. Patel	: <i>Director</i>
Mr. Pankaj R. Majithia	: <i>Director</i>
Mrs. Shobha Jain	: <i>Director</i>
Mr. Sorabh Gupta	: <i>Director</i>

AUDITORS

M/s. Mittal & Associates
Chartered Accountants,
Mumbai.

ADVOCATES

Mr. Mukesh Jain, Mumbai.
Mrs. S. S. Ayyar, Mumbai.

BANKERS

Indian Overseas Bank,
Oriental Bank of Commerce,
Corporation Bank.

SHARE TRANSFER AGENTS

M/s. Sharex Dynamic (India) Pvt. Ltd.,
Unit No. 1,
Luthra Industrial Premises,
Andheri-Kurla Road,
Safed Pool, Andheri (East),
Mumbai - 400 072.

REGISTERED OFFICE

405/406, New Udyog Mandir-2,
Mogul Lane, Mahim (West),
Mumbai - 400 016.

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KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Seventh Annual General Meeting of the Members of KAMANWALA HOUSING CONSTRUCTION LIMITED will be held on Friday, the 30th September, 2011, at Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (W), Mumbai - 400 016, at 11.30 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011, Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ramesh J. Patel who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Shobha Jain who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Sorabh Gupta who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. B.R. Maheshwari who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

Special Business:

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

“RESOLVED THAT Mr. Pankaj Ramandas Majithia who was appointed as an Additional Director of the Company by the Board of Directors on 12th May, 2011 and who ceases to hold office under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing proposing his candidature for the Office of the Director, be and is hereby appointed a Director of the Company whose office shall be liable to retirement by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Tarun Jain as a Whole-time Director of the Company for a further period of five years from 1st April, 2011 on the terms and conditions and the remuneration as approved by the Board of Directors at its Meeting held on 12th February, 2011 and as set out in the Agreement to be entered into between the Company and Mr. Tarun Jain, a draft of which, duly initialed by the Chairman for the purpose of identification, is placed before the Meeting.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby empowered and authorized to vary such terms and conditions of the Agreement including any increase or enhancement in the remuneration not exceeding the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to by the Board of Directors and Mr. Tarun Jain and that the aforesaid draft of the Agreement to be entered into between the Company and Mr. Tarun Jain be suitably amended to give effect to the same.”

“AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to enter into an Agreement on behalf of the Company with Mr. Tarun Jain as per the said draft of Agreement.”

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Amit Jain as a Whole-time Director of the Company for a further period of three years w.e.f. 1st August, 2011 as approved by the Board of Directors at its Meeting held on 11th August, 2011 on the terms and conditions as to the remuneration payable to him approved and recommended by the Remuneration Committee in its Meeting and as set

out in the Agreement to be entered into between the Company and Mr. Amit Jain a draft of which, duly initialled by the Chairman for the purpose of identification, is placed before the Meeting.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby empowered and authorized to vary such terms and conditions of the Agreement including any increase or enhancement in the remuneration not exceeding the limits specified in Schedule XIII to the Companies Act, 1956 or any amendments thereto, as may be agreed to by the Board of Directors and Mr. Amit Jain and that the aforesaid draft of the Agreement to be entered into between the Company and Mr. Amit Jain be suitably amended to give effect to the same.”

“AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to enter into an Agreement on behalf of the Company with Mr. Amit Jain as per the said draft of Agreement.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER / MEMBERS OF THE COMPANY.
2. Proxies in order to be effective, must be deposited at the Company’s Registered Office not less than 48 hours before the time of the Meeting.
3. Details of Directors’ appointment / re-appointment pursuant to Clause “49” of the Listing Agreement with the Stock Exchange are annexed hereto.
4. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2011 to 30th September, 2011 (both days inclusive).

5. The Corporate Members intending to send their duly authorized representative(s) are requested to send a duly certified copy of the Board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
6. The Members intending to seek any information / clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least Ten days before the date of Annual General Meeting so that the same may be complied within time.
7. Members are hereby requested to notify change in their addresses, make correspondence and send documents of share transfers, etc. either directly to the Company at the Registered Office or to the Office of Share Transfer Agents of the Company, M/s. Sharex Dynamic (India) Pvt. Ltd., at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072.
8. The Members who hold shares in electronic form are requested to bring their numbers of DP ID/ Client ID for the purpose of proper identification at the Meeting.

By Order of the Board

M. L. GUPTA

Vice-Chairman & Managing Director

Registered Office:
405/406, New Udyog Mandir-2,
Mogul Lane, Mahim (West),
Mumbai - 400 016.

Dated: 11th August, 2011.



KAMANWALA HOUSING CONSTRUCTION LIMITED

ANNEXURE TO THE NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956.

Item No. 7

Shri S.V. Shanbhag, who was an Independent Director on the Board of Directors, expired on 21st December, 2010 due to illness. With a view to fill the vacancy caused by his death. Mr. Pankaj Ramandas Majithia was appointed as an Additional Director of the Company on 12th May, 2011 by the Board of Directors. According to the provisions of the Companies Act, 1956, he holds office as a Director only upto the date of ensuing 27th Annual General Meeting. As required under Section 257 of the Companies Act, 1956, a notice has been received from a Member proposing the candidature of Mr. Pankaj Ramandas Majithia for the office of the Director of the Company. He is having 25 years of experience and is a Mumbai based Practicing Chartered Accountant. He is also a qualified Company Secretary. He has a rich experience and knowledge in the fields of Accountancy, Company Law matters, legal matters, business consultancy, direct and indirect taxes, etc. His such experience and knowledge will be very much beneficial in attaining business objectives of the Company.

The Directors recommend to pass the concerned resolution.

Mr. Pankaj Ramandas Majithia may be deemed to be interested or concerned in the resolution of his appointment and no other Director is interested or concerned in the resolution.

Item No. 8

The tenure of the Office of Mr. Tarun Jain, as a Whole-time Director of the Company, expired at the close of business hours on 31st March, 2011.

The Board of Directors at its Meeting held on 12th February, 2011 considered and approved subject to the approval of Members at the forthcoming Twenty Seventh Annual General Meeting, the re-appointment of Mr. Tarun Jain as a Whole-time Director of the Company for a further term of 5 (five) years with effect from 1st April, 2011. The main terms and conditions of his re-appointment as specified in the draft agreement as to the remuneration payable to him are as follows:

Remuneration:

A. Salary & Perquisites:

- (i) Salary : ₹ 1,00,000/- per month (in the pay scale of ₹ 1,00,000 - ₹ 10,000 - ₹ 1,40,000)
- (ii) Commission : 1% of the Net Profit of the Company.
- (iii) Perquisites:
 - (a) Free Unfurnished Residential Accommodation : House Rent not to exceed 40% of the monthly salary per month.
 - (b) Medical Benefit for self and family : One month's salary per annum.
 - (c) Leave Travel Allowance : One month's salary per annum.
 - (d) Electricity : Payment of actual Bills.

B. Payment of the following perquisites will not be included in the computation of the ceiling on remuneration:

- (i) Provident Fund / Superannuation Fund.
Company's Contribution to Provident Fund or Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) Gratuity:
One-half month's salary for each completed year of service.
- (iii) Leave & Leave Encashment:
Privilege Leave of 15 days encashable every year in the month of March during the tenure of his office.

C. Minimum Remuneration:

The above remuneration of A(i) and A(iii) (i.e. Salary & Perquisites) will be paid as Minimum Remuneration in case of loss or inadequacy of profits for any financial year during the term of his appointment.

- D. The Whole-time Director will also be entitled to:
- (i) A provision of car with driver (or reimbursement of driver's salary) for the use of Company's business.
 - (ii) Free telephone facility at residence.
 - (iii) Reimbursement of all reasonable expenses including entertainment expenses incurred in connection with the business of the Company.

He shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

Mr. Tarun Jain, Mr. Jaipal Jain, Mr. Amit Jain and Mrs. Shobha Jain, being relatives may be deemed to be interested to the extent of the remuneration payable to Mr. Tarun Jain as a Whole-time Director.

No other Director is interested or concerned in this resolution.

The above should be treated as an abstract as required under Section 302 of the Companies Act, 1956.

The draft of the proposed agreement to be entered into is available for inspection by Members during the office hours on any working day at the Registered Office of the Company.

Item No. 9

The tenure of the Office of Mr. Amit Jain, as a Whole-time Director of the Company, expired at the close of business hours on 31st July, 2011.

The Board of Directors at its Meeting held on 11th August, 2011 considered and approved subject to the approval of Members at the forthcoming Twenty Seventh Annual General Meeting, the re-appointment of Mr. Amit Jain as a Whole-time Director of the Company for a further term of 3 (Three) years with effect from 1st August, 2011. His re-appointment is in accordance with the provisions of Schedule XIII to the Companies Act, 1956. The main terms and conditions of his re-appointment as recommended by the Remuneration Committee and as specified in the draft agreement as to the remuneration payable to him are as follows:

Remuneration:

A. Salary & Perquisites:

- (i) Salary : ₹ 1,25,000/- per month (in the pay scale of ₹ 1,25,000 - ₹ 15,000 - ₹ 1,85,000)
- (ii) Commission : 1% of the Net Profit of the Company.
- (iii) Perquisites:
 - (a) Free Unfurnished Residential Accommodation : House Rent not to exceed 40% of the monthly salary per month.
 - (b) Medical Benefit for self and family : One month's salary per annum.
 - (c) Leave Travel Allowance : One month's salary per annum.
 - (d) Electricity : Payment of actual Bills.

B. Payment of the following perquisites will not be included in the computation of the ceiling on remuneration:

- (i) Provident Fund / Superannuation Fund.
Company's Contribution to Provident Fund or Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
- (ii) Gratuity:
One-half month's salary for each completed year of service.
- (iii) Leave & Leave Encashment:
Privilege Leave of 15 days encashable every year in the month of March during the tenure of his office.

C. Minimum Remuneration:

The above remuneration of A(i) and A(iii) (i.e. Salary and Perquisites) will be paid as Minimum Remuneration in case of loss or inadequacy of profits for any financial year during the term of his appointment.



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- D. The Whole-time Director will also be entitled to:
- A provision of car with driver (or reimbursement of driver's salary) for the use of Company's business.
 - Free telephone facility at residence.
 - Reimbursement of all reasonable expenses including entertainment expenses incurred in connection with the business of the Company.

He shall not be paid any sitting fees for attending the Meetings of the Board of Directors or Committees thereof.

Mr. Amit Jain, Mr. Jaipal Jain, Mr. Tarun Jain and Mrs. Shobha Jain, being relatives may be deemed to be interested to the extent of the remuneration payable to Mr. Amit Jain as a Whole-time Director.

No other Director is interested or concerned in this resolution.

The above should be treated as an abstract as required under Section 302 of the Companies Act, 1956.

The draft of the proposed agreement to be entered into is available for inspection by the Members during the office hours on any working day at the Registered Office of the Company.

STATEMENT OF ADDITIONAL INFORMATION PURSUANT TO PROVISIONS OF SECTION II(B) OF PART II OF SCHEDULE-XIII TO THE COMPANIES ACT, 1956:

I. General Information:

Kamanwala Housing Construction Limited was incorporated on 12th April, 1984 in the name and style of Kamanwala Housing Development Finance Company Limited as a Public Limited Company and a fresh Certificate of Incorporation consequent upon change of name was issued on 9th November, 2006 by the Registrar of Companies, Maharashtra.

The Company's Shares are listed on the Bombay Stock Exchange Ltd. The Company is engaged in construction and development of residential flats, commercial premises and industrial galas. As on today, the Company earns almost total revenue from construction and development activities.

The detailed financial position and performance of the Company for the last five years are as under:-

(₹ in Lacs)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Equity Share Capital	1,409.32	1,409.32	1,409.32	565.16	496.66
OFCWs Application Money	—	—	—	79.87	147.00
Reserves & Surplus	6,702.32	6,468.61	6,106.52	5,973.42	3,144.03
Secured Loans	5,521.13	5,972.11	9,297.59	8,500.90	4,692.52
Unsecured Loan	3,526.33	2,746.93	2,771.05	1,201.61	638.54
Deferred Tax Liability	91.25	90.35	89.48	87.18	86.53
Total	17,250.35	16,687.32	19,673.96	16,408.14	9,205.28
Net Block (Fixed Assets)	215.38	202.33	211.89	219.70	180.23
Investments	2,839.39	2,815.27	2,286.42	2,049.73	163.02
Current Assets	19,906.53	20,517.13	23,206.55	20,651.07	16,327.52
Less: Current Liabilities & Provisions	5,712.35	6,850.21	6,035.10	6,517.96	7,465.49
Net Current Assets	14,194.18	13,666.92	17,171.45	14,133.11	8,862.03
Misc. Expenditure	1.40	2.80	4.20	5.60	—
Total	17,250.35	16,687.32	19,673.96	16,408.14	9,205.28

Total Income	4,736.53	7,213.52	5,904.27	9,723.91	8,340.44
Interest & Financial Charges	1,167.48	828.73	614.39	871.27	562.21
Depreciation	16.52	14.87	15.36	17.39	15.17
Income Tax	143.22	345.68	164.68	817.24	189.89
Net Profit	233.71	526.43	290.21	2,442.16	1,304.79

II. Information about the appointee:

Mr. Amit Jain aged 38 years, is a Bachelor of Commerce from the Mumbai University. He joined the Company as a non-executive Director on 30th July, 2004. Considering his enthusiasm, business acumen and active participation in the affairs of the Company, the Board of Directors thought it fit to appoint him as a Whole-time Director of the Company on 1st August, 2006.

