



# **KOSIAN INDUSTRIES LIMITED**

*20th Annual Report 2009-2010*

## 20th Annual Report 2009 - 2010

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### BOARD OF DIRECTORS

Shri Inderjeet Arya	:	Chairman & Non – Executive Promoter Director
Shri Kishorkumar Arya	:	Non – Executive Promoter Director
Col R S Malik	:	Independent Director
Major S. P. S. Rathore	:	Independent Director

### REGISTERED & CORPORATE OFFICE

B / 202, Gayatri Darshan,  
Thakur Complex,  
Kandivali (E),  
Mumbai – 400101.

### AUDITORS

Jayesh Sanghrajka & Co.  
Chartered Accountants.  
Mumbai.

### REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Private limited  
Unit – I, Luthra Ind. Premises,  
Andheri Kurla Road,  
Safed Pool, Andheri (East),  
Mumbai – 400 072

### LISTING OF EQUITY SHARES:

**The Bombay Stock Exchange Limited,**  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400 001

**The Delhi Stock Exchange Limited,**  
3 & 4 / 4B, Asaf Ali Road,  
New Delhi – 110 006

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **20<sup>th</sup> Annual General Meeting** of the members of **Kosian Industries Limited** will be held on **Thursday, the 30<sup>th</sup> day of September, 2010** at **11.00 a.m.** at **Shivam Sundaram Hall, 1<sup>st</sup> Floor, Maruti Towers, Thakur Complex, Kandivali (E), Mumbai - 400101** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31<sup>st</sup> March, 2010 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kishorkumar Arya, who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.
3. To re-appoint M/s Jayesh Sanghrajka & Co., Chartered Accountants, Mumbai, as auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

**DATE** : 2<sup>nd</sup> September, 2010

**PLACE** : Mumbai

**Regd Office:**

**B/202, Gayatri Darshan,**

**Thakur Complex,**

**Kandivali (E),**

**Mumbai- 400 101.**

**FOR AND ON BEHALF OF THE BOARD  
KOSIAN INDUSTRIES LIMITED**

**Sd/-**

**INDERJEET ARYA  
DIRECTOR**

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. The proxies, in order to be effective must be deposited with the registered office company, not less than 48 hours before the time fixed for the commencement of the meeting.
3. Members are requested to notify immediately any change in their addresses details to the Company's Registrar and Share Transfer Agents for shares held in Demat / physical form at **SHAREX DYNAMIC (INDIA) PRIVATE LIMITED (Unit: Kosian Industries Limited), Unit - I, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072.**
4. Printed Copies of the Balance Sheet, Profit and Loss Account, Director's Report, Auditor's Report and every other document required by the law to be annexed or attached to the Balance Sheet for the year ended 31<sup>st</sup> March, 2010 are enclosed herewith.
5. The Register of Members and Share Transfer Register shall remain closed from **Thursday, the 23<sup>rd</sup> September, 2010 to Thursday, the 30<sup>th</sup> September, 2010** (both days inclusive).

6. As a austerity measures in economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
7. Members are requested to produce the duly signed attendance slip, sent along with the Annual Report and Accounts, for admission to the meeting hall.
8. Any member requiring further information on accounts at the meeting are requested to send their queries in writing to the Board of Directors of the Company on or before 10<sup>th</sup> September, 2010.
9. Details of Directors seeking reappointment at the forthcoming Annual General Meeting are as under:

<b>Name of the Director</b>	Mr. Kishorkumar Arya
<b>Age</b>	47 Years
<b>Qualification</b>	S.S.C.
<b>Nature of his expertise in specific functional areas</b>	In Pharma Export
<b>Number of Directorship in other Indian Public Limited company &amp; Other firms as on 31.03.2010</b>	3
<b>Shareholding</b>	2,00,000 shares (6.66%)

**Date** : 2<sup>nd</sup> September, 2010  
**Place** : Mumbai.  
**Regd. Office** : B/202, Gayatri Darshan,  
 Thakur Complex,  
 Kandivali (E),  
 Mumbai - 400101.

**FOR AND ON BEHALF OF THE BOARD**  
 Sd/-  
**INDERJEET ARYA**  
 DIRECTOR

## DIRECTORS' REPORT

**To The Members,**

The Directors are pleased to present their 20<sup>th</sup> Annual Report on the business and the operations of the Company and the statement of accounts for the year ended on March 31, 2010.

