



**KRISHNA VENTURES LIMITED**

**33<sup>RD</sup> ANNUAL REPORT**

**2014-2015**



**KRISHNA**  
**VENTURES**  
CREATING FOUNDATIONS





CORPORATE SCAPE



CORPORATE CENTRE



KRISHNA RESIDENCES

## **CORPORATE INFORMATION**

<b>BOARD OF DIRECTORS</b>	Mr. Vijay Khetan (Chairman & Managing Director) Mrs. Meena Khetan (Non Executive Director) Mr. Ratish Tagde (Independent Director) Mr. Kishore Vussonji (Independent Director) Mr. Vijay Agrawal (Independent Director)
<b>AUDIT COMMITTEE</b>	Mr. Ratish Tagde Mrs. Meena Khetan Mr. Vijay Agrawal
<b>NOMINATION &amp; REMUNERATION OF THE COMPANY</b>	Mr. Ratish Tagde Mrs. Meena Khetan Mr. Vijay Agrawal
<b>STAKEHOLDERS RELATIONSHIP COMMITTEE</b>	Mr. Ratish Tagde Mr. Kishore Vussonji
<b>STATUTORY AUDITOR</b>	Bansi S. Mehta & Co., Chartered Accountants 11/13, Botawala Building, 2 <sup>nd</sup> Floor, Horiman Circle, Mumbai – 400 001
<b>COMPANY SECRETARY</b>	Ms. Krishna Parekh
<b>CIN</b>	L45400MH1981PLC025151
<b>REGISTERED OFFICE</b>	7 <sup>th</sup> Floor, Corporate Centre, Opp. Hotel Vits, Andheri - Kurla Road, Andheri (East), Mumbai – 400059 Website: <a href="http://www.vijaykhetangroup.com">www.vijaykhetangroup.com</a> Email ID: <a href="mailto:corporate@krishnaventures.com">corporate@krishnaventures.com</a> Contact No.: 022-28269568/69
<b>REGISTRAR AND SHARE TRANSFER AGENT</b>	Universal Capital Securities Pvt. Ltd. 21, Shakti Nivas, Opp. Satya Saibaba Temple, Mahakali Caves Road, Andheri (East), Mumbai – 400059 Website: <a href="http://www.unisec.in">http://www.unisec.in</a> Email ID: <a href="mailto:info@unisec.in">info@unisec.in</a>
<b>BANKERS</b>	Kotak Mahindra Bank Limited IDBI Bank Limited

## INDEX

<b>CONTENTS</b>	<b>PAGE NO.</b>
1. Notice of Annual General Meeting	3
2. Directors' Report	18
3. Management Discussion & Analysis Report	39
4. Corporate Governance Report	42
5. Independent Auditors' Report	62
6. Financial Statements	66

## NOTICE

**NOTICE** is hereby given that the **Thirty Third Annual General Meeting of Krishna Ventures Limited** will be held at 7<sup>th</sup> Floor, Corporate Center, Opp. Hotel Vits, Andheri – Kurla Road, Andheri (East), Mumbai - 400 059 on Tuesday, 29<sup>th</sup> September, 2015 at 3.00 p.m to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements of the Company for the year ended March 31, 2015, including the audited Balance Sheet as at March 31, 2015, the statement of Profit & Loss and Cash Flow statement for the financial year ended on that date including any explanatory note annexed to, or forming part of, the aforementioned documents together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Meena Khetan having Director Identification Number (DIN) 00436284, who retires by rotation and is eligible for re-appointment.
3. **Re-Appointment of Statutory Auditors:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Audit and Auditors) Rules, 2014 (the rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), appointment of M/s. Bansi S. Mehta & Co., Chartered Accountants, Mumbai (having ICAI Firm Registration No.100991W), who have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and is hereby ratified to hold office from the conclusion of this Annual General Meeting until the conclusion of Thirty Fourth Annual General Meeting of the Company at such remuneration as maybe mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee.”

### **SPECIAL BUSINESS:**

4. **Appointment of Mr. Vijay Khetan as the Managing Director of the Company:**

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** in accordance with the provisions of Section 196, 197 and 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V of the Companies Act, 2013 and such other sanctions and approvals as may be necessary, the consent of the Company be and is hereby given for appointment of Mr. Vijay Khetan (holding DIN 00436052) as a Managing Director of the Company, designated as the “Chairman and Managing Director” for the period of five years with effect from 31<sup>st</sup> January, 2015 to 30<sup>th</sup> January, 2020 on such terms and conditions for appointment and remuneration as set out in the agreement between the Board and Mr. Vijay Khetan and the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said appointment and/ or remuneration



in accordance with the limits specified in Section 197 and Schedule V and other applicable provisions of the Companies Act, 2013, or any amendments thereto and as may be agreed to between the Board and Mr. Vijay Khetan from time to time.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.”

#### **5. Adoption of new set of the Articles of Association of the Company:**

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof), the new set of Articles of Association of the Company, as placed before the meeting duly initialed by the Chairman for the purpose of identification, be and is hereby approved and adopted, in substitution for and to the entire exclusion of the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem desirable, necessary, expedient, usual or proper to implement this resolution.”

#### **6. Borrowing pursuant to Section 180(1)(c) of the Companies Act, 2013:**

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

“**RESOLVED THAT** in supersession of all the earlier resolutions passed in pursuant to the provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), provisions of the Articles of Association of the Company and subject to other statutory approvals, consents, sanctions and permissions, as may be necessary, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers, including the powers conferred by this resolution) for borrowing, from time to time, any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) exceeding the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed by the Board shall not exceed Rs. 500,00,00,000/- (Rupees Five Hundred Crore Only) at any point of time.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to take all such actions and to do all such acts, deeds, matters and things and to execute all such deeds,

documents and writings as may be necessary, desirable or expedient in connection with the above resolution”.

**7. Creation of charge on the assets of the Company pursuant to the Section 180(1)(a) of the Companies Act, 2013**

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

“**RESOLVED THAT** in supersession of all the earlier resolutions passed pursuant to provision of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the Company be and is hereby accorded to the Board of Directors of the Company to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, to or in favour of all or any of the financial institutions/banks/insurance companies/other investing agencies/trustees or otherwise to secure Rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, *premia* on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/to be entered into by the Company in respect of the said Loans, shall not at any time exceed the limit of Rs. 500,00,00,000/- (Rupees Five Hundred Crore Only).

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to finalize and execute with the Lenders/ Trustees the requisite agreements, documents, deeds and writings for creating the aforesaid mortgage(s) and/ or charge(s) on such terms and conditions as they may consider necessary and expedient in their absolute discretion and to do all such other acts, deeds and things as they may be necessary to give effect to the above resolution.”

**8. Approval of Related Party Transactions pursuant to Section 188 of the Companies Act, 2013**

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

“**RESOLVED THAT** pursuant to Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board & its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, Clause 49 of the Listing Agreement and subsequent modification/ amendments thereof, if any; approval of the members of the Company be and is hereby accorded for entering into contracts/ arrangements with related parties viz. Subsidiaries of the Companies (whether wholly owned or otherwise), and whether in existence or will come into existence in future, from the financial year 2015-16 and onward and all the entities which falls in the definition of Related Party pursuant to the provision of section 2(76) of the Act, up to the maximum amounts as appended below against each nature or class of contract / arrangement.