His total remuneration package as indicated in the proposed resolution of his re-appointment is quite reasonable compared to still higher remuneration packages prevailing in the comparable industry for senior positions.

III. Reasons for loss / inadequate profits:

The Company is engaged in the building construction activity. Due to volatile market conditions, rising interest and input costs, unfavourable government policies and cut throat competition from the unorganized real estate sector, profit margin remained subdued. Efforts are being made to increase revenue by undertaking premium housing / commercial projects which could provide better profit margin.

By Order of the Board

M. L. GUPTA

Vice-Chairman & Managing Director

Place : Mumbai

Dated : 11th August, 2011.

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange:

Name of Director	Date of Birth	Date of Appointment	Special Expertise/ Occupation	Qualifications	Director in other Companies Incorporated in India	Chairman/Member of Committee of Companies
Mr. Pankaj Ramandas Majithia	01.03.1955	12.05.2011	Practicing Chartered Accountant	F.C.A. & A.C.S.	1. M/s. Mukesh Babu Financial Services Ltd. 2. M/s. Premium Consultancy Pvt. Ltd.	(i) Member of Audit Committee of Kamanwala Housing Construction Ltd. (ii) Member of Share Allotment Committee of Kamanwala Housing Construction Ltd.
Mr. Ramesh J. Patel	09.03.1939	12.04.1984	Investment Consultant	B.Com.	M/s. JNP Shares & Stock Brokers Pvt. Ltd.	(i) Chairman of Shareholders' Grievance Committee of Kamanwala Housing Construction Ltd. (ii) Member of Audit Committee of Kamanwala Housing Construction Ltd.
Mrs. Shobha Jain	07.05.1945	24.04.2008	Business	B.A. (Hons.)	M/s. Textrade Tin Packagings Pvt. Ltd.	(i) Member of Shareholders' Grievance Committee of Kamanwala Housing Construction Ltd.
Mr. Sorabh Gupta	24.12.1973	24.04.2008	Marketing in Telecom	B.E. (Telecom) M.S. (Telecom)	M/s. KMG Life Motivation Pvt. Ltd.	(i) Member of Audit Committee of Kamanwala Housing Construction Ltd.
Mr. B.R. Maheshwari	27.11.1930	12.04.1984	Practicing Chartered Accountant	B.Com., F.C.A.	M/s. BRM Credit & Finance Co. Ltd.	(i) Chairman of Audit Committee of Kamanwala Housing Construction Ltd.

By Order of the Board

M. L. GUPTA

Vice-Chairman & Managing Director

Place : Mumbai

Dated : 11th August, 2011.



KAMANWALA HOUSING CONSTRUCTION LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Seventh Annual Report on the business and operations of the Company along with the audited Financial Statements of Account for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHTS:

The Summarized Financial Highlights of the Company are as follows:

	For the Year ended 31.03.2011 (₹ In Lacs)	For the Year ended 31.03.2010 (₹ In Lacs)
Sales and Other Income.....	4,736.53	7,213.52
Gross Profit.....	394.85	888.37
Less: Depreciation.....	16.52	14.87
Miscellaneous Expenditure written off.....	1.40	1.40
Profit before Taxation.....	376.93	872.10
Provision for Taxation.....	140.00	320.00
Provision for Taxation for earlier years.....	2.33	24.80
Provision for Deferred Tax.....	0.89	0.87
Net Profit / (Loss) for the year.....	233.71	526.43
Balance brought forward from Previous Year.....	3,652.37	3,290.28
Profits available for Appropriations.....	3,886.08	3,816.71
Appropriations:		
Proposed Dividend.....	—	140.93
Dividend Tax.....	—	23.41
Balance carried to Balance Sheet.....	3,886.08	3,652.37

DIVIDEND:

With a view to conserve and plough back the resources of the Company, the Board of Directors has decided not to recommend any dividend for the Financial Year 2010-11.

REVIEW OF OPERATIONS:

During the year under review, the Company recorded the turnover of ₹ 4,736.53 Lacs as compared to ₹ 7,213.52 Lacs for the previous year. The Company earned profit after tax of ₹ 233.71 Lacs for the year as compared to ₹ 526.43 Lacs in the previous year.

Decrease in sales turnover during the year is mainly attributable to short supply of inventory available for sale and adverse market conditions prevailing in the real estate sector. Profitability has also gone down on account of rising costs of interest and inputs.

During the year under review, the Company's operations were significantly affected due to deteriorating market conditions in the real estate and construction industry. While the real estate sector continued its recovery from the economic recession of year 2008 and 2009, there were numerous setbacks such as real estate linked corruption scandals sweeping across the country,

prevailing acute inflationary pressure and rising interest rate regime towards the end of the year under review. The real estate sector is at present highly leveraged and is feeling heavy debt burden. Rising interest and input costs have adversely impacted revenue and profit growth of the Company. In spite of all these, our joint venture partners, customers, investors and lenders have reposed their trust and belief in the Company. The size of opportunity given the number and condition of residential dwellings in Mumbai is truly enormous and we hope to have new re-developments deals to be announced in the coming quarters.

REPORT ON CORPORATE GOVERNANCE:

The Report on Corporate Governance is attached herewith as Annexure – I and forms part of this Report. The Certificate from Practicing Company Secretary, Mr. Upendra C. Shukla, on compliance with Corporate Governance requirements by the Company is attached to the Report on Corporate Governance.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Management Discussion & Analysis Report is attached herewith as Annexure–II and forms part of this Report.

DIRECTORS:

The Directors regret to report the sad demise of Shri Shridhar Vaikunt Shanbhag on 21st December, 2010. He was associated with the Company as a Director since its inception. The Directors place on record his valuable services and guidance to the Company.

Mr. Pankaj Ramandas Majithia, a Practicing Chartered Accountant, was appointed as an Additional Independent Director by the Board of Directors on 12th May, 2011. The Members are requested to approve his appointment.

Pursuant to the provisions of the Companies Act, 1956 and relevant Article of the Articles of Association of the Company, Mr. Ramesh J. Patel, Mrs. Shobha Jain, Mr. Sorabh Gupta and Mr. B.R. Maheshwari retire by rotation at the forthcoming 27th Annual General Meeting and being eligible they offer themselves for re-appointment. As per Item Nos. 8 and 9 of the Notice for convening the 27th Annual General Meeting, Mr. Tarun Jain and Mr. Amit Jain are being proposed to be re-appointed as Whole-time Directors of the Company respectively w.e.f. 1st April, 2011 and 1st August, 2011.

The Members are requested to approve their appointments / re-appointments.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act 1956, your Directors, based on the representations received from operating management and after due enquiry, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have, in the selection of the accounting policies, consulted the statutory auditors and those have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;
- (iii) 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 detecting and preventing the fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

DEPOSITS:

Your Company has not accepted any Deposits from the public or its employees during the year under review. There were no outstanding Deposits repayable as on 31st March, 2011.

PARTICULARS OF EMPLOYEES:

The Company did not have any employee who was in receipt of remuneration of ₹ 48,00,000/- or more per annum and / or if employed for a part of the year receiving remuneration at the rate which in aggregate was ₹ 4,00,000/- or more per month.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

In view of the nature of activities which are being carried on by the Company, the Companies (Disclosure of Particulars in the Report of the Board of Directors)



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Rules, 1988, regarding conservation of energy and technology absorption respectively, are not applicable to the Company.

There were no foreign exchange earnings and expenses during the year under review.

AUDITORS' REMARKS:

As regards Auditors' remarks, your Directors wish to state as under:

- (i) Regarding Accounting Standard-15 (Employees Retirement Benefits), the Company has made the provision of gratuity, which is not determined by the Actuary. Report of the Actuary on the provision to be made for gratuity in compliance with Accounting Standard-15 is being obtained.
- (ii) Regarding repayment to Indian Overseas Bank, the said repayment was delayed marginally due to delayed receipt of funds.

AUDITORS:

M/s. Mittal & Associates, Chartered Accountants, the Auditors of your Company retire at the forthcoming Annual General Meeting. They are eligible for re-appointment. The Members are requested to appoint the Auditors of the Company for the current year and fix their remuneration.

ACKNOWLEDGEMENTS:

Your Directors would like to express their grateful appreciation for unstinted support and co-operation received during the year from Shareholders, Customers, Suppliers, Indian Overseas Bank, Oriental Bank of Commerce, Corporation Bank, Legal & other Professionals, Mumbai Municipal Corporation and other Local Authorities.

The Directors would also like to place on record their appreciation for the dedicated efforts and services put in by the employees of the Company.

For and on behalf of the Board

B.R. Maheshwari
Chairman

Place : Mumbai
Dated : 11th August, 2011.

ANNEXURE – I

CORPORATE GOVERNANCE REPORT:

1. Company's Philosophy on Corporate Governance:

Your Company is fully committed to the principles of good Corporate Governance and endeavours to implement the Code of Corporate Governance in its true spirit. Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and efficient management of an organization. Good Corporate Governance ensures transparency in operations, makes disclosures and enhances shareholders' value without compromising in any way compliance with applicable laws and regulations.

Your Company believes that good governance brings about sustained corporate growth and long term benefits to all stakeholders. Your Company also believes that Corporate Governance must balance individual interest with corporate goals and must operate within accepted norms of propriety, equity, fair play and sense of justice.

This Chapter, along with the Chapters on Management Discussion & Analysis and Additional Shareholders Information, reports the Company's compliance with Clause 49 of the Listing Agreement with the Stock Exchange.

2. Board of Directors:

The Board of Directors as at 31st March, 2011 consisted of 12 (Twelve) Directors of whom six are non-executive Directors. The Company has a non-executive and independent Director as a Chairman and one-third of the total number of Directors is independent. The number of non-executive Directors is 50% of the total number of Directors. The composition of the Board is in conformity with Clause "49" of the Listing Agreement.

(a) Number of Board Meeting:

Five Board Meetings were held during the period 1st April, 2010 to 31st March, 2011 on the following dates:

- (i) 10th May, 2010, (ii) 31st July, 2010, (iii) 30th September, 2010, (iv) 12th November, 2010 and
- (v) 12th February, 2011.

(b) Composition, Status and Attendance at the Board Meetings and at the last AGM. As on 31st March , 2011 the Company's Board comprised of Twelve Members:

Sr. No.	Name of the Director	Status	No. of Board Meetings		Attendance at the last AGM (*)
			Held	Attended	
1.	Mr. B.R. Maheshwari Chairman	Independent Non-executive	5	4	Yes
2.	Mr. M.L. Gupta Vice Chairman & Managing Director	Non-Independent Executive	5	5	Yes
3.	Mr. Jaipal Jain Whole-time Director	Non-Independent Executive	5	5	Yes
4.	Mr. Atul Jain Whole-time Director	Non-Independent Executive	5	2	Yes
5.	Mr. Tarun Jain Whole-time Director	Non-Independent Executive	5	4	Yes
6.	Mr. Amit Jain Whole-time Director	Non-Independent Executive	5	2	No
7.	Mrs. Pushpa Jain Whole-time Director	Non-Independent Executive	5	2	Yes
8.	Mr. S.V. Shanbhag (**)	Independent Non-Executive	5	3	No
9.	Mr. B.D. Jogani	Independent Non-Executive	5	3	No
10.	Mr. Ramesh J. Patel	Independent Non-Executive	5	5	Yes
11.	Mrs. Shobha Jain	Non-Independent Non-Executive	5	5	Yes
12.	Mr. Sorabh Gupta	Non-Independent Non-Executive	5	3	No

(*) The Twenty Sixth Annual General Meeting of the Company was held on 30th September, 2010.

(**) Mr. S.V. Shanbhag expired on 21st December, 2010.



KAMANWALA HOUSING CONSTRUCTION LIMITED

(c) Details of Directorships / Committee Memberships:

As required by Clause "49" of the Listing Agreement, none of the Directors is a Member of more than 10 Board Level Committees nor is any of them a Chairman of more than five Committees in which they are Members. The number of Directorships and Committees positions held by them in Companies are given below:

Sr. No.	Name of the Director	Director of Public Companies (*)	Membership in Committee (*)	Chairmanship in Committee (*)
1.	Mr. B.R. Maheshwari	1	1	1
2.	Mr. M.L. Gupta	1	1	1
3.	Mr. Jaipal Jain	1	—	—
4.	Mr. Atul Jain	1	1	—
5.	Mr. Tarun Jain	1	—	—
6.	Mr. Amit Jain	1	—	—
7.	Mr. S.V. Shanbhag	1	2	1
8.	Mr. B.D. Jogani	1	1	—
9.	Mr. Ramesh J. Patel	1	2	1
10.	Mrs. Pushpa Jain	1	—	—
11.	Mrs. Shobha Jain	1	1	—
12.	Mr. Sorabh Gupta	1	1	—

(*) including Directorship / Committee Memberships in Kamanwala Housing Construction Ltd., as on 31st March, 2011.

Details of Directors' appointment / re-appointment pursuant to Clause "49" of the Listing Agreement with the Stock Exchange are given in the Annexure – "A" annexed herewith:

(d) Board Procedure:

A detailed agenda folder is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibility effectively, the Managing Director as a Chief Executive Officer of the Company briefs the Board at every Meeting on the overall performance of the Company. A detailed functional report is also placed at every Board Meeting. Amongst other things, the Board also reviews strategies and business plans, compliance with statutory / regulatory requirements and review of major legal issues, adoption of quarterly / half-yearly / annual results, investor's grievances, minutes, investment and exposure limits, major accounting provisions and write-offs, minutes of Meetings of the Audit Committee and Committees of Directors of the Board, etc.

3. Committees of the Board:

(i) Audit Committee

During the year, the Audit Committee of your Company was comprised of five Members of which four were Non-Executive and Independent Directors, namely, Mr. B.R. Maheshwari being the Chairman, Mr. S.V. Shanbhag, Mr. Ramesh J. Patel, Mr. B.D. Jogani and one Promoter Non-Executive Director, namely Mr. Sorabh Gupta.

Four Audit Committee Meetings were held during the period 1st April, 2010 to 31st March, 2011 on the following dates:

(i) 10th May, 2010, (ii) 31st July, 2010, (iii) 12th November, 2010 and (iv) 12th February, 2011.

The status of the attendance of the Meetings of the Members is as under:

Sr. No.	Name of the Member	Status	No. of Meetings	
			Held	Attended
1.	Mr. B.R. Maheshwari	Chairman	4	3
2.	Mr. S.V. Shanbhag *	Member	4	3
3.	Mr. B.D. Jogani	Member	4	3
4.	Mr. Ramesh J. Patel	Member	4	4
5.	Mr. Sorabh Gupta	Member	4	3

(*) Mr. S.V. Shanbhag expired on 21st December, 2010.

The terms of reference of the Committee are in accordance with the provisions of Section 292A of the Companies Act, 1956 and the requirements of Clause 49 of the Listing Agreements and *inter alia* include:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial state is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of their fees.
- Review of the internal control systems with the management, Internal Auditors and Statutory Auditors.
- Review with the Management, the annual financial statements before submission to the Board for approval, with special emphasis on accounting policies and practices, compliance and other legal requirements concerning financial statements.
- Review the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- Review the Management Discussion & Analysis.
- Review material individual transactions with related parties not in normal course of business or which are not at arms length basis.
- Review the financial statements and investment of unlisted subsidiary companies.

(ii) Shareholders' Grievance Committee:

During the year, the Shareholders' Grievance Committee was comprised of two Non-Executive Directors, namely Mr. S.V. Shanbhag being the Chairman and Mr. Ramesh J. Patel, two Executive Directors, namely Mr. M.L. Gupta and Mr. Atul Jain and a Promoter Non-Executive Director, namely Mrs. Shobha Jain, as Members.

Four Shareholders' Grievance Committee Meetings were held during the period 1st April, 2010 to 31st March, 2011 on the following dates:

(i) 10th May, 2010, (ii) 31st July, 2010, (iii) 12th November, 2010 and (iv) 12th February, 2011.

The status of the attendance of the Meetings by the Members is as under:

Sr. No.	Name of the Member	Status	No. of Meetings	
			Held	Attended
1.	Mr. S.V. Shanbhag (*)	Chairman	4	3
2.	Mr. Ramesh J. Patel	Member	4	4
3.	Mr. M.L. Gupta	Member	4	4
4.	Mr. Atul Jain	Member	4	1
5.	Mrs. Shobha Jain	Member	4	4

(*) Mr. S.V. Shanbhag expired on 21st December, 2010.



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The Committee's main objective is to attend and expeditiously redress the Shareholders'/ Investors' complaints pertaining to transfers and transmission of Shares, non-receipt of Annual Report, non-receipt of Dividend, non-receipt of Share Certificates, issue of duplicate Share Certificates and other related matters.

For the sake of administrative convenience and smooth functioning, the Committee has authorized Mr. M.L. Gupta, Mr. Atul Jain, Mr. Tarun Jain and Mr. Amit Jain, Executive Directors to look after the day to day matters like transfer of shares, issue of duplicate share certificates, Shareholders' complaints etc.

(iii) Remuneration Committee:

The Board has constituted Remuneration Committee on 12th May, 2011, and as such no Meeting was held during the year under review.

The Remuneration Committee is comprised of three Independent Directors, namely, Mr. Ramesh J. Patel, being the Chairman, Mr. B.D. Jogani and Mr. Pankaj R. Majitha as the Members.

(iv) Remuneration paid to the Directors:

The detailed information of Directors remuneration for the year 2010-11 is set forth below:

(Amount in ₹)

Name of the Directors	Category	Sitting Fees	Salary and Perquisites	Commission	Superannuation and Provident Fund	Total
Mr. B.R Maheshwari	Non-Executive	60,000	N.A.	N.A.	N.A.	60,000
Mr. M.L. Gupta	Executive	N.A.	12,78,558	N.A.	1,27,200	14,05,758
Mr. Jaipal Jain	Executive	N.A.	14,09,143	N.A.	1,50,000	15,59,143
Mr. Atul Jain	Executive	N.A.	16,41,630	N.A.	1,27,200	17,68,830
Mr. S.V. Shanbhag	Non-Executive	30,000	N.A.	N.A.	N.A.	30,000
Mr. Ramesh J. Patel	Non-Executive	50,000	N.A.	N.A.	N.A.	50,000
Mr. B.D. Jogani	Non-Executive	30,000	N.A.	N.A.	N.A.	30,000
Mr. Tarun Jain	Executive	N.A.	14,64,000	N.A.	1,15,200	15,79,200
Mrs. Pushpa Jain	Executive	N.A.	15,07,000	N.A.	1,17,600	16,24,600
Mr. Amit Jain	Executive	N.A.	14,08,000	N.A.	1,10,400	15,18,400
Mrs. Shobha Jain	Non-Executive	50,000	N.A.	N.A.	N.A.	50,000
Mr. Sorabh Gupta	Non-Executive	30,000	N.A.	N.A.	N.A.	30,000

In terms of provisions of the Companies Act, 1956, Mr. Jaipal Jain, Mr. Atul Jain, Mr. Tarun Jain, Mr. Amit Jain, Mrs. Pushpa Jain and Mrs. Shobha Jain are related to each other. Mr. M.L. Gupta and Mr. Sorabh Gupta are related to each other.

4. General Shareholders Information:

- **Twenty Seventh Annual General Meeting :**

Day / date : Friday, the 30th September, 2011.

Time : 11.30 A.M.

Venue : Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (West), Mumbai - 400 016.

Details of Annual / Extra-Ordinary General Meetings held during past three years:

YEAR	A.G.M. / E.G.M.	DATE	TIME	VENUE
2008	E.G.M. 24th A.G.M.	22.02.2008 05.09.2008	11.00 A.M. 11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai. Tendulkar Hall, Mahim (W), Mumbai.
2009	25th A.G.M.	29.09.2009	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
2010	26th A.G.M.	30.09.2010	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.

- **Details of Special Resolutions passed in Annual / Extra Ordinary General Meetings held during the past three years:**

26th A.G.M. held on 30th September, 2010	Special Resolutions passed for : (i) Re-appointment of Mr. M.L. Gupta as a Managing Director; and (ii) Re-appointment of Mr. Atul Jain as a Whole-time Director.
25th A.G.M. held on 29th September, 2009.	No Special Resolution was passed
24th A.G.M. held on 5th September, 2008	Special Resolutions passed for : (i) Appointment of Mrs. Pushpa Jain as a Whole-time Director; and (ii) Approval of issue of Bonus Shares.
E.G.M. held on 22nd February, 2008	Special Resolution passed for : Approval and adoption of Scheme of Amalgamation of M/s. Doongursee Diamond Tools Ltd. with the Company.

- **Dates of Book Closures: 22nd September, 2011 to 30th September, 2011 (both days inclusive).**

- **Financial Calendar of the Company:**

The financial year of the Company covers the period from 1st April to 31st March.

- **Financial reporting for 2011-12 (Tentative):**

First Quarter Results – 30.06.2011	By 14th August, 2011
Second Quarter Results – 30.09.2011	By 14th November, 2011
Third Quarter Results – 31.12.2011	By 14th February, 2012
Fourth Quarter Results – 31.03.2012	By 15th May, 2012



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The Company's Quarterly Unaudited Financial Results (Provisional) for the year under consideration were approved and published as under:

Quarter ended	Date of approval by the Board	Date of Publication	Newspaper for Publication
30.06.2010	31.07.2010	02.08.2010	Business Standard & Mumbai Lakshadeep
30.09.2010	12.11.2010	13.11.2010	-do-
31.12.2010	12.02.2011	14.02.2011	-do-
31.03.2011	12.05.2011	13.05.2011	-do-

- **Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. Listing Fees have been paid to the Stock Exchange for the year upto 31st March, 2012.

- **KHCL'S Stock Exchange Code:**

BSE Company Code	511131
Demat ISIN in NSDL and CDSL For Equity Shares of the Company	INE 344D01018

- **BSE - Monthly Highs / Lows and Volumes:**

Year	Month	High (₹)	Low (₹)	Monthly Volume Number of Shares
2010	April	66.30	51.00	18,21,825
2010	May	69.50	49.00	12,05,366
2010	June	52.45	46.50	4,85,440
2010	July	51.50	43.60	7,13,241
2010	August	49.40	40.00	10,19,229
2010	September	47.40	36.30	16,87,464
2010	October	41.85	32.70	9,53,124
2010	November	38.60	26.00	5,82,198
2010	December	35.15	27.10	4,48,986
2011	January	39.00	26.00	7,25,999
2011	February	42.70	29.50	11,48,719
2011	March	36.70	30.05	2,97,808

- **Performance in comparison to BSE – 500 Index :**

The comparison of performance with BSE – 500 Index is not given since the Company is not included in the Index.

- **Registrar & Share Transfer Agent:**

M/s. Sharex Dynamic (India) Pvt. Ltd.
Unit No.1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road,
Andheri (East), Mumbai-400 072.
Tel. Nos. : 2851 5606 / 2851 5644
Fax No. : 2851 2885
E-Mail : sharexindia@vsnl.com

- **Share Transfer System:**

Shares sent for transfer in physical form are registered and returned within a period of thirty days from the date of receipt of the documents, provided documents sent are valid and complete in all respects. With a view to expediting the process of share transfers any two of the four Directors, namely Mr. M.L. Gupta, Mr. Atul Jain, Mr. Tarun Jain and Mr. Amit Jain are jointly authorized to approve the transferors of Shares.

- **Office of the Company:**

Registered Office:
405/406, New Udyog Mandir-2,
Mogul Lane, Mahim (W), Mumbai-400 016.
Tel. No.: 2445 6029 / 2445 2559
Fax No.: 2447 4968 / 2446 1475
Email Address : kamanwala@gmail.com

- **Branch Office:**

The Company has no branch Office.

- **Shareholders may correspond with the Company at its Registered Office or with the Registrar and Share Transfer Agents, M/s. Sharex Dynamic (India) Pvt. Ltd.**

- **Compliance Officer:**

Mr. Dhirubhai Gondalia,
Kamanwala Housing Construction Ltd.,
405/406, New Udyog Mandir - 2,
Mogul Lane, Mahim (W), Mumbai -400 016.
Tel. No.: 2445 6029 / 2445 2559
Fax No.: 2447 4968 / 2446 1475
Email Address: kamanwala@gmail.com
WEB SITE: www.kamanwala.in

- **Distribution of Shareholding as on 31st March, 2011:**

No. of Equity Shares	No. of Shareholders	% of Shareholding	No. of Shares Held	% of Shareholding
Upto To 100	2147	30.04	1,40,665	1.00
101 To 200	1923	26.90	3,71,134	2.63
201 To 500	1456	20.37	5,67,146	4.03
501 To 1000	849	11.88	7,08,075	5.02
1001 To 5000	590	8.25	13,86,504	9.84
5001 To 10000	80	1.12	5,97,998	4.24
10001 To 100000	85	1.19	22,41,350	15.90
100001 To Above	18	0.25	80,80,288	57.34
Total	7148	100.00	1,40,93,160	100.00



KAMANWALA HOUSING CONSTRUCTION LIMITED

- **Shareholding Pattern as on 31st March, 2011:**

Category	No. of Equity Shares held	% of Shareholding
Promoters	63,48,796	45.05
Insurance Companies & Banks	Nil	Nil
UTI & Mutual Funds	Nil	Nil
FIIS	Nil	Nil
NRIS / OCBS / GDR	64,553	0.46
Clearing Members	11,018	0.08
Domestic Companies	10,34,106	7.34
Resident Individuals	66,34,687	47.07
Total	1,40,93,160	100.00

Details of Shares pledged by the Promoters and Promoter Group as on 31st March, 2011 are as under:

a) Pledged / Encumbered:

Number of Shares	13,59,500
Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group).....	21.41%
Percentage of Shares (as a % of the total Share Capital of the Company)	9.65%

b) Non-Encumbered:

Number of Shares	49,89,296
Percentage of Shares (as a % of the total shareholding of a promoter group).....	78.59%
Percentage of Shares (as a % of the total Share Capital of the Company)	35.40%

- **Dematerialization of Equity Shares as on 31st March, 2011:**

1,35,70,218 Equity Shares (96.29%) of the total Equity Capital were held in electronic Form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares are traded at the Bombay Stock Exchange Limited.

- **Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion dated and likely impact on equity:**

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments during the year under review.

- **Status of Investors Complaints / Shares transfers received during the period 1st April, 2010 to 31st March, 2011:**

i) Number of Complaints pending at the beginning of the year.	:	NIL
ii) Number of Complaints received during the year	:	2
iii) Number of Complaints resolved.	:	2
iv) Number of Complaints pending at the end of the year.	:	NIL

5. Disclosure of Accounting Treatment:

The Annual Statements of Account are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles issued by the Institute of Chartered Accountant of India and the provisions of the Companies Act, 1956.

6. Materially Significant Related Party Transactions:

The Company has not entered into any transaction of material nature with its Promoters, the Directors, or the Management or relatives, etc. that may have potential conflict with the interest of the Company at large. The disclosure in respect of related party transactions is given in Schedule of the Notes to the Accounts. All contracts with the affiliates entered into during the year under review have no potential conflict with the interest of the Company at large and are being carried out on arms length basis at fair market value. The Company does not have any Subsidiary Company. The Register of Contracts containing the transactions in which Directors are interested is regularly placed before the Board for its approval.

7. Other Disclosures:

- **Details of non-compliance relating to Capital Markets:**

The Company has complied with all the requirements of the concerned regulatory authorities. No penalties/ strictures were imposed by any authority on any matter relating to Capital Market in the last three years.

- **Code of Conduct:**

The Board of Directors of the Company has laid down two separate Codes of Conduct, one for the Directors and other for Senior Managerial Personnel.

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year under review. The declaration to this effect signed by the Managing Director is annexed to this Report.

- **Code for Prevention of Insider-Trading Practices:**

In compliance with the SEBI Regulations on prevention of insider trading, the Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees. The Code has laid down guidelines which advise to the designated employees on procedures to be followed and disclosures to be made at the time of dealing in the Company's Shares and making them aware of the consequences of violations.

- **Risk Assessment and Minimization:**

The risk assessment and minimization procedures are in existence and reviewed periodically. All the assets of the Company are adequately insured.

- **Means of Communication:**

The Quarterly, Half-yearly and Yearly results are published regularly in time in the national and local dailies. The Quarterly and Half-Yearly results are not sent individually to the Shareholders. The Company also informs The Stock Exchange promptly all price sensitive information or other matters which are material and relevant for the Shareholders.

Mumbai: 11th August, 2011.



APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchange:

Name of Director	Date of Birth	Date of Appointment	Special Expertise/ Occupation	Qualifications	Director in other Companies Incorporated in India	Chairman/Member of Committee of Companies
Mr. Pankaj Ramandas Majithia	01.03.1955	12.05.2011	Practicing Chartered Accountant	F.C.A. & A.C.S.	1. M/s. Mukesh Babu Financial Services Ltd. 2. M/s. Premium Consultancy Pvt. Ltd.	(i) Member of Audit Committee of Kamanwala Housing Construction Ltd. (ii) Member of Share Allotment Committee of Kamanwala Housing Construction Ltd.
Mr. Ramesh J. Patel	09.03.1939	12.04.1984	Investment Consultant	B.Com	M/s. JNP Shares & Stock Brokers Pvt. Ltd.	(i) Chairman of Shareholders' Grievance Committee of Kamanwala Housing Construction Ltd. (ii) Member of Audit Committee of Kamanwala Housing Construction Ltd.
Mrs. Shobha Jain	07.05.1945	24.04.2008	Business	B.A. (Hons.)	M/s. Textrade Tin Packagings Pvt. Ltd.	(i) Member of Shareholders' Grievance Committee of Kamanwala Housing Construction Ltd.
Mr. Sorabh Gupta	24.12.1973	24.04.2008	Marketing in Telecom	B.E. (Telecom) M.S. (Telecom)	M/s. KMG Life Motivation Pvt. Ltd.	(i) Member of Audit Committee of Kamanwala Housing Construction Ltd.
Mr. B.R. Maheshwari	27.11.1930	12.04.1984	Practicing Chartered Accountant	B.Com., F.C.A.	M/s. BRM Credit & Finance Co. Ltd.	(i) Chairman of Audit Committee of Kamanwala Housing Construction Ltd.

Place : Mumbai

Dated : 11th August, 2011.

MANAGING DIRECTOR'S CERTIFICATION

I, Mr. M.L. Gupta, Managing Director of Kamanwala Housing Construction Ltd., to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance Sheet as at 31st March, 2011 and Profit & Loss Account of the Company for the year ended on that date and all the relevant Schedules and Notes to the Accounts, as well as the Cash Flow Statement and the Directors' Report.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading:
3. Based on my knowledge and information, the financial statements, and other financial information included in this Report, present in all material respect, a true and fair view of the Company's affairs, and are in compliance with the existing Accounting Standards and / or applicable laws and regulations,
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct:
5. I am responsible for establishing and maintaining internal controls over financial reporting for the Company, and I have:
 - a) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
 - b) evaluated the effectiveness of the Company's internal control systems pertaining to financial reporting; and
 - c) disclosed in this Report any change in the Company's internal control over financial reporting that has materially affected the Company's internal control over financial reporting.
6. I have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
 - a) deficiencies in the design or operation of internal control and steps taken / proposed to be taken to rectify these deficiencies;
 - b) significant changes in internal controls over financial reporting, if any, during the year covered by this Report;
 - c) significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - d) instances of significant fraud of which I am aware, that involves management or other employees who have a significant role in the Company's internal controls system over financial reporting.

M.L. GUPTA
Managing Director & CFO

Place: Mumbai

Dated: 11th August, 2011.



KAMANWALA HOUSING CONSTRUCTION LIMITED

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of the Listing Agreement, the Managing Director's Declaration on compliance of the Code of Conduct is given below:

To

The Members of

Kamanwala Housing Construction Limited.

I, M.L. Gupta, Managing Director of the Company, hereby declare that all Board Members and Senior Managerial Personnel have affirmed their compliance with the Code of Conduct.

For KAMANWALA HOUSING CONSTRUCTION LIMITED

M.L. GUPTA

Managing Director

Place: Mumbai

Dated: 11th August, 2011.

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF CONDITIONS ON CORPORATE GOVERNANCE:

I have examined the compliance of the conditions of Corporate Governance by KAMANWALA HOUSING CONSTRUCTION LIMITED for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

UPENDRA C. SHUKLA

Company Secretary

C. P. No. 1654

Place: Mumbai

Dated: 11th August, 2011.

ANNEXURE – II

MANAGEMENT DISCUSSION & ANALYSIS REPORT INDUSTRY STRUCTURE AND DEVELOPMENTS:

I. Industry Structure and Development:

After the global financial crisis of 2008-09, the financial year 2010-11 was a year of robust growth. In terms of GDP growth it was aided by robust growth in agriculture, which grew at 5.4% as against 0.4% in the previous year. Industrial sector is estimated to be some what flat and have grown by 8.1% as against 8% in the last year. The economy is estimated to have grown by 8.6% as against 8% in 2009-10. For the first three quarters, almost all sectors recorded an accelerated growth. It is pertinent to note that this remarkable growth was inspite of several challenges on global economic front such as unabated sharp increase in oil prices and debt crisis in Europe and other developed countries.

During the year 2010-11, three basic issues viz. high inflation, tight liquidity and current account deficit to GDP and its financing dominated the Indian economy. RBI had come out with a number of monetary measures to contain inflation. However, this resulted in slowdown in some sectors especially manufacturing and real estate in the forth quarter.

Construction is the second largest economic activity in India after agriculture. The performance of the construction industry in general also improved during the year. It recorded a growth of 8.1% as against 7% during 2009-10. Demand for residential and commercial units increased during 2010-11. However, the fourth quarter witnessed a downturn. The market for commercial premises was the worst hit.

II. Operations Review:

The Company's operations are based in Mumbai Metropolitan Region (MMR) and surrounding regions. The Company's ambition is to provide affordable and premium reality solutions by leveraging the strength of brand and quality construction of the projects. The Company has

land bank situated at Mumbai, Navi Mumbai (Turbhe) and Hyderabad.

During the year, the positions of projects completed, under construction and on hand are as under:

(i) RESIDENTIAL PROJECT AT SANTACRUZ (WEST), MUMBAI:

The construction work at the residential project has been completed and the sale of the entire constructed area has happened.

(ii) PROJECT AT MALAD (WEST), MUMBAI:

The construction work is going on in full swing at the project. This is a growth-oriented and affordable Housing Project. The project has land cost of ₹ 33.30 Crores for the development of 2,03,000 sq. ft. area. Barring unforeseen circumstances, the construction work at the project is expected to be completed by March, 2013. The project is being developed into spacious flats for those people who value space and prefer high standard of living. The project is expected to generate a good deal of revenue and profit for the Company's further progress and expansion.

(iii) JOINT VENTURE PROJECT AT SANTACRUZ (WEST), MUMBAI:

This is a commercial project situated at Santacruz (West) Mumbai. For the development of the project, the Company has entered into a Deed of Partnership in the name and style of M/s. Kamanwala Lakshachandi Todays Developers in which Company has 50% Share, with M/s. Lakshachandi Developers Pvt. Ltd. 25% Share and M/s. Todays Infrastructure and Construction Ltd. 25% Share. The project has a land cost of ₹ 35.00 Crores for 67,000 sq. ft. area. the project is now almost on completion stage.



KAMANWALA HOUSING CONSTRUCTION LIMITED

(iv) JOINT VENTURE PROJECT AT MAHIM (WEST), MUMBAI:

This project is a premium residential project situated at Mahim (West), Mumbai. For the development of the project, the Company has entered into a Deed of Partnership known as "Kamanwala Lakshachandi Todays Construction" in which the Company has 50% Share, M/s. Lakshachandi Construction Pvt. Ltd. 25% Share, Mrs. Janhavi Drolia 12.50% Share and Miss. Akriti Drolia 12.50% Share. The construction work for 30,000 sq. ft. saleable FSI has already commenced. The Company has paid ₹ 8.00 Crores towards its contribution.

(v) PROJECT AT TURBHE – NAVI MUMBAI:

This project is at Turbhe, Navi Mumbai, with a plot of land admeasuring 10,010 sq. mtrs. having total value of ₹ 15.25 Crores. The project will be developed into an Information Technology Park. The project is expected to generate a great deal of revenue as well as profit which will help to strengthen financial position of the Company. The project is expected to take-off as and when necessary approvals will be given by the appropriate authorities.

(vi) JOINT VENTURE PROJECT AT HYDERABAD – ANDHRA PRADESH:

The project is situated at Hyderabad, Andhra Pradesh, having a land admeasuring 35 acres. The project is to be developed in joint Venture with M/s. Prajay Engineers Syndicate Ltd. and M/s. Namita Builders & Developers Pvt. Ltd.

The Company has acquired 20% Share in the land of the project for a contribution of ₹ 8.87 Crores. The project being large in size, the required funds will be substantial and will be mobilized by appropriate means in due course of time. The project will take further two years for planning and development.

III. Opportunities, Threats, Risks and Concern:

Opportunities:

Your Company has a reasonable portfolio of projects on hand and projects under construction. The Company remains focused on adding new projects and new developments in Mumbai and peripheral areas. Your Company foresees tremendous new opportunities in redevelopment projects in Mumbai and adjoining regions.

Real estate is considered to be one of the best avenues for investment since the risk involved is much less as compared to the investment in stock market, mutual funds, debentures, bonds, etc. In the case of other investments, one has to act with great caution looking into various parameters affecting the return as well as the safety of capital invested. Investment in real estate gives return, if the basic principles on which its works are observed. India's increasing urbanization, rising income of the middle class people, emerging concept of second home, intact growth storey and demographic dividend provide tremendous business opportunities to the real estate sector.

Threats, Risks and Concerns:

In our view, the Indian economy in general and the real estate sector in particular, are well set to thrive over the ensuing decades. However, macro-economic factors such as the rising interest rates, high level of persistent inflation, demand-supply imbalances government policies and global economic environment which are beyond the control of an individual Company, will dampen the performance of the real estate sector. The cyclical nature of real estate business poses a threat to the whole industry. Any real estate developer that does not put in place adequate risk mitigation measures would be adversely affected by such cyclical downturn. Growth in demand for housing is significantly driven by easy availability of finance at low rates of interest and any increase in interest rates can reduce purchasing power of the home buyers ultimately causing demand recession.

To commence a project, a large number of statutory approvals are required and any delay to these approvals could create delays in project completion schedules. With a view to mitigate such risk, all the required documents are prepared meticulously.

Any delay or prolonged execution of projects could have adverse financial implications leading to increased cost of construction and the same could affect the profitability of the projects. Intense competition also prevails in the real estate sector which could also affect performance of small size developers.

IV. Business Outlook and Prospects:

There is wide gap between demand and supply so far as residential segment is concerned. In urban area and metro cities demand for housing is more than supply. However, sudden spurt in prices followed by interest hike by Banks and inflationary situation has affected the demand adversely. Cushman and Wakefield in its report "Riding the Wave 2010 – Re-emergence of Indian Real Estate Sector" has stated that India, especially its emerging realty asset classes as discussed earlier, offers sound grounds for attracting significant global investments in the current scenario. This view is re-confirmed by FICCI and E&Y study on the real estate sector, which ranks India as the fifth most attractive destination for future real estate investments in a list of top nine attractive destinations. China topped in the list followed by US, UK and Singapore.

A concept of second home / vacation home is being emerged particularly in affluent class. This concept will also slowly spread amongst middle class. As this concept of second home provides good investment opportunity, the demand for housing is bound to grow.

Demand for commercial premises is adversely affected due to increased supply position particularly in city like Mumbai. There is remarkable increase in leasing activity. Considering the India's economic growth, demand for commercial premises too shall revive.

V. Internal Controls and their Adequacy:

The Company has a strong and proper system of internal controls commensurate with its size and nature of its business operations. All the transactions relating to the Company's business are adequately and properly authorized, recorded and reported in correct and efficient manner. Internal Controls safeguard the assets of the Company and provide protection against their unauthorized use.

The internal audit team is responsible for assessing and improving effectiveness of internal controls and governance. The internal audit activity is conducted by the Company's Internal Auditors, who undertake the internal audit programme in accordance with the guidance of the Audit Committee of the Board of Directors. The reports of the Internal Auditors are extensively reviewed by the Audit Committee along with the Managing Director periodically and the corrective actions have been taken wherever and whenever needed. The Internal Auditors also extensively interact with the external auditors.

VI. Human Resources Development:

Your Company firmly believes that motivated employees are the key for a competitive advantage. The Company has always reviewed its human resources in an integrated manner aligning all the facets of its human capital with business and organizational transformation in realizing its objectives. Your Company's employee value proposition is based on employee development, an exciting work culture, performance evaluation and empowerment. The Company has created a conducive working environment with prudent knowledge management leading to enhanced skills and capabilities.

Your Company provides challenging career development opportunities and encourages innovative thinking. It monitors employees' performance to enhance individual and organizational performance.



KAMANWALA HOUSING CONSTRUCTION LIMITED

During the year under review, employees' relations remained cordial and there was nil turnover of the employees. As at 31st March, 2011 the Company had 36 employees on record.

VII. Cautionary Statement:

The Management of the Company has prepared and is responsible for the financial statements that appear in this report. These are in conformity with accounting principles generally accepted in India and therefore, amounts based on informed judgments and estimates. The management also accepts responsibility for the preparation of other financial information that is included in this report. Statements in this Management Discussion &

Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable laws and regulations. The Management has based these forward looking statements on its current expectations and projections about future events. Such statements involve known and unknown risks, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, interest and other costs and may cause actual results to differ materially.

Mumbai : 11th August, 2011.

AUDITORS' REPORT TO THE MEMBERS OF KAMANWALA HOUSING CONSTRUCTION LIMITED

We have audited the attached Balance Sheet of KAMANWALA HOUSING CONSTRUCTION LIMITED as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 misstatements. An audit includes examining, on a 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.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 and on the basis of such checks of the books and records of the Company, as we considered appropriate, we enclose in the Annexure a statement on the matters specified in the said Order to the extent applicable.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of those books.
- iii) The Balance Sheet and the Profit and Loss Account dealt with by this Report are in agreement with the books of account.

- iv) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred in Sub-section 3(c) of Section 211 of the Companies Act, 1956 **except compliance with Accounting Standard – 15, Employees Retirement Benefits for the provision of gratuity.**
- v) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to notes appearing in Schedule '19' read together with significant Accounting Policies and other notes appearing elsewhere, 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:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) in the case of the Profit and Loss Account, of the '**Profit**' for the year ended on that date; and
 - c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For MITTAL & ASSOCIATES
Chartered Accountants
FRNo. : 106456W

M. Mehta
Partner
M. No 42990

Place: Mumbai

Dated: 11th August, 2011.



KAMANWALA HOUSING CONSTRUCTION LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 3 of the Auditors' Report to the Members of KAMANWALA HOUSING CONSTRUCTION LIMITED, on the accounts for the year ended 31st March, 2011.

- 1) (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets.
(b) As per information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its business.
(c) During the year the Company has not disposed off substantial fixed assets.
- 2) (a) The management has conducted physical verification of inventory at reasonable intervals.
(b) In our opinion, the procedure followed by the management for such physical verification is reasonable and adequate in relation to the size of the Company and nature of its business.
(c) The Company is maintaining proper records of Inventory. No discrepancies were noticed on verification between physical Inventory and the books of account.
- 3) (a) The Company has not granted secured or unsecured loans to any of the Companies covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore Clause (3)(a)(b)(c)(d) of paragraph 4 of the Order are not applicable.
(e) The Company has taken loans from fourteen parties covered in the register maintained u/s. 301 of the Companies Act, 1956 and maximum amount involved during the year was ₹ 1382.33 Lacs and the year end balance of loan taken from such parties was ₹ 1111.78 Lacs.
- (f) The rate of interest and other terms and conditions of loans taken by the Company from such parties are *prima facie* is not prejudicial to the interest of the Company.
- (g) The Company is regular in payment of principal amount and interest wherever stipulated.
- 4) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the Internal Control System.
- 5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5.00 Lakhs in respect of any party during the period, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the Rules framed there under. Hence Clause (vi) of the Order is not applicable.
- 7) In our opinion, the Company has internal audit system commensurate with the size and nature of its business.

- 8) As informed to us, the maintenance of cost records has not been prescribed by the Central Government u/s. 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- 9) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed dues in respect of sales tax, wealth tax, income tax, service tax, custom duty, excise duty and cess as at last day of the Financial Year.
- 10) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- 11) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture-holders ***except in case of Indian Overseas Bank wherein the payment was due on March 31st, 2011, but was actually paid in April, 2011.***
- 12) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of Shares, Debentures and other securities.
- 13) In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14) The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
- 15) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are *prima-facie* prejudicial to the interest of the Company.
- 16) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- 17) On the basis of an overall examination of the Balance Sheet and Cash Flows of the Company and the information and explanations given to us, we report that the Company has not utilised any funds raised on short-term basis for long-term investments.
- 18) The Company has not made any preferential allotment of shares during the year.
- 19) The Company has not issued any debentures.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For MITTAL & ASSOCIATES
Chartered Accountants
FRNo. : 106456W

M. Mehta
Partner
M. No 42990

Place: Mumbai

Dated: 11th August, 2011.



KAMANWALA HOUSING CONSTRUCTION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	₹	As at 31-03-2011 ₹	As at 31-03-2010 ₹
I. SOURCES OF FUNDS:				
1. SHAREHOLDERS FUNDS:				
(a) Share Capital	1	14,09,31,600		14,09,31,600
(b) Reserves & Surplus	2	67,02,32,235		64,68,60,928
			81,11,63,835	78,77,92,528
2. LOAN FUNDS:				
(a) Secured Loans	3	55,21,12,613		59,72,10,607
(b) Unsecured Loans		35,26,33,444		27,46,92,841
			90,47,46,057	87,19,03,448
3. DEFERRED TAX LIABILITIES	4		91,25,074	90,35,696
Total			1,72,50,34,966	1,66,87,31,672
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS:				
(a) Gross Block	5	2,92,23,908		2,65,74,535
(b) Less: Depreciation		76,85,858		63,41,310
			2,15,38,050	2,02,33,225
2. INVESTMENTS	6		28,39,38,825	28,15,27,034
3. A. CURRENT ASSETS, LOANS & ADVANCES:				
(a) Inventories	7	97,13,13,316		94,57,08,699
(b) Sundry Debtors	8	85,93,18,792		98,79,43,124
(c) Cash & Bank Balances	9	3,46,21,696		47,55,864
(d) Loans & Advances	10	12,53,99,624		11,33,04,748
			1,99,06,53,428	2,05,17,12,435
B. Less: CURRENT LIABILITIES & PROVISIONS				
(a) Current Liabilities	11	48,45,71,254		55,74,36,185
(b) Provisions		8,66,64,083		12,75,84,837
			57,12,35,337	68,50,21,022
Net Current Assets (A-B)			1,41,94,18,091	1,36,66,91,413
4. MISCELLANEOUS EXPENDITURE	12		1,40,000	2,80,000
(To the extent not written off or adjusted)				
Total			1,72,50,34,966	1,66,87,31,672
Notes to the Accounts Forming Part of the Balance Sheet	19			

As per our report of even date
For MITTAL & ASSOCIATES
Chartered Accountants
FRNO: 106456W

M. MEHTA
Partner
M. No. 42990

BANKIM PUROHIT
Company Secretary

DHIRUBHAI GONDALIA
Compliance Officer

JANARDHAN SONAWANE
Manager Accounts

B. R. MAHESHWARI

M. L. GUPTA
JAIPAL JAIN

ATUL JAIN
AMIT JAIN

RAMESH J. PATEL
BHANWARLAL D. JOGANI

PANKAJ R. MAJITHIA
SHOBHA JAIN

Chairman

Vice-Chairman & Managing Director

Whole-time Director

Whole-time Director

Whole-time Director

Director

Director

Director

Director

Mumbai: 11th August, 2011.

Mumbai: 11th August, 2011.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the Year ended 31-03-2011 ₹	For the year ended 31-03-2010 ₹
I. INCOME:			
Sales.....	13	47,27,75,526	71,52,45,207
Other Income.....	14	8,77,559	61,07,206
Total		47,36,53,085	72,13,52,413
II. EXPENDITURE:			
Cost of Sales	15	26,52,58,499	51,74,44,142
Interest & Other Financial Expenses	16	11,67,48,493	8,28,72,812
Administrative and Selling Expenses	17	5,21,60,535	3,21,98,325
Depreciation	5	16,52,149	14,86,522
Miscellaneous Expenditure Written off	18	1,40,000	1,40,000
Total		43,59,59,676	63,41,41,801
Profit/Loss Before Taxation (I-II)		3,76,93,409	8,72,10,612
Provision for taxation			
Current Year Tax		1,40,00,000	3,20,00,000
Earlier Years Tax Paid		2,32,724	24,80,337
Deffered Tax		89,378	87,490
Profit/Loss after taxation		2,33,71,307	5,26,42,785
Balance brought forward from earlier years		36,52,37,061	32,90,28,134
Total		38,86,08,368	38,16,70,919
III. APPROPRIATIONS:			
Proposed Dividend.....		—	1,40,93,160
Dividend Tax.....		—	23,40,698
Balance carried to Balance Sheet		38,86,08,368	36,52,37,061
Total		38,86,08,368	38,16,70,919
Earning per Equity Share of ₹ 10/- each:			
Basic.....		1.66	3.74
Diluted.....		1.66	3.74
Notes to the Accounts Forming part of the Profit and Loss Account.....	19		

As per our report of even date
For MITTAL & ASSOCIATES
Chartered Accountants
FRNO: 106456W

M. MEHTA
Partner
M. No. 42990

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PANKAJ R. MAJITHIA
SHOBHA JAIN

Mumbai: 11th August, 2011.

Chairman

Vice-Chairman & Managing Director
Whole-time Director

Whole-time Director
Whole-time Director

Director

Director

Director

Director

Mumbai: 11th August, 2011.



KAMANWALA HOUSING CONSTRUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31-03-2011 Amount		Year ended 31-03-2010 Amount	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax and extra-ordinary items		3,76,93,409		8,72,10,612
Adjustments for:				
Depreciation	16,52,149		14,86,522	
Preliminary Expenses written off	1,40,000		1,40,000	
Interest Received	(5,60,449)		(26,42,260)	
Interest and Financial Expenses	11,67,48,493		8,28,72,812	
Investment in Joint Venture written off	87,50,000		—	
Loss on Sale of Investments	4,45,500		—	
Loss on Sale of Vehicle	1,53,602	12,73,29,295	9,59,270	8,28,16,344
Operating Profit before Working Capital Changes.....		16,50,22,704		17,00,26,956
Adjustments for:				
Trade & Other Receivables.....	14,30,77,905		10,49,30,479	
Inventories	(2,56,04,617)		6,52,73,822	
Trade Payables & Other Liabilities	(12,56,77,711)	(82,04,423)	13,80,77,549	30,82,81,850
Cash generated from operations		15,68,18,281		47,83,08,806
Taxes paid.....		(2,88,89,147)		(75,20,233)
Net Cash from Operating Activities.....		12,79,29,134		47,07,88,573
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets/Capital Expenditure	(34,52,798)		(22,34,225)	
Investment made.....	(1,16,11,791)		(5,28,84,536)	
Sale of Investments.....	4,500		—	
Sales/Decapitalisation of Fixed Assets.....	3,42,222		7,43,778	
Interest Received	5,60,449		26,42,260	
Net Cash from Investing Activities		(1,41,57,418)		(5,17,32,723)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Secured Loans	(4,50,97,994)		(33,25,48,718)	
Unsecured Loans	7,79,40,603		(24,12,599)	
Interest and Financial Expenses	(11,67,48,493)		(8,28,72,812)	
Net Cash from Financing Activities		(8,39,05,884)		(41,78,34,129)
Net Increase (Decrease) in Cash & Cash Equivalents (A+B+C)		2,98,65,832		12,21,721
Opening Balance of Cash & Cash Equivalents		47,55,864		35,34,143
Closing Balance of Cash & Cash Equivalents		3,46,21,696		47,55,864

- Notes: 1. Figures in brackets represent outflows.
2. Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) 3 "Cash Flow Statements" prescribed under the Companies (Accounting Standards) Rules 2006.
3. Cash and cash equivalents represent cash and bank balances.
4. Previous period figures have been regrouped/reclassified wherever applicable.

As per our report of even date
For MITTAL & ASSOCIATES
Chartered Accountants
FRNO: 106456W

M. MEHTA
Partner
M. No. 42990

BANKIM PUROHIT
Company Secretary

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SHOBHA JAIN

Chairman

Vice-Chairman & Managing Director

Whole-time Director

Whole-time Director

Whole-time Director

Director

Director

Director

Director

Mumbai: 11th August, 2011.

Mumbai: 11th August, 2011.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2011**

	As at 31-03-2011 ₹	As at 31-03-2010 ₹
SCHEDULE 1: SHARE CAPITAL		
Authorised:		
2,00,00,000 (2,00,00,000) Equity Shares of ₹ 10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
Issued:		
1,42,05,580 (1,42,05,580) Equity Shares of ₹ 10/- each	<u>14,20,55,800</u>	<u>14,20,55,800</u>
Subscribed and paid-up:		
1,40,93,160 (1,40,93,160) Equity Shares of ₹ 10/- each fully paid-up	<u>14,09,31,600</u>	<u>14,09,31,600</u>
Total	<u>14,09,31,600</u>	<u>14,09,31,600</u>
(1) Of the above, 55,500 Equity Shares of ₹ 10/- each were allotted as fully paid-up pursuant to contracts without payments being received in cash.		
(2) 50,000 Equity Shares of ₹ 10/- each were allotted as fully paid-up to the Shareholders of the erstwhile Shree Saibaba Castings Pvt. Ltd. on its Amalgamation with the Company for consideration other than cash.		
(3) 6,80,000 Equity Shares of ₹ 10/- each were issued as fully paid-up to the Shareholders of the erstwhile Doongursee Diamond Tools Ltd. on its Amalgamation with the Company for consideration other than cash.		
(4) 70,46,580 Equity Shares of ₹ 10/- each were issued as fully paid up Bonus Shares on 1:1 basis to the Shareholders by capitalisation of Securities Premium Accounts		
SCHEDULE 2: RESERVES & SURPLUS		
(a) General Reserve	3,54,77,524	3,54,77,524
(b) Securities Premium	23,56,86,200	23,56,86,200
(c) Capital Reserve	1,04,60,143	1,04,60,143
(d) Profit & Loss Account:		
Surplus as per Profit & Loss Account.....	<u>38,86,08,368</u>	<u>36,52,37,061</u>
Total	<u>67,02,32,235</u>	<u>64,68,60,928</u>
SCHEDULE 3: LOAN FUNDS		
A. Secured Loans:		
(a) Indian Overseas Bank		
(i) Cash Credit	—	9,03,17,605
(ii) Additional – Cash Credit	—	4,89,30,405
(iii) Additional – Corporate Loan (Due within one year ₹ Nil)	10,12,14,940	—
(iv) Coporate Working Capital (Repayable on or before 31.03.2011) ..	7,97,75,473	—
(v) Term Loan (Due within one year ₹ Nil)	10,11,34,747	—
(Above Loans are secured by Mortgage of BKC Kole Kalyan Project Land and Construction thereon including stock & receivables of the projects and construction of office premises thereon)		



KAMANWALA HOUSING CONSTRUCTION LIMITED

	As at 31-03-2011 ₹	As at 31-03-2010 ₹
SCHEDULE 3: LOAN FUNDS (Contd.)		
(b) Oriental Bank of Commerce		
(i) Demand Loan: (I) – (Repayable on before 31.03.2012).....	18,64,33,335	15,04,72,480
(ii) Term Loan: – (Repayable on before 30.09.2011)	8,20,96,884	5,09,84,590
(Above Loans are secured by Equitable Mortgage over the leasehold rights on plot of land of village Malwani, Malad and construction of flats to be erected thereon and Hypothecation of Building Materials and Debtors)		
(iii) Demand Loan (II)	—	8,27,00,000
(Above Loan is secured by Equitable Mortgage over the leasehold rights on plot of land of Turbhe, Navi Mumbai and on structure proposed to be constructed thereon)		
(c) Punjab National Bank		
(i) Term Loan	—	14,86,64,597
[Above Loan is secured by Equitable Mortgage of Land and Building constructed on CTS No. G264 and 265 of Village Bandra, Santacruz (West)]		
(ii) Cash Credit	—	2,32,72,963
[Above Loan is secured by Hypothecation of construction materials, Receivables, stock of WIP of the building constructed on CTS No. G264 and 265 of Village Bandra, Santacruz (West)]		
(All above loans are also Secured by the Personal Guarantee of the Managing Director and all the Whole-time Directors)		
(d) (i) ICICI Bank Ltd. - Car Loan	12,15,445	14,57,134
(ii) Magma Fincorp Ltd. - Car Loan	2,41,789	4,10,833
(Secured by hypothecation of respective vehicle)		
Total	<u>55,21,12,613</u>	<u>59,72,10,607</u>
B. Unsecured Loans:		
(a) Inter-Corporate Deposits (Due within one year ₹ 11,10,07,165/- & P.Y. ₹ 13,84,60,850/-)	11,10,07,165	13,84,60,850
(b) Loans From Directors & their Relatives (Due within one year ₹ 24,16,26,279/- P.Y. ₹ 13,60,51,179/-)	24,16,26,279	13,62,31,991
Total	<u>35,26,33,444</u>	<u>27,46,92,841</u>
SCHEDULE 4: DEFERRED TAX LIABILITIES		
Opening Balance of Deferred Tax Liability	90,35,696	89,48,206
Add: Current Year Deferred Tax	89,378	87,490
Total	<u>91,25,074</u>	<u>90,35,696</u>

SCHEDULE 5: FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Addition during the year	Deduction during the year	As at 31.03.2011	Upto 01.04.2010	For the year	Deduction	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Office Premises	1,14,02,018	—	—	1,14,02,018	17,63,461	1,85,853	—	19,49,314	94,52,704	96,38,557
Plant & Machinery.....	47,235	—	—	47,235	47,235	—	—	47,235	—	—
Furniture & Fixtures	2,43,910	19,125	—	2,63,035	2,10,117	4,429	—	2,14,546	48,489	33,793
Office Equipments.....	10,15,435	—	—	10,15,435	3,56,381	42,562	—	3,98,943	6,16,492	6,59,054
Air Conditioners.....	4,08,980	3,08,307	—	7,17,287	1,98,590	31,970	—	2,30,560	4,86,727	2,10,390
Vehicles*	1,22,68,410	30,96,491	8,03,425	1,45,61,476	28,68,613	13,05,352	3,07,601	38,66,364	1,06,95,112	93,99,797
Computers	11,88,547	28,875	—	12,17,422	8,96,913	81,983	—	9,78,896	2,38,526	2,91,634
Total	2,65,74,535	34,52,798	8,03,425	2,92,23,908	63,41,310	16,52,149	3,07,601	76,85,858	2,15,38,050	2,02,33,225
Previous Year.....	2,72,34,373	22,34,225	28,94,063	2,65,74,535	60,45,803	14,86,522	11,91,015	63,41,310	2,02,33,225	

* One Vehicle is not in the name of Company

SCHEDULE 6: INVESTMENTS

Long Term:

Non Trade:

In Unquoted Equity Shares:

- (i) 4500 Equity Shares of ₹ 100/- each fully paid-up
In M/s. Shakun Gases Pvt. Ltd.
- (ii) 750 Equity Shares of ₹ 100/- each fully paid-up
In M/s. Jivan Builders Pvt. Ltd.
- (iii) 5 Equity Shares of ₹ 50/- each fully paid-up
In Kamanwala Chambers Premises Co-op. Society Ltd.
- (iv) Hermitage Villa Co-op. Society Ltd.

In Preference Shares:

12%, 250 Cumulative Preference Shares of ₹ 100/- each fully paid-up in
M/s. Jivan Builders Pvt. Ltd.

Trade:

Investment in a Partnership Firm:

M/s. Kamanwala Lakshachandi Todays Developers.....

M/s. Kamanwala Lakshachandi Todays Construction

M/s. Prajay Kamanwala Developers

Investment in Joint Venture:

Aspen Properties Pvt. Ltd.

Kamani Tubes Ltd.

(Kamani Chambers – Ballard Estate)

Total

	As at 31-03-2011 ₹	As at 31-03-2010 ₹
	—	4,50,000
	75,000	75,000
	250	250
	501	501
	25,000	25,000
	14,66,56,003	13,70,48,234
	4,39,70,071	4,19,66,049
	8,87,00,000	8,87,00,000
	45,12,000	45,12,000
	—	87,50,000
	28,39,38,825	28,15,27,034



KAMANWALA HOUSING CONSTRUCTION LIMITED

	As at 31-03-2011 ₹	As at 31-03-2010 ₹
SCHEDULE 7: INVENTORIES		
Stocks *:		
Land (At Cost)	1,66,69,893	1,66,69,893
Raw Material (At Cost on FIFO Basis)	25,15,966	9,32,076
Work In Progress (At Cost)	94,44,37,540	92,03,05,698
Finished Goods – Flats At Vallabh Terrace	76,89,917	78,01,032
Total	97,13,13,316	94,57,08,699
* As Valued And Certified By The Management		
 SCHEDULE 8: SUNDRY DEBTORS, UNSECURED CONSIDERED GOOD		
Debts outstanding for a period More Than Six Months:		
(i) Directors of the Company	2,69,93,942	3,74,87,328
(maximum outstanding balance during the year ₹ 6,64,69,728/- P.Y. ₹ 5,65,50,828/-)		
(ii) Directors of the Company jointly with any other person	—	—
(maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)		
(iii) Private Companies in which Directors are Director or member	1,64,40,000	1,74,19,260
(maximum outstanding balance during the year ₹ 1,74,19,260/- P.Y. ₹ 1,74,19,260/-)		
From Others	78,54,61,850	91,57,43,235
	82,88,95,792	97,06,49,823
Other Debts:		
Less Than Six Months		
(i) Directors or other officers of the Company	—	77,32,500
(maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)		
(ii) Directors or other officers of the Company jointly with any other person	—	—
(maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)		
(iii) Private companies in which directors are director or member	—	—
(maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)		
From Others	3,04,23,000	95,60,801
	3,04,23,000	1,72,93,301
Total	85,93,18,792	98,79,43,124
 SCHEDULE 9: CASH AND BANK BALANCES		
(a) Cash Balance on Hand	1,37,838	5,103
(b) Balance with Scheduled Banks:		
On Current Accounts	3,44,83,858	47,50,761
Total	3,46,21,696	47,55,864

	As at 31-03-2011 ₹	As at 31-03-2010 ₹
SCHEDULE 10: LOANS AND ADVANCES		
Unsecured and Considered Good:		
Advances For Properties		
(i) Directors or other officers of the Company (maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)	—	—
(ii) Directors or other officers of the Company jointly with any other person..... (maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)	—	—
(iii) Firms in which Directors are Partner..... (maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)	—	—
(iv) Private Companies in which Directors are Director or member..... (maximum outstanding balance during the year ₹ 15,41,200/-, P.Y. ₹ 15,41,200/-)	15,41,200	15,41,200
From Others.....	1,97,84,054	—
Income Tax Paid.....	5,13,16,069	2,47,67,620
Advances recoverable in cash or in kind or for value to be received		
(i) Directors or other officers of the Company (maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)	—	—
(ii) Directors or other officers of the Company jointly with any other person..... (maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)	—	—
(iii) Firms in which Directors are Partner..... (maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)	—	—
(iv) Private Companies in which Directors are Director or member..... (maximum outstanding balance during the year ₹ Nil P.Y. ₹ Nil)	—	—
From Others.....	5,06,71,251	8,48,03,934
Deposits with Government Department and Others.....	13,32,762	13,09,050
Loans To Staff.....	7,54,288	8,82,944
[Including (₹ Nil P.Y. ₹ Nil) due from Directors, maximum amount due at any time during the year (₹ Nil P.Y. ₹ Nil)]		
Total	<u>12,53,99,624</u>	<u>11,33,04,748</u>
SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities:		
Sundry Creditors	6,74,54,177	12,04,63,893
Advances/Deposits From Customers.....	14,31,53,970	12,92,47,928
Other Liabilities.....	2,45,47,315	87,94,516
Deposits/Advances For Properties.....	24,94,15,792	29,89,29,848
Total	<u>48,45,71,254</u>	<u>55,74,36,185</u>
B. Provisions:		
Provision for Expenses	88,51,349	86,85,554
Provision for Cost of Construction of Flats/Offices.....	1,59,48,437	5,48,33,852
Provision For Taxation	6,18,64,297	4,76,31,573
Proposed Dividend.....	—	1,40,93,160
Dividend Tax.....	—	23,40,698
Total	<u>8,66,64,083</u>	<u>12,75,84,837</u>
Total (A + B)	<u>57,12,35,337</u>	<u>68,50,21,022</u>
SCHEDULE 12: MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary Expenses.....	1,40,000	2,80,000
Total	<u>1,40,000</u>	<u>2,80,000</u>



KAMANWALA HOUSING CONSTRUCTION LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	For the year ended 31-03-2011 ₹	For the year ended 31-03-2010 ₹
SCHEDULE 13: SALES		
Sale of Flats – Manavsthal, Malad	25,98,34,114	6,32,40,207
Sale of Flats – Savoy Residency	11,11,00,000	35,20,05,000
Sale of Property – Oshiwara	10,00,00,000	30,00,00,000
Sale – Vallabh Terrace.....	14,00,000	—
Sale – Miscellaneous.....	4,41,412	—
Total	47,27,75,526	71,52,45,207
SCHEDULE 14: OTHER INCOME		
Rent Received.....	3,17,110	3,17,111
Interest Received [T.D.S ₹ 48,449/- (P.Y. ₹. 4,76,019/-)]	5,60,449	26,42,260
Property Claim Settlement.....	0	31,47,835
Total	8,77,559	61,07,206
SCHEDULE 15: COST OF SALES		
A. Opening Stock:		
1. Land (At Cost).....	1,66,69,893	1,66,69,893
2. Raw Material (At Cost on FIFO basis).....	9,32,076	2,08,139
3. Work In Progress (At Cost)	92,03,05,698	98,63,03,457
4. Finished Goods – Flats at Vallabh Terrace.....	78,01,032	78,01,032
Total (A)	94,57,08,699	1,01,09,82,521
B. Additions during the year:		
1. Land Cost.....	11,00,00,000	15,00,00,000
2. Cost of Construction	15,46,47,766	11,90,93,317
3. Cost of Finance.....	2,54,15,350	8,18,63,003
4. Repurchase.....	8,00,000	10,12,14,000
Total (B)	29,08,63,116	45,21,70,320
C. Closing Stock:		
1. Land (At Cost).....	1,66,69,893	1,66,69,893
2. Raw Material (At Cost on FIFO basis).....	25,15,966	9,32,076
3. Work In Progress (At Cost)	94,44,37,540	92,03,05,698
4. Finished Goods – Flats at Vallabh Terrace.....	76,89,917	78,01,032
Total (C)	97,13,13,316	94,57,08,699
D. Cost of Sales = (A+B) - C.....	26,52,58,499	51,74,44,142
SCHEDULE 16 : INTEREST & OTHER FINANCIAL EXPENSES		
Interest Paid to Banks [Capitalised ₹ 2,54,15,350/-, (P.Y. ₹ 8,18,63,003)]	4,73,71,164	3,49,01,610
Commitment & Finance Charges	6,91,26,710	4,76,24,221
Car Finance Charges	2,50,619	3,46,981
Total	11,67,48,493	8,28,72,812

	For the year ended 31-03-2011 ₹	For the year ended 31-03-2010 ₹
SCHEDULE 17 : ADMINISTRATIVE AND SELLING EXPENSES		
(I) ADMINISTRATIVE EXPENSES:		
Salaries and Bonus.....	1,21,39,237	84,18,112
Directors' Remuneration.....	94,55,931	97,02,143
Staff Welfare Expenses [Including ₹ 1,14,791/- (₹ 96,065/-) for Directors]	4,09,969	3,43,088
Gratuity.....	13,29,334	5,79,448
Rent Paid.....	16,92,000	15,76,000
Repairs & Maintenance: For Vallabh Terrace Building.....	4,42,023	5,33,391
Repairs & Maintenance: For Others.....	13,36,115	9,63,422
Printing & Stationery.....	5,60,888	5,05,650
Electricity Charges.....	8,06,806	24,278
Listing Fees.....	99,270	82,993
Filing Fees.....	7,818	7,848
Directors' Sitting Fees.....	2,50,000	3,90,000
Travelling Expenses: For Directors.....	3,12,181	4,09,119
Travelling Expenses: For Others.....	75,360	1,51,849
Vehicle Expenses.....	14,84,956	5,19,013
Telephone & Trunk Call Charges.....	13,11,752	8,65,475
Postage & Telegrams.....	2,73,740	2,43,765
Insurance Charges.....	3,81,961	2,13,482
Rates & Taxes.....	30,720	8,000
Legal & Professional Charges.....	11,06,182	11,53,150
Donation.....	31,000	26,000
Statutory Audit Fees.....	1,10,300	82,725
Loss on Sale of Assets.....	1,53,602	9,59,270
Loss on Sale of Investments.....	4,45,500	—
Investment In Joint Venture Written Off.....	87,50,000	—
Other Balances Written Off.....	11,78,356	2,09,623
Miscellaneous Expenses.....	12,76,656	7,59,739
Total..... (I)	4,54,51,657	2,87,27,583
(II) SELLING EXPENSES:		
Advertisement Expenses.....	4,42,618	4,63,456
Brokerage.....	53,89,927	23,86,149
Sales Promotion Expenses.....	8,76,333	6,21,137
Total..... (II)	67,08,878	34,70,742
Grand Total..... (I + II)	5,21,60,535	3,21,98,325
SCHEDULE 18 : MISCELLANEOUS EXPENDITURE WRITTEN OFF		
Preliminary Expenses Written Off.....	1,40,000	1,40,000
Total.....	1,40,000	1,40,000



KAMANWALA HOUSING CONSTRUCTION LIMITED

SCHEDULE 19: NOTES TO THE ACCOUNTS

1. Accounting Policies:

(a) Basis of Preparation:

The financial statements have been prepared to comply in respects with the notified Accounting Standards by Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956 ('the Act'). The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with accounting principles generally accepted in India.

(b) Sales:

Sales of flats is recognized on issue of letter of allotment/execution of agreement (whichever is earlier), in proportion to completion of construction of flat and/or value of letter of demand issued during the year. However, Sales of BKC Project is recognized in the year of allotment of letter issued irrespective of the construction stage.

(c) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation, impairment losses if any.

(d) Depreciation:

Depreciation on Fixed Assets has been provided on Straight Line Method at the current effective rates prescribed under Schedule XIV to the Companies Act, 1956. Depreciation in respect of asset acquired during the year has been provided on pro-rata basis.

(e) Investments:

Long Term Investments are stated at cost of acquisition. Provision for diminution in the value of Long Term investments is made only if, such decline in the opinion of management is other than temporary.

(f) Gratuity/Retirement Benefits:

Gratuity has been determined and provided for all employees who have completed 5 years of continuous service.

(g) Inventories :

Raw Materials are valued at cost on FIFO basis.

Work In Progress is valued at cost including cost of finance, which consist of interest on loan from banks which is capitalized in proportion of its area remain unsold irrespective of its construction stage.

Finished Goods is valued at cost including borrowing cost.

(h) Contingent Liabilities:

The Company recognizes a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

(i) Taxation:

(i) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961 and considering assessment orders and decisions of appellate authorities in Company's case.

(ii) Deferred Tax for timing differences between tax profits and book profits is accounted by using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred Tax asset in respect of unabsorbed losses are recognized to the extent there is reasonable certainty that these assets can be realized in future.

(j) Accounting Policies not specifically referred to above are consistent with earlier years and in consonance with generally accepted accounting principles.

2. (i) Contingent liabilities not provided for in respect of :

Stamp Duty of ₹ 3,48,750/- on purchase of Flat at Hermitage Villa.

(ii) The Company has entered into the following Deeds of Partnership for which liabilities are unlimited and amount not ascertained:

(a) M/s. Kamanwala Lakshachandi Todays Construction

(b) M/s. Kamanwala Lakshachandi Todays Developers

(c) M/s. Prajay Kamanwala Developers

3. Additional information required under Schedule VI to the Companies Act, 1956 (to the extent applicable):

I. (a) Remuneration paid to the Directors:

	For the year ended 31.03.2011 ₹	For the year ended 31.03.2010 ₹
(A) Managing Director:		
(i) Remuneration	10,60,000	8,90,000
(ii) Medical Expenses	68,558	61,908
(iii) Company's contribution to Provident Fund	1,27,200	1,06,800
(iv) Other Perquisites	1,50,000	—
(v) Commission	—	3,13,968
(B) Whole-time-Directors:		
(i) Remuneration	51,70,000	58,76,000
(ii) Medical Expenses	9,273	1,66,225
(iii) Company's contribution to Provident Fund	6,20,400	5,42,400
(iv) Other Perquisites	22,50,500	—
(v) Commission	—	15,69,842
(C) Directors Sitting fees	2,50,000	5,65,000
Total	97,05,931	1,00,92,143

(b) Computation on Net Profit in accordance with Section 349 read with Section 309 (5) of the Companies Act, 1956:

(₹ in Lacs)

	For the year ended *31.03.2011	For the year ended 31.03.2010
Profit before Taxation	—	872.11
Add: (i) Managerial Remuneration	—	76.43
(ii) Commission payable to Directors	—	18.84
(iii) Directors' Sitting fees	—	5.65
Net Profit as per Section 349 read with Section 309 (5) of the Companies Act, 1956.	—	973.03

* The computation of net profits under Section 349 of the Companies Act, 1956 has not been enumerated for the year, as no commission other than the remuneration has been paid to the Directors. Remuneration to Directors is paid according to Schedule XIII to the Companies Act, 1956 and as approved by the Shareholders by way of special resolutions for their respective appointments.

II. (a) Cost of Materials Consumed (Indigenous):

	For the year ended 31.03.2011		For the year ended 31.03.2010	
	Quantity (M.T.)	Amount ₹	Quantity (M.T.)	Amount ₹
Cement	3166.400	1,57,83,044	2185.050	1,15,33,159
Steel	1644.167	5,59,29,246	1030.131	3,25,37,330
Other Materials.....		7,43,09,437		4,40,06,040
Total		14,60,21,727		8,80,76,529

(b) The value of consumption of construction materials have been arrived at on the basis of reconciliation of opening stock plus purchases less closing stock. The consumption, therefore, includes adjustments for shortages/excesses.

(c) In view of a large number and types of materials involved, it has not been considered necessary to furnish separately the respective quantitative information for other materials.



KAMANWALA HOUSING CONSTRUCTION LIMITED

III. Quantitative Information of Flats/Office Premises:

	No. of Units	Area of (Sq.ft.)	Value ₹
1. Opening Stock as on 01.04.2010			
Work in Progress.....	193 (193)	2,03,120 (3,08,830)	92,03,05,698 (99,41,04,489)
Finished Goods – Flats.....	21 (Nil)	13,620 (Nil)	78,01,032 (Nil)
2. Constructed / Additions during the year.....	2 (105)	5490 (2450)	28,92,79,226 (35,02,32,383)
3. Repurchase during the year	Nil (4)	Nil (11,300)	Nil (10,12,14,000)
4. Cost of Sales during the year	77 (112)	75,815 (1,19,460)	26,52,58,499 (51,74,44,142)
5. Closing Stock as on 31.3.2011 (1+2+3)-(4)			
Work in Progress.....	118 (193)	1,32,795 (2,03,120)	94,44,37,540 (92,03,05,698)
Finished Goods - Flats	21 (21)	13,426 (13,620)	76,89,917 (78,01,032)

IV. Transactions in Foreign Currency:

Foreign Exchange expenses ₹ – NIL – (₹ NIL)
Foreign Exchange earned ₹ – NIL – (₹ NIL)

4. (a) The Company has invested ₹ 45.12 Lacs into Joint Venture for construction and development of specific Goregaon project with Aspen Properties Pvt. Ltd., brief particulars of which is as under

Name of Party	Share in Profit/Loss	Status	Month of Agreement
Kamanwala Housing Construction Ltd.	33%	Not commenced	November 1988
Aspen Properties Pvt. Ltd.	67%		

- (b) The Company has entered into partnership agreements for construction and development of specific projects of which brief particulars are as under :

(i) KAMANWALA LAKSHACHANDI TODAYS CONSTRUCTION:

Partner's Name	Share in Profit/Loss	Capital as on 31.03.2011 as per Confirmation
M/s Kamanwala Housing Construction Ltd.....	50%	₹ 439.70 Lacs
M/s Lakshachandi Constructions Pvt. Ltd.	25%	₹ 250.25 Lacs
*Mrs. Janhavi Drolia.....	12.50%	₹ 100.12 Lacs
*Miss Akriti Drolia.	12.50%	₹ 50.12 Lacs
Total Capital.....		₹ 840.19 Lacs

* These new partners admitted on October 11, 2010 in place of retired partner M/s. Todays Infrastructure & Construction Ltd.

(ii) KAMANWALA LAKSHACHANDI TODAYS DEVELOPERS:

Partner's Name	Share in Profit/Loss	Capital as on 31.03.2011 as per confirmation
M/s Kamanwala Housing Construction Ltd.....	50%	₹ 1466.56 Lacs
M/s Lakshachandi Developers Pvt. Ltd.	16.50%	₹ 355.16 Lacs
M/s Todays Infrastructure & Construction Ltd.	33.50%	₹ 950.90 Lacs
Total Capital.....		₹ 2772.62 Lacs

(iii) PRAJAY-KAMANWALA DEVELOPERS:

Partner's Name	Share in Profit/Loss	Capital as per agreement *
M/s Kamanwala Housing Construction Ltd.....	20%	90.00 Lacs
M/s Prajay Engineers Syndicates Ltd.....	60%	330.00 Lacs
M/s Namita Builders & Developers Pvt. Ltd.....	20%	90.00 Lacs
Total Capital.....		510.00 Lacs

* As the Balance Sheet of 2006 to 2011 is not with the Company.

5. RELATED PARTIES DISCLOSURES:

(a) List of Related Parties:

Associates:	Joint Venture:	Key Management Personnel:	Other Directors:	Relatives of Key Management Personnel
M/s Attar Construction Co. Pvt. Ltd. M/s Ritika Steel & Scraps Pvt. Ltd. M/s A.S. Jain & Sons (Prop. Concern of Jaipal Jain) M/s Hatimi Steels (Prop. Concern of Amit Jain)	M/s Kamanwala Lakshachandi Today Developers M/s Kamanwala Lakshachandi Today Construction M/s Prajay Kamanwala Developers	Mr. M.L. Gupta Mr. Jaipal Jain Mr. Atul Jain Mr. Tarun Jain Mr. Amit Jain Mrs.Pushpa Jain	Mr. B.R. Maheshwari Mr. Bhanwarlal D. Jogani Mr. Ramesh J. Patel Mrs. Shobha Jain Mr. Sorabh Gupta Mr. S.V. Shanbhag till dt. 21.12.2010 Mr. Pankaj R. Majithia w.e.f. dt. 12.05.2011	Shri Atul Jain (HUF) Shri Tarun Jain (HUF) Shri Murarilal Ramswarup Khandelwal (HUF) Mrs. Sudha Gupta Mrs. Neena Jain Mrs. Rashmi Jain Mr. Vaibhav Jain Mrs. Tulika Gupta Mrs. Saroj Jain Mrs. Shikha Jain Mr. Vijendrapal Jain M/s GSP International (Prop. Arun Jain) Mrs. Nita Jain Mrs. Sarita Jain

(b) Related Parties transactions during the year: (All Amount in ₹)

Transaction	Associates	Joint Venture	Key Management Personnel	Other Directors	Relatives of Key Managerial Personnel	Total As on 31.03.2011
Sales	— (—)	— (—)	— (3,58,76,500)	— (1,57,11,000)	— (2,24,17,000)	— (7,40,04,500)
Rent Paid	7,68,000 (7,68,000)	— (—)	5,00,000 (—)	— (4,52,000)	4,24,000 (3,56,000)	16,92,000 (15,76,000)
Remuneration	— (—)	— (—)	94,55,931 (69,94,133)	— (—)	— (—)	94,55,931 (69,94,133)
Commission Paid	— (—)	— (—)	— (18,83,810)	— (1,75,000)	— (—)	— (20,58,810)
Inter Corporate Deposits	4,00,00,000 (2,93,00,000)	— (—)	— (—)	— (—)	— (—)	4,00,00,000 (2,93,00,000)
Repayment of Inter Corporate Deposits	5,08,04,912 (5,92,83,244)	— (—)	— (—)	— (—)	— (—)	5,08,04,912 (5,92,83,244)
Interest Paid on Inter Corporate Deposits	72,520 (37,40,000)	— (—)	— (—)	— (—)	— (—)	72,520 (37,40,000)
Loans & Advances from Directors	— (—)	— (—)	10,49,76,571 (10,81,44,000)	3,60,000 (—)	— (—)	10,53,36,571 (10,81,44,000)
Repayment of Loans & Advances	— (—)	— (—)	1,21,65,875 (69,89,000)	— (—)	— (—)	1,21,65,875 (69,89,000)
Interest paid on Loans & Advances	— (—)	— (—)	8,00,224 (71,97,624)	23,968 (8,563)	— (—)	4,95,753 (72,06,187)
Advances/Deposits from Customers	— (—)	— (—)	— (—)	— (—)	40,75,000 (33,45,000)	40,75,000 (33,45,000)
Repayment of Advances/Deposits from Customers	— (—)	— (—)	— (—)	— (—)	90,15,993 (1,00,000)	90,15,993 (1,00,000)
Interest Paid on Advances/Deposits from Customers	— (—)	— (—)	— (—)	— (—)	6,27,629 (12,03,603)	6,27,629 (12,03,603)
Advances for Properties	— (—)	— (—)	— (—)	— (—)	1,62,50,000 (—)	1,62,50,000 (—)
Investment in Partnership Firm	— (—)	95,00,121 (2,36,87,620)	— (—)	— (—)	— (—)	95,00,121 (2,36,87,620)

Note: The figures in the brackets represent for the previous year.



KAMANWALA HOUSING CONSTRUCTION LIMITED

6. The Computation of Earnings per Share:

(₹ in Lacs)

	Current year	Previous year
Profit after Tax	233.71	526.43
Earning per Share – Basic	1.66	3.74
Earning per Share – Diluted	1.66	3.74
Nominal Value per Share	10.00	10.00
Weighted average number of Equity Shares for Basic EPS (denominator)	Nos. 1,40,93,160	1,40,93,160
Weighted average number of Equity Shares for Diluted EPS (denominator)	Nos. 1,40,93,160	1,40,93,160

7. Balances in various accounts included in Sundry Debtors, Sundry Creditors, Advances Recoverable, Deposits/Advances from Customers and Joint Venture Accounts are subject to confirmation.
8. In the opinion of the Board, the aggregate value of current assets (including stock) and loans and advances on realisation in the ordinary course of business will not be less than the amount at which these are stated in the Balance Sheet.
9. All lands/development rights/premises are purchased on agreement basis and conveyance in respect of the same will be executed directly in favour of Co-operative Societies whenever they are formed.
10. The Company has decided to write off its investments of ₹ 87.50 Lacs in joint venture with Kamani Tubes Ltd. due to rejection of its claim by BIFR.
11. The Company has no information as to whether any of its suppliers constitute small-scale undertakings and therefore, the amount due to such suppliers has not been separately identified.
12. The Company has taken the advances from various parties against the ongoing projects at BKC, Malad and Turbhe. Basically to promote the sale of the Company they can get minimum compensation or they can also apply the option to buy the Property at prevailing market rate. Meanwhile the Company is regularly paying commitment charges to the parties on amount paid by them.
13. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.

Signatures to Schedule 1 to 19

BANKIM PUROHIT
Company Secretary

B. R. MAHESHWARI

Chairman

M. L. GUPTA

Vice-Chairman & Managing Director

JAIPAL JAIN

Whole-time Director

ATUL JAIN

Whole-time Director

DHIRUBHAI GONDALIA
Compliance Officer

AMIT JAIN

Whole-time Director

RAMESH J. PATEL

Director

BHANWARLAL D. JOGANI

Director

JANARDHAN SONAWANE
Manager Accounts

PANKAJ R. MAJITHIA

Director

SHOBHA JAIN

Director

Mumbai: 11th August, 2011.

INFORMATION REQUIRED AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956
(Balance Sheet Abstract and Company's Business Profile)

I. Registration Details

Registration No.	3	2	6	5	5				
State Code	1	1							
Balance Sheet Date	3	1	0	3	2	0	1	1	
	Date		Month		Year				

II. Capital Raised during the year (Amount in ₹ Thousands)

Public Issue	N	I	L	Rights Issue	N	I	L
Bonus Issue	N	I	L	Private Placement	N	I	L

III. Position of Mobilisation and Deployment of Funds

(Amount in ₹ Thousand)															
Total Liabilities								Total Assets							
1	7	2	5	0	3	5		1	7	2	5	0	3	5	
Sources of Funds								Reserves & Surplus							
Paid-Up Capital								Unsecured Loans							
1	4	0	9	3	2			6	7	0	2	3	2		
Secured Loans								Misc. Expenditure							
5	5	2	1	1	3			1	4	0					
Deferred Tax Liabilities (Net)															
9	1	2	5												
Applications of Funds								Investments							
Net Fixed Assets								Net Current Assets							
2	1	5	3	8				1	4	1	9	4	1	8	
Accumulated Loss															
N	I	L													

IV. Performance of Company (Amount in ₹ Thousands)

Turnover								Total Expenditure							
4	7	3	6	5	3			4	3	5	9	6	0		
+/- Profit/Loss Before Tax								+/- Profit/Loss After Tax							
	+	3	7	6	9	3			+	2	3	3	7	1	
(Please Tick Appropriate box + for profit - for Loss)															
Earning Per Share								Dividend Rate %							
Basic								Diluted							
1	.	6	6					1	.	6	6				
												N I L			

V. Generic Names of three Principal Products/Services of Company (As per monetary terms)

Item Code No. (ITC Code)	:	NOT APPLICABLE
Product Description	:	CONSTRUCTION OF RESIDENTIAL BUILDINGS
Item Code No. (ITC Code)	:	NOT APPLICABLE
Product Description	:	CONSTRUCTION OF COMMERCIAL BUILDINGS

As per our report of even date
For MITTAL & ASSOCIATES
Chartered Accountants
FRNO: 106456W

M. MEHTA
Partner
M. No. 42990

BANKIM PUROHIT
Company Secretary

DHIRUBHAI GONDALIA
Compliance Officer

JANARDHAN SONAWANE
Manager Accounts

B. R. MAHESHWARI
M. L. GUPTA
JAIPAL JAIN
ATUL JAIN
AMIT JAIN
RAMESH J. PATEL
BHANWARLAL D. JOGANI
PANKAJ R. MAJITHIA
SHOBHA JAIN

Chairman
Vice-Chairman & Managing Director
Whole-time Director
Whole-time Director
Whole-time Director
Director
Director
Director
Director

Mumbai: 11th August, 2011.

Mumbai: 11th August, 2011.



KAMANWALA HOUSING CONSTRUCTION LIMITED

Regd. Office: 405/406, New Udyog Mandir-2, Mogul Lane, Mahim (West), Mumbai - 400 016.

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting Hall.

I hereby record my presence at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company at Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (West), Mumbai - 400 016, at 11.30 A.M., on Friday, the 30th September, 2011.

.....
Full name of the Shareholder
(in block capitals) Signature

Folio No. /DP ID No.*& Client ID No.*

* Applicable for Members holding shares in electronic form.

.....
Full name of the Proxy
(in block capitals) Signature

NOTE: Shareholder/Proxyholder desiring to attend the Meeting should bring his/her copy of the Annual Report for reference at the Meeting.



KAMANWALA HOUSING CONSTRUCTION LIMITED

Regd. Office: 405/406, New Udyog Mandir-2, Mogul Lane, Mahim (West), Mumbai - 400 016.

PROXY

I/We
ofin the district ofbeing
a Member/Members of the above named Company, hereby appoint
.....ofin the district ofor failing him
..... of in the district ofas my/our Proxy to attend and
vote for me/us and on my/our behalf at the TWENTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held on
Friday, the 30th September, 2011 and at any adjournment thereof.

Signed this day of2011.

Folio No. /DP ID No.*& Client ID No.*

* Applicable for Members holding shares in electronic form.



No. of Shares held: Signature

This form is to be used @ in favour of the resolution. Unless otherwise instructed, the Proxy will act as he/she thinks fit.
@ against.

@ Strike out whichever is not desired.

- NOTES:** (i) The proxy must be deposited so as to reach the Registered Office of the Company at 405/406, New Udyog Mandir-2, Mogul Lane, Mahim (West), Mumbai - 400 016, not less than FORTY-EIGHT HOURS before the time for holding the Meeting.
- (ii) Those Members who have multiple folios with different jointholders may use copies of this Attendance Slip/Proxy.



Joint Venture Project, "SHIMMERING HEIGHTS", Mahim (W), Mumbai.



KAMANWALA HOUSING CONSTRUCTION LIMITED

405/406, New Udyog Mandir No. 2,
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Email: kamanwala@gmail.com