### 1. FINANCIAL RESULTS:

	Year Ended 31.03.10 (Rs. in Lacs)	Year Ended 31.03.09 (Rs. in Lacs)
Income	249.45	807.53
Profit Before Tax	0.68	2.44
Less : Provision for Taxation		
- Current Tax	0.23	0.43
- Deferred Tax	2.28	(0.65)
- Prior Period Income Tax	--	--
Net Profit After Tax	(1.83)	2.66
Dividend	NIL	NIL
Transfer to reserves	NIL	NIL

### 2. FINANCIAL OPERATIONS:

During the year under review, the Company had made sales of Rs. 7,227,500/- as against Rs. 57,164,619/- for the last year. During the year 2009-10 the company made profit before tax of Rs.67,847/- as against Rs.2,43,828/- in the previous year. Due to bad market conditions the company could not make substantial profit.

### 3. FUTURE PROSPECTS:

Your Company through efficient management system, automation and modernization is confident of minimizing the risks and increasing the profits of the Company in coming years. The economy is now moving towards positive directions, therefore, the company expects good result in time to come.

### 4. FOREIGN EXCHANGE EARNINGS / OUTGO:

During the year under review, the Company does not have any inflow or outflow of Foreign Exchange.

### 5. DEPOSITS:

The Company has not accepted any Fixed Deposits from the Public.

### 6. SUBSIDIARIES:

Since the Company has no subsidiaries, provision of section 212 of the Companies Act, 1956 do not apply to the Company.

## **7. DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956, Mr. Kishorkumar Arya is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re- appointment.

The Board recommends his reappointment.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, It is hereby confirmed:-

- i. That in the preparation of the Annual Accounts, for the financial year ended 31st March 2010 the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the Profit of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the accounts for the financial year ended 31st March 2010 on a going concern basis.

## **9. INTERNAL AUDIT AND CONTROL:**

Present systems and controls are adequate for the business of the company. The Audit Committee reviews the internal controls regularly

## **10. AUDITORS:**

M/s. Jayesh Sanghrajka & Co., Chartered Accountants, Mumbai, appointed as the Statutory Auditors of the Company at the last Annual General Meeting retire at the forthcoming Annual General Meeting. They have confirmed that if re-appointed, it will be within the limits of Section 224(1B) of the Companies Act, 1956.

## **11. AUDITORS' REPORT**

The notes to Auditor's Reports are self explanatory and hence no explanation is required from the Board as such.

## **12. MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis of Financial Condition and Results of Operation of the Company for the year under review, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges, is given as a separate statement in this Annual Report (Annexure I)

## **13. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:**

The particulars under the companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, on conservation of energy and technology absorption are not applicable.

**14. PARTICULARS OF EMPLOYEES:**

During the year under consideration, no employee of the Company was in receipt of remuneration exceeding the sum prescribed under section 217(2A) of the Companies Act 1956, read with the Companies (particulars of employees) Rules 1975. Thus furnishing of particulars under the Companies (particulars of employees) Rules 1975 does not arise.

**15. LISTING OF SHARES:**

Equity shares of your Company are currently listed on with Bombay Stock Exchange Limited and Delhi Stock Exchange Limited. The Company has been paying the necessary listing fees to Bombay Stock Exchange regularly. The Company has initiated the correspondence for delisting from Delhi Stock Exchange Limited and therefore, not paying the listing fee for the same.

**16. DEMATERIALISATION OF SHARES:**

Shares are under compulsory Demat form and the ISIN Number is **INE 518D 01017**.

**17. COMPLIANCE CERTIFICATE:**

Compliance Certificate as required under section 383A of the Companies Act, 1956 prepared and issued by HS Associates, Company Secretaries in Practice, is annexed in Annexure 2.

**18. CORPORATE GOVERNANCE:**

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report (Annexure 3).

**19. CAUTIONARY STATEMENT:**

The statements in this report including Management's Discussion & Analysis report reflects Company's projections, estimates, expectations or predictions & contains forward looking statement that involve risks and uncertainty. The company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise. Actual results, performance, or achievements could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not to place undue reliance on these forward looking statements that speak only of the expectations as on the date.

**20. ACKNOWLEDGMENT:**

The Board of Directors wishes to express sincere thanks to all stakeholders Bankers, auditors, employers, consultants, etc for extending their support directly and/or indirectly in various activities of the company.

