

26th Annual Report 2009-10



Joint Venture Project, "SAVOY CHAMBERS", Santacruz (W), Mumbai.



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. S. V. Shanbhag	: <i>Director</i>
	Mr. Bhanwarlal D. Jogani	: <i>Director</i>
	Mr. Ramesh J. Patel	: <i>Director</i>
	Mrs. Shobha Jain	: <i>Director</i>
	Mr. Sorabh Gupta	: <i>Director</i>
AUDITORS	M/s. Vimal Punmiya & Co., Chartered Accountants, Mumbai.	
ADVOCATES	Mr. Mukesh Jain, Mumbai, Mrs. S. S. Ayyar, Mumbai.	
BANKERS	Indian Overseas Bank, Oriental Bank of Commerce, Punjab National Bank, 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 Sixth Annual General Meeting of KAMANWALA HOUSING CONSTRUCTION LIMITED will be held on Thursday, the 30th September, 2010, at 11.30 A.M., at Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (West), Mumbai-400 016, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, Profit & Loss Account for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Pushpa Jain who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Amit Jain who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Jaipal Jain who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Tarun Jain who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Auditors and to fix their remuneration.

Special Business:

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 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. M.L. Gupta as a Managing Director of the Company for a further period of five years from 1st November, 2010 on the terms and conditions and the remuneration as approved by the Board of Directors at its Meeting held on

31st July, 2010 and as set out in the Agreement to be entered into between the Company and Mr. M.L. Gupta, a draft of which, as initialled by the Chairman for the purpose of identification, has been 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. M.L. Gupta and that the aforesaid draft of the Agreement to be entered into between the Company and Mr. M.L. Gupta 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. M.L. Gupta 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 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Atul Jain as a Whole-time Director of the Company for a further period of five years from 1st November, 2010 on the terms and conditions and the remuneration as approved by the Board of Directors at its Meeting held on 31st July, 2010 and as set out in the Agreement to be entered into between the Company and Mr. Atul Jain, a draft of which, as initialled by the Chairman for the purpose of identification, has been 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. Atul Jain and that the aforesaid draft of the Agreement to be entered into between the Company and Mr. Atul 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. Atul 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 MEMBER(S) 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 Beneficial Owners, the Register of Members and Share Transfer Books of the Company will remain closed from 23rd September, 2010 to 30th September, 2010 (both days inclusive).
5. If the dividend on Equity Shares as recommended by the Directors is declared at the Meeting, payment of such dividend will be made on or after 5th October, 2010 to the Beneficial Owners of Equity Shares whose names appear in the statement of beneficial ownership furnished by the Depositories as at the end of business hours on 22nd September, 2010. In case of Shares

held in physical form, the dividend shall be paid to those Members whose names appear in the Register of Members as on 30th September, 2010.

6. 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.
7. 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.
8. The 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.
9. 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: 31st July, 2010.



KAMANWALA HOUSING CONSTRUCTION LIMITED

ANNEXURE TO THE NOTICE

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

Item No. 8 and 9

The present tenure of the Office of Mr. M.L. Gupta and Mr. Atul Jain, Managing Director and Whole-time Director respectively expires simultaneously at the close of business hours on 31st October, 2010.

The Board of Directors at its Meeting held on 31st July, 2010 considered and approved subject to the approval of Members at the forthcoming Twenty Sixth Annual General Meeting, the re-appointments of Mr. M.L. Gupta as a Managing Director and Mr. Atul Jain as a Whole-time Director of the Company for a further term of 5 (five) years with effect from 1st November, 2010. Their respective re-appointments are in accordance with the provisions of Schedule XIII to the Companies Act, 1956. The main terms and conditions of these re-appointments as specified in the draft agreements as to the remuneration payable to them are as follows:

Particulars	Mr. M.L.Gupta (Managing Director)	Mr. Atul Jain (Whole-time Director)
Remuneration: A. Salary & Perquisites:		
(i) Salary	Rs.1,00,000/- per mensem	Rs.1,00,000/- per mensem
(ii) Commission	1% of the Net Profit of the Company.	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.	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.	One month's salary per annum.
(c) Leave Travel Allowance	One month's salary per annum.	One month's salary per annum.
(d) Electricity	Payment of actual Bills.	Payment of actual Bills.

The above salary (A)(i) shall be increased by Rs.10,000/- on expiry of every year of their respective term of office.

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 their service.

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 their appointments.

D. The Managing Director and 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.

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

Mr. M.L. Gupta, Managing Director of the Company is not liable to retirement by rotation.

Mr. M.L. Gupta and Mr. Atul Jain, are interested or concerned in the respective resolutions pertaining to their appointments and remuneration payable to them.

Mr. Sorabh Gupta being a relative of Mr. M.L. Gupta, be deemed to be interested or concerned in Resolution of Item. No. 8.

Mr. Jaipal Jain, Mrs. Shobha Jain and Mrs. Pushpa Jain, Directors, being relatives of Mr. Atul Jain, be deemed to be interested or concerned in the Resolution of Item No. 9.

No other Director is interested or concerned in these resolutions.

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

The above draft of the proposed agreements to be entered into are available for inspection during the office

hours on any working day at the Registered Office of the Company.

The Resolutions regarding re-appointments of the Managing Director and the Whole-time Director under Item No. 8 and 9 are commended for acceptance of the Members.

By Order of the Board
M.L. GUPTA
Vice-Chairman & Managing Director

Place: Mumbai

Dated: 31st July, 2010.

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	Qualification	Directors in other Companies incorporated in India	Chairman/Member of Committee of Companies
Mrs. Pushpa Jain	31.03.1962	09.08.1995	Management	B.Sc.	M/s. Attar Construction Company Pvt. Ltd. M/s. Avoir Finance & Investments Pvt. Ltd.	- NIL -
Mr. Amit Jain	21.07.1973	30.07.2004	Planning & Execution of Projects	B.Com.	M/s. Tradewin Mercantile Company Pvt. Ltd. M/s. Emcure Packagings Pvt. Ltd.	- NIL -
Mr. Jaipal Jain	27.10.1944	12.04.1984	Business & Finance	B.Com.	M/s. Response Tin Packagings Pvt. Ltd.	Member of Share Allotment Committee of Kamanwala Housing Construction Ltd.
Mr. Tarun Jain	30.09.1967	25.08.1990	Business & Finance	B.Com.	M/s. Attar Construction Company Pvt. Ltd. M/s. Classy Investments Pvt. Ltd. M/s. Ritika Steels & Scraps Pvt. Ltd. M/s. Textrade Tin Packagings Pvt. Ltd.	Member of Materials Purchases Committee of Kamanwala Housing Construction Ltd.

By Order of the Board
M.L. GUPTA
Vice-Chairman & Managing Director

Place: Mumbai

Dated: 31st July, 2010.



KAMANWALA HOUSING CONSTRUCTION LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Sixth Annual Report on the business and operations of the Company along with the audited Financial Statements of Account for the year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS:

The summarized Financial Highlights of the Company are as follows:

	For the Year ended 31.03.2010 (Rs. in Lacs)	For the Year ended 31.03.2009 (Rs. in Lacs)
Sales and Other Income	7,213.52	5,904.27
Gross Profit	897.96	471.65
<u>Less:</u> Depreciation	14.87	15.36
Miscellaneous Expenditure written off	1.40	1.40
Profit before Taxation	881.69	454.89
Provision for Taxation	320.00	154.62
Provision for Fringe Benefit Tax	-	7.77
Provision for Deferred Tax	0.87	2.29
Net Profit/(Loss) for the year	560.82	290.21
Balance brought forward from Previous Year	3,364.09	3,258.20
<u>Add:</u> Income-tax Refund for earlier years	-	1.48
<u>Less:</u> Provision for Income Tax for earlier years	24.80	-
Provision for Dividend and Tax thereon for earlier year	-	20.92
Loss on sale of assets	9.59	-
Profits available for Appropriations	3,890.52	3,528.97
Appropriations:		
Proposed Dividend	140.93	140.93
Dividend Tax	23.41	23.95
Balance carried to Balance Sheet	3726.18	3,364.09

DIVIDEND:

For the year under review, your Directors have recommended a Dividend of Re. 1/- (10%) per Share of Rs. 10/- each. The total outgoing on account of Dividend payment will be Rs. 1,64,33,858/- inclusive of Dividend Tax. The Dividend if declared, will be free of tax in the hands of the Members of the Company. In the previous year, the Company had declared a Dividend of Re. 1/- (10%) per Share.

REVIEW OF OPERATIONS:

During the year under review, the Company recorded the turnover of Rs. 7,213.52 Lacs as compared to Rs. 5,904.27 Lacs for the previous year. The Company earned a profit after tax of Rs. 560.82 Lacs for the year as compared to Rs. 290.21 Lacs in the previous year.

During the first half of the year under review, the Company's operations remained adversely affected in the aftermath of great recession of year 2008. The second half of the year

witnessed the advent of good times for the real estate sector with the dark clouds of global economic and financial crisis drifting away mainly due to coordinated fiscal and monetary stimulus packages exercised by the major economies of the world. This resurgence can also be attributed to some extra ordinary measures taken by the Reserve Bank of India as well as the Central Government for supporting growth and maintaining healthy levels of monetary liquidity. The steps taken by the real estate developers to address consumers concerns through better packages and positioning of their projects also proved to be contributory factor in the upswing. The Company resorted to innovative concept of affordable housing as an immediate survival strategy. In the wake of much improved market condition, we hope that the Company will register far better performance in the current year.

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:

Pursuant to the provisions of the Companies Act, 1956 and relevant Article of the Articles of Association of the Company, Mrs. Pushpa Jain, Mr. Amit Jain, Mr. Jaipal Jain and Mr. Tarun Jain retire by rotation at the forthcoming Annual General Meeting and being eligible they offer themselves for re-appointment. As per item no. 8 and 9 of the Notice of the Annual General Meeting, Mr. M.L. Gupta and Mr. Atul Jain are being proposed to be re-appointed respectively as a Managing Director and a Whole-time Director of the Company w.e.f 1st November 2010.

The Members are recommended 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, 2010 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 preventing and detecting 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, 2010.

PARTICULARS OF EMPLOYEES:

The Company did not have any employee who was in receipt of remuneration of Rs. 24,00,000/- or more per annum and/or if employed for a part of the year receiving remuneration at the rate which in aggregate was Rs. 2,00,000/- 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) Rules, 1988, regarding conservation of energy and technology absorption respectively, are not applicable to the Company.



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

AUDITORS:

M/s. Vimal Punmiya & Co., Chartered Accountants, the Auditors of your Company retire at the forthcoming Annual General Meeting. The Members are requested to appoint the Auditors of the Company for the current year and fix their remuneration.

ACKNOWLEDGEMENT:

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, Punjab National Bank, 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

Place: Mumbai
Dated: 31st July, 2010.

B.R. Maheshwari
Chairman

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, 2010 consisted of 12 (Twelve) Directors of which 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:

Four Board Meetings were held during the period 1st April, 2009 to 31st March, 2010 on the following dates:

(i) 28th May, 2009, (ii) 31st July, 2009, (iii) 27th October, 2009 and (iv) 29th January, 2010.

(b) Composition, Status and Attendance at the Board Meetings and at the last AGM.

As on 31st March, 2010 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	4	3	Yes
2.	Mr. M.L. Gupta Vice Chairman & Managing Director	Non-Independent Executive	4	4	Yes
3.	Mr. Jaipal Jain Whole-time Director	Non-Independent Executive	4	4	No
4.	Mr. Atul Jain Whole-time Director	Non-Independent Executive	4	3	Yes
5.	Mr. Tarun Jain Whole-time Director	Non-Independent Executive	4	2	Yes
6.	Mr. Amit Jain Whole-time Director	Non-Independent Executive	4	2	No
7.	Mrs. Pushpa Jain Whole-time Director	Non-Independent Executive	4	1	No
8.	Mr. S.V. Shanbhag	Independent Non-Executive	4	4	Yes
9.	Mr. B.D. Jogani	Independent Non-Executive	4	4	No
10.	Mr. Ramesh J. Patel	Independent Non-Executive	4	4	Yes
11.	Mrs. Shobha Jain	Non-Independent Non-Executive	4	3	No
12.	Mr. Sorabh Gupta	Non-Independent Non-Executive	4	2	Yes

(*) The Twenty Fifth Annual General Meeting of the Company was held on 29th September, 2009.



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(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	2	2
2.	Mr. M.L. Gupta	1	3	1
3.	Mr. Jaipal Jain	1	2	—
4.	Mr. Atul Jain	1	3	—
5.	Mr. Tarun Jain	1	1	—
6.	Mr. Amit Jain	1	—	—
7.	Mr. S.V. Shanbhag	1	3	1
8.	Mr. B.D. Jogani	1	2	—
9.	Mr. Ramesh J. Patel	1	3	—
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, 2010.

Details of Directors' appointment/re-appointment pursuant to Clause "49" of the Listing Agreement with the Stock Exchange are 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 Committee of Directors of the Board, etc.

3. Committees of the Board:

(i) Audit Committee:

The Audit Committee of your Company presently comprises of five Members of which four are 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 is Promoter Non-Executive Director, namely Mr. Sorabh Gupta.

Four Audit Committee Meetings were held during the period 1st April, 2009 to 31st March, 2010 on the following dates:

- (i) 28th May, 2009, (ii) 31st July, 2009, (iii) 27th October, 2009 and (iv) 29th January, 2010.

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	4
3.	Mr. B.D. Jogani	Member	4	4
4.	Mr. Ramesh J. Patel	Member	4	4
5.	Mr. Sorabh Gupta	Member	4	2

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 Auditors 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 on an arms length basis.
- Review the financial statements and investment in unlisted subsidiary companies.

(ii) Shareholders' Grievance Committee:

The Shareholders' Grievance Committee presently comprises of four Members of which two are Non-Executive Independent Directors, namely Mr. S.V. Shanbhag being the Chairman and Mr. Ramesh J. Patel, two are Promoter Executive Directors, namely Mr. M.L. Gupta and Mr. Atul Jain and a Promoter Non-Executive Director, namely Mrs. Shobha Jain.

Four Shareholders' Grievance Committee Meetings were held during the period 1st April, 2009 to 31st March, 2010 on the following dates:



KAMANWALA HOUSING CONSTRUCTION LIMITED

- (i) 28th May, 2009, (ii) 31st July, 2009, (iii) 27th October, 2009 and (iv) 29th January, 2010.

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	4
2.	Mr. Ramesh J. Patel	Member	4	4
3.	Mr. M.L. Gupta	Member	4	4
4.	Mr. Atul Jain	Member	4	3
5.	Mrs. Shobha Jain	Member	4	3

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 not constituted Remuneration Committee.

- (iv) Remuneration paid to the Directors:

The detailed information of Directors' remuneration for the year 2009-10 is set forth below:

(Amount in Rupees)

Name of the Directors	Category	Sitting Fees	Salary and Perquisites	Commission	Super-annuation and Provident Fund	Total
Mr. B.R. Maheshwari	Non-Executive	95,000	N.A.	50,000	N.A.	1,45,000
Mr. M.L. Gupta	Executive	N.A.	9,51,908	3,13,968	1,06,800	13,72,676
Mr. Jaipal Jain	Executive	N.A.	11,44,139	3,13,968	1,35,600	15,93,707
Mr. Atul Jain	Executive	N.A.	13,23,086	3,13,968	1,06,800	17,43,854
Mr. S.V. Shanbhag	Non-Executive	65,000	N.A.	25,000	N.A.	90,000
Mr. Ramesh J. Patel	Non-Executive	65,000	N.A.	25,000	N.A.	90,000
Mr. B.D. Jogani	Non-Executive	65,000	N.A.	25,000	N.A.	90,000
Mr. Tarun Jain	Executive	N.A.	11,76,000	3,13,968	1,00,800	15,90,768
Mrs. Pushpa Jain	Executive	N.A.	12,79,000	3,13,969	1,03,200	16,96,169
Mr. Amit Jain	Executive	N.A.	11,20,000	3,13,969	96,000	15,29,969
Mrs. Shobha Jain	Non-Executive	55,000	N.A.	25,000	N.A.	80,000
Mr. Sorabh Gupta	Non-Executive	45,000	N.A.	25,000	N.A.	70,000

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 Sixth Annual General Meeting:**

Day/date : Thursday, the 30th September, 2010.
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
2007	23rd A.G.M.	14.07.2007	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
2008	E.G.M.	22.02.2008	11.00 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
	24th A.G.M.	05.09.2008	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
2009	25th A.G.M.	29.09.2009	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:**

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 Resolutions passed for: (i) Approval and adoption of Scheme of Amalgamation of M/s.Doongursee Diamond Tools Ltd. with the Company.
23rd A.G.M. held on 14th July, 2007	Special Resolutions passed for: (i) Re-appointment of Mr. Jaipal Jain as a Whole-time Director; and (ii) Increasing Authorized Share Capital of the Company from Rs. 10 Crores to Rs. 20 Crores.

- **Dates of Book Closures: 23rd September, 2010 to 30th September, 2010 (both days inclusive).**
- **Dividend Payment Date: On or after 5th October, 2010.**
- **Financial Calendar of the Company:**
The financial year of the Company covers the period from 1st April to 31st March.
- **Financial reporting for 2010-11 (Tentative):**

First Quarter Results	— 30.06.2010	By 14th August, 2010
Second Quarter Results	— 30.09.2010	By 14th November, 2010
Third Quarter Results	— 31.12. 2010	By 14th February, 2011
Fourth Quarter Results	— 31.03. 2011	By 15th May, 2011



KAMANWALA HOUSING CONSTRUCTION LIMITED

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	Newspapers for Publication
30.06.2009	31.07.2009	01.08.2009	Business Standard & Mumbai Lakshadeep
30.09.2009	27.10.2009	28.10.2009	-do-
31.12.2009	29.01.2010	30.01.2010	-do-
31.03.2010	10.05.2010	11.05.2010	-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, 2011.

- **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 (Rs.)	Low (Rs.)	Monthly Volume Number of Shares
2009	April	29.10	22.00	14,28,012
2009	May	37.10	22.05	26,51,166
2009	June	42.60	25.35	15,68,194
2009	July	37.90	22.00	15,93,421
2009	August	40.05	28.90	23,78,456
2009	September	47.65	37.00	13,04,963
2009	October	66.40	47.45	21,84,893
2009	November	73.70	49.45	11,51,430
2009	December	68.50	57.50	13,40,564
2010	January	67.50	58.00	17,35,067
2010	February	65.85	52.45	11,52,257
2010	March	64.90	44.00	11,13,685

- **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 Agents:**

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 transfers 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: khdl@mtnl.net.in/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 : khdl@mtnl.net.in/kamanwala@gmail.com
WEBSITE: www.kamanwala.in



KAMANWALA HOUSING CONSTRUCTION LIMITED

- Distribution of Shareholding as on 31st March, 2010:

No. of Equity Shares	No. of Shareholders	% of Shareholding	No. of Shares Held	% of Shareholding
Upto To 100	1871	29.20	1,22,509	0.87
101 To 200	1885	29.42	3,65,904	2.60
201 To 500	1274	19.89	4,92,470	3.50
501 To 1000	733	11.44	6,01,103	4.27
1001 To 5000	482	7.52	10,88,501	7.72
5001 To 10000	73	1.14	5,61,523	3.98
10001 To 100000	72	1.12	19,66,396	13.95
100001 To Above	17	0.27	88,94,754	63.11
Total	6407	100.00	1,40,93,160	100.00

- Shareholding Pattern as on 31st March, 2010:

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	2,29,589	1.63
NRIS/OCBS/GDR	72,674	0.52
Clearing Members	61,295	0.43
Domestic Companies	6,87,917	4.88
Resident Individuals	66,92,889	47.49
Total	1,40,93,160	100.00

Details of Shares pledged by the Promoters and Promoter Group as on 31st March, 2010 are as under:

a) Pledged/Encumbered:

Number of Shares:	13,75,000
Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group).....	21.66%
Percentage of Shares (as a % of the total Share Capital of the Company).....	9.76%

b) Non-Encumbered:

Number of Shares:	49,73,796
Percentage of Shares (as a % of the total shareholding of a promoter group).....	78.34%
Percentage of Shares (as a % of the total Share Capital of the Company).....	35.29%

- **Dematerialization of Equity Shares as on 31st March, 2010:**

1,35,45,668 Equity Shares (96.11%) of the total paid-up 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 date 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, 2009 to 31st March, 2010:**

- i) Number of Complaints pending at the beginning of the year. : Nil
- ii) Number of Complaints received during the year. : Nil
- iii) Number of Complaints resolved. : Nil
- 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 transactions 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 of Directors 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.



KAMANWALA HOUSING CONSTRUCTION LIMITED

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

In compliance with the SEBI regulation 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 the price sensitive information or other matters which are material and relevant for the Shareholders.

Mumbai: 31st July, 2010.

APPOINTMENT/REAPPOINTMENT 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	Qualification	Directors in other Companies incorporated in India	Chairman/Member of Committee of Companies
Mrs. Pushpa Jain	31.03.1962	09.08.1995	Management	B. Sc.	M/s. Attar Construction Company Pvt. Ltd. M/s. Avoir Finance & Investments Pvt. Ltd.	- NIL -
Mr. Amit Jain	21.07.1973	30.07.2004	Planning & Execution of Projects	B.Com.	M/s. Tradewin Mercantile Company Pvt. Ltd. M/s. Emcure Packagings Pvt. Ltd.	- NIL -
Mr. Jaipal Jain	27.10.1944	12.04.1984	Business & Finance	B.Com.	M/s. Response Tin Packagings Pvt. Ltd.	Member of Share Allotment Committee of Kamanwala Housing Construction Ltd.
Mr. Tarun Jain	30.09.1967	25.08.1990	Business & Finance	B.Com.	M/s. Attar Construction Company Pvt. Ltd. M/s. Classy Investments Pvt. Ltd. M/s. Ritika Steels & Scraps Pvt. Ltd. M/s. Textrade Tin Packagings Pvt. Ltd.	Member of Materials Purchases Committee of Kamanwala Housing Construction Ltd.

Mumbai: 31st July, 2010.



KAMANWALA HOUSING CONSTRUCTION LIMITED

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 and Profit & Loss Account of the Company 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

Place: Mumbai

Dated: 31st July, 2010.

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 the 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: 31st July, 2010.

PRACTISING 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, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges 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: 31st July, 2010.



KAMANWALA HOUSING CONSTRUCTION LIMITED

ANNEXURE - II

MANAGEMENT DISCUSSION & ANALYSIS REPORT INDUSTRY STRUCTURE AND DEVELOPMENTS:

I. Overall Review:

The Indian economy has shown signs of revival both in terms of industrial production as well as service sectors. The robust growth in Gross Domestic Product (GDP) especially in services and industrial sectors was mainly due to strong macroeconomic fundamentals of the economy backed by coherent and timely fiscal and monetary policy measures taken by the Central Government and Reserve Bank of India. It now appears that the real estate bubble burst has turned into a relic of the past. People are optimistic and confident about healthy Indian economic outlook. Amidst signs of global economic recovery and healthy Indian economy, real estate industry appears to be resurgent. Real estate experts, consultants and developers seem to share the optimism and the current year definitely seems to be the year of good news for the real estate industry.

In this resurgent times, it is the combination of being the commercial capital of the country as also the high confidence levels about suburban and peripheral locations, the success story of Mumbai's real estate sector will be scripted in such locations feel industry experts. Global property consultants look at it from a slightly different perspective; they term the confidence as a direct response to the global recessionary trends. Upcoming SEZs in Mumbai's periphery have the potential to be the main drivers of growth of real estate sector in the days to come. Barring inflationary conditions in the Indian economy and debt and deficit problems of developed European economies, overall economic conditions seem to be satisfactory. Political stability at the centre further boosted confidence of consumers and investors who started revisiting the real estate sector.

The real estate Companies which had cut margins for sales during the economic downturn are shifting their focus to high-end residential projects. This is a reflection of buoyancy revisiting the real estate sector in the country. But revival still eludes market of commercial segment. An expected over-supply of commercial space will make selling more difficult which is in quite contrast to a revival in residential realty across the country. Private equity firms are also more inclined towards residential space as they get easy exist and better returns.

II. Operations Overview:

We are a real estate development Company based in Mumbai Metropolitan Region (MMR) with significant operations in the City of Mumbai. We aim to provide premium realty solutions in Mumbai and surrounding locations by leveraging the strength of brand and quality construction of our projects. The Company has reasonable land bank at Mumbai, Turbhe (Navi Mumbai) and Hyderabad.

The present position of the Company's projects under progress and on hand is as under:

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

The construction work at the residential project at Santacruz (West), Mumbai, is on the completion stage. The total area of the project is 60,000 sq. ft. out of which 53,000 sq. ft. area has already been sold. The project being situated in a prime location of the City of Mumbai, is expected to enhance cash flows as well as image of the Company in the real estate sector.

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

This is a highly growth-oriented middle class residential project located at Malad (West), Mumbai, having land cost of Rs. 33.30 Crores for approx. 2,75,000 sq. ft. FSI. It is being developed into attractive flats for those who value space and prefer high standard of living. The construction work at the project is going in full swing and is expected to be completed by March 2013. The project being highly profitable, will generate healthy cash flows for further progress and expansion.

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

This is a commercial project situated at Santacruz (West) having FSI of 65,000 sq. ft. having land cost of Rs. 35.00 Crores. For the development of this project, the Company has entered into a Deed of Partnership with M/s. Lakshachandi Developers Pvt. Ltd. and M/s. Today's Infrastructure and Construction Limited in the name and style of "M/s. KAMANWALA LAKSHACHANDI TODAY'S DEVELOPERS". The

Company's share is 50%. The construction work at the project is progressing in full swing and is expected to be completed by September, 2010.

(iv) 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 Rs.15.25 Crores. The project will be developed into a 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.

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

The project is situated in 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 Rs. 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:

In our view, growth story of India, with economy expanding at 8% to 9% of Gross Domestic Product (GDP) and the consequent impact of real estate sector, remains intact. The real estate sector is well positioned to capture the opportunities and benefits of this economic growth. There is ample supply of cessed and dilapidated buildings in the city of Mumbai for residential and commercial developments.

At the same time, due to crunch in space, Mumbai presents opportunities in vertical as well as horizontal expansion in various forms, like integrated townships and IT Parks.

Threats:

The Reserve Bank of India's measures on increasing provision for credit facilities to real estate sector and its expression of concern on the asset price bubble,

cost of finance is likely to go up for real estate sector. Prevailing non-receptive political conditions in Mumbai can lead to labour shortage and consequent increase in costs of labour which can cause delay in projects expansion and reduction in profitability of operations. Above all, severe debts and deficit problems in the European economies and unemployment conditions in the U.S. economy generate clouds of uncertainties hovering around global economic outlook which can have adverse market conditions in the Indian economy as it at present stands integrated with the world economy. Feeling of double-dip recession is still persistent in the developed economies. Problems of overheating and assets price bubbles cannot be ruled out. In such an uncertain economic environment, it becomes very difficult for any business enterprise to lay down exact plans and projections.

Risks and Concerns:

We believe that with the economy on the right track, mass housing or mid-size housing requirement is expected to witness good growth over the next two years due to lower interest rate on housing loans, increase in urban middle class population, increase in disposable income with salaried class shift in preference from rented house to owned house, tax incentives, etc. The high end and up market segment may not witness growth in revenues and profits in line with mass housing and mid-size housing market.

On the redevelopment front, the execution of projects requires, among other things, getting consent of tenants, providing temporary alternate accommodation to them during the interim period of demolition and construction and obtaining consents and rehabilitation. Delay in any of this formalities can have adverse financial implications. Any delay in execution or prolonged execution of projects will lead to increased cost and the same will affect the profitability of the projects. There also prevails an intense competition in the real estate sector. The entry of new and existing players can also affect acquisition of projected growth targets. Changes in the policies of Government of India, local government and authorities relating to environment, FSI, Stamp Duty, VAT, Service Tax and other matters can adversely impact the real estate scenario and hence our business and prospects.

IV. Business Outlook and Prospects:

The country's macroeconomic fundamentals are strong and quick recovery in economic activities,



KAMANWALA HOUSING CONSTRUCTION LIMITED

affected by great recession of 2008, confirms signs of a turnaround for the economy. Central Government's planned expenditure towards development of infrastructure, such as good transportation, good communication systems, good roads, etc., hold key to the progress of the real estate sector. We believe that the growth triggers would be sustained in the current fiscal year as there is a huge gap between the potential demand and the supply. Customers are also looking for world class qualities and amenities and developers who offer these facilities would continue to enjoy good market share. While the residential segment is better off now, commercial and retail segments will take some more time to fully recover.

In our view, the real estate market in Mumbai will experience stability. Rates in the high-end premium life-style properties is likely to see medium to long term growth backed by rebounding income growth, growing investor confidence and infrastructure development in the City. Moreover, with changing lifestyles, greater exposure to housing concepts across the globe, customers are evolving to the next level by aspiring beyond quality of construction to more value-added offerings and a range of amenities adding convenience and luxury to their day to day lives. We are not only geared up to serve their requirements but we believe that our projects have been instrumental in increasing their awareness and hence contributing to their evolution. Looking at the prevailing economic situation in the country, it can be said that entire real estate sector as well as our Company will enjoy the benefits of sound growth prospects.

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

Mumbai: 31st July, 2010.

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:

The Company has always viewed its human resources in an integrated manner, that is aligning all the facets of its human capital with business and organizational transformation in realizing its objectives. The Company has created a conducive working environment with prudent knowledge management leading to enhanced skills and capabilities.

The Company has successfully aligned its performance appraisal outcomes with a market benchmarking mechanism to set the remuneration of all the employees. Meritocracy and differentiation, based on consistency of performance and future potential continue to be the guiding force for deciding remuneration.

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

The employees' relations remained cordial and there was nil turnover of the employees during the year. As on 31st March, 2010, 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.

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, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. 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 misstatement. 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.

1. As required by the Companies (Auditor's Report) Order, 2003, and as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the Order) issued by the Central Government of India under sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that :
 - (a) 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;
 - (b) 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;

- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account; and
- (d) In our opinion, the Profit & Loss Account, the Balance Sheet and Cash Flow Statement dealt with by this Report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

3. Director's Disqualification:

On the basis of the written representations received from Directors of the Company as at 31st March, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31st March, 2010 from being appointed as a Director in terms of Section 274 (1) (g) of the Companies Act, 1956.

4. Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For VIMAL PUNMIYA & CO.,
Chartered Accountants,

VIMAL C. PUNMIYA
Proprietor.
M. No. 16574

Place: Mumbai
Dated: 31st July, 2010.



KAMANWALA HOUSING CONSTRUCTION LIMITED

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (ii) (a) As explained to us, the inventories have been physically verified by the management at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of Inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancy noticed on physical verification of inventories as compared to the book record.
- (iii) (a) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- (b) In our opinion and according to the explanations given to us, the rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to the interest of the Company.
- (c) In respect of the loans granted, other than as mentioned in Clause iii (a), the payment of principal amount and interest are regular. In respect of the loan taken, the payment of principal amount and interest are regular.
- (d) There is no overdue amount in respect of loans taken by the Company. In respect of loans given by the Company, these are repayable on demand and therefore, takes reasonable steps where over dues are more than rupees one lac.
- (iv) In our opinion and according to the explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of flats. During the course of our audit, we have not observed any major weakness in internal controls.
- (v) In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956:
- (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under Section 301 have been so entered.
- (b) According to the information and explanations given to us and excluding certain transactions of purchase of goods and material of special nature for which alternate quotations are not available, where each of such transactions is in excess of Rs.5.00 Lacs in respect of any part, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.

- viii) As information given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- (ix) (a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, E.S.I., Income-tax, Sales-tax, Wealth-tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
(b) According to the records of the Company and information and explanations given to us, there are no dues to Sales-tax, Customs Duty, Wealth-tax, Excise Duty or Cess outstanding.
- (x) The Company has not accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) In our opinion and according to the information and explanations given to us, no loan has been granted by the Company on the basis by way of pledge of shares, debentures or other securities.
- (xiii) 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.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) The Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion, are prima facie, prejudicial to the interest of the Company.
- (xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us, the funds raised on short-term basis have not been used for long term investment and vice versa.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company has not created any securities in respect of debentures as no debentures have ever been issued by the Company.
- (xx) The Company has not raised money by any public issues during the year and, hence, the question of disclosure and verification of end use of such money does not arise.
- (xxi) In our opinion and according to the explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statement to be materially misstated.

For VIMAL PUNMIYA & CO.,
Chartered Accountants,

VIMAL C. PUNMIYA
Proprietor.
M. No. 16574

Place: Mumbai
Dated: 31st July, 2010.



KAMANWALA HOUSING CONSTRUCTION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	Rupees	As At 31.03.2010 Rupees	As At 31.03.2009 Rupees
I. SOURCES OF FUNDS:				
1. SHAREHOLDERS FUNDS:				
(a) Share Capital	1	14,09,31,600		14,09,31,600
(b) Reserves & Surplus	2	<u>64,68,60,928</u>		<u>61,06,52,001</u>
			78,77,92,528	75,15,83,601
2. LOAN FUNDS:				
(a) Secured Loans	3	59,77,06,992		92,97,59,325
(b) Unsecured Loans		<u>12,95,94,915</u>	72,73,01,907	<u>27,71,05,440</u>
				1,20,68,64,765
3. DEFERRED TAX LIABILITIES (NET)	4		90,35,696	89,48,206
Total			<u><u>1,52,41,30,131</u></u>	<u><u>1,96,73,96,572</u></u>
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS:				
(a) Gross Block	5	2,65,74,535		2,72,34,373
(b) Less: Depreciation		<u>63,41,310</u>		<u>60,45,803</u>
			2,02,33,225	2,11,88,570
2. INVESTMENTS	6		25,67,43,034	22,86,42,498
3. A. CURRENT ASSETS, LOANS & ADVANCES:				
(a) Inventories	7	94,57,08,699		1,01,09,82,521
(b) Sundry Debtors	8	97,93,34,462		85,32,84,927
(c) Cash & Bank Balances	9	47,55,864		35,34,143
(d) Loans & Advances	10	<u>12,54,72,570</u>		<u>45,28,53,898</u>
		2,05,52,71,595		2,32,06,55,489
B. Less: CURRENT LIABILITIES & PROVISIONS				
(a) Current Liabilities	11	68,08,12,886		37,98,00,224
(b) Provisions		<u>12,75,84,837</u>		<u>22,37,09,761</u>
		80,83,97,723		60,35,09,985
Net Current Assets (A-B)			1,24,68,73,872	1,71,71,45,504
4. MISCELLANEOUS EXPENDITURE	12		2,80,000	4,20,000
(To the extent not written off or adjusted)				
Total			<u><u>1,52,41,30,131</u></u>	<u><u>1,96,73,96,572</u></u>
Notes to the Accounts	19			

As per our report of even date

For VIMAL PUNMIYA & CO.,
Chartered Accountants

VIMAL C. PUNMIYA
(Proprietor)
M. No. 16574

Mumbai: 31st July, 2010.

DHIRUBHAI GONDALIA
Manager secretarial

JANARDHAN SONAWANE
Manager accounts

Mumbai: 31st July, 2010

B. R. MAHESHWARI *Chairman*
M. L. GUPTA *Vice Chairman & Managing Director*
JAIPAL JAIN *Whole-time Director*
TARUN JAIN *Whole-time Director*
S. V. SHANBHAG *Director*
RAMESH J. PATEL *Director*
B.D. JOGANI *Director*
SHOBHA JAIN *Director*
SORABH GUPTA *Director*

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	For the year ended 31.03.2010 Rupees	For the year ended 31.03.2009 Rupees
I. INCOME:			
Sales.....	13	71,52,45,207	58,16,45,000
Other Income.....	14	61,07,206	87,82,228
Total		<u>72,13,52,413</u>	<u>59,04,27,228</u>
II. EXPENDITURE:			
Cost of Sales	15	51,74,44,142	44,88,00,468
Interest & Other Financial Expenses	16	8,28,72,812	6,14,38,805
Selling, Distribution & Administrative Expenses.....	17	3,12,39,055	3,30,22,865
Depreciation.....	5	14,86,522	15,35,798
Miscellaneous Expenditure Written off	18	1,40,000	1,40,000
Total		<u>63,31,82,531</u>	<u>54,49,37,936</u>
Profit/Loss Before Taxation (I-II)		8,81,69,882	4,54,89,292
Provision for Taxation			
Current Tax		3,20,00,000	1,54,61,810
Fringe Benefit Tax.....		-	7,77,039
Deferred Tax		87,490	2,29,655
Profit/Loss after Taxation		<u>5,60,82,392</u>	<u>2,90,20,788</u>
Balance brought forward from earlier years.....		33,64,08,807	32,58,19,811
Add: I.Tax Refund for earlier years		-	1,48,202
Less: I.Tax Provision for earlier years.....		24,80,337	-
Less: Loss on Sale of assets.....		9,59,270	-
Less: Provision for Dividend & Dividend Tax for earlier years		-	20,91,701
Total		<u>38,90,51,592</u>	<u>35,28,97,100</u>
III. APPROPRIATIONS:			
Proposed Dividend.....		1,40,93,160	1,40,93,160
Dividend Tax		23,40,698	23,95,133
Balance carried to Balance Sheet		<u>37,26,17,734</u>	<u>33,64,08,807</u>
Total		<u>38,90,51,592</u>	<u>35,28,97,100</u>
Earning per Equity Share of Rs. 10/- each:			
Basic		3.98	2.84
Diluted.....		3.98	2.77
Notes to the Accounts.....	19		

As per our report of even date

For VIMAL PUNMIYA & CO.,
Chartered Accountants

VIMAL C. PUNMIYA
(Proprietor)
M. No.16574

Mumbai: 31st July, 2010.

DHIRUBHAI GONDALIA
Manager secretarial

JANARDHAN SONAWANE
Manager accounts

Mumbai: 31st July, 2010.

B. R. MAHESHWARI	Chairman
M. L. GUPTA	Vice Chairman & Managing Director
JAIPAL JAIN	Whole-time Director
TARUN JAIN	Whole-time Director
S. V. SHANBHAG	Director
RAMESH J. PATEL	Director
B.D. JOGANI	Director
SHOBHA JAIN	Director
SORABH GUPTA	Director



KAMANWALA HOUSING CONSTRUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Rupees	Year ended 31-03-2010 Amount Rupees	Rupees	Year ended 31-03-2009 Amount Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before tax and extraordinary items.....		8,81,69,882		4,54,89,292
Adjustments for:				
Depreciation	14,86,522		15,35,798	
Preliminary Expenses written off	1,40,000		1,40,000	
Interest Received	(26,42,260)		(34,03,356)	
Interest and Financial Expenses	8,28,72,812	8,18,57,074	6,14,38,805	5,97,11,247
Operating Profit before Working Capital Changes.....		17,00,26,956		10,52,00,539
Adjustments for:				
Trade & Other Receivables.....	10,13,71,319		(9,84,40,690)	
Inventories	6,52,73,822		(14,36,07,880)	
Trade Payables & Other Liabilities	26,14,54,250	42,80,99,391	(7,92,99,456)	(32,13,48,026)
Cash generated from operations		59,81,26,347		(21,61,47,487)
Taxes paid		(75,20,233)		(1,92,29,414)
Net Cash from Operating Activities.....		59,06,06,114		(23,53,76,901)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets/Capital Expenditure.....	(22,34,225)		(7,54,136)	
Investments made.....	(2,81,00,536)		(2,36,69,027)	
Sales/Decapitalisation of Fixed Assets	7,43,778		-	
Interest Received	26,42,260		34,03,356	
Profit on Sale of Investments	-	(2,69,48,723)	1,60,87,186	(49,32,621)
Net Cash from Investing Activities				
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Preferential Issue of Equity Shares	-		6,30,63,000	
Secured Loans.....	(33,20,52,333)		7,96,69,581	
Unsecured Loans.....	(14,75,10,525)		15,69,44,487	
Interest & Financial Expenses.....	(8,28,72,812)		(6,14,38,805)	
Net Cash from Financing Activities.....		(56,24,35,670)		23,82,38,263
Net Increase(Decrease) in Cash & Cash.....				
Equivalents (A+B+C).....		12,21,721		(20,71,259)
Opening Balance of Cash & Cash Equivalents.....		35,34,143		56,05,402
Closing Balance of Cash & Cash Equivalents		47,55,864		35,34,143

- 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 VIMAL PUNMIYA & CO.,
Chartered Accountants

DHIRUBHAI GONDALIA
Manager secretarial

B. R. MAHESHWARI Chairman
 M. L. GUPTA Vice Chairman & Managing Director
 JAIPAL JAIN Whole-time Director
 TARUN JAIN Whole-time Director
 S. V. SHANBHAG Director
 RAMESH J. PATEL Director
 B.D. JOGANI Director
 SHOBHA JAIN Director
 SORABH GUPTA Director

VIMAL C. PUNMIYA
(Proprietor)
M. No.16574

JANARDHAN SONAWANE
Manager accounts

Mumbai: 31st July, 2010.

Mumbai: 31st July, 2010.

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2010**

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE 1: SHARE CAPITAL		
Authorised:-		
2,00,00,000 (2,00,00,000) Equity Shares of Rs.10/- each	20,00,00,000	20,00,00,000
Issued:-		
1,42,05,580 (1,42,05,580) Equity Shares of Rs.10/- each	14,20,55,800	14,20,55,800
Subscribed and paid-up:-		
1,40,93,160 (1,40,93,160) Equity Shares of Rs.10/- each fully paid-up.....	14,09,31,600	14,09,31,600
Total	14,09,31,600	14,09,31,600
(1) Of the above, 55,500 Equity Shares of Rs.10/- each were allotted as fully paid-up pursuant to contracts without payments being received in cash.		
(2) 50,000 Equity Shares of Rs.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 Rs.10/- each were allotted 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 Rs. 10/- each were issued as fully paid-up Bonus Shares on 1:1 basis to the Shareholders.		
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	37,26,17,734	33,64,08,807
	65,42,41,601	61,80,32,674
Less: Deferred Tax Liability arising on account of opening balance	73,80,673	73,80,673
Total	64,68,60,928	61,06,52,001
SCHEDULE 3: LOAN FUNDS		
A. Secured Loans:		
(a) Indian Overseas Bank		
(i) Term Loan: - Limit Sanctioned Rs. 30.00 Crores	-	31,12,66,892
(ii) Cash Credit: - Limit Sanctioned Rs. 9.00 Crores..... (Secured by hypothecation of materials at site, equitable mortgage of land and proposed building to be constructed at Bandra Kurla Complex, Bandra, Mumbai)	9,03,17,605	9,25,95,768
(iii) Additional Cash Credit: - Limit Sanctioned Rs. 5.00 Crores	4,89,30,405	-
(b) Oriental Bank of Commerce		
(i) Demand Loan: (I) - Limit Sanctioned Rs. 20.40 Crores	15,04,72,480	13,12,83,307
(ii) Term Loan: - Limit Sanctioned Rs. 19.50 Crores	5,09,84,590	1,21,20,180
(Secured by hypothecation of materials at site, equitable mortgage of land and proposed building to be constructed at Village Malvani, Malad)		



KAMANWALA HOUSING CONSTRUCTION LIMITED

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE 3: LOAN FUNDS (Contd.)		
(iii) Demand Loan: (II) - Limit Sanctioned Rs. 8.27 Crores	8,27,00,000	8,36,53,795
(Secured by hypothecation of materials at site, equitable mortgage of land and proposed building to be constructed at Turbhe, Navi Mumbai)		
(c) Punjab National Bank		
(i) Term Loan - Limit Sanctioned Rs. 22.05 Crores	14,86,64,597	22,28,41,649
(ii) Cash Credit - Limit Sanctioned Rs. 7.30 Crores	2,32,72,963	7,21,83,372
(Secured by hypothecation of materials at site, equitable mortgage of land and proposed building to be constructed at Santacruz - (W), Mumbai)		
(d) ICICI Bank Ltd.	19,53,519	38,14,362
Magma Fincorp Ltd.	4,10,833	-
(Secured by hypothecation of cars)		
(Term Loans from banks are also secured by the personal guarantee of the Managing Director and the Whole-time Directors)		
Total	<u>59,77,06,992</u>	<u>92,97,59,325</u>
B. Unsecured Loans:		
(a) Inter-Corporate Deposits	10,68,93,350	22,06,53,244
(b) Other Loans and Advances:		
From Directors	2,27,01,565	5,64,52,196
Total	<u>12,95,94,915</u>	<u>27,71,05,440</u>
SCHEDULE 4: DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability:		
Deferred Tax Liability arising on account of opening balance difference in fixed assets	78,27,986	78,27,986
Add/(Less): Revised due to change in rate structure of Income Tax from 35.875% to 33.66%	(4,47,313)	(4,47,313)
	<u>73,80,673</u>	<u>73,80,673</u>
Add: Deferred Tax Liability upto year ended 31-03-2009	15,67,533	13,37,878
	<u>89,48,206</u>	<u>87,18,551</u>
Deferred Tax Liability arising on account of Current Year difference in depreciation	87,490	2,29,655
Total	<u>90,35,696</u>	<u>89,48,206</u>

SCHEDULE 5: FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Addition during the year	Deductions during the year	As at 31.03.2010	As at 01.04.2009	For the year	Deductions during the year	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Office Premises.....	1,14,02,018	-	-	1,14,02,018	15,77,608	1,85,853	-	17,63,461	96,38,557	98,24,410
Plant & Machinery	47,235	-	-	47,235	47,235	-	-	47,235	-	-
Furniture & Fixture	2,43,910	-	-	2,43,910	1,98,809	11,308	-	2,10,117	33,793	45,101
Office Equipments	10,15,435	-	-	10,15,435	3,13,652	42,729	-	3,56,381	6,59,054	7,01,783
Air Conditioners	3,83,580	25,400	-	4,08,980	1,80,319	18,271	-	1,98,590	2,10,390	2,03,261
Vehicles	1,29,82,802	21,79,671	28,94,063	1,22,68,410	29,15,096	11,44,532	11,91,015	28,68,613	93,99,797	1,00,67,706
Computers	11,59,393	29,154	-	11,88,547	8,13,084	83,829	-	8,96,913	2,91,634	3,46,309
Total.....	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	2,11,88,570
<i>Previous Year.....</i>	<i>2,64,80,237</i>	<i>7,54,136</i>	<i>-</i>	<i>2,72,34,373</i>	<i>45,10,005</i>	<i>15,35,798</i>	<i>-</i>	<i>60,45,803</i>	<i>2,11,88,570</i>	

SCHEDULE 6: INVESTMENTS

Unquoted:

Long Term Investments:

4,500 Equity Shares of Rs. 100/- each fully paid-up in M/s. Shakun Gases Pvt. Ltd.....	4,50,000	4,50,000
12%, 250 Cumulative Preference Shares of Rs. 100/- each fully paid-up in M/s. Jivan Builders Pvt. Ltd.....	25,000	25,000
750 Equity Shares of Rs. 100/- each fully paid-up in M/s. Jivan Builders Pvt. Ltd.....	75,000	75,000
5 Equity Shares of Rs. 50/- each fully paid-up in Kamanwala Chambers Premises Co-op. Society Ltd.	250	250
Hermitage Villa Co-op. Housing Society Ltd.....	501	501

Investment in a Partnership Firms:

M/s. Diamond Builders.....	-	8,50,000
M/s. Kamanwala Lakshachandi Todays Developers.....	12,73,26,234	10,71,04,186
M/s. Kamanwala Lakshachandi Todays Construction	4,01,66,049	3,14,37,561
M/s. Prajay Kamanwala Developers	8,87,00,000	8,87,00,000
Total	25,67,43,034	22,86,42,498



KAMANWALA HOUSING CONSTRUCTION LIMITED

	Rupees	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE 7: INVENTORIES			
Stocks *:			
Land (at cost).....		1,66,69,893	1,66,69,893
Raw Materials (at cost).....		9,32,076	2,08,139
Work-In-Progress (at cost)		<u>92,81,06,730</u>	<u>99,41,04,489</u>
Total		<u><u>94,57,08,699</u></u>	<u><u>1,01,09,82,521</u></u>
* As valued and certified by the Management			
 SCHEDULE 8: SUNDRY DEBTORS, CONSIDERED GOOD			
Debts outstanding for a period more than six months:			
Secured.....	-		-
Unsecured.....	<u>9,79,260</u>		<u>15,90,903</u>
		9,79,260	15,90,903
Debts outstanding for a period less than six months:			
Secured.....	97,83,55,202		85,16,94,024
Unsecured.....	<u>-</u>		<u>-</u>
		97,83,55,202	85,16,94,024
Total		<u><u>97,93,34,462</u></u>	<u><u>85,32,84,927</u></u>
 SCHEDULE 9: CASH AND BANK BALANCES			
(a) Cash Balance on hand.....		5,103	3,32,487
(b) Balance with Scheduled Banks:			
On Current Accounts.....		<u>47,50,761</u>	<u>32,01,656</u>
Total		<u><u>47,55,864</u></u>	<u><u>35,34,143</u></u>

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE 10: LOANS AND ADVANCES		
Unsecured and Considered Good:		
Advances for Properties	15,41,200	16,65,41,200
Advances for Joint Ventures	1,32,62,000	2,02,64,165
Income Tax paid	2,47,67,620	12,47,28,094
Advances recoverable in cash or in kind or for value to be received	8,37,09,756	13,90,34,908
Deposits with Government Departments and others	13,09,050	14,41,448
Loans to Staff	8,82,944	8,44,083
[Including Rs. Nil (<i>Rs. Nil</i>) due from Directors, maximum amount due at any time during the year Rs. Nil (<i>Rs. Nil</i>)]		
Total	12,54,72,570	45,28,53,898
SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities:		
Sundry Creditors	10,04,63,893	13,90,18,187
Advances/Deposits from Customers	11,94,80,416	15,40,96,466
Other Liabilities	87,94,516	66,85,571
Deposits/Advances for Properties	45,20,74,061	8,00,00,000
Total	68,08,12,886	37,98,00,224
B. Provisions:		
Provision for Expenses	86,85,554	57,12,974
Provision for Cost of Construction of Flats/Offices	5,48,33,852	8,32,71,684
Provision for Taxation	4,76,31,573	11,82,36,810
Proposed Dividend	1,40,93,160	1,40,93,160
Dividend Tax	23,40,698	23,95,133
Total	12,75,84,837	22,37,09,761
Total (A + B)	80,83,97,723	60,35,09,985
SCHEDULE 12: MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	2,80,000	4,20,000
Total	2,80,000	4,20,000



KAMANWALA HOUSING CONSTRUCTION LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the year ended 31.03.2010 Rupees	<i>For the year ended 31.03.2009 Rupees</i>
SCHEDULE 13: SALES		
Sale of Flats - Manavsthal, Malad	6,32,40,207	58,16,45,000
Sale of Flats - Savoy Residency	35,20,05,000	-
Sale of Property - Oshiwara	30,00,00,000	-
Total	<u>71,52,45,207</u>	<u>58,16,45,000</u>
SCHEDULE 14: OTHER INCOME		
Rent Received.....	3,17,111	3,14,772
Miscellaneous Income.....	-	5,75,000
Sundry Balances Written Back	-	9,89,100
Interest Received	26,42,260	34,03,356
Profit on Sale of Flat at Astoria.....	-	35,00,000
Property Claim Settlement	31,47,835	-
Total	<u>61,07,206</u>	<u>87,82,228</u>
SCHEDULE 15: COST OF SALES		
A. Opening Stock:		
1. Land Cost	1,66,69,893	1,66,54,893
2. Raw Materials (at cost).....	2,08,139	11,31,267
3. Work-In-Progress (at cost)	99,41,04,489	82,70,88,481
Total	<u>1,01,09,82,521</u>	<u>84,48,74,641</u>
B. Additions during the year:		
1. Land Cost	15,00,00,000	16,75,26,300
2. Cost of Construction	11,90,93,317	10,72,99,676
3. Cost of Finance	8,18,63,003	9,66,88,872
4. Repurchase.....	10,12,14,000	24,33,93,500
Total	<u>45,21,70,320</u>	<u>61,49,08,348</u>
C. Closing Stock:		
1. Land Cost	1,66,69,893	1,66,69,893
2. Raw Materials (at cost).....	9,32,076	2,08,139
3. Work-In-Progress (at cost)	92,81,06,730	99,41,04,489
Total	<u>94,57,08,699</u>	<u>1,01,09,82,521</u>
D. Cost of Sales = (A+B) - C	<u>51,74,44,142</u>	<u>44,88,00,468</u>

SCHEDULE 16 : INTEREST & OTHER FINANCIAL EXPENSES

	For the year ended 31.03.2010 Rupees	<i>For the year ended 31.03.2009 Rupees</i>
Interest Paid (Including Interest on Term Loans Rs. 3,49,01,610/- (<i>Rs. 2,72,71,713/-</i>))	3,60,05,825	2,87,75,754
Car Finance Charges	3,46,981	4,55,438
Commitment Charges	4,65,20,006	3,22,07,613
Total	8,28,72,812	6,14,38,805

SCHEDULE 17 : SELLING, DISTRIBUTION & ADMINISTRATIVE EXPENSES

	For the year ended 31.03.2010 Rupees	<i>For the year ended 31.03.2009 Rupees</i>
(I) SELLING & DISTRIBUTION EXPENSES:		
Advertisement Expenses	4,63,456	8,66,607
Brokerage	23,86,149	30,57,600
Sales Promotion Expenses	6,21,137	8,10,115
Total (I)	34,70,742	47,34,322
(II) ADMINISTRATIVE EXPENSES:		
Salaries and Bonus [Including P. F. of Directors Rs.6,49,200/- (<i>Rs.5,65,200/-</i>)]	90,67,312	76,52,648
Directors' Remuneration [Including Commission Rs.20,58,810/- (<i>Rs.Nil</i>)]	90,52,943	61,88,159
Staff Welfare Expenses [Including Rs.96,065/- (<i>Rs.1,07,372/-</i>) for Directors]	3,43,088	3,83,472
Gratuity	5,79,448	10,35,904
Rent Paid	15,76,000	15,20,000
Repairs & Maintenance	14,96,813	20,35,904
Printing & Stationery	5,05,650	6,56,914
Electricity Charges	24,278	10,79,831
Listing Fees	82,993	3,33,834
Directors' Sitting Fees	3,90,000	6,39,000
Filing Fees	7,848	19,824
Travelling Expenses	5,60,968	13,47,044
Vehicle Expenses	5,19,013	12,67,534
Telephone & Trunk Call Charges	8,65,475	12,03,342
Postage & Telegrams	2,43,765	4,04,009
Insurance Charges	2,13,482	2,58,674
Legal & Professional Charges	11,53,150	13,53,163
Donation	26,000	5,000
Rates & Taxes	8,000	8,000
Statutory Audit Fees	82,725	82,725
Maharashtra Value Added Tax	-	30
Maharashtra Labour Welfare Fund	-	3,007
Miscellaneous Expenses	9,69,362	8,10,525
Total (II)	2,77,68,313	2,82,88,543
Grand Total (I + II)	3,12,39,055	3,30,22,865

SCHEDULE 18 : MISCELLANEOUS EXPENDITURE WRITTEN OFF

	For the year ended 31.03.2010 Rupees	<i>For the year ended 31.03.2009 Rupees</i>
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) System of Accounting:

The Company adopts the accrual basis in the preparation of the accounts.

(b) Sales:

Sales of Flats are accounted for at value in the year in which the agreements were entered into respective of the stage of completion of the projects Savoy Residency at Santacruz (West) & Manavsthal at Malad (West).

(c) Fixed Assets:

Fixed Assets are stated at cost.

(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.

(e) Investments:

Long Term Investments are stated at cost of acquisition.

(f) Gratuity/Retirement Benefits:

Provision for Gratuity has been made and determined the liability for gratuity of eligible employees upto March, 2010.

(g) Stock:

Inventories are valued at cost.

(h) Contingent Liabilities:

These are disclosed by way of Notes to the Accounts.

2. Contingent liabilities not provided for in respect of:

Stamp Duty of **Rs. 3,48,750/-** (Rs. 3,48,750/-) on purchase of office premises at Hermitage Villa.

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 31.03.2010 Rupees	<i>For the year ended 31.03.2009 Rupees</i>
(A) Managing Director:		
(i) Remuneration	8,90,000	7,70,000
(ii) Medical Expenses	61,908	55,240
(iii) Company's contribution to Provident Fund	1,06,800	92,400
(iv) Commission.....	3,13,968	-
(B) Whole-time Directors:		
(i) Remuneration	58,76,000	51,12,000
(ii) Medical Expenses	1,66,225	2,50,919
(iii) Company's contribution to Provident Fund	5,42,400	4,72,800
(iv) Commission.....	15,69,842	-
(C) Sitting Fees and Commission paid to other Directors	5,65,000	6,39,000
Total	1,00,92,143	73,92,359

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

(Rupees in Lacs)

	For the year ended 31.03.2010	For the year ended 31.03.2009
Profit before Taxation	881.69	454.89
Add: (i) Managerial Remuneration	76.43	67.53
(ii) Commission payable to Directors	18.84	-
(iii) Directors' Sitting Fees	5.65	6.39
Net Profit as per Section 349 read with Section 309 (5) of the Companies Act, 1956	<u>982.61</u>	<u>528.81</u>

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

	For the year ended 31.03.2010		For the year ended 31.03.2009	
	Quantity (M.T.)	Amount Rupees	Quantity (M.T.)	Amount Rupees
Cement	2185.050	1,15,33,159	2804.350	1,37,28,524
Steel	1030.131	3,25,37,330	941.511	3,53,50,409
Other Materials		4,40,06,040		3,05,14,721
Total		<u>8,80,76,529</u>		<u>7,95,93,654</u>

- (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.

- III Quantitative Information of Flats/Office Premises:

	No. of Units	Area of (Sq.ft.)	Value Rupees
1. Opening Stock of Work-in-Progress as on 1.4.2009.....	193 (196)	3,08,830 (3,22,330)	99,41,04,489 (82,70,88,481)
2. Constructed/Additions during the year	105 (Nil)	2,450 (Nil)	35,02,32,383 (37,24,22,976)
3. Repurchase during the year.....	4 (8)	11,300 (21,080)	10,12,14,000 (24,33,93,500)
4. Cost of Sales during the year	112 (11)	1,19,460 (34,580)	51,74,44,142 (44,88,00,468)
5. Closing Stock of Work-in-Progress as on 31.3.2010 (1+2+3) - (4)	190 (193)	2,03,120 (3,08,830)	92,81,06,730 (99,41,04,489)

- IV. Transactions in Foreign Currency:

Foreign Exchange expenses **Rs. - NIL** - (Rs. NIL)

Foreign Exchange earned **Rs. - NIL** - (Rs. NIL)



KAMANWALA HOUSING CONSTRUCTION LIMITED

4. The Company has entered into Joint Venture Agreements for construction and development of projects, brief particulars of which are as under:

Joint Venture Agreements for which the Company has made contributions:

Sr. No.	Name of Project	Name of the Co-venturer	Contribution Rupees	Share of Profit	Status of Project	Month of Agreement
1.	Goregaon Project	Aspen Property Pvt. Ltd.	45.12 Lacs	33%	Not Commenced	Nov 1988
2.	Hyderabad Project	Prajay Engineers Syndicate Ltd.	887.00 Lacs	20%	Not Commenced	May 2006

5. RELATED PARTIES DISCLOSURES:

- a) List of Related Parties:

Parties with whom the Company has entered into transactions during the year.

Associates: 1)	Key Management Personnel: 2)	Other Directors 3)	Relatives of Key Management Personnel: 4)
M/s. Attar Construction Co. Pvt. Ltd. M/s. Ritika Steel & Scraps Pvt. Ltd. M/s. A. S. Jain & Sons (Prop. Concern of Mr. Jaipal Jain) M/s. Hatimi Steels (Prop. Concern of Mr. Amit Jain)	Mr. M.L. Gupta Mr. Jaipal Jain Mr. Atul Jain Mr. Tarun Jain Mr. Amit Jain Mrs. Pushpa Jain	Mr. B. R. Maheshwari Mr. S. V. Shanbhag Mr. B. D. Jogani Mr. Ramesh J. Patel Mrs. Shobha Jain Mr. Sorabh Gupta	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 Ms. Shikha Jain Mr. Vijendrapal Jain Mr. Vinod Shanbhag

- b) Related Parties transactions during the year:

(All Amount in Rupees)

Nature of Transactions	Associates	Key Management Personnel	Other Directors	Relatives of Key Managerial Personnel	Total as on 31.03.2010	Total as on 31.03.2009
Sales	-	3,58,76,500	1,57,11,000	2,24,17,000	7,40,04,500	3,09,50,000
Rent Paid	7,68,000	-	4,52,000	3,56,000	15,76,000	14,80,000
Remuneration	-	69,94,133	-	-	69,94,133	61,88,159
Commission Paid	-	18,83,810	1,75,000	-	20,58,810	-
Inter-Corporate Deposits	2,93,00,000	-	-	-	2,93,00,000	11,33,56,000
Repayment of Inter-Corporate Deposits	5,92,83,244	-	-	-	5,92,83,244	9,29,41,233
Interest Paid on Inter-Corporate Deposits	37,40,000	-	-	-	37,40,000	30,39,929
Loans & Advances from Directors	-	10,81,44,000	-	-	10,81,44,000	2,54,07,000
Repayment of Loans & Advances	-	69,89,000	-	-	69,89,000	2,26,65,000
Interest Paid on Loans & Advances	-	71,97,624	8,563	-	72,06,187	7,99,250
Advances/Deposits from Customers	-	-	-	33,45,000	33,45,000	1,98,32,000
Repayment of Advances/Deposits from Customers	-	-	-	1,00,000	1,00,000	81,36,252
Interest Paid on Advances/Deposits from Customers	-	-	-	12,03,603	12,03,603	8,38,508
Issue of Equity Shares including Securities Premium and Share Application Money	-	-	-	-	-	5,24,30,000

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6. The Computation of Earnings per Share:

(Rupees in Lacs)

	Current year	Previous year
Profit after Tax	560.82	290.20
Earning per Share – Basic	3.98	2.84
Earning per Share – Diluted.....	3.98	2.77
Nominal Value per Share	10.00	10.00
Weighted average number of Equity Shares for Basic EPS (denominator).....	Nos. 1,40,93,160	1,02,24,996
Weighted average number of Equity Shares for Diluted EPS (denominator)	Nos. 1,40,93,160	1,04,73,760

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. Previous year's figures have been regrouped wherever necessary to conform to this year's classification.
11. As dispute between the Company and M/s. Kamani Tubes Ltd. in connection with carrying out the terms and conditions of KTL-Kamanwala Joint Venture Agreement dated 22nd April, 1995 for development and upliftment of Kamani Chambers, situated at Ballard Estate, Mumbai is still pending with the Arbitrators and the award for the same is awaited. With a view to safeguard the interest of the Company, the Company has also filed a petition before the Board for Industrial and Financial Reconstruction (BIFR). But the BIFR has directed that amount of deposit lying with Company is to be treated as unsecured creditors and Arbitration proceeding may continue. So Company is waiting for Arbitration award. The Company has incurred the total expenses of Rs. 87.50 lacs for the project which includes the deposit money paid to the M/s Kamani Tubes Ltd.
12. 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.

As per our report of even date

For VIMAL PUNMIYA & CO.,
Chartered Accountants

DHIRUBHAI GONDALIA
Manager secretarial

VIMAL C. PUNMIYA
(Proprietor)
M. No.16574

JANARDHAN SONAWANE
Manager accounts

Mumbai: 31st July, 2010.

Mumbai: 31st July, 2010.

B. R. MAHESHWARI *Chairman*
M. L. GUPTA *Vice Chairman & Managing Director*
JAIPAL JAIN *Whole-time Director*
TARUN JAIN *Whole-time Director*
S. V. SHANBHAG *Director*
RAMESH J. PATEL *Director*
B.D. JOGANI *Director*
SHOBHA JAIN *Director*
SORABH GUPTA *Director*



KAMANWALA HOUSING CONSTRUCTION LIMITED

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	0
	Date		Month		Year			

II. Capital Raised during the year (Amount in Rs. 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 Rs. Thousand)

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

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	7	2	1	3	5	2	Total Expenditure	6	3	3	1	8	3		
+/- Profit/Loss Before Tax		+	8	8	1	6	9	+/- Profit/Loss After Tax		+	5	6	0	8	2
(Please Tick Appropriate box + for profit - for Loss)															
Earning Per Share	Basic	3	.	9	8	Diluted	3	.	9	8	Dividend Rate %	1	0		

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
Item Code No. (ITC Code) : NOT APPLICABLE	Product Description CONSTRUCTION OF INDUSTRIAL GALA'S

As per our report of even date

For VIMAL PUNMIYA & CO.,
Chartered Accountants

VIMAL C. PUNMIYA
(Proprietor)
M. No.16574

Mumbai: 31st July, 2010.

DHIRUBHAI GONDALIA
Manager secretarial

JANARDHAN SONAWANE
Manager accounts

Mumbai: 31st July, 2010.

B. R. MAHESHWARI *Chairman*
M. L. GUPTA *Vice Chairman & Managing Director*
JAIPAL JAIN *Whole-time Director*
TARUN JAIN *Whole-time Director*
S. V. SHANBHAG *Director*
RAMESH J. PATEL *Director*
B.D. JOGANI *Director*
SHOBHA JAIN *Director*
SORABH GUPTA *Director*

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 SIXTH ANNUAL GENERAL MEETING of the Company at Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (W), Mumbai - 400 016, at 11.30 A.M., on Thursday, the 30th September, 2010.

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

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

* Applicable for Members holding Shares in electronic form.

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

KAMANWALA HOUSING CONSTRUCTION LIMITED

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

PROXY

I/We of
in the district of being a Member / Members of the above named Company, hereby
appoint of in the district of or
failing him of in the district of as
my/our Proxy to attend and vote for me/us and on my/our behalf at the TWENTY SIXTH ANNUAL GENERAL MEETING
of the Company to be held on Thursday, the 30th day of September, 2010 and at any adjournment thereof.

Signed this day of 2010.

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

* Applicable for Members holding Shares in electronic form.



.....
Signature

No. of Shares held:
This form is to be used @ in favour of
@ against. the resolution. Unless otherwise instructed, the Proxy will act as he/she thinks fit.

@ 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.



“MANAVSTHAL”, Malad (W), Mumbai.



KAMANWALA HOUSING CONSTRUCTION LIMITED

405/406, New Udyog Mandir No. 2, Mogul Lane, Mahim (West), Mumbai 400 016.
Tel.: 2445 6029 / 24452559 Fax : 2447 4968 Email : khdl@mtnl.net.in / kamanwala@gmail.com