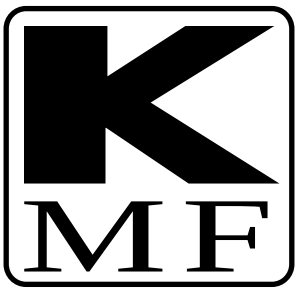
18th
Annual Report
2012 - 2013



KMF BUILDERS & DEVELOPERS LTD.

KMF BUILDERS & DEVELOPERS LIMITED

BOARD OF DIRECTORS

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

COMPLIANCE OFFICER

Ms. Shweta Gupta

REGD. OFFICE

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

CORPORATE OFFICE

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

AUDITORS

B. Sreenivasan & Co.
Chartered Accountants
Bangalore

SHARE TRANSFER AGENT

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

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NOTICE

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

ORDINARY BUSINESS

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2013 and profit and loss account for the year ended on that date together with the reports of the Auditors and Directors thereon.

2. To appoint a director in place of Mr. Ravinder Kumar Sharma who retires by rotation and being eligible offers himself for reappointment.

3. To appoint the auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company and authorize the Board to fix their remuneration.To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:-

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

Usage of Car for Official Purpose
Reimbursement of Telephone bills whether land line or mobile.
Reimbursement of expenses incurred from time to time for official purposes.
Gratuity
Any other facility(ies) which the board of directors' in their duly convened meeting may decide from time to time as applicable to other officers of the company.

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

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

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

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

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

1) Salary Rs. 30000- 10000-50000 per month

2) Reimbursement of expenses incurred during the course of business

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

By order of the Board of Directors

Sd/-
Shweta Gupta
(Company Secretary)

Place: Bangalore
Dated:14th Aug, 2013

NOTES

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

1. The instrument appointing a proxy should be deposited at the company's registered office, not less than 48 hours before the time for holding the aforesaid meeting.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

3. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting.

4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. All documents referred to, in the accompanying notice and explanatory statement, are open for inspection at the registered office of the company on all working days, during regular business hours and shall also be available at the meeting.

6. The register of members and share transfer books of the company will remain closed from Thursday 19th September, 2013 to Monday 23rd September, 2013, both days inclusive for the purpose of Book Closure.

7. Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the

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

8. Members are requested to notify immediately any change in their address along with pin code numbers to the company or the Share Transfer Agent of the company (M/s Alankit Assignments Limited, 2E/21, Jhandewalan Extension, New Delhi – 110055).

9. Individual shareholders can take the facility of nomination. For further detail in this regard shareholders may contact Share Transfer Agent of the company.

10. Members are requested to quote their demat account/ folio no. in all correspondence with the company.

11. Members attending the Annual General Meeting are requested to bring along their copies of the annual report, as the same will not be distributed at the meeting.

Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956

Explanatory Statement to Item No. 4

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

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

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

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

The Board recommends the resolution for your approval.

Explanatory Statement to Item No. 5

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

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

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

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

The Board recommends the resolution for your approval.

Explanatory Statement to Item No. 6

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

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

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

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

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

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

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

The Board recommends the resolution for your approval.

Explanatory Statement to Item No. 7

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

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

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

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

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

Place: Bangalore
Dated: 14th Aug, 2013

GREEN INITIATIVE IN CORPORATE GOVERNANCE

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

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

a. In electronic form and have not registered their e-mail address with the depository participant, are hereby requested to promptly register their e-mail address for serving of documents by the Company in electronic mode.

b. In physical form and have not registered their e-mail address with the Company/Registrar and Share Transfer Agent (RTA) of the Company, are hereby requested to register their e-mail address with the Company by sending an e-mail to shweta@kmfbuilders.com.

DIRECTORS' REPORT

Dear Shareholders

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

FINANCIAL REVIEW:

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

FUTURE OUTLOOK

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

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

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

DIVIDEND

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

that the annual accounts have been prepared on a going concern basis.

DIRECTORS

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

LISTING

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

AUDITORS

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

AUDITORS' REPORT

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

CORPORATE GOVERNANCE

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

DEPOSITS

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

PARTICULARS OF EMPLOYEES

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

ADDITIONAL INFORMATION

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

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNING & OUTGO	Fig in Rs.
Total foreign exchange earnings	---NIL-----
Total foreign exchange outgo	---NIL-----

D. ENVIRONMENT

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

ACKNOWLEDGEMENTS

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

shown by all employees of the company and are thankful to the shareholders for their continued patronage, trust and confidence in the company.

For and on behalf of the Board of Director

Sd/-
Kavita Chadha
Chairperson

Place Bangalore
Date: 14.08.2013

Corporate Governance Report

In terms of clause 49 of the Listing Agreement of the Stock exchanges, the Compliance Report on Corporate Governance is as reported below:

Company philosophy on Corporate Governance

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

The Company, through its Board and Committees, endeavors to strike and deliver the highest governing standards for the benefit of its stakeholders.

Corporate Governance Monitoring and Review Process at KMF Builders & Developers Ltd.:

KMF Builders & Developers Ltd. continuously reviews its policies and practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also constantly endeavours to implement the best international practices of Corporate Governance, in the overall interest of all stakeholders.

Board of Directors

(I) Composition of Board

The Board of Directors of your company has a combination of executive, non-executive and independent directors. The Board comprises of six directors headed by an executive Chairperson. Half of the Board comprises independent directors who do not have any pecuniary relationship or transactions with the Company, promoters or management which may affect the judgment of any independent director. The Board of Directors approves and reviews strategy and oversees the actions and results of management to ensure that the long term objectives of maximizing profit and enhancing shareholder value are achieved.

Name	Category	Designation	Directorship held in other public limited Companies	No. of Chairmanships/ Memberships of Committees of Board		Total
				Chairmanship	Membership	
Mr.Gorve Chadha	Executive Director	Managing Director	-	-	-	-
Ms.Kavita Chadha	Promoter Director	Executive Chairperson	1	-	1	
Mr.Praceep Kumar Malik	Promoter Director	Whole time Director	-	-	2	2
Mr. Anil Rishiraj	Independent/Non executive Director	Director	-	-	3	3
Mr. Ravinder Kumar Sharma	Independent/Non Executive Director	Director	-	3	-	3
Mr. Shyam Sunder Mittra	Independent Director/Non Executive Director	Director	1	-	1	
Mr. Ram Kumar Pandey	Independent / Non Executive Director	Director	1	-	-	-

- None of the Directors are related to each other as on date except Mr. Gorve Chadha & Kavita Chadha, having relation of son and mother.
- "Independent Directors" means a director who, apart from receiving Director's remuneration, does not have any other material pecuniary relationship with the Company, its promoters, its management or its subsidiaries, which in the judgment of the Board may affect the independence of judgment of Directors.
- Mr. Ram Kumar Pandey was appointed on 14.10.2012 & he has resigned on 10.12.2012
- None of the Directors is a member of more than ten Board level committees, or a Chairman of more than five such committees as required under Clause 49 of the Listing Agreement.

(II) BOARD MEETINGS, ITS COMMITTEE MEETINGS AND PROCEDURES

Institutionalized decision making process

The annual calendar of Board Meetings is agreed upon at the beginning of the year.The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

The Board of Directors is the apex body constituted by the shareholders entrusted with the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interest of the shareholders is being served.

The following sub-sections deal with the practice of these guidelines at KMF Builders & Developers Ltd.

A. Scheduling and selection of Agenda Items for Board meetings

- Minimum four Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are passed by circulation.
- The meeting are usually held at the Company's Registered Office at Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore – 560 017
- All divisions/ departments of the Company are advised to schedule their work plan well in advance, particularly with regards to matters requiring discussion/approval/decision at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in the Agenda for the Board/Committee meetings
- The Board is given presentation covering Finance, Sales, Marketing, major business segments and operations of the Company, including business opportunities, business strategy and the risk management practices before taking on record the quarterly/annual financial results of the Company.

B. **Information required to be placed before the Board:**

The board has unfettered and complete access to any information within the company among others, the information regularly supplied to the board includes:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly Audited/unaudited results of the company
- Minutes of meetings of board, audit committee and other committees of the board.
- Information on recruitment and removal of senior officers just below the board level.
- Declaration of dividend.
- Materially important litigation, show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the company or substantial nonpayment for goods sold by the company.

- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which may have passed stricture on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- Details of any joint venture or collaboration agreement.
- Transaction that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in human Resources/Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Significant sale of investments, subsidiaries, assets which are not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movements.
- Non-compliance of any regulatory, statutory nature or listing requirements as well as share holder services such as non-payment of dividend and delays in share transfer.
- Risk Assessment & Minimization procedures.

C. Board Material distributed in advance

Agenda and Notes on Agenda are circulated to the Directors, in advance. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.

D. Recording Minutes of proceedings at Board and Committee meetings

The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board/ Committee for their comments. The final minutes are entered in the minute's book within 30 days from conclusion of the meeting.

E. Post Meeting Follow-up Mechanism

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for the decisions taken by the Board and Committees thereof. The important decisions taken at the Board/Committee meetings are communicated to the departments/ divisions concerned promptly. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee.

F. The Company Secretary while preparing the agenda, notes on agenda, minutes etc. of the meeting(s), is responsible for and is required to ensure compliance with all the applicable laws and regulations including the Companies Act, 1956 read with the Rules issued there under.

(III) Number of Board Meetings

During the last financial year, nine board meetings were held during the year. The Company has held at least one Board meeting in every three months and the maximum time gap between any such two meetings was not more than four months. The details of the Board meetings are as under:

S.No.	Date	Board Strength	No. of Directors Present
1	15.05.2012	4	4
2	02.06.2012	4	3
3	03.07.2012	4	3
4	07.08.2012	4	4
5	22.08.2012	4	3
6	14.10.2012	4	4
7	15.11.2012	6	6
8	10.12.2012	6	6
9	08.02.2013	6	6

Directors' attendance record

Name	Position	Attendance at Board Meetings		Attendance at last AGM
		No. of meetings held	No. of meetings attended	
Mr. Gorve Chadha	Managing Director	9	3	N.A.
Ms. Kavita Chadha	Promoter Director	9	9	Yes
Mr. Pradeep Kumar Malik	Whole Time Director	9	9	Yes
Mr. Anil Rishiraj	Independent/Non-Executive Director	9	6	Yes
Mr. Ravinder Kumar Sharma	Independent/Non-executive Director	9	9	Yes
Mr. Shyam Sunder Mittra	Independent Director/Non-executive Director	9	1	N.A.
Mr. Ram Kumar Pandey	Independent Director/Non-executive Director	9	1	N.A.

- Mr. Gorve Chadha appointed w.e.f.14.10.2012.
- Mr. Ram Kumar Pandey appointed w.e.f. 14.10.2012 & has resigned from the Board of the Company w.e.f. 10.12.2012.
- Mr. Shyam Sunder Mittra appointed w.e.f.10.12.2012.

Director's Interest in the Company

Director	Relationship with other directors	Business relationship with the Company, if any	Loans and advances received from the Company	Remuneration paid during FY 2012-2013 (All figures in Rupees)			
				Sitting fee	Salary & perks	Commi-ssion	Total
Mr. Gorve Chadha	Son of Ms. Kavita Chadha	-	-	-	150000	-	150000
Mr. Pradeep Kumar Malik	-	-	-	-	420000	-	420000
Mrs. Kavita Chadha	Mother of Mr. Gorve Chadha	-	-	-	-	-	-

Details of related party transactions are as follows

S. No.	Name of the Party	Nature of Transaction	31.03.2013	31.03.2012
1	P K Malik – Director	Imprest Advance	2,41,800.00 (Cr)	2,41,800.00 (Cr)
2	K M F LTD	Investment in Shares	22,06,424.44	22,06,424.44
3	K M F LTD	Advance	1,00,80,600.00	1,05,80,000.00
4	KMF SECURITIES LTD	Advance	-	12,27,856.00

(IV). BOARD COMMITTEES

Committees appointed by the board focus on specific areas, and take decisions within the authority delegated to them by the board. The committees also make specific recommendations to the board on various matters from time to time. All decisions and recommendations of the committees are placed before the board for information or approval. Company has following committees as per the requirements of Listing Agreement:

- Audit committee.
- Shareholders Grievances Committee.
- Remuneration Committee

A. AUDIT COMMITTEE

The Audit Committee was constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with Stock Exchanges. The Committee comprises of four directors including three independent directors. The composition of the committee is as under:

Director	Executive/ Non Executive/ Independent	Position
Mr. Ravinder Kumar Sharma	Independent Director	Chairman
Mr. Pradeep Kumar Malik	Whole time Director	Member
Mr. Anil Rishiraj	Independent Director	Member
Mr. Shyam Sunder Mittra	Independent Director	Member

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the company's financial statements, the appointment, independence and performance of internal auditors and the Company's risk management policies.

Terms of reference of the Audit Committee inter alia includes:

(i) Review of the following information:

- Any change in Accounting policies and practices;
- Major accounting entries involving estimates based on exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Going concern assumption;
- Compliance with the listing and other legal requirements concerning financial statements;
- Reviewing with the management performance of statutory auditors and adequacy of internal control systems;
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of payment of declared dividends) and creditors;
- The functioning of whistle Blowing mechanism;
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Management discussion and analysis of financial condition and results of operations;
- Discussion with internal auditors any significant findings and follow up there on;
- Management letters/letters of internal control weakness issued by the statutory auditors.

(ii) Disclosure of the following information;

- Related party transaction;
- Identification of related parties as per AS18
- Statement in summary form of transactions with related parties in the ordinary course of business
- Statement of material individual transactions with related parties which are not in the normal course of business
- Material transaction with related parties or others, which are not on arm's length basis.
- Compliance with Accounting Standards, and if in preparation of financial statements, a treatment different from that prescribed in an Accounting standard has been followed, management explanation for the same;
- Audit query/report for the quarter;
- Quarterly financial statements before submission to the Board for approval.

(iii) Meetings:

The Audit Committee met four times in the year. The details of the attendance of members of the committee are as follows:

Meeting held on	*Chairman Present*	*No. of members present*
15.05.2012	Yes	3
07.08.2012	Yes	3
15.11.2012	Yes	3
08.02.2013	Yes	4

Mr. Shyam Sunder Mittra was appointed on 10.12.2012.
The Chairman of the Audit Committee was present at the last Annual General Meeting.

Attendance of each Member at the Audit Committee meetings held during the year:

Name Of the Committee Member	No. of meetings held	No. of meetings attended
Mr. Ravinder Kumar Sharma	4	4
Mr. Pradeep Kumar Malik	4	4
Mr. Anil Rishiraj	4	4
Mr. Shyam Sunder Mittra	4	1

Mr. Shyam Sunder Mittra was appointed on 10.12.2012.

B. SHAREHOLDER'S GRIEVANCE COMMITTEE

Composition:

Director	Executive/ Non Executive/ Independent	Position
Mr. Ravinder Kumar Sharma	Independent Director	Chairman
Mr. Pradeep Kumar Malik	Whole time Director	Member
Mr. Anil Rishiraj	Independent Director	Member
Mr. Shyam Sunder Mittra	Independent Director	Member

- **Terms of Reference:**

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The Committee also looks into redresses of shareholders complaints related to transfer of shares, non-receipts of Balance Sheets, non- receipts of declared dividends, etc. The Committee oversees performance of the Registrar and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulation, 1992. The Board has delegated the power of approving transfer of securities to the Managing director/or the Company Secretary. To expedite the process of share transfers, the Board has delegated the power of share transfer to Alankit Assignments Limited viz. Registrar and Share Transfer Agents who will attend to the share transfer formalities at least once in fortnight.

Meetings:

The Shareholder's Grievance Committee met three times in the year. The details of the attendance of members of the committee are as follows:

Meeting held on	*Chairman Present*	*No. of members present*
15.05.2012	Yes	3
15.11.2012	Yes	3
08.02.2013	Yes	4*

* Mr. Shyam Sunder Mittra was appointed on 10.12.2012.

The Chairman of the Shareholder's Grievance Committee was present at the last Annual General Meeting.

Attendance of each member at the share holder grievance committee meeting held during the year.

Name Of the Committee Member	No. of meetings held	No. of meetings attended
Mr. Ravinder Kumar Sharma	3	3
Mr. Pradeep Kumar Malik	3	3
Mr. Anil Rishiraj	3	3
Mr. Shyam Sunder Mittra	3	1

Mr. Shyam Sunder Mittra was appointed on 10.12.2012.

C. REMUNERATION COMMITTEE

Composition:

Director	Executive/ Non Executive/ Independent	Position
Mr. Ravinder Kumar Sharma	Independent Director	Chairman
Ms. Kavita Chadha	Executive	Member
Mr. Anil Rishiraj	Independent Director	Member
Mr. Shyam Sunder Mittra	Independent Director	Member

Meetings:

One meeting was held of the members of Remuneration committee on 14.10.2012, all the members were present.

Compliance Officer:

The Compliance Officer for these committees, at present, is Ms. Shweta Gupta, Company Secretary.

D. ANNUAL GENERAL MEETINGS

Details of last 3 Annual General Meetings

Year	Location	Date	Time
2011-2012	Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore – 560 017	30.06.2012	10.30 AM
2010-2011	Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore – 560 017	02.12.2011	11.00AM
2009-2010	Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore – 560 017	21.08.2010	10.00 AM

Note: No postal ballots were used /invited for voting at these meetings.

E. DISCLOSURES

The disclosure on material transactions with the promoters, directors or the management, their subsidiaries and relatives etc. is made in Directors' Interest Statement.

F. MEANS OF COMMUNICATION

The quarterly and half yearly result are not being sent separetely to each household of shareholders. All financial result of your company are forthwith communicated to all the stock Exchange, namely Bombay Stock Exchange, Delhi Stock Exchange, where the securities of the Company are listed as soon as they are approved and taken on record by the Board of Directors of the Company. Further the results are usually published in Financial Express (English) & Samyayukta (Malayalam).

These results as well as latest information and official news have also been posted on the Company's website **www.kmfbuilders.com.**

Financial results and shareholding pattern of the Company are also available on ***www.bseindia.com***

G. GENERAL SHAREHOLDERS' INFORMATION

Date of Book Closure/Record Date	: 19.09.2013 to 23.09.2013, both days inclusive
Date and Venue of AGM	
Date	: 23rd September, 2013
Day	: Monday
Time	: 10.30 am
Venue of A.G.M.	: Flat No. 508, Golf Manor Apartments, NAL Wind Tunnel Road, Murgeshpalya, Bangalore- 17
Dividend declared	: NIL

Financial Calendar (tentative and subject to change)

Financial reporting for the first quarter ending June 30, 2013	Aug, 2013
Financial reporting for the second quarter ending Sept 30, 2013	Nov, 2013
Financial reporting for the third quarter ending Dec 31, 2013	Feb, 2014
Financial reporting for the year ending Mar 31, 2014	May, 2014
Annual General Meeting for the year ending Mar 31, 2014	Sept, 2014

Listing on Stock Exchanges :

The shares of your Company are listed on the following Stock Exchanges:

The Bombay Stock Exchange	**The Delhi Stock Exchange Association Ltd.**
Phiroe Jeejeebhoy Tower,	DSE House, 3/1 Asaf Ali Road
Dalal Street, Mumbai – 400 001.	New Delhi-110002

Stock Codes

The Stock Exchange, Mumbai	:	531578
ISIN for NSDL and CDSL	**:**	INE580H01026

The Listing Fees for the financial year 2012-2013 has been paid to all the Stock Exchanges.

Stock market data*

The monthly high and low prices and volume during the financial year 2012-13:-

All Prices in ₹

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover	Deliverable Quantity	% Deli. Qty to Traded Qty	* Spread	
										H-L	C-O
Apr 12	9.50	10.45	8.45	9.87	3,757	25	33,876	3,755	99.95	2.00	0.37
May 12	9.38	9.60	8.92	9.60	204	6	1,895	204	100.00	0.68	0.22
Jun 12	9.50	9.50	9.03	9.50	1,002	10	9,288	1,002	100.00	0.47	0.00
Jul 12	9.10	9.97	7.70	7.70	12,482	43	1,11,421	11,179	89.56	2.27	-1.40
Aug 12	8.08	8.08	3.54	4.04	36,627	158	2,54,172	32,735	89.37	4.54	-4.04
Sep 12	4.24	4.66	3.33	4.01	24,119	91	93,933	24,034	99.65	1.33	-0.23
Oct 12	3.81	4.20	2.26	2.26	29,181	150	85,260	27,968	95.84	1.94	-1.55
Nov 12	2.30	2.70	2.18	2.48	32,642	80	79,200	31,015	95.02	0.52	0.18
Dec 12	2.40	2.80	1.96	2.24	80,646	163	1,85,871	80,034	99.24	0.84	-0.16
Jan 13	2.24	3.21	2.16	3.07	23,848	68	66,359	23,824	99.90	1.05	0.83
Feb 13	3.22	3.37	1.72	1.73	41,627	99	1,04,385	40,374	96.99	1.65	-1.49
Mar 13	1.73	1.99	1.65	1.99	4,077	11	7,294	4,077	100.00	0.34	0.26
Apr 13	2.06	2.44	1.81	2.44	7,640	25	15,033	7,340	96.07	0.63	0.38
May 13	2.32	2.87	2.21	2.74	4,898	20	12,387	4,880	99.63	0.66	0.42
Jun 13	2.87	3.89	2.87	3.53	14,599	9	49,597	14,599	99.99	1.02	0.66
Jul 13	3.70	4.39	3.36	4.17	28	16	100	21	75.00	1.03	0.47

***source:- BSE website**

Share transfer procedure

Share transfer request received by the Company or its Registrar & Share Transfer Agent are registered within a period of 15 days from the date of receipt, if the documents are in order in all respect. The Share Transfer Committee meets twice a month.

Distribution of shareholding as on 31st March' 2013

No. of equity shares held	Folios		Shares	
	Numbers	%	Numbers	%
1-100	66	8.408	2004	0.016
101- 500	243	30.955	66250	0.544
501-1000	161	20.51	135666	1.114
1001-5000	205	26.115	524991	4.31
5001-10000	38	4.841	277782	2.28
10001-20000	20	2.548	306010	2.512
20001-30000	6	0.764	155349	1.275
30001-40000	7	0.892	252598	2.074
40001-50000	6	0.764	260600	2.139
50001-100000	5	0.637	346750	2.846
100001-500000	23	2.93	6797800	55.802
500001-above	5	0.637	3056200	25.088
TOTAL	785	100.000	12182000	100

Pattern of shareholding by ownership as on 31st March 2013

Category	Shareholding	
	Numbers of shares held	Shareholding %
Promoter's holding		
Promoters		
-Indian Promoters	5375200	44.124
-Foreign Promoters	-	-
Persons acting in concert	-	-
Sub-Total (A)	**5375200**	**44.124**
Non- Promoters Holding		
Institutional Investors	-	-
Mutual Funds and UTI	-	-
Banks, Financial Institutional, Insurance Companies	-	-
(Central/Sate Govt. Institutions/ Non - Government Institutions)	-	-
FIIS		
Sub-Total (B)	-	-
Others	-	-
Corporate Bodies	1585599	13.016
Indian Public (including NSDL & CDSL)	5221201	42.860
NRIs/OCBS	-	-
Trust & Clearing Members	-	-
Sub-Total (C)	**6806800**	**55.876**
GRAND TOTAL (A+B+C)	**12182000**	**100.00**

As at 31.03.2013:

Shares held in Physical form : 1676200 shares (13.76% of share capital)

Shares held in Dematerialized form : 10505800 shares (86.24% of share capital)

Shareholding of Promoters/ Directors, their relatives, associate companies & officers of the Company pursuant to SEBI Regulations:

Name	Relation	No. of Shares	% to total
Chadha Family & Associates	Promoter Group	4955000	40.675
Pradeep Kumar Malik	Promoter Group	420200	3.449

- **Outstanding GDR/ADR/Warrants or any convertible instrument**

No outstanding GDR/ADR/Warrants or any convertible instrument as on 31.03.2013.

Share Transfer Agent

"Alankit Assignments Limited"
RTA Division – KMF Builders & Developers Ltd.
2E/21, Jhandewalan Extn.,
New Delhi – 110055.
Ph.No: 011- 42541234
alankit@alankit.com

Investors' correspondence may be addressed to:

Ms. Shweta Gupta
(Company Secretary)
KMF Builders & Developers Ltd.,
1008, Vikram Tower, Rajendra Place,
New Delhi- 110 008
Tel : 011 -41537811 Fax : 011- 41537810
Email: Kmfbuilders95@gmail.com

Or

"Alankit Assignments Limited"
RTA Division – KMF Builders & Developers Ltd
2E/21, Jhandewalan Extn.,
New Delhi – 110 055.
Ph.No: 011-42541234
E-mail: alankit@alankit.com

- **Other information**
- For safe and prompt payment of dividend, shareholders can give their mandate i.e. Bank name, A/c No. with address.
- Any change in address or mandate should be intimated to Company or its transfer agent at the earliest for prompt services.
- While corresponding with the Company or its Registrar & Transfer Agent, members are advised to quote their Folio No. and No. of shares held. Any such correspondence should be signed by the member(s) or their duly authorised power of attorney. Company shall not entertain any letter, which is not duly signed as an endeavour to protect the interest of members and to avoid any possible fraud.
- Members holding shares in identical orders of names in more than one folio are requested to write to the Company or Alankit Assignments Limited and send their share certificates to enable consolidation of their holding into one folio.

Note: The details are given purely by way of information. Members may make their own judgment and are further advised to seek independent guidance before deciding on any matter based on the information given therein. Neither the Company nor its officials would be held responsible.

CERTIFICATE UNDER CLAUSE 49 of LISTING AGREEMENT

To the Members of

KMF Builders & Developers Ltd
508, Golf Manor, NAL Wind Tunnel Road,
Murgeshpalya, Bangalore-560017

We have examined the compliance of conditions of Corporate Governance by KMF Builders & Developers Ltd for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

We state that no investor grievance(s) is pending for a period exceeding one month against the Company as per the records maintained by the Company except one shareholder, Mr. Suresh Kumar Kharkia, who filed a suit bearing no. 46 of 2012, in the Court of Principal Senior Civil Judge, Ahmedabad Rural) of Mirzapur, Ahmedabad,Gujrat state. The matter is sub-judice.

We further 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.

For B. Sreenivasa & Co.
Chartered Accountants
Sd/-
CA B Sreenivasa Setty
Proprietor
ICAI Reg. No. 205645

Place : Bangalore
Dated : 14.08.2013

CODE OF CONDUCT

FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL ANNUAL DECLARATION

(in pursuance of Clause 49 (1D) of the Listing Agreement)

This is to certify that to the best of my knowledge and belief and based upon declarations made by the members of the Board of Directors and senior management officers, provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL, as adopted by the company in compliance of Clause 49 (1D) of the Listing Agreement are fully followed and complied with during the financial year ending 31st March 2013.

For KMF Builders & Developers
Sd/-
Kavita Chadha
Director

Certification by CEO/CFO

The Board of Directors
KMF Builders & Developers Ltd.
508, Golf Manor, NAL Wind, Tunnel Road,
Murgeshpalya, Bangalore-560017

Ref: Certification by CEO/CFO for Financial Year 2012-13

We, the undersigned, in our respective capacities as Chief Executive Officer and Finance Head of KMF Builders & Developers Ltd ("the Company) to the best of our knowledge and belief certify that:

(a) We have reviewed the financial statements and the cash flow statement for the financial year 2012-13 and that to the best of our knowledge and belief:

i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken and/or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee, wherever applicable, the following:

i. significant changes in internal control over financial reporting during the year;

ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For KMF Builders & Developers Ltd.

Date: 14.08.2013
Place: Bangalore

Sd/-
Pradeep Kumar Malik
Finance Head

Sd/-
Kavita Chadha
Director

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Macro Economic Environment

Global Economic

Global growth turned weaker in 2012 and is expected to stay sluggish in 2013 as fiscal adjustments drag growth in advanced economies (AEs) and, in turn, delay cyclical recovery in emerging market and developing economies (EMDEs). The International Monetary Fund (IMF) in its World Economic Outlook has forecast global growth to stay sluggish at 3.3 per cent in 2013 before improving to 4.0 percent in 2014. While downside tail risks have reduced in early 2013 because of the supportive policy action in the euro area and the measures to tackle the fiscal cliff in the US, risks to global recovery have increased consequent to the Chinese economy slowing down.

The outlook for global commodity prices during 2013 remains benign, with a further decline expected in metal and oil prices. This should help reduce imported inflation in the domestic economy, subject to prevalence of stable exchange rate movements.

Indian Economy

The Indian economy remained sluggish in third quarter of 2012-13, with slowdown turning visibly pervasive across most sectors. The deceleration in the services sector growth, which has been the mainstay of high growth in the recent period, had dragged down overall economic activity and employment creation.

External imbalances were in focus as the current account deficit (CAD) to GDP ratio reached a historic high of 6.7 percent in 2012-13. However, CAD in third quarter was adequately financed by capital inflows, without any reserve depletion.

Current account in 2013-14 is likely to benefit from moderation in global commodity prices of oil, gold and other metals.

Aggregate demand remained sluggish during third quarter of 2012-13 with inflation impacting real consumption and cyclical and structural factors affecting investment. Corporate results suggest weak demand, with moderation in investment as well as consumption.

Policy actions, both domestic and global, augured well for the Indian financial markets in fourth quarter. Nonetheless, limited policy space and political uncertainties continued to weigh down the markets.

Industry Structure & Development

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

Your Company is to creating business premises, residences, buildings that are known for their quality, distinct in design and elegantly crafted. We are focused in our quest to provide our customers, first and foremost, an elegant and beautiful surrounding. We are committed to delivering the expected quality at the promised time.

Opportunity & Threats

Your company has successfully implemented various projects including KMF Gardens at Kalyan, Golf Manor at Bangalore. The construction of Wing B of Purab Manor Project at Bangalore is about to complete. We hope that very soon we will complete your project in Mathura Vrindavan

The Real estate sector is full of opportunities but on the same time it cannot be denied that is also full of threats. Following are few of the examples of both which your company is foreseeing:-

- Continuous private sector housing boom will create more construction and opportunities.
- Entry of a number of domestic & foreign players, increasing competition and consumer affordability.
- Positive outlook of global investors.
- Fiscal incentives to developers and simplification of urban development guidelines.
- Infrastructure support and development initiatives by the government. Easy access to project financing options.
- Improved quality of real estate assets.
- Significant rise in consumerism and rapid urbanization.
- Public sector projects through public private partnership will bring further opportunities.
- Developing supply chain through involvement in large projects is likely to enhance the chances in construction.
- Renewable energy projects will offer opportunities to develop skills and capacity in new markets.
- More flexible training delivery techniques are now available.
- Financial supports like loan and insurance and growth in income of people is in support of construction industry.
- Long-term market instability and uncertainty may damage the opportunities and prevent the expansion of training and development facilities.
- Current economic situation and uncertainty may have an adverse impact on construction industry.
- Political and security conditions in the region and late legislative enforcement measures are always threats to any industry in India.
- Infrastructure safety is a challenging task in construction industry.
- Lack of political willingness and support on promoting new strategies.
- Natural abnormal causalities such as earthquake and floods are uncertain and can prevent the construction boom.
- Inefficient accessibility in planning and concerning the infrastructure and signs.

Segment-wise or Product wise Performance.

Overvaluation of commercial properties is also a matter of concern. Currently your company is trying to diversify its product and range of industry it caters to. Your company is now also searching possibilities to work with government projects.

Future Outlook

To achieve international standards of excellence with a focus on quality, aesthetics and customer satisfaction.

To provide high quality, safe & innovative construction services in Design, Engineering, Construction with overall Project Management in Hydrocarbon, Metallurgy, Power and Ports & Terminals as well as Information Technology and other selected sectors of Industry.

To achieve prominence in developing, adopting and assimilating state-of-the-art technology for competitive advantage.

To acquire and provide technology and services through sustained Research & Development and promote linkages among Engineering Organizations, Equipment Manufacturers Operating Companies and R&D Organizations to upgrade technologies on a continuous basis.

To cultivate high standards of ethics and quality for a strong corporate identity and brand equity.

To help enrich the quality of life of the community and preserve ecological balance and heritage through services provided with a strong environmental conscience.
Completed projects in your Company include “Golf Manor” at NAL wind tunnel road and “Royal Manor” off Airport Road, behind Leela Palace Hotel in Bangalore. Our other projects include a star hotel in Dalhousie, Himachal Pradesh and a residential apartment complex namely KMF Gardens at Kalyan, near Mumbai.

The company has started another residential project at Vrindavan, Mathura. The company is quite hopeful for the success of Gokul Dham Project as well and will earn excellent earnings out of it.

Risks & Concerns
The concerns listed above in the point Opportunities & Threats will continue to be risks and concerns for your company. The company will leave no stone unturned to improve the net worth in coming year.

Financial Performance
Your company has registered all-round phenomenal growth for the FY 2012-13. The construction of Wing B of Purab Manor Project at Bangalore is about to complete. We hope that very soon we will complete your project in Mathura Vrindavan.During this financial year turnover of your company is Rs. 104,388,204 & profit is Rs. 6,860,009.07/-.
Net worth of your company as on 31st March, 2013 is Rs. 99,320,383.05/-

Internal Control System
Your company has adequate internal control systems commensurate with its size and operations, although not documented.

Human Resources / Industrial Resources
The Company believes that the human capital is the key engine for its growth and competitiveness. It continues to focus on HR practices, systems and people development initiatives that encourage continuous learning on the job and meritocracy and which enhance the organization's capability. The changing business scenario necessitates continuous development of employees in terms of skills and competencies in line with the Company's requirements.

Cautionary Statement
The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s. KMF BUILDERS & DEVELOPERS LTD.

We have audited the accompanying financial statements of **M/s. KMF BUILDERS & DEVELOPERS LTD.,** which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31,2013;

b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1. As required by the Companies (Auditor's Report) Order, 2003 ("theOrder") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:
   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
   c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
   e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For B Sreenivasa & Co.,
Chartered Accountants
Firm Reg No. 009287S
Sd/-
CA B Sreenivasa Setty
Proprietor
Membership No. 205645

PLACE: BANGALORE
DATED: 27/05/2013

ANNEXURE TO AUDITORS REPORT

Annexure to the Auditor's Report of even date to the members of M/s KMF BUILDERS & DEVELOPRS LTD. for the year ended 31st March,2013.
On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed records.

b) The company has a regular programme of physical verification of its fixed assets on yearly basis. In our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

c) In our opinion and according to the information and explanation given to us, a substantial part of fixed assets has not been disposed of by the company during the year.

2 a) According to the information and explanations given to us, the stocks of building materials, spare part and the materials have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

b) The Procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3 The Company has not taken/granted unsecured loans from Companies listed in the register maintained under section 301 of the Companies Act, 1956. According to the information and explanations furnishing to us, **the Inter Corporate Deposit granted to M/s KMF Ltd and M/s KMF Securities Ltd was interest free loan**. Other than this no other loan taken/granted by the company.

4 In our opinion and according to the information and explanations given to us, there are adeq internal control procedure commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.

5 a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act 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, there are no transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five lacs in respect of any party during the year, which have been made at prices which are not reasonable having regard to the 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 during the year covered under section 58A of the Companies Act, 1956 and the rules framed there under.

7 In our opinion and according to the information and explanations given to us, **the company has not introduced internal audit system during the year.**

8 According to the information and explanations given to us, the Central Government has not prescribed the maintenance of costs records by the company under section 209 (1)(d) of the Companies Act, for the products of the company.

9 a) According to the information and explanation given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including income-tax, tax deduction at source, and other material statutory dues with the appropriate authorities.

b) According to the information and explanation given to us, no undisputed amounts payable in respect of income-tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st march 2013 for a period of more than six months from the date they became payable.

c) According to the information and explanation given to us, there are no dues of income-tax, sales tax, customs duty, excise duty and cess which have not been depositing on account of any dispute.

10. The company has no accumulated loss as on 31st March, 2013 and it has not incurred any cash loss in the financial year ended on that date or in the immediately preceding financial year.

11. In our opinion and according to the information and explanation given to us, the company has not taken any loans from financial institution and banks **except** car loans from HDFC Bank. Company has not defaulted in repayment of dues to a bank or a financial institution as at the balance sheet date.

12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities other than its employees.

13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

14. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Claus 4(xiv) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.

15. According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.

16. In our opinion, the company do not have any term loans **except** car loans.

17. According to the information and explanation given to us, and on an overall examination of the balance sheet of the company, we report that no funds raised on short terms basis have been used for long term investment. No long term funds have been used to finance short term assets.

18. According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.

19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.

20. The company has not raised any money from the public issues during the year.

21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India. and according the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

PLACE: BANGALORE
DATED: 27/05/2013

For B Sreenivasa & Co.,
Chartered Accountants
Firm Reg No. 009287S
Sd/-
CA B Sreenivasa Setty
Proprietor
Membership No. 205645

KMF BUILDERS AND DEVELOPERS LIMITED

Balance Sheet as at 31 March 2013

	Note	31 Mar 2013 `	31 Mar 2012 `
Equity and Liabilities			
Shareholders' Funds			
Share capital	2	60,910,000.00	60,910,000.00
Reserves and surplus	3	38,410,383.05	31,550,283.98
		99,320,383.05	**92,460,283.98**
Non-Current Liabilities			
Long-term borrowings	4	654,518.00	1,591,813.77
Deferred tax liabilities (net)	5	424,507.00	453,722.00
Other long-term liabilities	6	0.00	0.00
Long-term provisions	7	0.00	0.00
		1,079,025.00	**2,045,535.77**
Current Liabilities			
Short-term borrowings	8	532,776.00	0.00
Trade payables	9	25,625,138.65	12,763,595.40
Other current liabilities	9	20,292,113.94	7,171,466.94
Short-term provisions	7	6,608,631.00	5,611,526.00
		53,058,659.59	**25,546,588.34**
Total		**153,458,067.64**	**120,052,408.09**
Assets			
Non-Current Assets			
Fixed assets			
Tangible assets	10	5,823,262.00	4,774,475.00
Intangible assets	11	0.00	0.00
Capital work-in-progress		0.00	0.00
		5,823,262.00	**4,774,475.00**
Current investments	12	6,147,760.26	6,147,760.26
Properties held for development	16	0.00	0.00
Deferred tax assets (net)		0.00	0.00
Long-term loans and advances	13	0.00	0.00
Trade receivables	14	0.00	0.00
Other non-current assets	15	0.00	0.00
		11,971,022.26	**10,922,235.26**
Current Assets			
Inventories	16		
Raw materials		0.00	0.00
Properties under development/construction		117,414,783.98	76,085,670.00
Properties held for sale		0.00	0.00
		117,414,783.98	**76,085,670.00**
Trade receivables	14	500,000.00	500,000.00
Cash and bank balances	17	3,042,706.20	12,968,488.53
Short-term loans and advances	13	18,250,787.99	18,175,841.09
Other current assets	15	2,278,767.21	1,400,173.21
		141,487,045.38	**109,130,172.83**
Total		**153,458,067.64**	**120,052,408.09**
Significant accounting policies and Notes on Accounts	1		

For & on behalf of the Board of Directors

As per our Report attached
For B Sreenivasa & Co.,
Chartered Accountants
Firm Reg No. 009287S

Sd/-	Sd/-	Sd/-	Sd/-
(Malik Pradeep Kumar)	(Gorve Chadha)	(Shweta Gupta)	CA B Sreenivasa Setty
Whole Time Director	Managing Director	Company Secretary	**Proprietor**
			Icai Reg No. 205645

Place: Bangalore
Date: 27/05/2013

Statement of Profit and Loss for the year ended 31 March 2013

	Note	31 Mar 2013	31 Mar 2012
		`	`
Income			
Revenue from operations			
Revenue from projects	**18**	104,388,204.00	206,096,571.00
Other income	**19**	0.00	0.00
Total-I		**104,388,204.00**	**206,096,571.00**
Expenses			
Construction cost	**20**	75,224,798.00	89,146,837.00
Changes in inventories of WIP	**21**	1,693,000.00	74,201,000.00
Employee benefit expenses	**22**	3,793,491.00	3,171,829.53
Other expenses	**23**	12,202,271.83	25,587,298.40
Total-II		**92,913,560.83**	**192,106,964.93**
Earnings before interest, tax, depreciation and prior period items		**11,474,643.17**	**13,989,606.07**
Depreciation and amortization expenses	**24**	879,927.00	810,206.00
Net finance expense / (Income)	**25**	(332,284.90)	(376,292.35)
Profit before tax and prior period items		**10,927,001.07**	**13,555,692.42**
Tax expense	**26**	**4,066,902.00**	**4785549.00**
Profit after tax and before prior period items		**6,860,099.07**	**8,770,143.42**
Prior period income (net of tax expense)		0.00	0.00
Net profit for the year		**6,860,099.07**	**8,770,143.42**
Earnings per share (Nominal value 5 per share) (Previous Year ` 10 per share)			
Basic (`)	**27**	0.56	1.44
Diluted (`)		0.56	1.44

Significant accounting policies and Notes to Accounts **1**

For & on behalf of the Board of Directors

As per our Report attached
For B Sreenivasa & Co.,
Chartered Accountants
Firm Reg No. 009287S

Sd/-	Sd/-	Sd/-	Sd/-
(Malik Pradeep Kumar)	(Gorve Chadha)	(Shweta Gupta)	CA B Sreenivasa Setty
Whole Time Director	Managing Director	Company Secretary	**Proprietor**
			Icai Reg No. 205645

Place: Bangalore

Date:27/05/2013

	31 Mar 2013 `	31 Mar 2012 `
2 Share Capital		
Authorised shares	**200000000.00**	**200000000.00**
Issued, subscribed and fully paid up shares		
	60,910,000.00	60,910,000.00
	60,910,000.00	**60,910,000.00**

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31 Mar 2013		31 Mar 2012	
	No.	` Rs	No.	` Rs
At the beginning of the period	12,182,000	60,910,000.00	6,091,000	60,910,000.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	12,182,000	60,910,000.00	6,091,000	60,910,000.00

b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ` 5 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend. (Previous Year equity shares par value is Rs 10 per share)

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the company

	31 Mar 2013		31 Mar 2012	
	No.	% holding in the class	No.	% holding in the class
Equity shares of ` 5 each fully paid				
Manu Investment	823,800.00	6.762%	823,800.00	6.762%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

3 Reserves and Surplus

Capital Reserve (profit on forfeited shares)		
Balance at the beginning of the year	6,821,500.00	6,821,500.00
Additions / (deductions) during the year	-	-
Balance at the end of the year	**6,821,500.00**	**6,821,500.00**
Debenture Redemption Reserve		
Balance at the beginning of the year	-	-
Less: Premium paid on redemption of debentures	-	-
Less: Written back to statement of profit and loss during the year	-	-
Add: Transfer from statement of profit and loss	-	-
Balance at the end of the year	**0.00**	**0.00**

	31 Mar 2013	31 Mar 2012
	`	`
General Reserve		
Balance at the beginning of the year	-	-
Add: Transfer from statement of profit and loss	-	-
Balance at the end of the year	**0.00**	**0.00**
Profit and Loss Account		
Balance at the beginning of the year	24,728,783.98	15,958,640.56
Add: Net profit for the year	6,860,099.07	8,770,143.42
Balance at the end of the year	**31,588,883.05**	**24,728,783.98**
	38,410,383.05	**31,550,283.98**

4 Long-term borrowings

	Non-current portion		Current portion	
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	` Rs	` Rs	` Rs	` Rs
Term loans (secured)				
From Banks	654,518.00	1,591,813.77	-	-
From financial institutions	-	-	-	-
From others	-	-	-	-
Finance lease obligation	-	-	-	-
	654,518.00	**1,591,813.77**	**0.00**	**0.00**
The above amount includes				
Secured borrowings	654,518.00	1,591,813.77	-	-
Unsecured borrowings	-	-	-	-
Amount disclosed under head "Other current liabilities" note 9	-	-	-	-
	654,518.00	1,591,813.77	0.00	0.00

Note: Secured borrowings is against hypothecation of car

	` Rs	` Rs
5 Deferred tax liability (Net)		
Deferred tax liability arising on account of depreciation	424,507.00	453,722.00
	424,507.00	**453,722.00**
6 Other long-term liabilities		
Retention money held from contractors	-	-
Security Deposits		
	0.00	**0.00**

7 Provisions

	Long term		31 Mar 2013 Short Term	31 Mar 2012 Short Term
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	` Rs	` Rs	` Rs	` Rs
Provision for employee benefits				
Gratuity			305,066.00	270,066.00
	-	-	-	-
Other provisions				
Income Tax provision			3,800,000.00	3,525,000.00
Duties & Taxes			2,076,141.00	1,475,160.00
Other Payable			427,424.00	341,300.00
	0.00	**0.00**	**6,608,631.00**	**5,611,526.00**

8 Short-Term Borrowings

	31 Mar 2013	31 Mar 2012
	` Rs	` Rs
Term loans (secured)		
From Banks	532,776.00	-
From financial institutions	-	-
From others	-	-
Other loans and advances		
Finance lease obligation		
	532,776.00	**0.00**
The above amount includes		
Secured borrowings	532,776.00	-
Unsecured borrowings	-	-
Amount disclosed under head "Other current liabilities" note 9	-	-
Note: Secured borrowings is against hypothecation of car	**532,776.00**	**0.00**

9 Other current liabilities

	31 Mar 2013 ` Rs	31 Mar 2012 ` Rs
Trade payables (refer note on dues to Micro and small enterprises)	25,625,138.65	12,763,595.40
Other liabilities		
Current maturities of long term borrowings (note 4)	-	-
Advances received from customers	20,292,113.94	7,171,466.94
	20,292,113.94	**7,171,466.94**
	45,917,252.59	**19,935,062.34**

KMF BUILDERS AND DEVELOPERS LIMITED

No.508, Golf Manor Aprtments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore-560 017