**PLACE : MUMBAI**  
**DATE : 2<sup>nd</sup> September, 2010**

**FOR AND ON BEHALF OF THE BOARD**

**Sd/-**

**INDERJEET ARYA**  
**CHAIRMAN**



**MANAGEMENT DISCUSSION AND ANALYSIS****A. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

After a brief but sharp slowdown in the aftermath of the financial crisis that began in the developed economies, India was still able to recover to become the second fastest growing economy in the world. The combination of a stable and sound financial system, effective regulatory oversight and a prompt and appropriate policy stimulus response helped the economy withstand much of the adverse effects of the global slowdown. The strong domestic demand is now increasingly being augmented by improving external trade. There has also been a recovery in the growth of gross fixed capital formation, which had significantly declined in 2008-09. However, inflationary conditions in 2009-10, especially in the second half of the year, with double-digit food inflation remain an area of concern.

There was thus a greater degree of prudence and caution in lending to sectors that appeared relatively vulnerable. On the other hand, slower demand for credit and the consequent ample liquidity led to the deployment of funds for short durations in non-banking investment opportunities such as mutual funds and commercial paper. Global credit and liquidity conditions have improved significantly in the second half of 2009 and although it is unlikely that there will be policy tightening in developed countries in the first half of 2010. We do expect a gradual contraction of policy induced liquidity in the future as concerns relating to price pressures and asset bubbles replace concerns about growth. It is expected, that fiscal 2011 will witness a return to more normal patterns of funds deployment.

**B. OPPORTUNITIES AND THREATS:**

There are a few minor opportunities and your Board is considering every available business avenue which can be exploited. However, given the volatility of the stock market, in which our company is operating, cautious steps have to be taken so that profitability is maintained even in difficult market conditions.

**C. SEGMENT - WISE OR PRODUCT WISE PERFORMANCE:**

During the year, the Company has done the business of Trading in Shares and Diamonds. Due to bad market conditions the company could not make substantial profit but expects good profit from these activities in time to come.

**D. PROSPECTS:**

The promoter – directors of the company are exploring and working out more avenues including manufacturing of niche products and shall be able to crystallize the things in near future.

**E. CAUTIONARY STATEMENT:**

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise and forward looking statements, on the basis of any subsequent development, information or events.

**FOR AND ON BEHALF OF THE BOARD**

Sd/-

**INDERJEET ARYA**  
**CHAIRMAN**

PLACE : MUMBAI

DATE : 2<sup>nd</sup> September, 2010

**COMPLIANCE CERTIFICATE**

Regn. No. of the Company: L67190MH1990PLC055497.

Nominal Capital: 300,000,000/-

To,  
**THE MEMBERS,**  
**KOSIAN INDUSTRIES LIMITED**  
Regd. Office: B / 202, Gayatri Darshan,  
Thakur Complex, Kandivali (E),  
Mumbai - 400101

We have examined the registers, records, books and papers of **KOSIAN INDUSTRIES LIMITED**, ("the Company") as required to be maintained under the Companies Act, 1956, (the "Act") and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> MARCH, 2010** ("financial year"). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate, with the Registrar of Companies within the time prescribed under the Act and the rules made there under and wherever the documents are filed late; the additional fees have been paid.
3. The Company being a Public Limited Company has the minimum prescribed paid up Capital.
4. The Board of Directors duly met **(5) Five** times i.e. on 30<sup>th</sup> April, 2009, 29<sup>th</sup> June, 2009, 30<sup>th</sup> July, 2009, 30<sup>th</sup> October, 2009, and 27<sup>th</sup> January, 2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company had closed its Register of Members from Thursday the September 10, 2009 to, Thursday the September, 17, 2009 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2009 was held on 17<sup>th</sup> September, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary meeting was held during the financial year.
8. The Company has not advanced any loans to its Directors and/or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government, as the case may be.
12. The Duly constituted Committee of Directors has approved the issue of Four (4) duplicate certificates aggregating to 400 Shares during the Financial Year.
13. The Company has:
  - i. approved transfer of 2200 Equity Shares in physical form and 4300 equity shares in Demat form of Rs. 10/- each as on 31<sup>st</sup> March, 2010. There was no allotment of securities during the financial year.
  - ii. not deposited any amount in a separate bank account as no dividend was declared during the financial year.
  - iii. not required to post warrants to any members of the company as no dividend was declared during the financial year.
  - iv. not transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured