

# **30<sup>TH</sup> ANNUAL REPORT**

**2011 – 2012**



**KRISHNA VENTURES  
LIMITED**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Mr. Vijay Khetan      Whole Time Director  
Mrs. Meena Khetan    Director  
Mr. Ratish Tgade      Director  
Mr. Kishor Vussonji    Director  
Mr. Avinash Jagushte   Director  
Mrs. Savita Sonavane   Director

### **STATUTORY AUDITORS**

M/s. Bansi S. Mehta, Chartered Accountants,

Address: 11/13, Botawala Building, 2nd Floor,  
Horiman Circle, Mumbai - 400 001

Ph: 022. 22661255 / 22660275

### **REGISTERED OFFICE**

7<sup>th</sup> Floor, Corporate Center, Andheri Kurla Road,  
Andheri (E), Mumbai- 400 059

Ph: 022 28269569

### **REGISTRAR AND SHARE TRANSFER AGENTS**

M/s. Universal Capital Securities Private Limited

21, Shakti Niwas, Opp. Satya Saibaba Temple,  
Mahakali Caves Road, Andheri (E), Mumbai- 400  
093

Ph: 022 2820 7203-05

### **BANKERS**

Kotak Mahindra Bank  
IDBI Bank

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## **NOTICE**

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**NOTICE** is hereby given that the 30<sup>th</sup> Annual General Meeting of the Members of Krishna Ventures Limited will be held on Tuesday, 10<sup>th</sup> July, 2012 at 11: 00 am at 7th Floor, Corporate Centre, Andheri Kurla Road, Andheri (East), Mumbai 400059 to transact, the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet as on 31<sup>st</sup> March 2012, the Profit and Loss account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To re-appoint a Director in place of Mrs. Meena Khetan, who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint M/s. Bansi S. Mehta & Co., Chartered Accountants, as the Auditors of the Company to office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**For and On Behalf of the Board of Director**

Place: Mumbai  
Date: May 19, 2012  
**Whole Time Director**  
**Registered Office:**  
7th Floor, Corporate Centre  
Andheri Kurla Road, Andheri (East)  
Mumbai – 400 059.

Sd/-  
**Vijay Khetan**

### **NOTES:**

1. **MEMBERS ENTITLED TO ATTEND AND VOTE ARE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER.**
2. Proxies in order to be effective, should be duly completed stamped and signed, and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing to attend and vote on their behalf at the Meeting along with the attendance slip or proxy as the case may be.
4. Members are requested to notify immediately any changes in their address.
5. Members are requested to bring their copy of the Annual Report to the Meeting.
6. Register of Members and Share Transfer Books will be closed from July 06, 2012 to July 10, 2012 (both days inclusive).
7. Shareholders are requested to forward their queries on the accounts for the financial year ended March 31, 2011 to the Company at least 10 days in advance, to enable us to keep the required information available at the Meeting.

8. Members are requested to give their valuable suggestions for improvement of the services and are also advised to quote their E-mail Id's, telephone / facsimile no. for prompt reply of their communications.
9. The Ministry of Corporate Affairs, Government of India has come out with a circular dated 29<sup>th</sup> April 2011 which allows the companies to send documents including Annual Reports and other intimation by an email. Therefore you are requested to register your email IDs with the Registrar and Transfer Agent of the Company. The Company is already having email ID of the members holding their shares in Demat through their respective Depository Participants. The said email ID shall be considered as registered email ID for the said members unless informed otherwise by the respective shareholder to the Company or Registrar and Transfer Agent.

**For and On Behalf of the Board of Director**

Place: Mumbai  
Date: May 19, 2012  
**Whole Time Director**  
**Registered Office:**  
7th Floor, Corporate Centre  
Andheri Kurla Road, Andheri (East)  
Mumbai – 400 059.

Sd/-  
**Vijay Khetan**

## **DIRECTORS' REPORT**

To  
The Shareholders  
**Krishna Ventures Limited**

Your Directors have pleasure in presenting their 30<sup>th</sup> Annual Report on the business and operations of the company together with Audited Balance Sheet and Profit & Loss Account for the year ended 31<sup>st</sup> March, 2012. A summary of Financial Results is given below:

### **FINANCIAL RESULTS:**

(Rs. In lacs)

Particulars	2011 – 2012	2010-2011
Total Income	67.53	36.78
Gross Profit	33.19	4.77
Depreciation	Nil	Nil
Interest	Nil	Nil
Provision for Tax	1.30	Nil
Net Profit	31.89	4.77
Proposed Dividend	Nil	Nil
Balance b/f	7.06	2.29
Profit c/f to Balance Sheet	38.95	7.06

### **OPERATIONAL REVIEW:**

The Company operates in one segment only i.e. Business of Builder, Contractor, Developer and Consultancy. During the year under review, there is 83.60 % increase in income of the Company. The 50% of its revenue is from its consultancy business and rest is from the investment of idle funds. The Company is exploring various options for acquisition of suitable properties which will prove to be a viable business proposition.

### **RESERVES:**

During the year under review, no amount was transferred to Reserves. However credit balance of Profit and Loss Accounts has been transferred to Reserves & Surplus in the Balance Sheet.

### **DIVIDEND:**

In order to augment the financial position of the Company, your Directors do not recommend any dividend for the year under consideration.

### **SHARE CAPITAL:**

The Company has made a preferential allotment of 99,00,000 Equity shares of Rs. 10/- each at par to the promoters and non promoters. As on March 31, 2012, Paid – up Share Capital of the Company is Rs. 10,80,00,000/- divided into 1,08,00,000 equity shares of Rs. 10/- each fully paid-up.

### **SUBSIDIARIES:**

The Company does not have any subsidiary Company.

### **FINANCIAL RESTRUCTURING – MERGER:**

That in order to expand the business activities in other states of India and in view of maximizing Shareholders' wealth and other additional benefits, the Board has decided to acquire Rudra Mahima Business Ventures Limited (Transferor Company) ,a Jaipur based Company and merge it with Krishna Ventures Limited (Company).

Accordingly the Board has approved the Scheme of merger with swap ratio of 37 fully paid up equity shares of the Company for every 5 equity shares fully paid up held in the Transferor Company and filed the application with the High Court of Bombay and Jaipur. Both the courts have admitted the application and shareholders of the Company have approved the proposal in its Court Convened Meeting held on April 28, 2012 as per directions of Hon'ble High Court of Bombay and shareholders of Transferor Company had already given consents for the same.

### **PUBLIC DEPOSITS**

The Company has not accepted any deposit from public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

### **AUDITOR'S OBSERVATIONS**

Auditors have not put any adverse remarks or qualification in their audit report which is required to be commented in this report.

### **AUDITORS:**

M/s Bansi S. Mehta & Co., Chartered Accountants, Auditors of the Company, who holds office until the Conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from the Auditors to the effect that their re-appointment, if made, would be in-accordance with Section 224(1B) of the Companies Act, 1956.

The Board recommends their re-appointment for the current year to hold office from the conclusion of ensuing Annual General Meeting until, the conclusion of the next Annual General Meeting.

### **DIRECTORS**

In accordance with Section 255 and S. 256 of the Companies Act, Mrs. Meena khetan, Director of the company, retire by rotation at the ensuring Annual General Meeting, has offered herself for reappointment.

Mr. Vijay Khetan is the executive director and Mrs. Meena Khetan, Mr. Ratish Tagde, Mr. Kishore Vussonji, Mrs. Savita Sonawane and Mr. Avinash Jagushte are other non executive directors.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under 217 (2AA) of the Companies Act, 1956, the discussions had with the Statutory Auditors and subject to disclosures in the Annual Accounts, The Directors states that:

1. In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

2. They had 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 ended 31<sup>st</sup> March, 2012 and of the Profit or Loss of the Company for that year.
3. They had taken proper and sufficient care 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.
4. They had prepared the Annual Accounts on a going concern basis.

#### **DISCLOSURE UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:**

As the Company is not carrying out any manufacturing activities, the provisions of the section 217(1)(e) of the Companies Act, 1956 read with the Companies Rule 2(A) and 2(B) of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 are not applicable. Reporting in the prescribed format has been made in Annexure-I.

During the year under consideration, the Company had no foreign exchange out go and no Foreign exchange income.

#### **PARTICULAR OF EMPLOYEES**

The statement of particulars of employees required under the section 217(2A) of the Companies Act, 1956 read with the Company's (Disclosure of Particulars of Employees) Rules, 1975 is not attached as none of the employees are covered under the said section.

#### **CORPORATE GOVERNANCE REPORT**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are attached herewith forms part of the Directors' Report.

#### **MANAGEMENT ANALYSIS AND DISCUSSION REPORT**

Management Discussion and Analysis report is attached herewith forms part of this report.

#### **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation of the co-operation offered by the Stakeholders, banks, employees, State Government and Local authorities during the Year.

Your Directors also wish to place on record their deep sense of appreciation for the contribution and commitment made by every member of the Company.

**For and on behalf of the Board**

Sd/-

**Vijay Khetan**  
**Whole Time Director**

Place: Mumbai  
Date: May 19, 2012

## **ANNEXURE I**

### **I. CONSERVATION OF ENERGY:**

- (a) Energy conservation measures taken – Nil
- (b) Additional investments and proposals if any, being implemented for reduction of consumption of energy – Nil
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods – Nil
- (d) Total energy consumption and energy consumption per unit of production – Nil

### **FORM-A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

- A. Power and fuel consumption: Nil
- B. Consumption per unit of production: Nil

### **II. TECHNOLOGY ABSORPTION**

### **FORM-B: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION ETC.,**

- I Research and Development: Nil
- II Technology Absorption, Adaptation and Innovation: Nil

### **II. FOREIGN EXCHANGE EARNINGS AND OUTGO**

- I. Earnings in Foreign Exchange during the year: NIL
- II. Foreign Exchange outgo during the year: NIL

**On behalf of Board of Directors of**

Sd/-  
**Vijay Khetan**  
**Whole Time Director**



## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **Industry Structure and Developments:**

For many years now, real estate sector was a major sector, which remained untapped business by corporate. Though the potential of this market is immense, majority of the Indian real estate sector is still unorganized. The post liberalization GDP growth has changed the business arena in India, in such a way that, the demand for the property has skyrocketed in recent times. With a strong purchasing power parity fuelled by incredible economic growth has made itself an attractive destination for the property investors. The boom in real estate sector continued with growing demand for the infrastructural requirements in the four major sectors i.e. housing, office space, hotels and retail shopping malls.

### **Opportunities and Threats:**

#### **Opportunities:**

- Continuous private sector housing boom will create more construction opportunities.
- Public sector projects through Public Private Partnerships 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 and real estate industry

#### **Threats:**

- Long term market instability and uncertainty may damage the opportunities and prevent the expansion of training and development facilities.
- Current economic situation 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 casualties such as earth quake and floods are uncertain and can prevent the construction boom.
- Inefficient accessibility in planning and concerning the infrastructure.
- Competitors are emerging in the industry by leaps and bounds.

### **Segment-wise or product-wise performance:**

Your Company operates in one segment only viz. Builder, Contractor, Developer and Consultancy. Currently the management is in the process of identifying suitable properties in Mumbai and nearby places for construction and development.

### **Outlook:**

The market for real estate is still in a nascent stage in India. Though the overall outlook for 2012 is negative this sector has a vast potential to grow, provided it restructures its strategy. The dependency of industry on debt cash flows is likely to increase in the near future. The bank are also cautious about extending financial support real estate companies because of their creditworthiness.

The real estate industry has to mature and implement best practices in its day to day operations to make it more organized sector, which is instrumental in attracting investments.

**Risk and Concerns:**

- Construction industry suffers from capacity constraints.
- Lack of trained manpower and managerial skills with performance much below international level.
- The industry is starved of finance.
- Small and medium contractors do not have the wherewithal to upgrade their capability.
- Quality, safety, environment and social aspects are also not being addressed appropriately.

**Internal control systems and their adequacy:**

Considering the size of current operations, the internal control systems are adequate to report any material discrepancy in operations.

**Discussion on financial performance with respect to operational performance:**

Your Company has not fully operational in its real estate business. Current revenue is generated by the consultancy business. However, the management is confident of better performance in years to come.

**Material developments in Human Resources / Industrial Relations front, including number of people employed:**

Your Company is in the phase of planning and restructuring. It avails of services of experts from varied field of Income tax, Mergers and Acquisitions, Legal on consultancy basis. Currently the back office of the Company is managed by 6 persons.