FIXED ASSETS SCHEDULE - 10

F.Y.2012-13

Sl. No.	Description	Rate of Depn.	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
			As on 01.04.2012	Additions Dg. The year	Deletions Dg. The year	Total	Upto 31.03.2012	For the Year	Deletions	Upto 31.03.2013	As on 31.03.2013	As on 31.03.2012
1	OFFICE BUILDING	1.63%	3200000.00			3200000.00	83456.00	5216.00	0.00	88672.00	2311328.00	2366544.00
2	BOREWELL & TUBEWELL	4.75%	669247.00			669247.00	540413.00	31789.00	0.00	572202.00	97045.00	128834.00
3	D.G. SET	4.75%	2006411.00	33675.00		3144320.00	85166.00	10820.00	0.00	50814.00	2155506.00	1954455.00
4	FIRE FIGHTING EQUIPMENT	4.75%	6900862.50			6900862.50	522928.50	32821.00	0.00	555749.50	1344213.00	1680034.00
5	LIFT	4.75%	1696051.25			1696051.25	1369554.25	85562.00	0.00	1455116.25	240935.00	326497.00
6	AIR CONDITIONER	4.75%	290620.00	70700.00		361320.00	36105.00	11378.00	0.00	47483.00	313837.00	254515.00
7	VIBRATOR	4.75%	61000.00			61000.00	17685.00	2898.00	0.00	20583.00	40417.00	43315.00
8	BOILER	4.75%	56250.00			56250.00	17350.00	2872.00	0.00	20222.00	36028.00	38900.00
9	ROAD ROLLER	4.75%	213750.00			213750.00	64423.00	10163.00	0.00	74586.00	139164.00	149327.00
10	DIESEL ENGINE	4.75%	99000.00			99000.00	44940.00	4703.00	0.00	49643.00	49357.00	54060.00
11	INVERTOR	4.75%	25800.00	42600.00		68400.00	4586.00	2724.00	0.00	7310.00	61090.00	21214.00
12	MIXTURE	4.75%	536025.00			536025.00	158806.00	25490.00	0.00	184296.00	351729.00	377219.00
13	PLANT & MACHINERY	4.75%	0.00	84586.00		84586.00	0.00	2444.00	0.00	2444.00	82142.00	0.00
14	OFFICE EQUIPMENT	4.75%	0.00	283340.00		283340.00	0.00	8195.00	0.00	8195.00	275145.00	0.00
15	FURNITURE & FIXTURES	6.33%	263582.00			263582.00	103009.00	16421.00	0.00	119430.00	144152.00	160573.00
16	CYCLE	7.07%	2508.00			2508.00	1201.00	177.00	0.00	1378.00	1130.00	1307.00
17	MOTOR VEHICLE	9.50%	5349992.00	1305600.00		6655592.00	2635961.00	615831.00	0.00	3251792.00	3404000.00	2714031.00
18	COMPUTERS	16.21%	518250.50			518250.50	518250.50	0.00	0.00	518250.50	0.00	0.00
19	UPS	16.21%	3120.00			3120.00	3120.00	0.00	0.00	3120.00	0.00	0.00
20	AUTO LEVEL	16.21%	19773.01			19773.01	16689.00	3084.00	0.00	19773.00	0.00	3084.00
21	REFRIGERATOR	4.75%	33000.00	8200.00		41200.00	2487.00	1881.00	0.00	4371.00	36829.00	30513.00
22	LAPTOP	16.21%	49716.25			49716.25	17553.25	8059.00	0.00	25612.25	24104.00	32163.00
	TOTAL		11018188.51	1928714.00	0.00	12946902.51	6243713.50	879927.00	0.00	7123640.50	5823262.00	4774475.00
	Previous Year		10872458.51	145703	0.00	11018188.51	5433507.51	810206	0.00	6243713.5	4774475	5438951

11 Intangible Assets: - -

	31 Mar 2013 ` Rs	31 Mar 2012 ` Rs
12 Current Investments:		
Trade Investments (Valued at cost unless stated otherwise)	3941335.82	3941335.82
Unquoted equity investments	2206424.44	2206424.44
Investment in subsidiaries (fully paidup)	0	0
	6147760.26	6147760.26

	Non-current		Current	
	31 Mar 2013 ` Rs	31 Mar 2012 ` Rs	31 Mar 2013 ` Rs	31 Mar 2012 ` Rs
13 Loans and advances				
Security deposits				
Unsecured, considered good	-			
	0.00	**0.00**	**0.00**	**0.00**
Loans and advances to related parties				
(Unsecured, considered good)				
Loans to associates	-		10,080,600.00	11,807,856.00
Loans to subsidiaries	-		-	-
	0.00	**0.00**	**10,080,600.00**	**11,807,856.00**
Other loans and advances				
(Unsecured, considered good)				
Advances to suppliers	-	-	1,117,880.00	2,867,880.00
Advances for land contracts	-	-	-	-
Advance income tax (net of provision for taxation)	-	-	-	-
Prepaid expenses	-	-	34,787.00	34,787.00
Taxes and duties recoverable	-	-	122,786.00	133,786.00
Other advances	-	-	6,894,734.99	3,331,532.09
	0.00	**0.00**	**8,170,187.99**	**6,367,985.09**
Total loans and advances	**0.00**	**0.00**	**18,250,787.99**	**18,175,841.09**

14 Trade receivables

(Unsecured, considered good)				
Outstanding for a period exceeding six months	-	-	500,000.00	500,000.00
Other receivables	-	-	-	
	0.00	**0.00**	**500,000.00**	**500,000.00**
Trade receivables include :				
Due from related parties	-	-	-	-

15 Other Current Assets

Other Current Assets	-	-	2,278,767.21	1,400,173.21
	0.00	**0.00**	**2,278,767.21**	**1,400,173.21**

	Non-current		Current	
	31 Mar 2013	**31 Mar 2012**	**31 Mar 2013**	**31 Mar 2012**
	` Rs	**` Rs**	**` Rs**	**` Rs**
16 Inventories				
Properties held for development				
At the beginning of the year	-	-	42,720,000.00	116,921,000.00
Add : Additions during the year	-	-		
Less: Deletions during the year	-	-	1,693,000.00	74,201,000.00
Less: Transferred to Properties Under Development	-	-		-
	0.00	**0.00**	**41,027,000.00**	**42,720,000.00**
Raw materials				
	0.00	**0.00**	**0.00**	
Properties under development				
	-	-	-	-
Land, Material and construction cost (Mathura Project)	-	-	76,387,783.98	33,365,670.00
Profit recognized to-date	-	-	-	-
Less: Progress payments received and receivable	-	-	-	-
	0.00	**0.00**	**76,387,783.98**	**33,365,670.00**
Properties held for sale				
At the beginning of the year	-	-	-	-
Add : Additions during the year	-	-		
Less: Sales during the year	-	-	-	-
Less: Write downs during the year	-	-	-	-
Less: Properties transferred to Fixed assets	-	-	-	-
	0.00	**0.00**	**0.00**	**0.00**
	0.00	**0.00**	**117,414,783.98**	**76,085,670.00**

17 Cash and bank balances

Cash and cash equivalents			985,661.34	1,850,993.36
Balances with scheduled banks:				
On current accounts			(8,359,508.14)	627,519.48
Deposits with original maturity of less than three months			-	
On unpaid dividend account			-	
Balance with non-scheduled banks:				
On current account:			-	
On current account:			-	
			-	
			-7,373,846.80	**2,478,512.84**
Other bank balances				
Deposits with original maturity for more than 12 months	-		-	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	10,416,553.00	10,489,975.69
Margin money deposit	-	-	-	-
	0.00	**0.00**	**10,416,553.00**	**10,489,975.69**
Amount disclosed under non-current assets	0.00	0.00	0.00	0.00
	0.00	**0.00**	**3,042,706.20**	**12,968,488.53**

	Year ended	
	31 Mar 2013	**31 Mar 2012**
	` Rs.	**` Rs.**
18 Revenue from operations		
Revenue from projects		
From sale of flats	104,062,000.00	205,823,000.00
Other operating revenue		
Other Income	326,204.00	273,571.00
	104,388,204.00	**206,096,571.00**
19 Other income		
Rental income	0.00	0.00
Others	0.00	0.00
	0.00	**0.00**

20 Construction cost		
Land, Material and contract costs	49,575,413.00	49,058,410.00
Other direct costs	24,704,476.00	39,016,598.00
Electricity, fuel and water	944,909.00	1,071,829.00
	75,224,798.00	**89,146,837.00**
21 Changes in Inventoires of WIP:		
Opening Stock	42,720,000.00	116,921,000.00
Less: Closing Stock	41,027,000.00	42,720,000.00
	1,693,000.00	74,201,000.00
22 Employee benefit expenses		
Salaries, wages and bonus	3,460,741.00	2,441,876.00
Contribution to provident fund	-	-
Gratuity expenses	35,000.00	25,835.00
Staff welfare	297,750.00	704,118.53
	3,793,491.00	**3,171,829.53**
23 Other expenses		
Travel and conveyance	880,609.05	762,806.41
Repairs and maintenance	453,686.00	154,534.00
Legal and professional charges	1,527,670.00	2,294,285.00
Rent rates and taxes	3,745,054.10	2,834,484.00
Insurance	-	72,471.00
Electricity Charges	311,683.75	57,923.78
Communication costs	218,498.19	199,653.88
Printing and stationery	152,565.00	150,978.00
Audit fees	100,000.00	165,410.00
Advertising and sales promotion	2,096,456.10	1,610,363.43
Brokerage and referral charges	596,715.00	2,629,571.00
Miscellaneous expenses	2,119,334.64	14,654,817.90
	12,202,271.83	**25,587,298.40**
Payment to auditor		
As auditor:		
Audit fee	100000.00	100000.00
In other capacity:	0.00	65410.00
	100,000.00	**165,410.00**

	Year ended	
	31 Mar 2013	31 Mar 2012
	` Rs	` Rs
24 Depreciation and amortization expense		
Depreciation of tangible assets	879,927.00	810,206.00
Amortization of intangible assets	0.00	0.00
	879,927.00	**810,206.00**
25 Net finance expense / (Income)		
Finance expense:		
Interest on term loans	609,117.00	418,629.66
Bank charges	31,921.41	73,724.99
	641,038.41	**492,354.65**
Less:		
Finance Income:		
Bank deposits	973,323.31	868,647.00
Interest on loan to associates		
Others		
Interest received from customers		
	973,323.31	**868,647.00**
Net finance expense / (Income)	**(332,284.90)**	**(376,292.35)**
26 Tax expense		
Current tax	3,800,000.00	4,525,000.00
Tax of earlier years	296,117.00	324,320.00
Deferred tax charge/(credit)	(29,215.00)	(63,771.00)
	4,066,902.00	**4,785,549.00**
27 Earnings per share (EPS)		
Net profit after tax attributable to equity shareholders	6,860,099.07	8,770,143.42
Weighted average number of shares outstanding during the year (lakhs)	12,182,000	6,091,000
Add: Dilutive effect of stock options (Number in lakhs)	0	0
Weighted average number of shares used to compute diluted EPS (lakhs)	12,182,000	6,091,000
Earnings per share (`) :		
Basic	0.56	1.44
Diluted	0.56	1.44
Nominal value - Rupees per equity share	5.00	10.00

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2013

PARTICULARS	31 Mar 2013 ` Rs	31 Mar 2012 ` Rs
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before tax	10,927,001.07	13,555,692.42
Adjustments to reconcile profit before tax to cash provided by operating activities:		
Depreciation	879,927.00	810,206.00
Interest Income	(973,323.31)	(868,647.00)
Other Income	-	-
Deferred Tax	29,215.00	63,771.00
Changes in assets and liabilites:		
Trade Receivable, Inventories,Loans and Advances	(42,311,869.88)	40,010,670.29
Current Liabilties and provisions	27,512,071.25	(42,211,684.36)
	(3,936,978.87)	11,360,008.35
Income Tax Paid	4,096,117.00	4,849,320.00
Net Cash Generated by Operating Activities	**(8,033,095.87)**	**6,510,688.35**
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets		
Purchase of Fixed Assets	(1,928,714.00)	(145,730.00)
Purchase of Investments	-	-
Dividend/Interest & Other Income Received	973,323.31	868,647.00
NET CASH USED IN INVESTING ACTIVITIES - B	**(955,390.69)**	**722,917.00**
C CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	(937,295.77)	(369,461.34)
Proceeds from issue of shares	-	-
NET CASH USED IN FINANCING ACTIVITIES - C	**(937,295.77)**	**(369,461.34)**
Net Increases/ (Decreases) in cash and cash equivalents	(9,925,782.33)	6,864,144.01
Opening Cash and Bank Balances	12,968,488.53	6,104,344.52
Closing Cash and Bank Balances	3,042,706.20	12,968,488.53

For & on behalf of the Board of Directors

As per our Report attached
For B Sreenivasa & Co.,
Chartered Accountants
Firm Reg No. 009287S

Sd/-
(Malik Pradeep Kumar)
Whole Time Director

Sd/-
(Gorve Chadha)
Managing Director

Sd/-
(Shweta Gupta)
Company Secretary

Sd/-
CA B Sreenivasa Setty
Proprietor
Icai Reg No. 205645

Place: Bangalore
Date:27/05/2013

KMF BUILDERS & DEVELOPERS LIMITED

No.508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore-17

PROXY FORM

I/We……..……of……..……..in the district of..……being a member(s) of the above named company, hereby appoint Mr./Miss/Mrs…….……. of……..in the district of…….. or failing him/her, Mr./Miss/Mrs…….……. of……..in the district of…….. ……as my/our proxy to vote, for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Monday, the 23rd September 2013, at 10:30am, or at any adjournment thereof.

No. of shares held…… Registered Folio No…….

D.P.ID No.#…… Client ID No.#……..…….

Signed this…….day of …….. 2013.

Affix Revenue Stamp

Signature(s)

Note: The proxy form must be deposited at the No.508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore-17, not less than 48 hours before the time for holding the meeting. Proxy need not be a member.

For members holding shares in dematerialised mode.

— — — — — — — — — — — — — — — TEAR HERE — — — — — — — — — — — — —

KMF BUILDERS & DEVELOPERS LIMITED

No.508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore-17

ATTENDANCE SLIP

Name of the shareholder(s) : ……..……
(IN BLOCK LETTERS)
Registered Folio No. : ……..…….……

D.P.ID No.#……..……Client ID No.#……..……
I/We hereby record my/our presence at the 18th Annual General Meeting of the company will be held at No.508, Golf Manor Apartments, NAL Wind Tunnel Road, Murugeshpalya, Bangalore-17, on Monday, the 23rd September 2013, at 10:30am, at 11.00 am. I/We certify that I/we am/are registered shareholder/proxy* for the registered shareholder of the company.

…… ……

(Name of the Proxy) (Signature of the member/proxy* to be signed at the attendance counter)

*Delete whichever is not applicable

#For members holding shares in dematerialised mode.

Notes:

1. For their own convenience, the members are requested to deliver their attendance slips at the attendance counter in a queue.
2. Incomplete attendance slips will not be accepted at the attendance counter. For any problem or information, please contact the enquiry counter, before proceeding to attendance counter.
3. Please bring your copy of annual report at the Annual General Meeting.
4. **No gifts/coupons shall be distributed at the meeting.**

BOOK - POST

If Undelivered, please return to :

KMF BUILDERS & DEVELOPERS LIMITED
No. 508, GOLF MANOR APPARTMENTS
NAL WIND TUNNEL ROAD,
MURGESHPALYA, BANGALORE-17
OR
1008, VIKRAM TOWER, RAJENDER PLACE,
NEW DELHI-110008

B. Sreenivasa & CO
CHARTERED ACCOUNTANTS

Tel : +91-80-26615278
Cell : +91-9845101463
E-mail : sreenivasa@bsac.co.in
b_sreenivasa@yahoo.com

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the company:	KMF Builders & Developers Ltd
2.	Annual financial statements for the year ended	31st March 2013
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Repetitive from many years i.e appointment of Internal Auditor
5.	To be signed by – - CEO/Managing Director - CFO - Auditor of the company - Audit Committee Chairman	For KMF Builders & Developers Ltd. Managing Director For KMF Builders & Developers Ltd. Whole Time Director For KMF Builders & Developers Ltd. Director

For B. SREENIVASA & Co.
Chartered Accountants
Firm Regn. No. 009287S

Proprietor
M.S. No. 215645

"Samskruthi" # 20, Ground Floor, Pampamahakavi Road,
Opp. Basavanagudi Swimming Pool, Shankarpuram, Bangalore - 560 004