

28th Annual Report 2011-12

MANAVSTHAL - Malad (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. Bhanwarlal D. Jogani	: <i>Director</i>
	Mr. Ramesh J. Patel	: <i>Director</i>
	Mr. Pankaj R. Majithia	: <i>Director</i>
	Mrs. Shobha Jain	: <i>Director</i>
	Mr. Sorabh Gupta	: <i>Director</i>

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

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

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

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

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

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KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Twenty Eighth Annual General Meeting of the Members of KAMANWALA HOUSING CONSTRUCTION LIMITED will be held on Friday, the 28th September, 2012, at Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (West), Mumbai-400 016, at 11.30 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2012 and the Statement of Profit & Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Atul Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bhanwarlal D. Jogani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Pushpa Jain, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. Amit Jain, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mr. Jaipal Jain as a Whole-time Director of the Company for a further period of three years w.e.f. 24th April, 2012 as approved by the Board of Directors at its Meeting held on 11th February, 2012 on the terms and conditions as to the remuneration payable to him as recommended by the Remuneration Committee and as set out in the

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 314 and any other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby accorded to the appointment of Mr. Vaibhav Jain, a relative of the Director, to the post of General Manager (Interior) on a monthly salary of ₹ 25,000/- (in the scale of ₹ 25,000/- – ₹ 2,500/- – ₹ 35,000/-) and on such terms and conditions as stipulated in appointment letter issued to Mr. Vaibhav Jain.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER / MEMBERS OF THE COMPANY.
2. Proxies in order to be effective, must be deposited at the Company's Registered Office not less than 48 hours before the time of the Meeting.

3. Details of Directors' appointment / re-appointment pursuant to Clause "49" of the Listing Agreement with the Stock Exchange are annexed hereto.
4. Pursuant to Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2012 to 28th September, 2012 (both days inclusive).
5. The Corporate Members intending to send their duly authorized representative(s) are requested to send a duly certified copy of the Board resolution authorizing their representative(s) to attend and vote at the Annual General Meeting.
6. The Members intending to seek any information / clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least ten days before the date of Annual General Meeting so that the same may be complied within time.
7. Members are hereby requested to notify change in their addresses, make correspondence and send documents of share transfers, etc. either directly to the Company at the Registered Office or to the Office of Share Transfer Agents of the Company, M/s Sharex Dynamic (India) Pvt. Ltd., at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai-400 072.
8. The Members who hold shares in electronic form are requested to bring their numbers of DP ID/Client ID for the purpose of proper identification at the Meeting.

By Order of the Board

M. L. GUPTA

Vice-Chairman & Managing Director

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

Place: Mumbai

Dated: 11th August, 2012.

ANNEXURE TO THE NOTICE

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

Item No. 7

The tenure of the Office of Mr. Jaipal Jain, as a Whole-time Director of the Company, expired at the close of business hours on 23rd April, 2012.

The Board of Directors at its Meeting held on 11th February, 2012 considered and approved subject to the approval of Members at the forthcoming Twenty Eighth Annual General Meeting, the re-appointment of Mr. Jaipal Jain as a Whole-time Director of the Company for a further term of 3 (three) years with effect from 24th April, 2012. His re-appointment is in accordance with the provisions of Schedule XIII to the Companies Act, 1956. The main terms and conditions of his re-appointment as recommended by the Remuneration Committee and as specified in the draft agreement as to the remuneration payable to him are as follows:

Remuneration:

A. Salary & Perquisites:

- | | |
|--|---|
| (i) Salary | : ₹ 1,25,000/- per month (in the pay scale of ₹ 1,25,000 – ₹ 15,000 – ₹ 1,55,000) |
| (ii) Commission | : 1% of the Net Profit of the Company |
| (iii) Perquisites: | |
| (a) Free Unfurnished Residential Accommodation | : House Rent not to exceed 40% of the monthly salary per month. |
| (b) Medical Benefit for self and family | : One month's salary per annum |
| (c) Leave Travel Allowance | : One month's salary per annum |
| (d) Electricity | : Payment of actual Bills |



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

(i) Provident Fund / Superannuation Fund.

Company's Contribution to Provident Fund or Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.

(ii) Gratuity:

One-half month's salary for each completed year of service.

(iii) Leave & Leave Encashment:

Privilege Leave of 15 days encashable every year in the month of March during the tenure of his office.

C. Minimum Remuneration:

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

D. The Whole-time Director will also be entitled to:

(i) A provision of car with driver (or reimbursement of driver's salary) for the use of Company's business.

(ii) Free telephone facility at residence.

(iii) Reimbursement of all reasonable expenses including entertainment expenses incurred in connection with the business of the Company.

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

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

No other Director is interested or concerned in this resolution.

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

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

Item No. 8

The Board of Directors in its Meeting held on 11th August 2012 had, subject to necessary approval of the Members of the Company, appointed Mr. Vaibhav Jain as General Manager (Interior) on the following terms and conditions as to remuneration:

1. Salary ₹ 25,000/- per month (in the scale of ₹ 25,000/- – ₹ 2,500/- – ₹ 35,000/-)
2. Bonus as applicable to other employees
3. Contribution to Provident Fund
4. A Car with a Driver
5. Retirement Gratuity

Mr. Vaibhav Jain is a Commerce Graduate from the University of Bombay and has pursued the MBA course in the USA. He has about five years experience in the construction industry.

Mr. Vaibhav Jain is a son of Mr. Atul Jain and Mrs. Pushpa Jain, Whole-time Directors. Pursuant to the provisions of Section 314 of the Companies Act, 1956, Members' consent is required for appointment of any relative of the Director to any place of profit carrying remuneration exceeding ₹ 20,000/-.

A copy of the appointment letter issued to Mr. Vaibhav Jain is available for inspection by the Members during the normal business hours of the Company except on Sunday, Saturdays and public holidays.

Mr. Atul Jain and Mrs. Pushpa Jain being the relatives be deemed to be interested in the resolution to the extent of remuneration being drawn by Mr. Vaibhav Jain as General Manager (Interior). None of the other Directors is interested or concerned in the proposed resolution.

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

I. General Information:

Kamanwala Housing Construction Limited was incorporated on 12th April, 1984 in the name and style of Kamanwala Housing Development Finance Company Limited as a Public Limited Company. The name of the Company was changed to Kamanwala Industries Limited on 24th January, 1995 and subsequently with a view to correctly reflect the present activities of the Company, name of the Company was changed to Kamanwal

Housing Construction Limited on 9th November, 2006. The Company's Shares are listed on the Bombay Stock Exchange Ltd. The Company is engaged in construction and development of residential flats, commercial premises and industrial galas. As of date, the Company earns almost total revenue from construction and development activities.

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

(₹ in Lacs)					
Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
(I) EQUITY AND LIABILITIES:					
Equity Share Capital	1409.32	1409.32	1409.32	1409.32	565.16
OFCWs Application Money	—	—	—	—	79.87
Reserves & Surplus	7092.12	6702.32	6468.61	6106.52	5973.42
Non-Current Liabilities	4658.33	228.39	8809.39	12158.12	9789.69
Current Liabilities	8854.76	15117.57	6850.21	6035.10	6517.96
Total	22014.53	23457.60	23537.53	25709.06	22926.10
(II) ASSETS:					
Fixed Asset (Net)	242.80	215.38	202.33	211.89	219.70
Other Non-Current Assets	228.81	158.51	2815.27	2286.42	2049.73
Current Assets	21542.92	23082.31	20517.13	23206.55	20651.07
Other Current Assets	—	1.40	2.80	4.20	5.60
Total	22014.53	23457.60	23537.53	25709.06	22926.10

Total Income	7797.51	4736.53	7213.52	5904.27	9723.91
Interest & Financial Charges	1058.51	1167.48	828.73	614.39	871.27
Depreciation	19.41	16.52	14.87	15.36	17.39
Tax Expense	176.68	143.22	345.68	164.68	817.24
Net Profit	389.80	233.71	526.43	290.21	2442.16



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II. Information about the appointee:

Mr. Jaipal Jain aged 68 years, is a Bachelor of Commerce. He joined the Company as a Non-Executive Director on 12th April, 1984. Considering his enthusiasm, business acumen and active participation in the affairs of the Company, the Board of Directors thought it fit to appoint him as a Whole-time Director of the Company on 24th April, 1987.

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

III. Reasons for loss / inadequate profits:

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

By Order of the Board

M. L. GUPTA

Vice-Chairman & Managing Director

Place : Mumbai

Dated : 11th August, 2012.

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

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

Name of Director	Date of Birth	Date of Appointment	Special Expertise/ Occupation	Qualifications	Director in other Companies Incorporated in India	Chairman/Member of Committee of Companies
Mr. Atul Jain	14.02.1957	01.08.1985	Business	B.A. (Hons.)	1. M/s. Attar Construction Company Pvt. Ltd. 2. M/s. Avoir Finance & Investments Pvt. Ltd. 3. M/s. Diamond Software Developers Pvt. Ltd.	As a Member of: (1) Shareholders' Grievance Committee of M/s. Kamanwala Housing Construction Ltd.
Mr. Bhanwarlal D. Jogani	04.10.1940	12.04.1984	Business	S.S.C.	1. M/s. Premji Sales Pvt. Ltd. 2. M/s. Four Seasons Pvt. Ltd.	As a Member of: (i) Audit Committee of M/s. Kamanwala Housing Construction Ltd. (ii) Share Allotment Committee of M/s. Kamanwala Housing Construction Ltd.
Mrs. Pushpa Jain	31.03.1962	09.08.1995	Managerial Expertise	B.Sc.	1. M/s. Attar Construction Company Pvt. Ltd. 2. M/s. Avoir Finance & Investments Pvt. Ltd.	N I L
Mr. Amit Jain	21.07.1973	30.07.2004	Planning & Execution of Projects	B.Com.	1. M/s. Tradewin Mercantile Company Pvt. Ltd.	N I L

By Order of the Board

M. L. GUPTA

Vice-Chairman & Managing Director

Place : Mumbai

Dated : 11th August, 2012.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Twenty Eighth Annual Report on the business and operations of the Company along with the audited Financial Statements of Account for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS:

The Summarized Financial Highlights of the Company are as follows:

	For the Year ended 31-03-2012 (₹ In Lacs)	For the Year ended 31-03-2011 (₹ In Lacs)
Sales and Other Income.....	7,797.51	4,736.53
Gross Profit	587.29	394.85
Less: Depreciation	19.41	16.52
Miscellaneous Expenditure written off	1.40	1.40
Profit before Taxation.....	566.48	376.93
Provision for Taxation	172.48	140.00
Provision for Taxation for earlier years	2.52	2.33
Provision for Deferred Tax	1.68	0.89
Net Profit / (Loss) for the year	389.80	233.71
Balance brought forward from previous year.....	3,886.08	3,652.37
Profits available for Appropriations.....	4,275.88	3,886.08
Appropriations:		
Balance carried to Balance Sheet	4,275.88	3,886.08

DIVIDEND:

With a view to conserve and plough back the resources of the Company, the Board of Directors has decided not to recommend any dividend for the Financial Year 2011-12.

REVIEW OF OPERATIONS:

During the year under review, the Company recorded the turnover of ₹ 7,797.51 Lacs as compared to ₹ 4,736.53 Lacs for the previous year. The Company earned profit after tax of ₹ 389.80 Lacs for the year as compared to ₹ 233.71 Lacs in the previous year.

Amid the deteriorating macroeconomic fundamentals and sagging business confidence, your Company has performed better as compared to last year's performance. But due to increased input costs, strains on cash flows and pressure on margins continued adversely affecting the financial performance of the Company. During the year under review, a residential project known as "SAVOY RESIDENCY" and a joint venture commercial project named as "SAVOY CHAMBERS" situated at Santacruz (West), Mumbai, were completely executed and the sale of entire space of both projects



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has been accounted for Construction work at the Company's Residential project at Malad (West), Mumbai, is well in progress and is expected to be completed as per scheduled time. Construction activity is also well in progress at residential joint venture project known as "Simmering Heights", at Mahim (West), Mumbai, and is expected to be executed within the scheduled time. Execution plans have been laid for other projects. Necessary approvals from the concerned authorities are being awaited. In the prevailing uncertain and unfavourable economic, financial and business climate in the global economy in general and in India in particular, it is very difficult to lay down capital expenditure (Capex) plans. As soon as clouds of uncertainties are drifted away, your Directors will lay down well conceptualized thought out expansion and diversification plans. The Company has the strong balance sheet position with reasonable level of leveraging. Your Directors hope that the Company will register a better performance in the current year with improved cash flows.

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, Mr. Atul Jain, Mr. Bhanwarlal D. Jogani, Mrs. Pushpa Jain and Mr. Amit Jain retire by rotation at the forthcoming 28th Annual General Meeting and being eligible they offer themselves for re-appointment. As per Item No. 7 of the Notice for convening the 28th Annual General Meeting, Mr. Jaipal Jain is being proposed to be re-appointed as a Whole-time Director of the Company w.e.f. 24th April, 2012.

The Members are requested to approve their 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. 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, 2012 and of the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting and preventing the fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.

DEPOSITS:

Your Company has not accepted any Deposits from the public or its employees during the year under review. There was no outstanding Deposit repayable as on 31st March, 2012.

PARTICULARS OF EMPLOYEES:

The Company did not have any employee who was in receipt of remuneration exceeding ₹ 60,00,000/- per annum and if employed for a part of the year exceeding remuneration at the rate which in aggregate was ₹ 5,00,000/- 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, Provisions of Section 217 (1)(e) of the Company's Act, 1956 relating to the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption, are not applicable to the Company.

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

AUDITORS' REMARKS:

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

- (i) Regarding interest amount of ₹ 11,25,506/- on delayed payments of Service Tax, the said interest liability has accrued as the purchasers of flats / office premises did not make the payments of Service Tax to the Company in time. Hence, there was delay in making payments of Service Tax to the Government Treasury.
- (ii) Regarding Income Tax demand of ₹ 1,69,763/- for A.Y. 2007-08 and ₹ 2,32,724/- for A.Y. 2008-09 — these demands raised by the Assessing Officer are subject to rectification. The rectification applications are pending for both the Assessment Years. The Orders of rectifications are being awaited from the Income Tax Department.

AUDITORS:

M/s. Mittal & Associates, Chartered Accountants, the Auditors of your Company, retire at the forthcoming 28th Annual General Meeting. They are eligible for re-appointment. The Members are requested to appoint the Auditors of the Company for the current year and fix their remuneration.

ACKNOWLEDGEMENTS:

Your Directors would like to express their appreciation for the co-operation and assistance received from Banks, Government authorities, customers, suppliers and shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services rendered by all the employees of the Company.

For and on behalf of the Board

B. R. Maheshwari
Chairman

Place : Mumbai

Dated : 11th August, 2012.



ANNEXURE – I

CORPORATE GOVERNANCE REPORT:

1. Company’s Philosophy on Corporate Governance:

The Company believes that profitability must go hand in hand with a sense of responsibility towards all stakeholders. The Company seeks to focus on enhancement of long-term value creation for all stakeholders without compromising on integrity, social obligations and legal and regulatory compliances. The Company will focus its energies and resources in creating and safeguarding of Shareholders’ wealth and at the same time, protect the interests of all its stakeholders.

The Company’s philosophy on Corporate Governance finds its roots in the rich legacy of ethical governance practices, many of which were in place even before they were mandated. The Company has laid a strong foundation for making Corporate Governance a way of life leading to effective control and efficient management of the organization.

The Company confirms that compliance of the Corporate Governance Norms as contained in Clause 49 of the Listing Agreement with the Stock Exchange, the details of which are given herein below:

2. Board of Directors:

The Board of Directors as at 31st March, 2012 consisted of 12 (Twelve) Directors of whom six are non-executive Directors. The Company has a non-executive and independent Director as a Chairman and one-third of the total number of Directors is independent. The number of non-executive Directors is 50% of the total number of Directors. The composition of the Board is in conformity with Clause “49” of the Listing Agreement.

(a) Number of Board Meeting:

Five Board Meetings were held during the period 1st April, 2011 to 31st March, 2012 on the following dates:

- (i) 12th May, 2011, (ii) 11th August, 2011, (iii) 30th September, 2011, (iv) 14th November, 2011 and (v) 11th February, 2012.

(b) Composition, Status and Attendance at the Board Meetings and at the last AGM. As on 31st March, 2012 the Company’s Board comprised of Twelve Members:

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

(*) The Twenty Seventh Annual General Meeting of the Company was held on 30th September, 2011.

(**) Mr. Pankaj R. Majithia was appointed as an Independent Director on 12th May 2011.

(c) Details of Directorships / Committee Memberships:

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

Sr. No.	Name of the Director	Director of Public Companies (*)	Membership in Committee (*)	Chairmanship in Committee (*)
1.	Mr. B.R. Maheshwari	1	1	1
2.	Mr. M.L. Gupta	1	1	—
3.	Mr. Jaipal Jain	1	—	—
4.	Mr. Atul Jain	1	1	—
5.	Mr. Tarun Jain	1	—	—
6.	Mr. Amit Jain	1	—	—
7.	Mr. Pankaj R. Majithia	1	2	—
8.	Mr. B.D. Jogani	1	2	—
9.	Mr. Ramesh J. Patel	1	3	2
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, 2012.

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

(d) Board Procedure:

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

3. Committees of the Board:

(i) Audit Committee

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



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Four Audit Committee Meetings were held during the period 1st April, 2011 to 31st March, 2012 on the following dates:

(i) 12th May, 2011, (ii) 11th August, 2011, (iii) 14th November, 2011 and (iv) 11th February, 2012.

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. Pankaj R. Majithia (*)	Member	4	2
3.	Mr. B.D. Jogani	Member	4	4
4.	Mr. Ramesh J. Patel	Member	4	4
5.	Mr. Sorabh Gupta	Member	4	2

(*) Mr. Pankaj R. Majithia was appointed on 12th May, 2011.

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 of the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.
- Review of the Management Discussion & Analysis.
- Review of material individual transactions with related parties not in normal course of business or which are not at arms length basis.
- Review of the financial statements and investment of unlisted subsidiary companies.

(ii) Shareholders' Grievance Committee:

During the year, the Shareholders' Grievance Committee was comprised of two Non-Executive Directors, namely Mr. Ramesh J. Patel, being the Chariman Mrs. Shobha Jain and two Executive Directors, namely Mr. M.L. Gupta and Mr. Atul Jain.

Four Shareholders' Grievance Committee Meetings were held during the period 1st April, 2011 to 31st March, 2012 on the following dates:

(i) 12th May, 2011, (ii) 11st August, 2011, (iii) 14th November, 2011 and (iv) 11th February, 2012.

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

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 relevant matters.

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

(iii) Remuneration Committee:

The Board has constituted Remuneration Committee on 12th May, 2011 comprised of three Independent Directors, namely, Mr. Ramesh J. Patel, being the Chairman, Mr. B.D. Jogani and Mr. Pankaj R. Majithia as the Members.

Two Remuneration Committee Meetings were held on 28th July, 2011 and 2nd February, 2012. All the three Members attended both the Meetings.

(iv) Remuneration paid to the Directors:

The detailed information of Directors remuneration for the year 2011-12 is set forth below:

(Amount in ₹)

Name of the Directors	Category	Sitting Fees	Salary and Perquisites	Commission	Superannuation and Provident Fund	Total
Mr. B. R. Maheshwari	Non-Executive	95,000	N.A.	N.A.	N.A.	95,000
Mr. M. L. Gupta	Executive	N.A.	16,69,141	N.A.	1,50,000	18,19,141
Mr. Jaipal Jain	Executive	N.A.	14,17,500	N.A.	1,51,200	15,68,700
Mr. Atul Jain	Executive	N.A.	24,31,361	N.A.	1,50,000	25,81,361
Mr. B. D. Jogani	Non-Executive	75,000	N.A.	N.A.	N.A.	75,000
Mr. Ramesh J. Patel	Non-Executive	75,000	N.A.	N.A.	N.A.	75,000
Mr. Pankaj R. Majithia	Non-Executive	55,000	N.A.	N.A.	N.A.	55,000
Mr. Tarun Jain	Executive	N.A.	19,31,800	N.A.	1,44,000	20,75,800
Mrs. Pushpa Jain	Executive	N.A.	16,90,000	N.A.	1,32,000	18,22,000
Mr. Amit Jain	Executive	N.A.	23,70,367	N.A.	1,58,400	25,28,767
Mrs. Shobha Jain	Non-Executive	65,000	N.A.	N.A.	N.A.	65,000
Mr. Sorabh Gupta	Non-Executive	45,000	N.A.	N.A.	N.A.	45,000

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.



KAMANWALA HOUSING CONSTRUCTION LIMITED

4. General Shareholders Information:

- Twenty Eighth Annual General Meeting :**

Day / date : Friday, the 28th September, 2012.

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
2009	25 th A.G.M.	29.09.2009	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
2010	26 th A.G.M.	30.09.2010	11.30 A.M.	Tendulkar Hall, Mahim (W), Mumbai.
2011	27 th A.G.M.	30.09.2011	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:**

27 th A.G.M. held on 30 th September, 2011	Special Resolutions passed for : (i) Re-appointment of Mr. Tarun Jain as a Whole-time Director; and (ii) Re-appointment of Mr. Amit Jain as a Whole-time Director.
26 th A.G.M. held on 30 th September, 2010	Special Resolutions passed for : (i) Re-appointment of Mr. M. L. Gupta as a Managing Director; and (ii) Re-appointment of Mr. Atul Jain as a Whole-time Director.
25 th A.G.M. held on 29 th September, 2009	No Special Resolution was passed

- Dates of Book Closures: 21st September, 2012 to 28th September, 2012 (both days inclusive).**

- Financial Calendar of the Company:**

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

- Financial reporting for 2012-13 (Tentative):**

First Quarter Results – 30.06.2012	By 14 th August, 2012
Second Quarter Results – 30.09.2012	By 14 th November, 2012
Third Quarter Results – 31.12.2012	By 14 th February, 2013
Fourth Quarter Results – 31.03.2013	By 15 th May, 2013

The Company's Quarterly Audited/Unaudited Financial Results for the year under consideration were approved and published as under:

Quarter ended	Date of approval by the Board	Date of Publication	Newspaper for Publication
30.06.2011	11.08.2011	12.08.2011	Business Standard & Mumbai Lakshadeep
30.09.2011	14.11.2011	15.11.2011	-do-
31.12.2011	11.02.2012	13.02.2012	-do-
31.03.2012	30.05.2012	31.05.2012	-do-

- Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on BSE Limited Listing Fees have been paid to the Stock Exchange for the year upto 31st March, 2013.

- KHCL'S Stock Exchange Code:**

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

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

Year	Month	High (₹)	Low (₹)	Monthly Volume Number of Shares
2011	April	41.80	32.15	7,42,003
2011	May	45.10	38.55	7,38,611
2011	June	42.65	37.50	2,09,253
2011	July	40.40	35.40	1,32,984
2011	August	38.00	26.35	2,14,923
2011	September	31.00	25.00	2,19,011
2011	October	33.55	24.00	2,79,951
2011	November	35.00	24.30	2,17,886
2011	December	31.80	25.70	91,664
2012	January	34.40	28.50	1,48,997
2012	February	38.50	30.30	5,08,108
2012	March	43.00	35.25	2,60,987

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

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

- Registrar & Share Transfer Agent:**

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



KAMANWALA HOUSING CONSTRUCTION LIMITED

- **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 : kamanwala@gmail.com

- **Branch Office:**

The Company has no Branch Office.

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

- **Compliance Officer:**

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

- **Distribution of Shareholding as on 31st March, 2012:**

No. of Equity Shares	No. of Shareholders	% of Shareholding	No. of Shares Held	% of Shareholding
Upto To 100	1886	30.16	1,20,997	0.86
101 To 200	1751	28.00	3,38,756	2.40
201 To 500	1276	20.40	4,96,213	3.52
501 To 1000	728	11.64	6,03,973	4.29
1001 To 5000	463	7.40	10,58,008	7.51
5001 To 10000	62	0.99	4,66,659	3.31
10001 To 100000	72	1.15	20,33,380	14.43
100001 To Above	16	0.26	89,75,174	63.68
Total	6254	100.00	1,40,93,160	100.00

• **Shareholding Pattern as on 31st March, 2012:**

Category	No. of Equity Shares held	% of Shareholding
Promoters	63,68,796	45.19
Insurance Companies & Banks	Nil	Nil
UTI & Mutual Funds	Nil	Nil
Venture Capital Funds	400	0.003
FIIIs	Nil	Nil
NRIs / OCBs / GDRs	46,102	0.327
Clearing Members	40,686	0.289
Domestic Companies	22,30,520	15.827
Resident Individuals	54,06,656	38.364
Total	1,40,93,160	100.00

Details of Shares pledged by the Promoters and Promoter Group as on 31st March, 2012 are as under:

a) Pledged / Encumbered:

Number of Shares	13,32,500
Percentage of Shares (as a % of the total shareholding of Promoters and Promoter Group) .	20.92%
Percentage of Shares (as a % of the total Share Capital of the Company)	9.45%

b) Non-Encumbered:

Number of Shares	50,36,296
Percentage of Shares (as a % of the total shareholding of a Promoters and Promoter group)..	79.08%
Percentage of Shares (as a % of the total Share Capital of the Company)	35.74%

• **Dematerialization of Equity Shares as on 31st March, 2012:**

1,35,78,868 Equity Shares (96.35%) of the total Equity Capital were held in electronic form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity Shares are traded at the Bombay Stock Exchange Limited.

• **Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion dates and likely impact on Equity Shares:**

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 from 1st April, 2011 to 31st March, 2012:**

i) Number of Complaints pending at the beginning of the year	:	NIL
ii) Number of Complaints received during the year	:	1
iii) Number of Complaints resolved during the year	:	1
iv) Number of Complaints pending at the end of the year	:	NIL



KAMANWALA HOUSING CONSTRUCTION LIMITED

5. Disclosure of Accounting Treatment:

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

6. Materially Significant Related Party Transactions:

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

7. Other Disclosures:

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

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

- **Code of Conduct:**

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

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

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

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

- **Risk Assessment and Minimization:**

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

- **Means of Communication:**

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

Mumbai: 11th August, 2012.

ANNEXURE "A"

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

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

Name of Director	Date of Birth	Date of Appointment	Special Expertise/ Occupation	Qualifications	Director in other Companies Incorporated in India	Chairman/Member of Committee of Companies
Mr. Atul Jain	14.02.1957	01.08.1985	Business	B.A. (Hons.)	1. M/s. Attar Construction Company Pvt. Ltd. 2. M/s. Avoir Finance & Investment Pvt. Ltd. 3. M/s. Diamond Software Developers Pvt. Ltd.	As a Member of (1) Shareholders' Grievance Committee of M/s. Kamanwala Housing Construction Ltd.
Mr. Bhanwarlal D. Jogani	04.10.1940	12.04.1984	Business	S.S.C.	1. M/s. Premji Sales Pvt. Ltd. 2. M/s. Four Seasons Pvt. Ltd.	As a Member of (i) Audit Committee of M/s. Kamanwala Housing Construction Ltd. (ii) Share Allotment Committee of M/s. Kamanwala Housing Construction Ltd.
Mrs. Pushpa Jain	31.03.1962	09.08.1995	Managerial Expertise	B.Sc.	1. M/s. Attar Construction Company Pvt. Ltd. 2. M/s. Avoir Finance & Investment Pvt. Ltd.	NIL
Mr. Amit Jain	21.07.1973	30.07.2004	Planning & Execution of Projects	B.Com.	1. M/s. Tradewin Mercantile Company Pvt. Ltd.	NIL

Place : Mumbai

Dated : 11th August, 2012.

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

I have examined the compliance of the conditions of Corporate Governance by KAMANWALA HOUSING CONSTRUCTION LIMITED for the year ended 31st March, 2012, 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: 11th August, 2012.



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 as at 31st March, 2012 and Statement of Profit & Loss of the Company for the year ended on that date and all the relevant Notes on Financial Statements, 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: 11th August, 2012.

MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

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

To
The Members of
Kamanwala Housing Construction Limited.

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

For KAMANWALA HOUSING CONSTRUCTION LIMITED

M.L. GUPTA
Managing Director

Place: Mumbai

Dated: 11th August, 2012.

ANNEXURE – II

MANAGEMENT DISCUSSION & ANALYSIS REPORT

I. World Economic Review:

During the year 2011-12, the world economy witnessed a slowdown and recessionary trends. The geopolitical and socio-economic turbulence in the Middle East and North Africa, Tsunami in Japan, the sovereign debt crisis in the peripheral countries of the Euro-Zone and fragile growth recovery in the United States of America have played a great role in shaking the economic landscape of the world economy. In the developed markets, debt crisis and slow economic recovery remain unresolved, while emerging markets are grappling with persistent inflation and high energy prices. As technology advances, competition increases and the balance of economic power to some extent has shifted to high-growth emerging markets of Brazil, Russia, India and China, so called BRIC countries. The world economy is seemingly entering a new phase of development with continued uncertainty. At present the world economy is facing structural economic problems. Therefore, structural reforms are urgently required to be made to bring it back on growth track.

II Indian Economic Review:

Against the backdrop of a turbulent world economic events, the India economy is facing its own share of pains: persistent inflation, ballooning fiscal and current account deficits, depreciating Rupee value against the US Dollar mediocre industrial performance, sluggish exports and spiraling fuel prices. The Reserve Bank of India was prompted to hike interest rates 13 times since March, 2010 to tame inflation. The combined impact of all these adverse factors is evident in the Gross Domestic Product (GDP) figures. The country's GDP growth rate has slumped from 8.4% in 2010-11 to 6.5% in 2011-12 which is the lowest in nine years.

Almost all the sectors of the economy declined to a dismal level. The government is optimistic about managing around 6.5–7% GDP growth in the year 2012-13. What is particularly worth noting is that the economy in the world that has seen the sharpest downward revision in growth is India of 70 basis points. Another way of putting it is that

India has seen the sharpest deterioration in its macro-economic fundamentals since April, 2012. India's economic problems are partly due to external factors and partly due to internal factors. Currently India faces very uncertain economic outlook. To drift away the clouds of uncertainties, it will require the uphill tasks of implementation of pending economic and financial reforms. By doing so the confidence of the business community will be regained and then business enterprises will make their investment decisions effective.

III. Real Estate Sector Review:

From the lows of 2009 to a rise in 2010 to an almost stable 2011 and now almost a cautious 2012, the real estate sector in the country has become a full circle today. Stepping into 2013 would not be a challenge if a vigilant stance is adopted. Year 2011 was a landmark year with record construction and growth in the residential space. Absorption rate was strong and upward swing was in process. With economic downturn 2012 became a sort of reality check and supply has been going up but absorption has come down. The scenario is less predictable and there is a great challenge. This challenge however is also an opportunity. It is the time to conserve, consolidate and grow individually and as an industry. The need is to increase transparency to improve confidence of investors and buyers, work towards easing out of regulatory framework and increasing and developing skilled manpower. Though the construction business is the second largest employer of manpower in the nation after agriculture and accounts for 10% of the nation's GDP, it has not been accorded industry status, thus keeping benefits from financial institutions, lower interest rates and easy approval process away from the industry. To keep up its growth, India need to urbanize quicker, build more cities and reduce graft and corruption because they channelize money away from productive investment. Although the realty sector is simple, it is made complicated due to high inter-dependence of authorities granting necessary approvals. However, with more transparency and international practices being followed, the sector has to move towards more efficiency.



KAMANWALA HOUSING CONSTRUCTION LIMITED

It is encouraging to note that the RBI has asked banks not to levy prepayment penalties on home loans, especially on loans under floating interest rate plans. This will bring a positive move in the buyer's sentiments. It is a well known fact that infrastructure enhancement and real estate development go hand-in-hand. In the light of Prime Minister's recent statement on government's intentions to accord top priority for the infrastructure development, realty experts feel that the said announcement augurs well for real estate growth across the country. However, what India needs today is to not only to sustain its economic growth, but to ensure its competitiveness and undertake an aggressive approach to development. It is estimated that in the next five years the investment required in infrastructure projects would be around \$ 1 trillion and this can be achieved with the implementation of public private partnership (PPP) models as neither the government nor the private sector can make the required investments all by themselves. Focused and timely implementation of various infrastructure projects will not only rebuild investor's confidence, but also create mass employment opportunities nationwide providing avenues for betterment to even the poorer and deprived sections of the country.

IV. Business Prospects and Outlook:

With the demand-supply ratio of the realty sector being a highly skewed one, there is a need for revision in policies to make housing supply faster and better. The real estate sector plays a significant role in India's economic development. Almost 10% of the country's Gross Domestic Product (GDP) is contributed by the real estate sector and an unit increase in expenditure in this sector has a multiplier effect and the capacity to generate income as high as five times the increase in expenditure. Real estate in India has been characterized by an increased presence of large number of public companies along with the opening up of this sector to foreign direct investment (FDI) and private equity firms. This has increased the discipline and accountability of businesses undertaking large-scale real estate developments. On demand, Indians have an innate propensity to own homes. This with rising income levels following India's rapid growth has resulted in a phenomenal increase in the demand for homes. Moreover, the people have started viewing property as a preferred investment option, given that return

are pegged between 15% and 20% compared with bank deposits which seldom offer returns over 10% a year. The risk involved is also much less as compared to other asset classes, such as stock market, mutual funds, debentures, bonds, bank deposits, etc. In the case of other investments one has to act with great caution looking into various parameters affecting the return as well as the safety of capital invested. The increased foreign investments in India have increased employment opportunities and consequently the disposable income in the hands of middle class, which has fuelled the growth of the housing sector. One should realize that without healthy growth of the real estate sector, it is hard to imagine the growth of other sectors of any economy of the world. Today, look at the American economy, where recovery is fragile because housing sector is still not recovered, Chinese government tried to control booming real estate sector and as consequence sign of slowdown in the Chinese economy have started to appear and its GDP growth rate has dropped to 7.5% from above 9% in the year 2010-11, similarly, Spanish economy is not properly working because of housing burst. Therefore, healthy growth of real estate sector is a must for healthy growth of other sectors of the economy. India's favourable demography, low mortgage penetration, reasonable level of interest rates and ongoing infrastructure development will prevent real estate downturn from happening in the near future. The fundamentals of the sector are strong and its growth should continue in the foreseeable future.

India is among the world's fastest growing real estate markets, globalization and India's economic growth prospects present a whole new world of opportunities for today's real estate developers.

V. Opportunitites, Threats, Risks and Concern:

Opportunities:

In a country like India, with a population around 1.20 billion and that too consisting of large middle class, the demand for real estate would continue to grow. Since land available for real estate development is limited, the prices would continue to increase in the long run. Therefore, investment in real estate is likely to fetch good returns in the long run. Today, the Indian economy is growing at a reasonable pace and the real estate sector is growing even faster. Eventually, more and more money will chase a limited quantity

of high-quality property. A look at the demographic and economic development indices suggest that residential and commercial demand can be expected to remain high. Increasing disposable incomes, easily available home loans, increased urbanisation and the emergence of a younger earning age group (aged 25 – 45 years) as the largest constituent will sustain demand for housing. Going by both fundamentals and technical dynamics, it would be a wrong move to write a real estate investing off your investment portfolios. The real estate market is fairly nascent. And opportunities are fairly large and the prices of real estate (depending on locations and other parameters) are temporarily high, mostly due to heavy land cost, high interest rates, increased input costs, etc. While they will rationalize in some areas, the real estate market is far from being heated. In fact, taking into account the way dynamics have changed in the sector, the optimism could even be justified, the reason being the presence and emergence of cogent factors in the sector.

Threats, Risks and Concerns:

Though the investment is in appreciative proposition for long-term benefits, Indian real estate sector faces several threats, risks and concerns. The rising interest rates and scanty land availability in India, the problems in the US economy due sub-prime crisis and the subsequent global turmoil are creating pressure on the Indian real estate sector. Every individual in his life time dreams of owning a house but some times, they are reluctant due to complexity of various laws, rules and regulations. Analysts believe that change in product mix to more affordable homes and stricter funding norms may lead to some bumps on the road to real estate development. Imposition of Service Tax and VAT has added to the price pressure and ultimately it has adversely affected the dreams of poor and middle class people of the country to have their own homes and correspondingly it has adversely affected the real estate sector. Further, those who thought of saving time by buying a home close to an infrastructure project in the city of Mumbai, there is a likelihood that they would have to spent more money. This is because MMRDA has proposed a development fee of 10% on the ready reckoner rates for properties close to various infrastructure projects in the city. If the proposed Bill is passed, the cost of residential

spaces in those areas is likely to shoot up. Currently, the developers are in a confused state of mind as they have to run from pillar to post to get clearances from various government departments for a single project. This not only delays the implementation of the projects, but also increases the cost in a substantial manner. This sole factor is ultimately responsible for imbalances between demand and supply. Therefore, it is important that demand and supply of property in Mumbai remain balanced as it affects the city's overall financial growth. Mumbai faces a lot of chaos as regards to regulations at state and central level. The slowdown in Mumbai's real estate supply is also caused by inappropriate policy measures. At times, the supply bottleneck is due to varied reasons like policy issues, scams, delay in providing necessary permissions and approval at the right time, etc. To ensure that to maintain an equilibrium in the demand-supply ratio, the decisions to be taken by the regulatory bodies should be prompt and effective. With the year 2012 already being a challenging environment and customers looking for absolute clarity while purchasing homes, real estate players need to be innovative and quicker in their decision making process. Moreover, macroeconomic factors such as the high interest rates, high level or persistence inflation, burgeoning fiscal and current account deficits and adverse external economic environment which are beyond the control of an individual company, will dampen the financial performance of the real estate sector.

The cyclical nature of real estate business poses a threat to the whole industry. Any real estate developer that does not formulate adequate risk mitigation measures would be adversely affected by such cyclical downturn. With a view to mitigate such risks, all the required documents are required to be prepared meticulously. Prevailing intense competition could also adversely affect performances of medium and small-size real estate developers.

VI. Internal Control and Audit:

(a) Internal Control:

The Company has a proper and adequate system of internal control, commensurate with the size and nature of its business. The internal control system is integral to the Company's corporate governance. Some key features of



KAMANWALA HOUSING CONSTRUCTION LIMITED

the internal control system comprise of the following:

- Adequate documentation of policies, guidelines, authorities and approval procedures, encompassing important functions of the Company.
- Ensuring complete compliance with laws, regulations, standards, internal procedures and systems.
- De-risking the Company's assets / resources from any loss, attrition and deterioration.
- Ensuring the integrity of the accounting system, the proper and authorized recording and reporting of all transactions.
- Ensuring reliability of all financial and operational information.
- The Audit Committee, comprising independent Directors, regularly review audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards, among others.

(b) Internal Audit:

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

VII. Human Resources Development:

Your Company firmly believes that motivated employees are the key for a competitive advantage. The Company has always reviewed its human resources in an integrated manner aligning all the facets of its human capital with business and organizational transformation in realizing its objectives. Your Company's employee value

proposition is based on employee development, an exciting work culture, performance evaluation and empowerment. The Company has created a conducive working environment with prudent knowledge management leading to enhanced skills and capabilities.

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

During the year under review, employees' relations remained cordial and there was nil turnover of the employees. As at 31st March, 2012 the Company had 41 employees on record.

VIII. Forward Looking and Cautionary Statements:

In this Annual Report we have disclosed forward looking information to enable investors to comprehend our prospects and take well informed and calculated investment decisions. This report and other statements written and oral that we periodically make contain forward-looking statements that set out anticipated results based on management's plans, projections and assumptions. We have tried wherever possible to identify such statements by using words such as "anticipates", "estimates", "expects", "projects", "intends", "plans", and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe that we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove accurate, our actual results could vary materially from those anticipated, estimated or projected, the readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Mumbai: 11th August, 2012.

AUDITORS' REPORT TO THE MEMBERS OF KAMANWALA HOUSING CONSTRUCTION LIMITED

REPORT TO THE MEMBERS OF KAMANWALA HOUSING CONSTRUCTION LIMITED.

Report on the accounts for the year ended on March 31, 2012 in compliance with Section 227(2) of the Companies Act, 1956

We have audited the attached Balance Sheet of, **KAMANWALA HOUSING CONSTRUCTION LIMITED** as at 31st March, 2012 and also the Statement of Profit and Loss for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (iii) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Statement of Profit & Loss and Balance Sheet comply with the Accounting Standards referred in sub-section 3(c) of section 211 of the Companies Act, 1956.
- (v) On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us the said accounts subject to notes appearing in "note no. 1" of notes annexure herewith read together with significant Accounting Policies and other notes appearing elsewhere, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of **the state of affairs** of the Company as at 31st March, 2012;
 - (b) In the case of the Statement of Profit and Loss, of the **"profit"** for the year ended on that date; and
 - (c) In the case of Cash Flow Statement, of **the cash flows** for the year ended on that date.

For MITTAL & ASSOCIATES
Chartered Accountants
FRNo. : 106456W

M. Mehta
Partner
M. No. 42990

Place: Mumbai
Dated: 30th May, 2012.



KAMANWALA HOUSING CONSTRUCTION LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Annexure referred to in paragraph 3 of the Auditors' Report to the Members of KAMANWALA HOUSING CONSTRUCTION LIMITED, on the accounts for the year ended 31st March, 2012.

- 1) (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of fixed assets.
 - (b) As per information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its business.
 - (c) Fixed Assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of fixed assets has not affected the going concern status of the company.
 - 2) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedure followed by the management for such physical verification is reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the Company is maintaining proper records of Inventory. No discrepancies were noticed on verification between physical Inventory and the books records.
 - 3) (a) The Company has not granted secured or unsecured loans to any of the Companies covered in the register maintained under Section 301 of the Companies Act, 1956 and therefore Clause (3)(a)(b)(c)(d) of paragraph 4 of the Order are not applicable.
 - (e) The Company has taken unsecured loans from Nine parties covered in the register maintained u/s 301 of the Companies Act, 1956 during the year and maximum amount involved during the year was ₹ 661.16 Lacs and the year end balance of loan taken from such parties was ₹ 102.72 Lacs.
- (f) Based on the information and explanation given to us, we are of the opinion that rate of interest and other terms and conditions of loans taken by the company from such parties are prima-facie is not pre-judicial to the interest of the Company.
 - (g) The Company is regular in payment of principal amount and interest wherever stipulated.
- 4) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the Internal Control System.
 - 5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5.00 Lakhs in respect of any party during the period, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
 - 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the Rules framed there under. Hence Clause (vi) of the Order is not applicable.
 - 7) In our opinion, the Company has internal audit system commensurate with the size and nature of its business.

- 8) As informed to us, the maintenance of cost records has not been prescribed by the Central Government u/s. 209(1)(d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
- 9) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues **except in case of service tax, arrears of statutory dues i.e. interest on service tax which is equal to ₹ 11,25,506/-**. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (b) According to information and explanation given to us there are no disputed dues in respect of Sales tax, wealth tax, service tax, custom duty, excise duty and cess **except income tax** as at last day of the Financial Year. According to records of the Company, **income tax** which have not been deposited in the accounts of dispute are given below:
- | Assessment Year | Amount | Date of order |
|-----------------|--------------|---------------|
| 2007-08 | ₹ 1,69,763/- | 21/12/2009 |
| 2008-09 | ₹ 2,32,724/- | 20/12/2010 |
- 10) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current and immediately preceding financial year.
- 11) According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks or debenture-holders.
- 12) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of Shares, Debentures and other securities.
- 13) In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- 14) The Company has maintained proper records of transactions and contracts in respect of trading in securities, debentures and other investments and timely entries have been made therein. All shares, debentures and other investments have been held by the Company in its own name.
- 15) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are *prima-facie* prejudicial to the interest of the Company.
- 16) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- 17) On the basis of an overall examination of the Balance Sheet and Cash Flows of the Company and the information and explanations given to us, we report that the Company has not utilised any funds raised on short-term basis for long-term investments.
- 18) The Company has not made any preferential allotment of shares during the year.
- 19) The Company has not issued any debentures.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For MITTAL & ASSOCIATES
Chartered Accountants
FRNo. : 106456W

M. Mehta
Partner
M. No. 42990

Place: Mumbai
Dated: 30th May, 2012.



KAMANWALA HOUSING CONSTRUCTION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

Sr. No.	Particulars	Note No.	As at 31-03-2012 ₹	As at 31-03-2011 ₹
I.	EQUITY AND LIABILITIES			
	1. Shareholders' Funds			
	(a) Share Capital	2	14,09,31,600	14,09,31,600
	(b) Reserves and Surplus	3	70,92,12,105	67,02,32,235
			85,01,43,705	81,11,63,835
	2. Money Received against Share Warrants.....		—	—
	3. Non-current liabilities			
	(a) Long-Term Borrowings.....	4	44,38,99,411	6,25,651
	(b) Deferred Tax Liabilities (Net)	5	92,93,640	91,25,074
	(c) Other Long-Term Liabilities	6	64,20,886	64,26,758
	(d) Long-Term Provisions.....	7	62,19,009	66,61,781
			46,58,32,946	2,28,39,264
	4. Current liabilities			
	(a) Short-Term Borrowings.....	8	56,24,05,522	1,27,33,12,633
	(b) Trade Payables	9	5,13,37,945	15,51,26,195
	(c) Other Current Liabilities	10	17,82,24,646	5,22,75,239
	(d) Short-Term Provisions.....	11	9,35,08,341	3,10,91,326
			88,54,76,454	1,51,18,05,393
	Total.....		2,20,14,53,105	2,34,58,08,492
II.	ASSETS			
	1. Non-current Assets			
	(a) Fixed Assets (Net)	12	2,42,79,518	2,15,38,050
	(b) Non-current Investments	13	2,09,50,151	1,37,12,751
	(c) Deferred Tax Assets (Net).....		—	—
	(d) Long-Term Loans and Advances.....	14	13,36,464	13,32,762
	(e) Other Non-current Assets	15	5,94,468	8,54,259
			4,71,60,601	3,74,37,822
	2. Current assets			
	(a) Current Investments.....	16	14,30,00,924	27,77,86,080
	(b) Inventories.....	17	1,05,10,63,137	97,13,13,316
	(c) Trade Receivables	18	72,13,90,033	85,94,70,784
	(d) Cash and Bank Balances	19	2,85,00,210	2,70,61,689
	(e) Short-Term Loans and Advances.....	20	21,03,38,200	17,25,98,801
	(f) Other Current Assets.....	21	—	1,40,000
			2,15,42,92,504	2,30,83,70,670
	Total.....		2,20,14,53,105	2,34,58,08,492

See accompanying Notes to the Financial Statements as under:

Significant Accounting Policies	1
Notes to Financial Statements.....	2 to 33

As per our report attached
For Mittal & Associates
Chartered Accountants
 Registration No. 106456W

For and on behalf of the Board of Directors
Kamanwala Housing Construction Limited

M. Mehta
Partner
 Membership No. 42990

Bankim Purohit
Company Secretary
 M. No. A-21865

Murari Lal Gupta
*Vice Chairman &
 Managing Director*

Tarun Jain
Whole Time Director

Mumbai: 30th May, 2012.

Mumbai: 30th May, 2012.

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Sr. No.	Particulars	Note No.	For the Year ended 31-03-2012 ₹	For the Year ended 31-03-2011 ₹
I.	Revenue from Operations (Gross)	22	76,34,97,263	47,30,92,636
	Less : Excise Duty		—	—
	Revenue from Operations (Net)		76,34,97,263	47,30,92,636
II.	Other Income	23	1,62,54,133	5,60,449
III.	Total Revenue (I+II)		77,97,51,396	47,36,53,085
IV.	Expenses			
	(a) Cost of Materials Consumed	24.a	12,11,54,029	14,60,21,727
	(b) Purchases of Stock-In-Trade.....	24.b	54,13,03,096	14,32,57,499
	(c) Change in inventories of Finished Goods, Work in Progress & Stock in Trade ..	24.c	(7,94,22,167)	(2,40,20,727)
	(d) Employee Benefits Expense	25	2,63,98,279	2,35,84,471
	(e) Finance Costs	26	10,58,50,711	11,67,48,493
	(f) Depreciation and Amortisation Expense	27	19,41,226	16,52,149
	(g) Other Expenses	28	3,79,28,406	1,93,66,962
	Total Operating expenses		75,51,53,580	42,66,10,574
V.	Profit/(Loss) before Prior Period Items, Exceptional & Extraordinary Items and Tax (III-IV)		2,45,97,816	4,70,42,511
VI.	Prior Period Item	29	3,31,96,661	—
VII.	Profit/(Loss) before Exceptional & Extraordinary Items & Tax (V+VI)		5,77,94,477	4,70,42,511
VIII.	Exceptional Items	30	11,46,263	93,49,102
IX.	Profit/(Loss) before Extraordinary Items & Tax (VII-VIII)		5,66,48,214	3,76,93,409
X.	Extraordinary Items		—	—
XI.	Profit/(Loss) before Tax (IX-X)		5,66,48,214	3,76,93,409
XII.	Tax Expense:			
	(a) Current Tax Expense.....		1,72,47,667	1,40,00,000
	(b) Short Provisions of Income Tax		2,52,111	2,32,724
	(c) Deferred Tax Charge/(Credit).....		1,68,566	89,378
XIII.	Profit/(Loss) from the year from continuing operations (XI-XII)		3,89,79,870	2,33,71,307
XIV.	Profit/(Loss) for the year from discontinuing operations		—	—
XV.	Tax Expenses from discontinuing operations		—	—
XVI.	Profit/(Loss) from the year from discontinuing operations (XIV-XV)		—	—
XVII.	Profit/(Loss) for the year (XIII+XVI)		3,89,79,870	2,33,71,307
XVIII.	Earnings per Equity Share:	31		
	(1) Basic.....		2.77	1.66
	(2) Diluted.....		2.77	1.66

See accompanying Notes to the Financial Statements as under:

Significant Accounting Policies	1
Notes to Financial Statements.....	2 to 33

As per our report attached
For Mittal & Associates
Chartered Accountants
Registration No. 106456W

For and on behalf of the Board of Directors
Kamanwala Housing Construction Limited

M. Mehta
Partner
Membership No. 42990

Bankim Purohit
Company Secretary
M. No. A-21865

Murari Lal Gupta
Vice Chairman &
Managing Director

Tarun Jain
Whole Time Director

Mumbai: 30th May, 2012.

Mumbai: 30th May, 2012.



KAMANWALA HOUSING CONSTRUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31-03-2012 Amount ₹	Year ended 31-03-2011 Amount ₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extra-ordinary items	5,66,48,214	3,76,93,409
i. Adjustments for:		
Depreciation & Amortisation.....	19,41,226	16,52,149
Preliminary Expenses written off	1,40,000	1,40,000
Interest Income	(4,35,15,833)	(5,60,449)
Interest and Financial Expenses	10,58,50,711	11,67,48,493
Debts and Advances written off	—	87,50,000
Credit Balances no longer required, written back	(24,25,000)	—
Loss on Sale of Investments.....	—	4,45,500
Loss on Sale of Vehicle.....	11,46,263	1,53,602
Operating Profit before Working Capital Changes.....	6,31,37,367	12,73,29,295
ii. Operating Profit before Working Capital Changes.....	11,97,85,581	16,50,22,704
Movement in Working Capital		
Decrease/(-Increase) in Trade Receivables.....	13,80,80,751	14,30,77,905
Decrease/(-Increase) in Inventories.....	(7,97,49,821)	(2,56,04,617)
Decrease/(-Increase) in Loans & Advances.....	(3,77,43,101)	—
Increase/(-Decrease) in Non Current Liabilities & Provisions	(4,48,644)	(12,56,77,711)
Increase/(-Decrease) in Current Liabilities & Provisions....	9,14,89,079	—
Cash generated from operations	23,14,13,845	15,68,18,281
Taxes paid	(2,41,50,894)	(2,88,89,147)
Net Cash from Operating Activities	20,72,62,951	12,79,29,134
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets/Capital Expenditure	(73,97,844)	(34,52,798)
Decrease in Investments.....	12,75,47,756	(1,91,71,798)
Sale of Investments.....	—	4,500
Sales/Decapitalisation of Fixed Assets.....	15,68,887	3,42,222
Interest received.....	4,35,15,833	5,60,449
Net Cash from Investing Activities	16,52,34,632	(2,17,17,425)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Long-Term Borrowings:		
Secured Loans.....	40,74,64,818	(4,50,97,994)
Unsecured Loans	3,58,08,942	7,79,40,603
Short-Term Borrowings:		
Unsecured Loans	(71,09,07,111)	—
Credit Balances no longer required, written back.....	24,25,000	—
Interest and Financial Expenses.....	(10,58,50,711)	(11,67,48,493)
Net Cash from Financing Activities.....	(37,10,59,062)	(8,39,05,884)
Net Increase (Decrease) in Cash & Cash Equivalents (A+B+C)	14,38,521	2,23,05,825
Opening Balance of Cash & Cash Equivalents.....	2,70,61,689	47,55,864
Closing Balance of Cash & Cash Equivalents	2,85,00,210	2,70,61,689

Notes:

- Figures in brackets represent outflows.
- 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.
- Cash and cash equivalents represent cash and bank balances.
- Previous period figures have been regrouped / reclassified wherever applicable.

As per our report attached
For Mittal & Associates
Chartered Accountants
 Registration No. 106456W

For and on behalf of the Board of Directors
Kamanwala Housing Construction Limited

M. Mehta
Partner
 Membership No. 42990

Bankim Purohit
Company Secretary
 M. No. A-21865

Murari Lal Gupta
Vice Chairman & Managing Director

Tarun Jain
Whole Time Director

Mumbai: 30th May, 2012.

Mumbai: 30th May, 2012.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

1.1. Basis of Preparation of Financial Statements

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

During the year ended March 31, 2012, the revised schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for the preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. The Company has also classified previous year's figures in accordance with the requirements applicable in the current year.

1.2. Fixed Assets (Own)

Fixed Assets are stated at cost of acquisition including attributable interest & financial costs till date of acquisitions / installation of the assets and improvement thereon less accumulated depreciation/amortization, impairment losses, if any.

1.3. Depreciation and Amortization

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

1.4. Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long term investments.

Current Investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long Term Investments are stated at cost of acquisition. Provision for diminution in the value of Long Term investments is made only if, such decline in the opinion of management is other than temporary.

1.5. Inventory

Items of inventory are measured as per basis mentioned below:-

Raw Materials are valued at cost on First-In-First-Out basis.

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

Finished Goods are valued at cost including borrowing cost.

1.6. Gratuity/Retirement Benefits

Gratuity/Retirement Benefits are classified as Long Term Provisions as it will be payable after 12 months from the reporting date.

Gratuity has been determined and provided for all employees who have completed 5 years of continuous service. The total accrued liability of Gratuity will be deposited in Gratuity Fund with LIC of India in 5 years. The Company has already formed the Trust for Group Gratuity Scheme with Life Insurance Corporation of India.



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST MARCH, 2012

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES (Contd.)

1.7. Revenue Recognition

Revenue from sale of flats is recognized on issue of letter of allotment/execution of agreement (whichever is earlier), in proportion to completion of construction of flats and/or value of letter of demand issued during the year.

1.8. Service Tax and Value Added Tax

Service Tax has been paid on the services provided or to be provided on receipts basis.

1.9. Provision for Current and Deferred Tax

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

1.9.2 Provisions for Current Tax is made after taking into considerations benefits admissible under the provisions of Income Tax Act, 1961. Deferred Tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date.

1.10. Provisions, Contingent Liabilities and Contingent Assets

The Company recognizes a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.11. Other Information and Explanation

1.11.1. Balances in various accounts included in Sundry Debtors, Sundry Creditors, Advances Recoverable, Deposits/ Advances from Customers and Joint Venture Accounts are subject to confirmation.

1.11.2. In the opinion of the Board, the aggregate value of current assets (including stock) and loans and advances on realization in the ordinary course of business will not be less than the amount at which these are stated in the Balance Sheet.

1.11.3. All lands/development rights/premises are purchased on agreement basis and conveyance in respect of the same will be executed directly in favor of Co-operative Societies whenever they are formed.

1.11.4. 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.

1.11.5. The Company has taken the advances from various parties against the ongoing projects at BKC, Malad and Turbhe. Basically to promote the sale of the Company they can get minimum compensation or they can also apply the option to buy the property at prevailing market rate. Meanwhile the Company is regularly paying commitment charges to the parties on amount paid by them.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Previous year figures have been regrouped/reclassified wherever necessary to conform to current year's presentation.

NOTE 2 : SHARE CAPITAL

Particulars	As at 31-03-2012 ₹	As at 31-03-2011 ₹
Authorised Capital		
2,00,00,000 Equity Shares of ₹ 10/- each	<u>20,00,00,000</u>	<u>20,00,00,000</u>
Issued Capital		
1,42,05,580 Equity Shares of ₹ 10/- each	<u>14,20,55,800</u>	<u>14,20,55,800</u>
Subscribed and Paid Up Capital		
1,40,93,160 Equity Shares of ₹ 10/- each	<u>14,09,31,600</u>	<u>14,09,31,600</u>
Total	<u><u>14,09,31,600</u></u>	<u><u>14,09,31,600</u></u>

(a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period

Particulars	Quantity Value	As at 31-03-2012 ₹	As at 31-03-2011 ₹
Equity Shares			
Numbers of Shares outstanding at the beginning of the Year.....	Qty. value	<u>1,40,93,160</u> <u>14,09,31,600</u>	<u>1,40,93,160</u> <u>14,09,31,600</u>
<i>Add</i> : Further Shares issued during the year.....		—	—
<i>Less</i> : Shares bought back during the year		—	—
Numbers of Shares outstanding at the end of the Year.....	Qty. value	<u>1,40,93,160</u> <u>14,09,31,600</u>	<u>1,40,93,160</u> <u>14,09,31,600</u>

(b) Terms/rights attached to Shares

The Company has only one class of Equity Share having a par value of ₹ 10/- per Share.

Each holder of Equity Share is entitled to one vote per Share.

(c) Details of Shares held by each Shareholder holding more than 5% Shares

Name of the Shareholders	As at 31-03-2012		As at 31-03-2011	
	% held	No. of Shares	% held	No. of Shares
M/s. Nirmal Bang Financial Services Pvt. Ltd.....	13.02	18,35,117	—	—
Mrs. Nisha Suman Jain	—	—	6.85	9,65,316

(d) Bonus Shares/Buy Back/Shares for consideration other than Cash issued during past five years

Particulars	Aggregate number of shares	
	As at 31-03-2012	As at 31-03-2011
Equity Shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash		
6,80,000 Equity Shares of ₹ 10/- each were issued fully paid to the Shareholders of the erstwhile M/s. Doongursee Diamond Tools Ltd. on its Amalgamation with the Company for consideration other than cash on September 18, 2008.....	<u>6,80,000</u>	<u>6,80,000</u>
Fully paid up by way of bonus shares		
70,46,580 Equity Shares of ₹ 10/- each were issued as fully paid up Bonus Shares on 1:1 basis to the Shareholders by capitalisation of Securities Premium Account on September 25, 2008.....	<u>70,46,580</u>	<u>70,46,580</u>



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 3 : RESERVE AND SURPLUS

Sr. No.	Particulars	As at	
		31-03-2012 ₹	31-03-2011 ₹
(a)	Capital Reserve		
	Opening Balance	1,04,60,143	1,04,60,143
	Addition during the year	—	—
	Less : Transferred/utilized during the year	—	—
	Closing Balance	1,04,60,143	1,04,60,143
(b)	Securities Premium Account		
	Opening Balance	23,56,86,200	23,56,86,200
	Addition during the year	—	—
	Less : Transferred/utilized during the year	—	—
	Closing Balance	23,56,86,200	23,56,86,200
(c)	General Reserve		
	Opening Balance	3,54,77,524	3,54,77,524
	Addition during the year	—	—
	Less : Transferred/utilized during the year	—	—
	Closing Balance	3,54,77,524	3,54,77,524
(d)	Surplus as per Statement of Profit & Loss		
	Opening Balance	38,86,08,368	36,52,37,061
	Add : Profit/(Loss) for the year	3,89,79,870	2,33,71,307
	Less : Transfer to General Reserves.....	—	—
	Closing Balance	42,75,88,238	38,86,08,368
	Total (a + b + c + d).....	70,92,12,105	67,02,32,235

NOTE 4 : LONG TERM BORROWINGS

Sr. No.	Particulars	Non-Current Portion		Current Maturities (Refer to Note No. 10)	
		As at 31-03-2012 ₹	As at 31-03-2011 ₹	As at 31-03-2012 ₹	As at 31-03-2011 ₹
		I.	Secured Loan		
	(A) Term Loan				
	(a) From Bank:				
	(i) ICICI Bank Ltd. (Loan A/c. No. 1877927) ..	—	—	4,91,16,729	—
	Car Loans:				
	(ii) ICICI Bank Ltd. (Loan A/c. No. 20368331)...	—	5,83,239	6,28,410	6,32,206
	(iii) ICICI Bank Ltd. (Loan A/c. No. 23856229) ..	9,26,196	—	9,15,329	—
	(iv) Kotak Mahindra Pvt. Ltd. (Loan A/c. No. 6962494)	3,64,273	—	2,73,687	—
	(v) ICICI Bank Ltd. (Loan A/c. No. 17265079) ..	—	42,412	42,412	2,44,442
	(vi) Magma Fincorp Ltd. (Swift D'zire).....	—	—	—	2,41,789
	(b) From Other Parties:				
	Future Capital Holdings Ltd. (NBFC).....	40,68,00,000	—	9,70,80,732	—

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 4 : LONG TERM BORROWINGS (Contd.)

Sr. No.	Particulars	Non-Current Portion		Current Maturities (Refer to Note No. 10)	
		As at 31-03-2012 ₹	As at 31-03-2011 ₹	As at 31-03-2012 ₹	As at 31-03-2011 ₹
II.	Unsecured Loan				
	(A) Term Loan				
	(a) From Bank				
	(i) ICICI Bank Ltd. (Loan A/c. No. 1890626) ..	3,58,08,942	—	15,48,744	—
	Total	44,38,99,411	6,25,651	14,96,06,043	11,18,437

(a) Additional Information to Long Term Borrowings

The Long term portion of term loan are shown under long term borrowings and current maturities of the Long term borrowings are shown under the current maturities as per the disclosure requirements of the Revised Schedule VI.

(b) Details of Securities and Terms of Repayments

I. Secured Loan

(i) ICICI Bank Ltd. (Loan A/c. No. 1877927)

The said loan sanctioned on 19th July, 2011 @ 12.75% floating interest rate p.a. which is to be repaid in 120 EMI w.e.f. 19th July, 2011. However, it is fully repaid on 23-05-2012 hence, it is shown in current maturities under current liabilities. The said loan is secured by Exclusive First charge on Company's property located at Premises No. 102, 1st Floor, Savoy Chambers, Santacruz (w) alongwith 13 car parkings.

(ii) ICICI Bank Ltd. (Loan A/c. No. 20368331)

Secured by First charge by way of hypothecation of Car No. MH 04 AR 3751 as per loan sanctioned as on 30th April, 2010. The loan is repayable in 35 equal monthly installment of ₹ 55,230/-, Floating interest rate @ 7.97% p.a. is applicable on the said loan. The period of maturity with reference to Balance Sheet is 1 year.

(iii) ICICI Bank Ltd. (Loan A/c. No. 23856229)

Secured by First charge by way of hypothecation of Car No. MH 01 AX 3205 as per loan sanctioned as on 28th April, 2011. The loan is repayable in 36 equal monthly installment of ₹ 77,777/-. Floating interest rate @ 1.26% p.a. is applicable on the said loan. The period of maturity with reference to Balance Sheet is 2 years.

(iv) Kotak Mahindra P. Ltd. (Loan A/c. No. 6962494) - NBFC

Secured by First charge by way of hypothecation of Car No. MH 01 AX 5600 as per loan sanctioned executed as on 8th June, 2011. The loan is repayable in 35 equal monthly installment of ₹ 28,047/- Floating interest rate @ 6.50% p.a. is applicable on the said loan. The period of maturity with reference to Balance Sheet is 2.2 years.

(v) ICICI Bank Ltd. (Loan A/c. No. 17265079)

Secured by First charge by way of hypothecation of Car No. MH 04 DY 2409 in the name of director as per loan sanctioned as on 12th June, 2009. The loan is repayable in 35 equal monthly installment of ₹ 22,670/-. Floating interest @ 15.51% p.a. is applicable on the said loan. The period of maturity with reference to Balance Sheet is 2 months.

(vi) Magma Fincorp Ltd. (Swift D'zire) - NBFC

Secured by First charge by way of hypothecation of Car No. MH 43 8300 as per loan sanctioned as on 10th June, 2009. The loan is repayable in 36 equal monthly installment of ₹ 17,267/-. Floating interest @ 12.0091% p.a. is applicable on the said loan. The period of Maturity with reference to Balance Sheet is 1.2 months.

(b) Future Capital Holdings Ltd. - (NBFC)

Secured by way of first exclusive charge on Pinnacle Corporate park project CTS No. 4207(pt), Tal Andheri, Manavsthal project CTS No. 2841(pt), Tal Borivali properties together with land and all the present and future superstructures, receivable, escrow accounts etc. as per loan sanctioned as on 14th september, 2011. The loan is repayable in 24 equal monthly installment. Repayment has started from 30th April, 2012 to 31st March, 2014. The period of maturity with reference to Balance Sheet is 2 years.

II. Unsecured Loan

(i) ICICI Bank Ltd. (Loan A/c. No. 1890626)

The said loan taken by the Company jointly with Directors and for which Director has provided his personal assets as securities. The said loan has been sanctioned to the Company on 25th October, 2011 interest @ 12.75% floating. Repayable in 120 EMI w.e.f. December 2011. The period of maturity with reference to Balance Sheet is 9.8 years.

(c) The Company has not made default in repayment of dues (principal and interest) during the period ended March, 2012.



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 5 : DEFERRED TAX LIABILITIES (NET)

Deferred Tax Liabilities for the period ended March, 2012 has been provided on the estimated tax computation of the year.

Components of deferred tax liabilities arising on account of timing difference are :

Particulars	As at 31-03-2012 ₹	As at 31-03-2011 ₹
Tax effect of items constituting Deferred Tax Liability		
Depreciation as per Income Tax Act	24,60,771	19,15,104
Depreciation as per Companies Act	19,41,226	16,52,149
	<u>5,19,545</u>	<u>2,62,955</u>
Deferred Tax Liabilities.....	1,68,566	89,378
Add : Opening Balance	91,25,074	90,35,696
Closing Balance	<u>92,93,640</u>	<u>91,25,074</u>

NOTE 6 : OTHER LONG TERM LIABILITIES

Sr. No.	Particulars	As at 31-03-2012 ₹	As at 31-03-2011 ₹
	Society Deposits-Bandra Kurla Complex		
	Pinnaacle Corporate Park		
(i)	Society Formation	1,50,000	1,50,000
(ii)	Legal Charges	1,50,000	1,50,000
(iii)	Electricity Meter.....	3,50,000	3,50,000
(iv)	Entrance Fees	1,506	1,506
(v)	Legal Charges for Assignment.....	30,000	30,000
(vi)	Share of Taxes and Maintenance	45,00,000	45,00,000
	Unpaid Dividend		
(i)	Dividend Payable FY: 2006-07.....	2,74,552	2,74,952
(ii)	Dividend Payable FY: 2007-08.....	3,61,237	3,61,737
(iii)	Dividend Payable FY: 2008-09.....	2,94,447	2,95,447
(iv)	Dividend Payable FY: 2009-10.....	3,09,144	3,13,116
	Total	<u>64,20,886</u>	<u>64,26,758</u>

NOTE 7 : LONG TERM PROVISIONS

Gratuity Payable	83,21,419	66,61,781
Less : Payment made in GGCA Scheme.....	21,02,410	—
Total	<u>62,19,009</u>	<u>66,61,781</u>

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 8 : SHORT TERM BORROWINGS

Sr. No.	Particulars	As at 31-03-2012 ₹	As at 31-03-2011 ₹
I.	Secured		
	(A) Loan Repayable on Demand From Bank		
	(a) Indian Overseas Bank, Santacruz (W)		
	(i) Additional Corporate Loan.....	—	10,12,14,940
	(ii) Term Loan	—	10,11,34,747
	(iii) Corporate Loan for Working Capital	—	7,97,75,473
	(b) Oriental Bank of Commerce, Fort		
	(i) Demand Loan-I.....	—	18,64,33,335
	(ii) Term Loan-II	—	8,20,96,884
II.	Unsecured		
	(a) Loans From Directors.....	91,37,718	20,91,19,744
	(b) Loans & Advances From Related Parties	8,70,03,463	7,98,78,524
	Deposits		
	(c) Intercorporate Deposit	7,33,51,878	12,99,42,052
	(d) Other Loans and Advances		
	(i) On Demand Repayable	17,11,91,761	15,14,93,750
	(ii) Other Loans and Advances	22,17,20,702	15,22,23,184
	Total	<u>56,24,05,522</u>	<u>1,27,33,12,633</u>

I. (a) Indian Overseas Bank, Santacruz (W), Mumbai

- (i) Additional Corporate Loan
- (ii) Term Loan
- (iii) Corporate Loan for Working Capital

The above loans from Indian Overseas Bank, Santacruz (West), Mumbai were secured by Mortgage of BKC. Kole Kalyan Project Land and Construction thereon including stock and receivables of the projects and construction of office premises thereon.

(b) Oriental Bank of Commerce, Fort, Mumbai

- (i) Demand Loan-I
- (ii) Term Loan-II

The above loans were secured by Equitable Mortgage over the leasehold rights on plot of land of village Malwani, Malad and construction of flats to be erected thereon and Hypothecation of Building Materials and Debtors.

II. Other loans and advances are taken from various prospective buyers against properties and flats.

NOTE 9 : TRADE PAYABLES

Particulars	As at 31-03-2012 ₹	As at 31-03-2011 ₹
Trade Payables for Materials, Supplies and Development Rights		
Other than acceptances	5,13,37,945	15,51,26,195
Total.....	<u>5,13,37,945</u>	<u>15,51,26,195</u>



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 10 : OTHER CURRENT LIABILITIES

Sr. No.	Particulars	As at 31-03-2012 ₹	As at 31-03-2011 ₹
1.	Current maturities of Long-Term Borrowing (Refer Note 4).....	14,96,06,043	11,18,437
2.	Society Deposits Payable (Savoy Residency).....	1,39,17,722	1,65,69,722
3.	Advances from Customers		
	(a) Directors & Related Parties	55,99,125	1,35,24,500
	(b) Others	84,11,110	2,05,21,898
4.	Other Payables	6,90,646	5,40,682
	Total	17,82,24,646	5,22,75,239

NOTE 11 : SHORT TERM PROVISIONS

(a)	Provision For Employees Benefit		
	Bonus Payable	35,827	13,871
	Exgratia Payable	12,77,941	10,80,168
		13,13,768	10,94,039
(b)	Provisions – other		
	ESIC Payable.....	19,849	16,221
	EPF Payable	2,97,511	2,65,346
	Profession Tax Salaries.....	9,100	8,350
	Service Tax Payable.....	29,36,881	—
	VAT-TDS	—	69,158
	VAT-Payable	19,445	—
	TDS-Advertisement.....	274	151
	TDS-Brokerage	69,343	2,91,922
	TDS-Contractors.....	2,35,105	1,22,681
	TDS-Interest.....	10,67,515	5,32,628
	TDS-Professional Fees	90,903	71,795
	TDS-Rent	27,800	27,400
	TDS-Salaries	9,58,230	4,35,100
	LTA-Payable.....	4,49,150	—
	Expenses Payable.....	13,90,704	8,05,611
		75,71,810	26,46,363
(c)	Provision for Project Expenses		
	Expenses Payable for Savoy Residency, Santacruz (W)	83,49,000	47,88,437
	Expenses Payable for Manavsthal, Malad (W).....	6,06,22,183	—
	Expenses Payable for BKC, Bandra (E).....	1,11,60,000	1,11,60,000
		8,01,31,183	1,59,48,437
(d)	Provision for Taxation		
	Income Tax Payable – F.Y. 2006-07 A.Y.: 2007-08	1,69,763	1,69,763
	Income Tax Payable – F.Y. 2007-08 A.Y.: 2008-09	2,32,724	2,32,724
	Income Tax Payable – F.Y. 2010-11 A.Y.: 2011-12	—	1,10,00,000
	Income Tax Payable – F.Y. 2011-12 A.Y.: 2012-13	40,89,093	—
		44,91,580	1,14,02,487
	Total (a + b + c + d)	9,35,08,341	3,10,91,326

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 12 : FIXED ASSETS

Sr. No.	Particulars	Rate	Gross Block		Depreciation			Net Block			
			As at 01-04-2011 ₹	Addition during the year ₹	As at 31-03-2012 ₹	As at 01-04-2011 ₹	Addition during the year ₹	As at 31-03-2012 ₹	As at 31-03-2012 ₹	As at 31-03-2011 ₹	
	Tangible Assets										
1.	Office Premises:										
	(i) Flat at Hermitage Villa, Khar (W)	1.63%	50,07,500	—	50,07,500	11,97,230	81,622	—	12,78,852	37,28,648	38,10,270
	(ii) Office at B-4, Kamanwala Chambers	1.63%	41,73,858	—	41,73,858	2,35,940	68,034	—	3,03,974	38,69,884	39,37,918
	(iii) Office Premises- Belapur	1.63%	22,20,660	—	22,20,660	5,16,145	28,227	—	5,44,372	16,76,288	17,04,515
2.	Furniture & Fixtures	6.33%	2,63,035	—	71,560	2,14,545	9,310	1,91,475	32,380	39,180	48,490
3.	Plant & Machinery		47,235	47,235	—	47,235	—	47,235	—	—	—
4.	Air Conditioners...	4.75%	7,17,287	64,945	7,82,232	2,30,560	36,402	—	2,66,962	5,15,270	4,86,727
5.	Vehicles*	9.50%	1,45,61,476	72,61,019	44,30,879	38,66,364	15,95,322	17,15,729	37,45,957	1,36,45,659	1,06,95,112
6.	Office Equipments	7.07%	10,15,435	18,480	9,14,138	3,98,943	45,003	1,19,777	3,24,169	5,89,969	6,16,492
7.	Computers	16.21%	12,17,422	53,400	5,00,123	9,78,896	77,306	7,70,699	2,85,503	2,14,620	2,38,526
	Total		2,92,23,908	73,97,844	3,10,61,687	76,85,858	19,41,226	28,44,915	67,82,169	2,42,79,518	2,15,38,050
	<i>Previous Year</i>		<i>2,65,74,535</i>	<i>34,52,798</i>	<i>2,92,23,908</i>	<i>63,41,310</i>	<i>16,52,149</i>	<i>3,07,601</i>	<i>76,85,858</i>	<i>2,15,38,050</i>	

* One Vehicle is not in the name of Company



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 13 : NON CURRENT INVESTMENT

Sr. No.	Particulars	As at 31-03-2012		As at 31-03-2011	
		Quoted ₹	Unquoted ₹	Quoted ₹	Unquoted ₹
A.	Trade Investments				
	(a) Investment in Equity instruments.....	—	—	—	—
	(b) Other non-current investments	—	—	—	—
B.	Non Trade Unquoted Investments				
	(a) Investment in Equity instruments at cost				
	(i) Hermitage Villa Co-Op. Hsg. Soc. Ltd. 10 Equity Shares of ₹ 50/- each Fully Paid..	—	501	—	501
	(ii) Kamanwala Chambers Premises Co-Op. Soc. Ltd. 5 Equity Shares of ₹ 50/- each Fully Paid	—	250	—	250
	(iii) Jivan Builders Pvt. Ltd. (Equity shares) 750 Equity Shares of ₹ 100/- each Fully Paid	—	75,000	—	75,000
	(b) Investments in Preference Shares at cost Jivan Builders Pvt. Ltd. 12%, 250 Cumulative Preference Shares of ₹ 100/-each Fully Paid-up	—	25,000	—	25,000
	(c) Investments in Partnership Firm at cost				
	(i) Prajay Kamanwala Developers (foot note 3 (i)).....	—	90,00,000	—	90,00,000
	(ii) Kamanwala Lakshachandi Todays Developers (foot note 3 (ii)).....	—	50,000	—	50,000
	(iii) Kamanwala Lakshachandi Todays Construction (foot note 3 (iii)).....	—	50,000	—	50,000
	(d) Investments in Joint Venture (foot note 3) at cost				
	(i) Aspen Properties Pvt. Ltd.	—	45,12,000	—	45,12,000
	(ii) Anand Infoedge Pvt. Ltd.	—	72,37,400	—	—
		—	2,09,50,151	—	1,37,12,751
	Less : Provision for dimunition in the value of Investments	—	—	—	—
	Total.....	—	2,09,50,151	—	1,37,12,751

Notes:

1. Investment in Preference Shares at cost

During the year Company has not received any dividend on the said investment.

2. Investment in Partnership Firm at cost

The Company has entered in partnerships in three firms are as under:

Name of Partnership Firm	Registered/ Unregistered	Project undertaken in the firm and Status of Project	Shares in Profit/ Loss	Name of the Partners in the Firm
(i) Prajay Kamanwala Developers *	Unregistered	SEZ Project at Hyderabad	20.00%	M/s. Kamanwala Housing Construction Ltd.
		Not Commenced	60.00%	M/s. Prajay Engineers Syndicate Ltd.
			20.00%	M/s. Namita Builders Pvt. Ltd.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Name of Partnership Firm	Registered/ Unregistered	Project undertaken in the firm and Status of Project	Shares in Profit/ Loss	Name of the Partners in the Firm
(ii) Kamanwala Lakshachandi Todays Developers **	Registered	Commercial Project at Santacruz (West) "Savoy Chambers" Completed	50.00% 16.50% 33.50%	M/s. Kamanwala Housing Construction Ltd. M/s. Lakshachandi Developers Pvt. Ltd. M/s. Todays Infrastructure and Construction Ltd.
(iii) Kamanwala Lakshachandi Todays Construction	Registered	Residential Project at Mahim "Shimmering Heights" Under Construction	50.00% 25.00% 12.50% 12.50%	M/s. Kamanwala Housing Construction Ltd. M/s. Lakshachandi Constructions Pvt. Ltd. Mrs. Janhavi Drolia Miss Akriti Drolia

* M/s. Prajay Kamanwala Developers as on 8th May, 2006 of which the Company has not provided Profit and Loss Account and Balance Sheet for last 6 years since inception, As such there is no development work started so the financial statement has not been prepared.

** During the year the said firm is completed their Commercial Project namely "Savoy Chambers" at Santacruz, (West), Mumbai and recorded the sales of the project in current year and the Company has received its share of Profit ₹ 38.69 lacs which has been shown as Other Income and there is no any liability in the Partnership Firm.

As agreed by Partners of the Firm interest will be provided on capital invested by the Partners only after the completion of project and accordingly sale recorded.

The Company has accrued total interest for the period 01-10-2008 to 30-06-2011 of ₹ 3,96,00,445/- which include prior period interest amount of ₹ 3,31,96,661/-.

3. Classification of Investments in Partnership Firm into Current and Non-Current Portion

Name of Partnership Firm	As At 31-03-2012		As At 31-03-2011	
	Non-Current Portion ₹	*Current Portion ₹	Non-Current Portion ₹	*Current Portion ₹
(i) Prajay Kamanwala Developers	90,00,000	7,97,00,000	90,00,000	7,97,00,000
(ii) Kamanwala Lakshachandi Todays Developers.....	50,000	82,12,430	50,000	14,66,06,003
(iii) Kamanwala Lakshachandi Todays Construction ..	50,000	4,30,32,543	50,000	4,39,20,071
Total.....	91,00,000	13,09,44,973	91,00,000	27,02,26,074

* Current portion of Investment in Partnership Firm has been shown under Current Investments under Note No. 16.

4. Investment in Joint Venture at cost

(i) Aspen Properties Pvt. Ltd.

The Company has made the payment towards joint venture contribution to M/s Aspen Properties Pvt. Ltd. for the project at Filimistan Studio, Goregaon (west) and the said amount is confirmed by M/s Aspen Properties Pvt. Ltd. in their Balance Sheet for assessment year 2011-2012.

(ii) Anand Infoedge Pvt. Ltd.

During the year, Company has made the aforasaid payment to M/s Anand Infoedge Pvt. Ltd on account of joint venture contribution for development of IT Park on property at NOIDA which is in the name of the said company. Our share in profit/loss is 10% and profit and loss statement is not provided for current year.

Investment in Joint Ventures with: - Non Current Investment	Contribution Paid as on 31-03-2012	Contribution Paid as on 31-03-2011
1. Aspen Properties Pvt. Ltd. For Redevelopment of property at Filimistan Studio, Goregaon (West), Mumbai for which Company's share is 33%	45,12,000	45,12,000
2. Anand Infoedge Pvt. Ltd. For Development of I.T. Park at Noida for which Company's share is 10%	72,37,400	—
Total	1,17,49,400	45,12,000



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 14 : LONG TERM LOANS AND ADVANCES

Sr. No.	Particulars	As at 31-03-2012 ₹	As at 31-03-2011 ₹
	Security Deposit		
	Unsecured, considered Good		
1.	Rent Deposit: A. S. Jain & Sons	6,72,000	6,72,000
2.	Deposit: Batra Brothers.....	20,000	20,000
3.	Deposit: Prakash Automobiles	10,000	10,000
4.	Deposit: Sachdeva Automobiles.....	12,500	12,500
5.	Deposit: Mahim Service Station.....	5,000	5,000
6.	Deposit: Khana Hotels Pvt. Ltd.	5,00,000	5,00,000
7.	Deposit: Kshamata Courier.....	5,000	5,000
8.	Deposit: MTNL	47,550	47,550
9.	Deposit: Hughes Ispat Ltd.	1,000	1,000
10.	Deposit: Tata Indicom.....	1,000	1,000
11.	Deposit: Maimoon Distributors	4,500	—
12.	Deposit: Tata Power Company Ltd.	27,300	—
13.	Deposit: Mcdonalds' Garage (Mr. Atul Jain).....	18,931	32,225
14.	Deposit: Mcdonalds' Garage (Mr. Jaipal Jain).....	11,683	26,487
	Total.....	13,36,464	13,32,762

NOTE 15 : OTHER NON-CURRENT ASSETS

1.	Income Tax Paid – F.Y. 2008-09 A.Y.: 2009-10	—	2,59,791
2.	Income Tax Paid – F.Y. 2009-10 A.Y.: 2010-11	5,46,019	5,46,019
3.	Income Tax Paid – F.Y. 2010-11 A.Y.: 2011-12	48,449	48,449
	Total.....	5,94,468	8,54,259

NOTE 16: CURRENT INVESTMENT

	Current Portion of Long Term Investment at Cost		
(a)	Current Account with Partnership Firm [Refer Note no. 13(3)]	13,09,44,973	27,02,26,074
(b)	Margin Money with IOB for Bank Guarantee to MPCB Investment in Fixed Deposit with Indian Overseas Bank.....	3,00,000	—
(c)	A/c. Savoy Residency*	1,17,55,951	75,60,006
	Total.....	14,30,00,924	27,77,86,080

* FDR of ₹ 60.00 lacs which matures on 09-02-2013 and FDR of ₹ 50.00 lacs which matures on 13-06-2012

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 17 : INVENTORIES (AT COST)

Sr. No.	Particulars	As at 31-03-2012 ₹	As at 31-03-2011 ₹
1.	Raw Material	28,43,620	25,15,966
2.	Work-in-Progress.....	94,46,47,707	94,44,37,540
3.	Finished Stock	8,69,01,917	76,89,917
4.	Stock-in-Trade (Land).....	1,66,69,893	1,66,69,893
	Total.....	1,05,10,63,137	97,13,13,316

NOTE 18 : TRADE RECEIVABLES

1.	Debts outstanding for a period more than six months		
	(a) Secured, Considered Good:		
	(i) Directors of the Company.....	—	—
	(ii) Directors of the Company jointly with any other person	—	—
	(iii) Private Companies in which Directors are Directors or Members	—	—
	(iv) Others	—	—
	Total (a)	—	—
	(b) Unsecured, Considered Good		
	(i) Directors of the Company.....	2,59,62,600	2,69,93,942
	(ii) Directors of the Company jointly with any other person	—	—
	(iii) Private Companies in which Directors are Directors or Members	1,64,40,000	—
	(iv) Others	54,96,99,948	78,54,61,850
	Total (b)	59,21,02,548	81,24,55,792
	(c) Doubtful Debts	—	87,750
	Total (a + b + c)	59,21,02,548	81,25,43,542
2.	Others		
	(a) Secured, Considered Good:		
	(i) Directors of the Company.....	—	—
	(ii) Directors of the Company jointly with any other person	—	—
	(iii) Private Companies in which Directors are Directors or Members	—	—
	(iv) Others	—	—
	Total (a)	—	—
	(b) Unsecured, Considered Good		
	(i) Directors of the Company.....	1,04,15,700	—
	(ii) Directors of the Company jointly with any other person	—	—
	(iii) Private Companies in which Directors are Directors or Members	21,000	1,64,40,000
	(iv) Others	11,88,50,785	3,04,87,242
	Total (b)	12,92,87,485	4,69,27,242
	(c) Doubtful Debts	—	—
	Total (a + b + c)	12,92,87,485	4,69,27,242
	Grand Total (1 + 2)	72,13,90,033	85,94,70,784



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 19 : CASH AND BANK BALANCES

Sr. No.	Particulars	As at 31-03-2012 ₹	As at 31-03-2011 ₹
(a)	Cash and Cash Equivalent		
	(1) Balance with Bank		
	Indian Overseas Bank A/c. No. 024702000002275	16,51,088	—
	Indian Overseas Bank A/c. No. 024702000002324	16,236	16,301
	Indian Overseas Bank A/c. No. 024702000002566	1,86,477	1,73,10,680
	Indian Overseas Bank A/c. No. 024702000002676	4,19,011	—
	Indian Overseas Bank A/c. No. 024702000002679	1,00,47,300	—
	Indian Overseas Bank A/c. No. 024702000002677	2,79,795	—
	Indian Overseas Bank A/c. No. 024702000002948	16,53,986	31,53,649
	Oriental Bank of Commerce A/c. No. 00231011002312	37,440	37,440
	Oriental Bank of Commerce A/c. No. 00234011000333	25,87,615	22,69,210
	Punjab National Bank A/c. No. 0062002100147580	1,03,10,784	28,85,441
	Allahabad Bank A/c. No. 50036108387	5,878	5,878
	(2) Cash on Hand	65,220	1,37,838
(b)	Other Bank Balance for Unpaid Dividend A/c.		
	Oriental Bank of Commerce-Dividend A/c. No. 00234011002138	2,74,552	2,74,952
	Corporation Bank-Dividend A/c. No. CA02000384	3,61,237	3,61,737
	Corporation Bank-Dividend A/c. No. CA02000414	2,94,447	2,95,447
	Corporation Bank-Dividend A/c. No. CA02000436	3,09,144	3,13,116
	Total	2,85,00,210	2,70,61,689

NOTE 20 : SHORT TERM LOANS AND ADVANCES

Others Loans and Advances			
Unsecured, considered good			
(a)	Others		
	(i) Advances Recoverable in cash or in kind or for value to be considered good	20,10,22,362	16,37,65,812
	(ii) Advances to Suppliers	81,96,384	57,69,982
	(iii) Prepaid Expenses	50,491	22,08,462
	(iv) Rent Receivable	1,257	838
	(v) Interest Receivable	—	99,419
(b)	Loans to employees	10,67,706	7,54,288
	Total	21,03,38,200	17,25,98,801

NOTE 21 : OTHER CURRENT ASSETS

(a)	Preliminary Expenditure to the extent not written off	—	1,40,000
	Total	—	1,40,000

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 22 : REVENUE FROM OPERATIONS

Sr. No.	Particulars	For the Year ended 31-03-2012 ₹	For the Year ended 31-03-2011 ₹
	Sale of Products from Property Development Activities		
1.	Sale of Flats – Manavsthal, Malad Project.....	38,44,13,502	25,98,34,114
2.	Sale of Flats – Vallabh Terrace	20,00,000	14,00,000
3.	Sale of Flats – Savoy Residency	—	11,11,00,000
4.	Sale of Turbhe Project.....	37,00,00,000	—
5.	Sale of Property – Oshiwara	—	10,00,00,000
	Other Operating Revenues		
1.	Maintenance received	64,75,725	—
2.	Rent Income.....	4,59,536	3,17,110
3.	Sale of Scrap	1,48,500	4,41,412
	Total.....	76,34,97,263	47,30,92,636

NOTE 23 : OTHER INCOME

1.	Interest received from others	39,15,388	5,60,449
2.	Interest received from Firm of Kamanwala Lakshachandi Todays Developers for current year	64,03,784	—
3.	Other Receipts	16,585	—
4.	Profit from Partnership Firm: Kamanwala Lakshachandi Todays Developers	34,93,376	—
5.	Sundry Balances written back	24,25,000	—
	Total.....	1,62,54,133	5,60,449

NOTE 24 a : COST OF MATERIALS CONSUMED

(i)	Opening Stock	25,15,966	9,32,076
(ii)	Add: Purchases	12,14,81,683	14,76,05,617
(iii)	Less: Closing Stock	28,43,620	25,15,966
(iv)	Cost of Material Consumed	12,11,54,029	14,60,21,727

NOTE 24 b : PURCHASES AND ADDITIONS IN STOCK-IN-TRADE

	Purchases	54,13,03,096	14,32,57,499
	Total.....	54,13,03,096	14,32,57,499

NOTE 24 c : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

(a)	Inventories at the end of the year		
	Finished goods	76,44,917	—
	Work-in-progress	84,99,78,077	94,36,37,540
	Land	1,66,69,893	1,66,69,893
	Stock-in-trade	17,39,26,630	84,89,917
		1,04,82,19,517	96,87,97,350
(b)	Inventories at the beginning of the year		
	Finished goods	76,89,917	78,01,032
	Work-in progress	94,44,37,540	92,03,05,698
	Land	1,66,69,893	1,66,69,893
	Stock-in-trade	—	—
		96,87,97,350	94,47,76,623
	Net (increase)/decrease (a- b)	(7,94,22,167)	(2,40,20,727)



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 25 : EMPLOYMENT BENEFIT EXPENSES

Sr. No.	Particulars	For the Year ended 31-03-2012 ₹	For the Year ended 31-03-2011 ₹
1.	Salaries and Wages (Refer note 1).....	2,32,32,143	2,08,32,973
2.	Contribution to provident fund and other funds (Refer note 2)	27,39,796	23,41,529
3.	Staff Welfare Expenses	4,26,340	4,09,969
	Total	2,63,98,279	2,35,84,471
Notes			
1.	Salaries to Employees:	₹	₹
	a) Salaries to Staff :		
	Bonus	35,827	20,801
	Conveyance Allowance.....	1,59,043	95,717
	Dearness Allowance.....	8,33,806	6,75,662
	Education Allowance	3,67,495	3,29,152
	Exgratia	13,79,379	11,72,144
	House Rent Allowance.....	9,37,702	7,14,963
	Leave Salary	2,14,696	3,71,507
	Leave Travelling Allowance	5,60,933	5,12,559
	Medical Allowance	5,79,715	3,53,581
	Other Allowance.....	94,200	87,850
	Profession Tax - Salaries	88,325	76,775
	Salaries	66,33,223	59,67,186
	Site Allowance.....	3,78,941	3,46,874
	Site Handling Charges	40,070	1,02,520
	Special Allowance.....	6,22,463	2,78,151
	Washing Allowance.....	26,250	21,600
		1,29,52,068	1,11,27,042
	Less: Reimbursement of Salary Expenses.....	26,20,098	—
	Total (a)	1,03,31,970	1,11,27,042
	b) Salaries to Directors :		
	Directors Remuneration.....	73,80,000	62,30,000
	House Rent Allowance.....	19,48,000	15,68,000
	Leave Salary	3,25,000	2,77,500
	Leave Travelling Allowance	6,50,000	5,55,000
	Medical Expenses	73,415	77,831
	Provident Fund-Directors.....	9,70,004	7,47,600
	Perquisites-Directors	11,33,754	—
	Directors Sitting Fees.....	4,20,000	2,50,000
		1,29,00,173	97,05,931
	Total (a + b)	2,32,32,143	2,08,32,973
2.	Contribution to provident fund and other funds		
	Employees State Insurance Fund	1,67,977	1,36,285
	Maharashtra Labour Welfare Fund	4,320	10,524
	Provident Fund	8,85,637	8,65,386
	Gratuity	16,81,862	13,29,334
	Total	27,39,796	23,41,529

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 26 : FINANCIAL COSTS

Sr. No.	Particulars	For the Year ended 31-03-2012 ₹	For the Year ended 31-03-2011 ₹
1.	Interest on Term loans.....	2,76,48,887	4,73,71,164
2.	Interest on Car loans	1,97,079	2,50,619
3.	Interest on Other loans.....	42,58,528	1,42,36,951
4.	Commitment Charges	7,07,76,930	4,83,79,417
5.	Bank Charges.....	7,91,562	2,32,214
6.	Brokerage charges for Finance	10,26,625	62,78,128
7.	Mortgage Expenses (Stamp Duty & Registration Charges).....	11,51,100	—
	Total	10,58,50,711	11,67,48,493

NOTE 27 : DEPRECIATION & AMORTISATION EXPENSES

Depreciation	19,41,226	16,52,149
Total.....	19,41,226	16,52,149

NOTE 28 : OTHER EXPENSES

1.	Auditors Remuneration (Refer to Note 1).....	1,73,901	1,10,300
2.	Courier & Postage	6,03,123	2,73,740
3.	Conveyance Expenses	4,65,779	4,44,503
4.	Donation	6,38,000	31,000
5.	Electricity Charges.....	3,64,147	8,06,806
6.	Brokerage Expenses.....	88,57,868	53,89,927
7.	Filing Fees	11,454	7,818
8.	General Expenses.....	6,99,321	8,29,653
9.	Insurance Expenses	12,62,534	3,81,961
10.	Interest on Service Tax Payable/TDS.....	11,26,033	—
11.	Legal & Professional Fees.....	14,85,714	11,06,182
12.	Listing Fees	2,20,600	99,270
13.	Office Maintenance Expenses	5,41,455	3,80,533
14.	Printing & Stationery.....	7,22,878	5,60,888
15.	Profession Tax – Company.....	2,500	2,500
16.	Rates & Taxes.....	9,600	30,720
17.	Rent Paid	17,72,000	16,92,000
18.	Repair & Maintenance (Buildings).....	1,28,44,348	13,97,605
19.	Telephone Charges.....	12,84,322	13,11,752
20.	Travelling Expenses	9,03,791	3,87,541
21.	Vehicle Expenses.....	17,84,697	14,84,956
22.	Sundry Balances written off.....	88,660	11,78,356
23.	Advertisement Charges	5,95,812	4,42,618
24.	Entertainment Expenses	13,29,869	8,76,333
25.	Preliminary Expenses written off.....	1,40,000	1,40,000
	Total	3,79,28,406	1,93,66,962

NOTE 1 : AUDITORS REMUNERATION

(i)	Statutory Audit Fees.....	1,68,901	1,10,300
(ii)	Certification Charges.....	5,000	—
	Total	1,73,901	1,10,300



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

NOTE 29 : PRIOR PERIOD ITEMS

Sr. No.	Particulars	For the Year ended 31-03-2012 ₹	For the Year ended 31-03-2011 ₹
1.	Interest received from Partnership Firm – M/s. Kamanwala Lakshachandi Todays Developers*	3,31,96,661	—
	Total.....	3,31,96,661	—

*Note:

Interest received from partnership firm on capital invested by the Company during the year includes above prior period income. The project is completed by the partnership firm during the current year and the profitability of the project reflected in their Balance Sheet which was agreed by the partners and amended the interest clause in Partnership Deed. Accordingly the Company has considered the said income in current year.

NOTE 30 : EXCEPTIONAL ITEMS

Sr. No	Particulars	For the Year ended 31-03-2012 ₹	For the Year ended 31-03-2011 ₹
1.	Investment in Joint Venture written off	—	87,50,000
2.	Loss on Sale of Fixed Assets (Vehicles)	11,46,263	1,53,602
3.	Loss on Sale of Investments	—	4,45,500
	Total	11,46,263	93,49,102

NOTE 31 : EARNING PER SHARE

(i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	3,89,79,870	2,33,71,307
(ii)	Weighted Average number of Equity Shares used as denominator for calculating EPS	1,40,93,160	1,40,93,160
(iii)	Basic and Diluted Earning Per Share	2.77	1.66
(iv)	Face Value per Equity Share	10.00	10.00

NOTE 32 : RELATED PARTY DISCLOSURE

As per Accounting Standard 18, the disclosure of transactions with the related parties are given below:

(I) LIST OF RELATED PARTIES WHERE CONTROL EXISTS AND RELATED PARTIES WITH WHOM TRANSACTIONS HAVE TAKEN PLACE AND RELATIONSHIPS:

Associates:	Joint Venture:	Key Management Personnel:	Other Directors:	Relatives of Key Management Personnel
M/s Attar Construction Co. Pvt. Ltd. M/s Ritika Steel & Scraps Pvt. Ltd. M/s A.S. Jain & Sons (Prop. Concern of Mr. Jaipal Jain) M/s Hatimi Steels (Prop. Concern of Mr. Amit Jain)	M/s Kamanwala Lakshachandi Today Developers M/s Kamanwala Lakshachandi Today Construction M/s Prajay Kamanwala Developers	Mr. M.L. Gupta Mr. Jaipal Jain Mr. Atul Jain Mr. Tarun Jain Mr. Amit Jain Mrs. Pushpa Jain	Mr. B.R. Maheshwari Mr. Bhanwarlal D. Jogani Mr. Ramesh J. Patel Mrs. Shobha Jain Mr. Sorabh Gupta Mr. Pankaj R. Majithia	Shri Atul Jain (HUF) Shri Tarun Jain (HUF) Shri Murarilal Ramswarup Khandelwal (HUF) Mrs. Sudha Gupta Mrs. Neena Jain Mrs. Rashmi Jain Mr. Vaibhav Jain Mrs. Tulika Gupta Mrs. Saroj Jain Mrs. Shikha Jain Mrs. Hansa Majithia Mr. Ramashankar Rastogi Shri Sandeep Rastogi HUF M/s M S Wellness & Solutions Pvt. Ltd. M/s GSP International (Prop. Mr. Arun Jain) Mrs. Nita Jain Mr. Hari Makharia Shri Pankaj Ramandas Majithia HUF

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

(II) TRANSACTIONS DURING THE YEAR WITH RELATED PARTIES (All Amount in ₹) (Contd.)

Sr. No.	Nature of Transactions	Associates	Joint Venture	Key Management Personnel	Other Directors	Relatives of Key Managerial Personnel	As on 31-03-2012
1.	Sales	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
2.	Rent paid	7,68,000 (7,68,000)	— (—)	5,04,000 (5,00,000)	— (—)	5,00,000 (4,24,000)	17,72,000 (16,92,000)
3.	Remuneration	—	— (—)	1,23,95,769 (94,55,931)	— (—)	— (—)	1,23,95,769 (94,55,931)
4.	Commission paid	—	— (—)	— (—)	— (—)	— (—)	— (—)
5.	Inter Corporate Deposits	— (4,00,00,000)	— (—)	— (—)	— (—)	— (—)	— (4,00,00,000)
6.	Repayment of Inter Corporate Deposits	— (5,08,04,912)	— (—)	— (—)	— (—)	— (—)	— (5,08,04,912)
7.	Interest paid on Inter Corporate Deposits	13,487 (72,520)	— (—)	— (—)	— (—)	— (—)	13,487 (72,520)
8.	Loans & Advances from Directors	— (—)	— (—)	2,60,50,000 (10,49,76,571)	10,00,000 (3,60,000)	— (—)	2,70,50,000 (10,53,36,571)
9.	Repayment of Loans & Advances	— (—)	— (—)	22,77,50,000 (1,21,65,875)	— (—)	— (—)	22,77,50,000 (1,21,65,875)
10.	Interest paid on Loans & Advances	— (—)	— (—)	16,12,523 (8,00,224)	2,15,116 (23,968)	— (—)	18,27,639 (8,24,192)
11.	Advances/Deposits from Customers	— (—)	— (—)	— (—)	— (—)	3,23,66,000 (40,75,000)	3,23,66,000 (40,75,000)
12.	Repayment of Advances/Deposits from Customers	— (—)	— (—)	— (—)	— (—)	2,66,00,000 (90,15,993)	2,66,00,000 (90,15,993)
13.	Interest paid on Advances/Deposits from Customers	— (—)	— (—)	— (—)	— (—)	69,83,041 (6,27,629)	69,83,041 (6,27,629)
14.	Advances for Properties	— (—)	— (—)	— (—)	— (—)	2,33,60,000 (1,62,50,000)	2,33,60,000 (1,62,50,000)
15.	Investment in Partnership Firms	— (—)	14,87,40,013 (95,00,121)	— (—)	— (—)	— (—)	14,87,40,013 (95,00,121)
16.	Purchase of Office Premises from Partnership Firms	— (—)	7,50,60,000 (—)	— (—)	— (—)	— (—)	7,50,60,000 (—)

Note : The Figures in the brackets represent for the Previous Year.

NOTE 33: CONTINGENT LIABILITIES

- Provision not made for contingent liability which may arise for delay in execution of project Pinnacle Corporate Park, BKC, Bandra (East), Mumbai.
As per the terms of Agreements executed with the Purchasers, the Company has committed to give the possession of the office premises in the year 2008. However, due to certain compliance of S.R.A. the project has been delayed for four years.
- Contingent liabilities not provided for in respect of Stamp Duty of ₹ 3,48,750/- on purchase of Flat at Hermitage Villa.
- The Company has entered into the following Deeds of Partnership for which liabilities are unlimited and amount not ascertained:
 - M/s. Kamanwala Lakshachandi Todays Construction.
 - M/s. Prajay Kamanwala Developers.

As per our report attached
For Mittal & Associates
Chartered Accountants
Registration No. 106456W

For and on behalf of the Board of Directors
Kamanwala Housing Construction Limited

M. Mehta
Partner
Membership No. 42990

Bankim Purohit
Company Secretary
M. No. A-21865

Murari Lal Gupta
Vice Chairman &
Managing Director

Tarun Jain
Whole Time Director

Mumbai: 30th May, 2012.

Mumbai: 30th May, 2012.



KAMANWALA HOUSING CONSTRUCTION LIMITED

NOTES

Dotted lines for notes.



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 EIGHTH ANNUAL GENERAL MEETING of the Company at Tendulkar Hall, Saraswat Bhavan, Chhatrapati Shivaji Maharaj Marg, Mogul Lane, Mahim (West), Mumbai-400 016, at 11.30 A.M., on Friday, the 28th September, 2012.

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

Folio No. /DP ID No.*& Client ID No.*
* Applicable for Members holding shares in electronic form.

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

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



KAMANWALA HOUSING CONSTRUCTION LIMITED

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

PROXY

I/We
ofin the district ofbeing
a Member/Members of the above named Company, hereby appoint.....
.....ofin the district ofor failing him
..... ofin the district of.....as my/our Proxy to attend and
vote for me/us and on my/our behalf at the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Company to be held
on Friday, the 28th September, 2012 and at any adjournment thereof.

Signed this day of2012.

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

* Applicable for Members holding shares in electronic form.



No. of Shares held:
Signature

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

@ Strike out whichever is not desired.

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



KAMANWALA HOUSING CONSTRUCTION LIMITED

405/406, New Udyog Mandir No. 2,
Mogul Lane, Mahim (West), Mumbai 400 016.
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