<b>Details of RPT</b> (Pursuant to rule 15 of Companies (Meeting of Board & its Powers) Rules, 2014)					
1	The name of the related party	Krishna Developers Pvt Ltd (KDPL)	Krishna Ventures Realty Pvt Ltd (KVRPL)	Greenery Rock LLP	Greenery Castle Private Limited (GCPL)
2	Name of the director or key managerial personnel who is related	Mr. Vijay Khetan & Mrs. Meena Khetan	Mr. Vijay Khetan & Mrs. Meena Khetan	Mr. Vijay Khetan & Mrs. Meena Khetan	Mr. Vijay Khetan & Mrs. Meena Khetan
3	Nature of relationship	Common Directors & Shareholders	Common Directors & Shareholders	The Company being one of the Designated Partners in the LLP	Common Directors & Shareholders
4	The nature and particulars of the contract or arrangement	Consultancy Service and/or Advance against purchase of property	Consultancy Service and/or Advance against purchase of property	Consultancy Service and/or Advance against purchase of property	Consultancy Service and/or Advance against purchase of property
5	The monetary value of the contract/s	Consultancy: Not exceeding Rs. 20 Crore  Advance against purchase of property: Not exceeding Rs. 100 Crore	Consultancy: Not exceeding Rs. 10 Crore  Advance against purchase of property: Not exceeding Rs. 50 Crore	Consultancy: Not exceeding Rs.10 Crore  Advance against purchase of property: Not exceeding Rs. 50 Crore	Consultancy: Not exceeding Rs. 10 Crore  Advance against purchase of property: Not exceeding Rs. 50 Crore
6	Any other information relevant or important for the Board to take a decision on the proposed transactions	Krishna Ventures Group is in the process of organizational and financial restructuring. Under the said process of restructuring, to ensure financial flexibility and enable optimal financing structure in order to achieve long term strategic and business objective, it shall be required to enter into contractual relationship between the Company and its other group companies which shall be categorized into “Related Party Transactions” under Section 188 of the Companies Act, 2013.			

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution and to do all such acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.”



**Notes:**

- a. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Item Nos. 4 to 8 of the accompanying Notice are annexed hereto.
- b. The disclosures required under Clause 49 of the listing agreement in respect of the Directors being appointed/ reappointed in this Annual General Meeting are given as annexure to this Notice convening Annual General Meeting.
- c. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- d. THE INSTRUMENT APPOINTING A PROXY, IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- e. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- f. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting
- g. Members/Proxies/Authorized Representatives are requested to bring enclosed attendance slip, duly completed and signed for attending the Meeting. Copies of Annual Report or Attendance Slip shall not be provided at the meeting.
- h. 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 at the Meeting.
- i. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
- j. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 26<sup>th</sup> September, 2015 to Tuesday, 29<sup>th</sup> September, 2015, both days inclusive, for the purpose of Annual General Meeting.
- k. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.

- l. Pursuant to Section 72 of the Companies Act, 2013, Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company prescribed form SH-13 with the Companies Share Transfer Agent and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.
- m. SEBI & the Ministry of Corporate Affairs encourage paperless communication as a contribution to green environment.

Members holding shares in physical mode are requested to register their e-mail IDs with Universal Capital Securities Pvt. Ltd., the Registrars & Share Transfer Agents of the Company and Members holding shares in demat mode are requested to register their e-mail IDs with their respective Depository Participants (DPs) in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

- n. The Annual Report of the Company for the Financial Year 2014-15 circulated to the members of the Company by physical and electronic mode, will also be made available on the website of the Company at [www.vijaykhetangroup.com](http://www.vijaykhetangroup.com)
- o. To ensure that shareholders' queries are answered in full, shareholders are requested to write to the Company at an early date at [corporate@krishnaventures.com](mailto:corporate@krishnaventures.com)

**p. VOTING OPTIONS:**

**VOTING THROUGH ELECTRONIC MEANS:** In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 w.e.f. 19<sup>th</sup> March, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members facility to exercise their right to vote at the 33<sup>rd</sup> Annual General Meeting (AGM) by electronic means which includes remote e-voting (i.e. voting electronically) and the items of business as detailed in this Notice may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Friday, 25<sup>th</sup> September, 2015 at 10.00 a.m. and ends on Monday, 28<sup>th</sup> September, 2015 at 5.00 p.m. (both days inclusive). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 22<sup>nd</sup> September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue